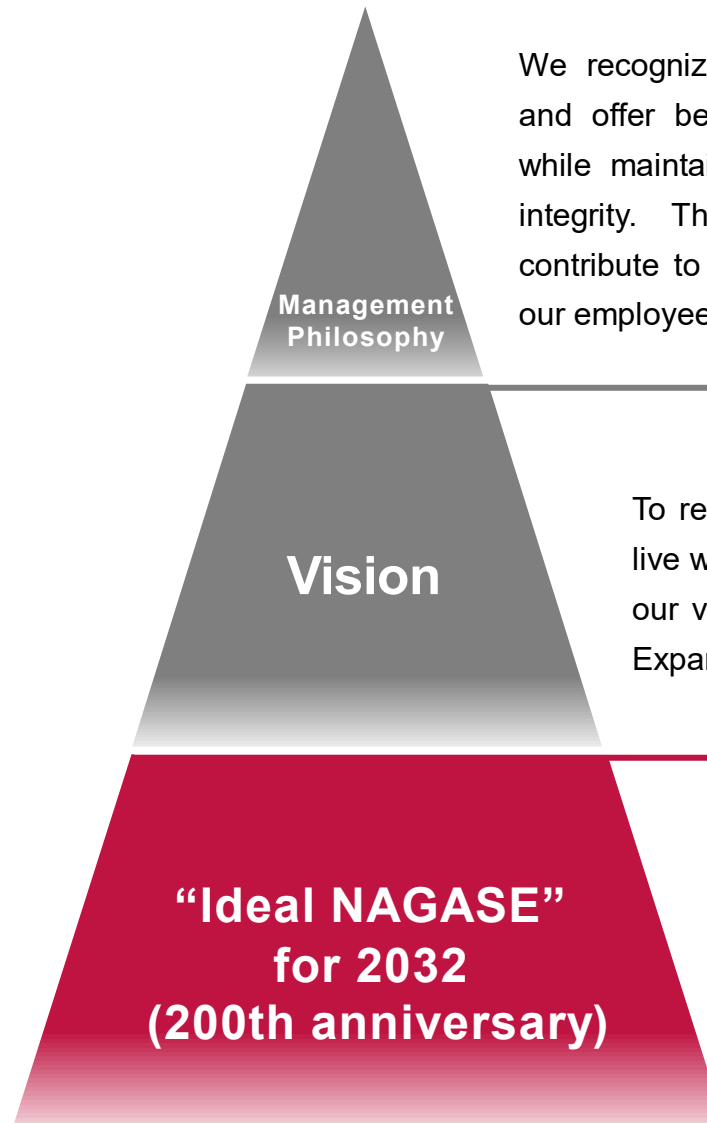
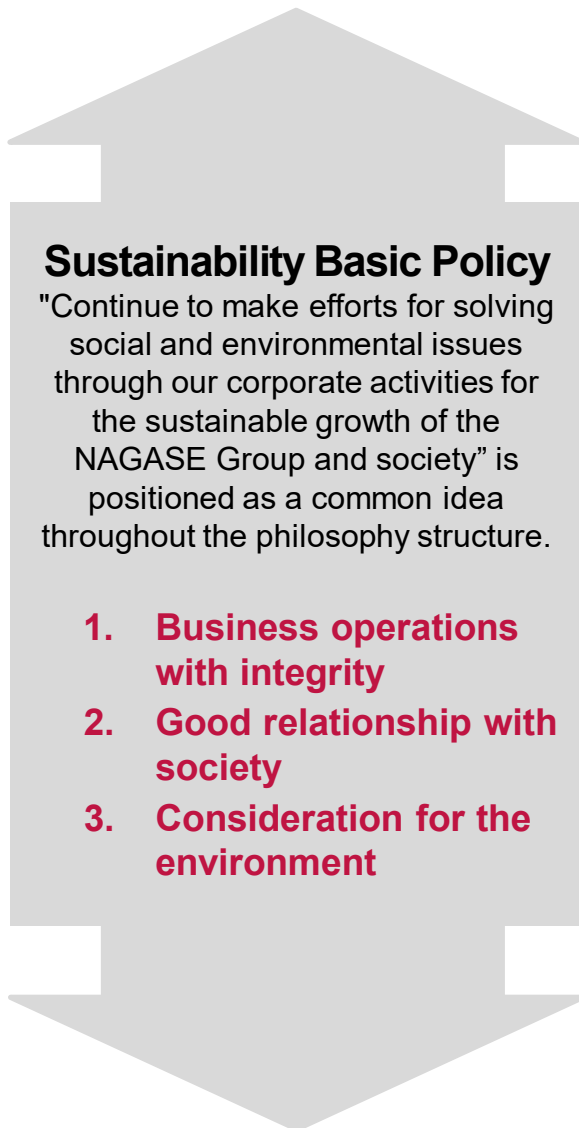


NAGASE Group Sustainability

NAGASE & CO., LTD.

May 27, 2022

Corporate Philosophy



We recognize our responsibility to society and offer beneficial products and services while maintaining the highest standards of integrity. Through our growth, we will contribute to society and enrich the lives of our employees.

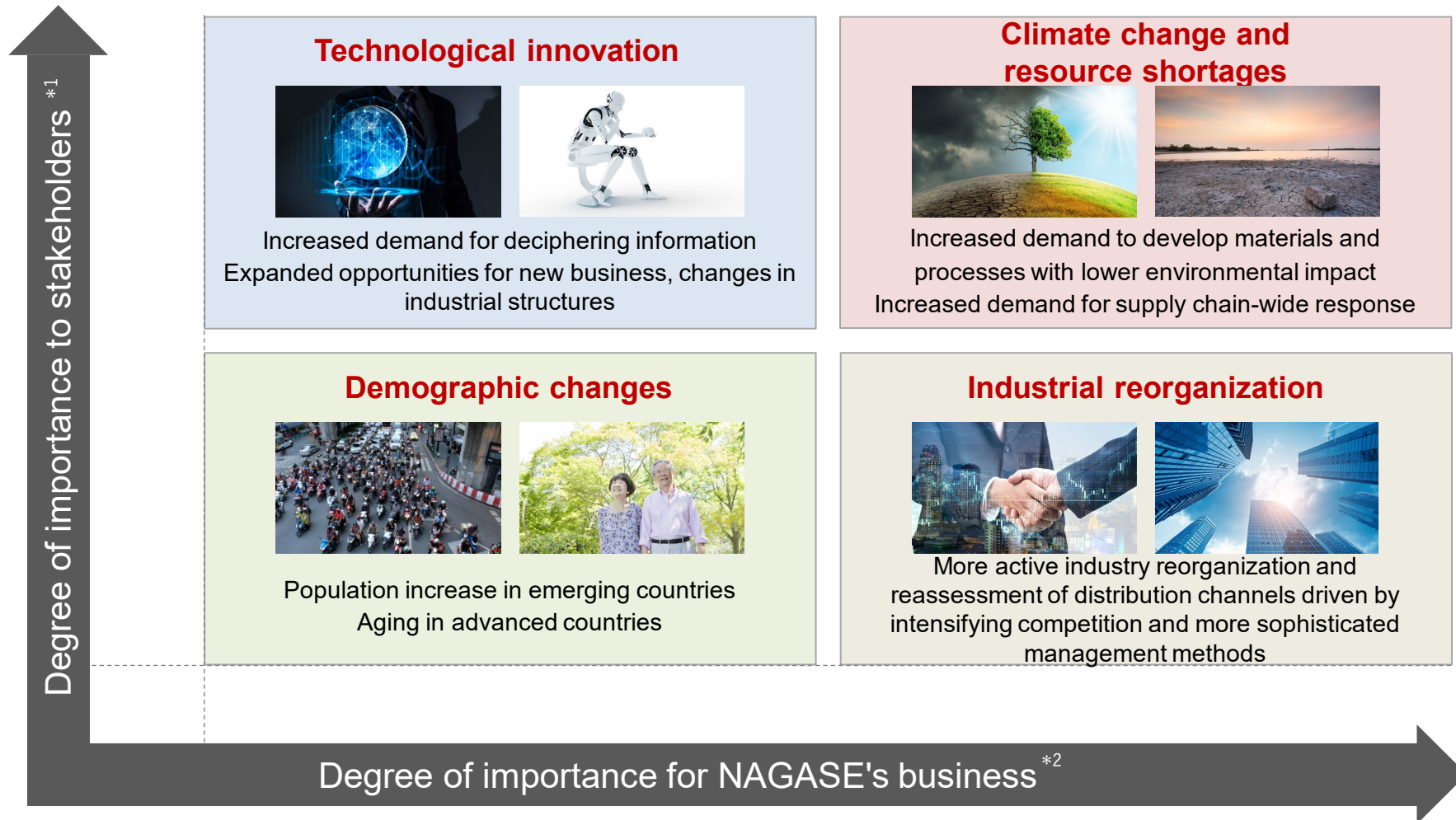
To realize a sustainable world where people live with peace of mind, each of us embodies our value proposition, "Identify, Develop and Expand" through daily activities.

Business Designer that Creates a Sustainable Future :

"Identify, Develop and Expand" – Contribute to the development of sustainable society.

Our Recognition of External Environmental Changes

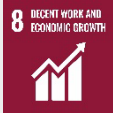








The most important matters for both NAGASE and its stakeholders are “technological innovation”, “climate change and resource shortages”, “demographic changes”, and “industrial reorganization”



*1 Assessed as important matters that produce great change to the respective needs of employees, business partners, local communities, consumers, and shareholders.

*2 Assessed as important matters that offer opportunities for new businesses, opportunities for existing businesses, threats to existing businesses, and threats to business continuation.

Materiality (Key Issues)

	Delivered Values	Materiality	Related SDGs
Employees	<ul style="list-style-type: none"> Provide a safe and friendly work environment. Provide a cheerful, happy, and engaging workplace. Create a corporate Group that is a sense of pride for employees and their families. 	<p>[Use diverse human resources; offer a workplace environment and corporate culture]</p> <ul style="list-style-type: none"> Use advanced technologies to improve productivity and leverage diverse human resources. Provide a workplace environment and foster a corporate culture as a Group where employees with diverse backgrounds have mutual respect and motivate each other. 	 
Business Partners	<ul style="list-style-type: none"> Establish a cooperative relationship by gaining deep understanding of business partners, which enables pursuit of a wide range of possibilities. Provide solutions to issues that need to be tackled throughout the value chain as well as social issues. 	<p>[Use of state-of-the-art technology to create new value]</p> <ul style="list-style-type: none"> Create new value leveraging advanced technologies and a network of business partners. Provide a wide range of solutions based on understanding the true causes of the increasingly complex problems of business partners. 	 
Society and Consumers	<ul style="list-style-type: none"> Contribute to the development of the local community through legal compliance and ethical management. Consider the rights, health and comfort of everyone involved in the supply chain. Provide products and services towards realization of a sustainable world. 	<p>[Solving Social and Environmental Issues, and Globalization]</p> <ul style="list-style-type: none"> Solve problems that threaten safety and security, e.g., climate change and food and water shortage. Contribute to securing and improving food safety by utilizing biotech, AI and other advanced technologies. Fulfill health maintenance demands due to increasingly aging societies in advanced countries. Contribute to the acceleration of globalization and solve social issues in each region. 	   
Share holders	<ul style="list-style-type: none"> Foster trust and a sense of security through a highly transparent management structure and timely and reasonable information disclosure. Maximize enterprise value by increasing both economic and social value and through continuous business creation. 	<p>[Corporate Governance]</p> <ul style="list-style-type: none"> Establish a highly transparent corporate governance system. Make sustainable improvement of enterprise value by balancing economic value and social value. 	

Sustainability Advancement Structure

- Establish a structure to advance sustainability throughout the group
- Launch the Employee Engagement Improvement and Carbon-Neutral Projects as a corporate projects

Board of Directors

Committee/Project

Established in June 2020

Sustainability Committee

Chairman: Asakura
Representative Director, President

Employee Engagement Improvement Project

Established in September 2021

Owner: Asakura
Representative Director, President

Carbon-Neutral Project

Established in July 2021

Owner: Kamada
Director

Corporate Projects

Issues for the NAGASE Group to Address

Business Execution Organization

Established in April 2021

* **Corporate Sustainability Department**

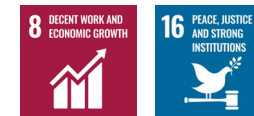
- ▶ Emission reduction
- ▶ LCA Visualization
- ▶ Food Systems
- ▶ Circular Economy
- ▶ Disclose of related information for ESG assessment

Individual Projects

Issues to be addressed through collaboration among related organizations

* Effective April 1, 2022, the Corporate Communication Department was renamed the Corporate Sustainability Department and placed under the direct control of the representative director, president.

Non-Financial Target (1): Improve Employee Engagement

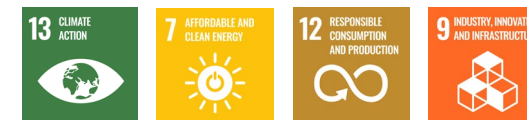


Ideal NAGASE (Long-Term)	Values we want to provide to stakeholders	[Employees] <ul style="list-style-type: none"> • Provide a safe and friendly work environment • Provide a cheerful, happy, and engaging workplace • Create a corporate group that is a sense of pride for employees and their families
	Materialities (Key Issues)	[Use diverse human resources; offer a workplace environment and corporate culture] <ul style="list-style-type: none"> • Use advanced technologies to improve productivity and leverage diverse human resources • Provide a workplace environment and foster a corporate culture as a group where employees with diverse backgrounds have mutual respect and motivate each other
Ideal NAGASE (Medium-Term)	ACE 2.0 Non-financial targets (KPIs)*	Group companies : Percentage of companies conducting regular engagement surveys 100% NAGASE (non-consolidated) : Engagement survey score of 60 or more
	Initiatives and policies	Talent management, health management, work-style reform, Diversity & Inclusion, HR policy
Single-year results (Short-Term)	Results	Implemented engagement survey; engaged in work-style reform (started Project Bridge, eliminated dress code)
	Disclosures	[Number of employees (non-consolidated)] Number (percentage) of male and female employees, number (percentage) of non-regular employees, percentage of employees with disabilities, number of mid-career hires [Work-style (non-consolidated)] Rate of new graduates retained after three years, turnover rate for personal reasons, average years of service, average annual salary, total annual hours worked, rate of paid leave taken, number of employees taking maternity and childcare leave, number of employees participating in human resource development training, total hours of training [Safety and health (non-consolidated + domestic manufacturing companies)] Number of work-related accidents, number of fatalities, frequency rate, frequency of work-related accidents, number of employees participating in training related to health and safety

* Prinova Group calculated as a single company.

* FY2021: Implemented by 41% of group companies (including 24 companies with one-time implementation) NAGASE (non-consolidated) engagement survey score was 52.4.

Non-Financial Target (2): Carbon Neutrality



Ideal NAGASE (Long-term)	Values we want to provide to stakeholders	[Society and Consumers] <ul style="list-style-type: none"> Contribute to the development of the local community through legal compliance and ethical management Consider the rights, health and comfort of everyone involved in the supply chain Provide products and services towards realization of a sustainable world where people live with peace of mind
	Materialities (Key Issues)	<ul style="list-style-type: none"> Solve problems that threaten safety and security, e.g., climate change and food and water shortages Contribute to the acceleration of globalization and solve social issues in each region
Ideal NAGASE (Medium-Term)	ACE 2.0 Non-financial targets (KPIs)	Consolidated : Scope 1 and 2 reduction rate of 37% or more (compared to 2013) Consolidated : Reduce emissions through the generation or purchase of renewable energy of 35,000 tons or more (cumulative total) NAGASE (non-consolidated) : Scope 2 Zero emissions
	Initiatives and policies	Overall Measures : Participation in external initiatives, promote environmental investing, examine internal carbon tax Visualization : Visualize emissions in the supply chain, calculate the LCA of strategic products Reductions : Provide low-carbon products and reduction solutions; adopt environmentally friendly facilities Improve production process, utilize renewable energy (purchase, generate renewable energy in-house)
Single-year results (Short-Term)	Results	Declaration of carbon neutrality, declaration of support for TCFD, business alliance with ZeroBoard Inc. began calculating LCA for domestic manufacturing subsidiaries
	Disclosures (results only)	[Consolidated] <ul style="list-style-type: none"> Greenhouse gas emissions (Scope 1, 2, and 3) Greenhouse gas Scope 1 emissions by type Energy consumption, electricity consumption, consumption rate during production (t-CO2/ton of production)

NAGASE Group Carbon Neutral initiatives

[NAGASE Group Carbon Neutral Declaration]

2050 Target: Scope 1,2 Carbon Neutrality

2030 Target: Scope 1,2 46% reduction (compared to 2013 levels)

Scope 3 12.3% or more reduction (compared to 2020 levels)

[Overall Group]

Overall Measures

- Participate in external initiatives
- Promote environmental investing
- Examine internal carbon tax

[Trading]

[Manufacturing]

Measure (1) Visualize emissions in the supply chain, etc.	Visualization	Measure (2) Life-cycle assessments for strategic products, etc.
Measure (3) Provide low-carbon products and reduction solutions, Introduce green facilities, etc.	Reduction	Measure (4) Improve manufacturing processes, use renewable energy (purchase/in-house generation), etc

Issues in the Supply Chain: Values Offered by NAGASE

External Environment

Response to climate change as a management issue

- Disclosures of climate change-related information are a competitive factor in the stock market
- TCFD disclosures is required in the prime market
- TCFD recommends Scope 3 disclosure

Scope3:Need to address climate change throughout the supply chain

- Scope 3 reductions are not effective if only in-house efforts are made
- Reduction targets must be set upstream in the supply chain

Have not yet standardized calculation methods for the supply chain

- Need standardized calculation methods for setting reduction targets
- Standardization of calculation methods and assurance of accuracy, particularly for overseas production sites



Values provided by the NAGASE Group

- Provide low-carbon products and reduction solutions; adopt environmentally friendly facilities
- Provide support for Scope 3 calculations in the supply chain
- Switch to Category 1 (products purchased) and other primary data; facilitate dialogues to appeal to economic value

Business Alliance with Zeroboard Inc.



Zeroboard Inc. and NAGASE & CO., LTD. Enter Business Alliance for Expansion of CO2 Visualization Service Supporting Decarbonization of Companies Through Technology and a Trading Firm Network

Zeroboard Inc. and NAGASE & CO., LTD. have agreed on a business alliance for sales and expansion of zeroboard, a cloud service developed by Zeroboard Inc. for calculating and visualizing CO2 (carbon dioxide) emissions to support the decarbonization of companies.

Zeroboard Inc. will develop and improve zeroboard, and manage its database, while NAGASE will sell the service mainly to the chemical industry, collect information on customer needs, and develop and provide CO2 emissions reduction solutions.



The leading company in GHG calculation and visualization

zeroboard

- Calculation of Scope 3
- Validated for GHG protocol
- Cost reduce

- Data linkage between user companies
- Calculate CO2emissions (Scope 1-3) based on the GHG Protocol through simple data entry
- Reporting functions for integrated reports and environmental regulations
- Monthly fee structure matching different company sizes

Major Initiative Endorsements and Third-Party Evaluations

[New Evaluations]



**FTSE Blossom
Japan Sector
Relative Index**

Selected as a component of
the FTSE Blossom Japan
Sector Relative Index



Group company
Hayashibara awarded the
EcoVadis Gold Medal

[CDP Ratings]



	FY2018	FY2019	FY2020	FY2021
Climate	D	C	B	B
Water	C	C	B	A-
Forest	Forest: not scored	C-	C	C

[Endorsed Initiatives and Third-Party Evaluations]



2021 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)





<https://www.nagase.co.jp/english/>

These presentation materials contain projections based on forward-looking assumptions, forecasts, and plans as of May 27, 2022. Actual earnings may differ from projections due to risks and uncertainties in the future global economy, competitive landscape, currency exchange rates, etc.