

May 8, 2024

To Whom It May Concern:

Company Name: NAGASE & CO., LTD.
Representative: Hiroyuki Ueshima
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Notice Regarding Changes to Shareholder Returns Policy
in Medium-Term Management Plan ACE 2.0

NAGASE & CO., LTD. (hereinafter referred to as “NAGASE”) decided at the Board of Directors Meetings held on May 8, 2024, to change Shareholder Returns Policy in Medium-Term Management Plan **ACE 2.0**. (FY2021-FY2025).

NAGASE hereby announces as follows.

1. Changes to Shareholder Returns Policy

(1) Reason for the Changes

Under Medium-Term Management Plan **ACE 2.0** (hereinafter referred to as "**ACE 2.0**"), we aim to achieve ROE of 8.0% or higher by focusing on growth strategies and capital efficiency. To accelerate decision-making in growth strategy, we restructured the organization and reviewed meeting structure. In addition, we have clarified our portfolio strategy by changing the business axis to the functional axis, and we are promoting the improvement of profitability by implementing Quick Win measures, such as liquidation of unprofitable businesses. At the same time, based on the recognition that further improvement of capital efficiency is necessary to achieve a consistent ROE of 8.0% or higher, we have decided to implement a total return ratio of 100% as a limited measure for the two years until the final year of **ACE 2.0**, in addition to the existing policy of continuous dividend increases. We will continue to strive to improve corporate value by enhancing capital efficiency and improving profitability.

(2) Description of Changes

(Limited measures until the end of **ACE 2.0** (FY2025). Review will be conducted at the end of **ACE 2.0**.)

	Previous Policy	New Policy
Total Return Ratio	—	<u>100%</u>
Dividends	In principle, continuous dividend increases	<u>Same as on the left</u>
Repurchase of Treasury Stocks	Implement repurchase of treasury stocks in a flexible manner up to the amount of strategic cross-shareholding sold	<u>Implement repurchase of treasury stocks flexibly</u>

(Shareholder Returns during ACE 2.0)

	FY2021	FY2022	FY2023	Forecast FY2024
Dividends per Share	54 (yen)	70 (yen)	80 ^{※1} (yen)	85 (yen)
Treasury Stock Repurchase Amount	(Millions of yen) 6,006	(Millions of yen) 5,662	(Millions of yen) 8,001	※2
Total Return Ratio	48.3%	58.9%	76.5% ^{※1}	100%

※1 FY2023 year-end dividend will be submitted for approval to the 109th general meeting of shareholders scheduled for June 2024.

※2 We will flexibly implement based on the policy of a total return ratio of 100%.

(ACE 2.0 KGIs and Results)

Indicator	Target	FY2020	FY2021	FY2022	FY2023
ROE	8.0% or higher	5.9%	7.7%	6.6%	5.9%
Operating Income	(100millions of yen) 350	(100millions of yen) 219	(100millions of yen) 352	(100millions of yen) 333	(100millions of yen) 306

End