

Consolidated Financial Statements for the Fiscal Year Ended March 31, 2024
<Under Japanese GAAP>

May 8, 2024

These financial statements have been prepared for reference only in accordance with accounting principles and practices generally accepted in Japan.

NAGASE & CO., LTD.

Stock exchange listing: Tokyo (Prime Market)

Code number: 8012 URL (<https://www.nagase.co.jp/english/>)

Representative: Hiroyuki Ueshima, Representative Director and President

Contact: Kazuhiro Hanba, Executive Officer, General Manager, Corporate Management Department

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Annual general meeting of stockholders: June 21, 2024

Start of distribution of dividends (scheduled): June 24, 2024

Securities report filing (scheduled): June 24, 2024

Supplementary documents: Yes

Investors' meeting: Yes

(Note: Amounts have been rounded down to the nearest million yen.)

1. Consolidated Results for the Fiscal Year Ended March 31, 2024

(April 1, 2023 to March 31, 2024)

(1) Consolidated Operating Results

(% = year-on-year change)

| | Net sales | | Gross profit | | Operating income | | Ordinary income | | Profit attributable to owners of the parent | |
|----------------|-----------------|------|-----------------|------|------------------|------|-----------------|-------|---|------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| FYE March 2024 | 900,149 | -1.4 | 164,719 | 6.0 | 30,618 | -8.2 | 30,591 | -6.0 | 22,402 | -5.2 |
| FYE March 2023 | 912,896 | 17.0 | 155,410 | 11.4 | 33,371 | -5.4 | 32,528 | -10.9 | 23,625 | -8.9 |

(Note) Comprehensive income FYE March 2024: ¥46,335 million (22.0%)

FYE March 2023: ¥37,994 million (32.8%)

| | Earnings per share | Earnings per share (diluted) | Return on equity | Ordinary income/total assets | Operating income/net sales |
|----------------|--------------------|------------------------------|------------------|------------------------------|----------------------------|
| | Yen | Yen | % | % | % |
| FYE March 2024 | 194.96 | — | 5.9 | 3.9 | 3.4 |
| FYE March 2023 | 199.54 | — | 6.6 | 4.3 | 3.7 |

(Reference) Equity in earnings of affiliates FYE March 2024: ¥568 million

FYE March 2023: ¥318 million

(2) Consolidated Financial Position

| | Total assets | Net assets | Shareholders' equity ratio | Net assets per share |
|----------------|-----------------|-----------------|----------------------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| FYE March 2024 | 792,336 | 401,315 | 49.7 | 3,463.84 |
| FYE March 2023 | 762,688 | 378,388 | 48.2 | 3,139.26 |

(Reference) Equity capital FYE March 2024: ¥394,064 million

FYE March 2023: ¥367,675 million

(3) Consolidated Cash Flows

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents, end of the year |
|----------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| FYE March 2024 | 72,959 | (11,627) | (48,046) | 59,185 |
| FYE March 2023 | 9,414 | (8,031) | (17,247) | 40,331 |

2. Dividends

| | Annual Dividends per Share | | | | | Total dividends paid (full fiscal year) | Payout ratio (consolidated) | Dividends/ net assets (consolidated) |
|---------------------------|----------------------------|-------|-----|--------------------|--------|--|--------------------------------|--|
| | 1Q | 2Q | 3Q | Fiscal year end | Annual | | | |
| | Yen | Yen | Yen | Yen | Yen | Millions of yen | % | % |
| FYE March 2023 | – | 30.00 | – | 40.00 | 70.00 | 8,245 | 34.9 | 2.3 |
| FYE March 2024 | – | 40.00 | – | 40.00 | 80.00 | 9,147 | 40.8 | 2.4 |
| FYE March 2025 (forecast) | – | 40.00 | – | 45.00 | 85.00 | | 33.0 | |

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% = year-on-year change)

| | Net sales | | Gross profit | | Operating income | | Ordinary income | | Profit attributable to owners of the parent | | Earnings per share |
|------------------|-----------------|-----|-----------------|-----|------------------|------|-----------------|------|--|------|-----------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Full fiscal year | 940,000 | 4.4 | 180,000 | 9.3 | 36,500 | 19.2 | 35,200 | 15.1 | 28,000 | 25.0 | 254.30 |

* Notes

(1) Changes in major subsidiaries during the period (changes in specified subsidiaries accompanying changes in the scope of consolidation): No
New: — (Company name:) Excluded: — (Company name:)

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections
i. Changes in accordance with revisions to accounting and other standards: Yes
ii. Changes in items other than (i) above: Yes
iii. Changes in accounting estimates: No
iv. Restatement of prior period financial statements after error corrections: No

(Note) For details, please refer to 3. *Consolidated Financial Statements and Notes (5) Notes Related to Consolidated Financial Statements (Change in Accounting Policy)*, on P.15 of this document.

(3) Number of shares issued and outstanding (common stock)

i. Number of shares issued and outstanding as of the fiscal period end (including treasury stock)

| | | | |
|----------------|--------------------|----------------|--------------------|
| March 31, 2024 | 117,908,285 shares | March 31, 2023 | 117,908,285 shares |
|----------------|--------------------|----------------|--------------------|

ii. Number of treasury stock as of the fiscal period end

| | | | |
|----------------|------------------|----------------|----------------|
| March 31, 2024 | 4,143,115 shares | March 31, 2023 | 786,718 shares |
|----------------|------------------|----------------|----------------|

iii. Average number of shares during the period

| | | | |
|----------------|--------------------|----------------|--------------------|
| March 31, 2024 | 114,911,971 shares | March 31, 2023 | 118,398,261 shares |
|----------------|--------------------|----------------|--------------------|

(Note) The number of treasury shares as of the fiscal period end includes Company shares held by the Stock-Granting Trust for Directors (288,500 shares as of March 31, 2024). Treasury stock deducted from the calculation of the average number of shares during the period includes Company shares held by the Stock-Granting Trust for Directors (289,923 shares as of March 31, 2024).

*** These consolidated financial statements are not subject to audit by an independent audit corporation**

*** Cautionary Statement with Respect to Forecasts of Consolidated Business Results**

The earnings forecasts presented in this document are based upon currently available information and assumptions deemed rational. A variety of factors could cause actual results to differ materially from forecasts.

For matters related to earnings forecasts, please refer to 1. *Business Performance, (4) Future Outlook*, on P.5 of this document.

(Per-Share Data)

| | Prior Consolidated Fiscal Year (April 1, 2022 - March 31, 2023) | Current Consolidated Fiscal Year (April 1, 2023 - March 31, 2024) |
|----------------------|---|---|
| Net assets per share | ¥3,139.26 | ¥3,463.84 |
| Earnings per share | ¥199.54 | ¥194.96 |

(Note) 1. Information for diluted earnings per share is not presented, as the Company does not issue any stock with dilutive effects.

2. The Company's shares held by the Stock-Granting Trust for Directors are included in treasury stock in shareholders' equity. These are excluded from the total number of issued shares at the end of the period when calculating net assets per share. Also, these are excluded from the calculation of average number of shares during the period when calculating profit attributable to owners of parent per share.

The number of such shares at the end of the period excluded from the calculation of net assets per share was 288,500 shares, while the average number of shares during the period excluded from the calculation of profit attributable to owners of parent per share was 289,923 shares.

3. Basic earnings per share calculations are as shown below.

| | Prior Consolidated Fiscal Year (April 1, 2022 - March 31, 2023) | Current Consolidated Fiscal Year (April 1, 2023 - March 31, 2024) |
|--|---|---|
| Profit attributable to owners of the parent (millions of yen) | 23,625 | 22,402 |
| Profit attributable to common stock owners of the parent (millions of yen) | 23,625 | 22,402 |
| Average number of outstanding shares of common stock (shares) | 118,398,261 | 114,911,971 |

(Significant Subsequent Events)

(Purchase of Treasury Stock)

At a meeting held May 8, 2024, the Company's board of directors resolved to purchase treasury stock based on the provisions of Article 156 of the Companies Act, applied mutatis mutandis to Article 165, Paragraph 3 of the same Act.

(1) Reasons for the purchase of treasury stock

The Company's board of directors, at a meeting held on May 8, 2024, made a resolution to change Shareholder Returns Policy in Medium-Term Management Plan **ACE 2.0**. and to implement a total payout ratio of 100% as a limited measure for the two years until the final year of ACE 2.0. Pursuant to this policy, the Company will repurchase its treasury stock.

(2) Details of shares to be purchased

- | | |
|---|--|
| a. Class of shares to be purchased | Common shares |
| b. Total number of shares that may be purchased | 5,500,000 shares (maximum) (Equivalent to 4.82% of outstanding shares, excluding treasury stock) |
| c. Total value of shares that may be purchased | 10 billion yen (maximum) |
| d. Purchase period | From May 9, 2024 to October 31, 2024 |
| e. Purchase method | Market purchases |

(Cancellation of Treasury Stock)

At a meeting held May 8, 2024, the Company's board of directors resolved to cancel treasury stock based on the provisions of Article 178 of the Companies Act.

- | | |
|---|--|
| a. Class of shares to be cancelled | Common shares |
| b. Total number of shares that may be cancelled | 3,000,000 shares (Equivalent to 2.54% of outstanding shares, including treasury stock) |
| c. Effective date of the cancellation | May 31, 2024 |

Reference: Treasury stock held as of April 30, 2024

| | |
|--|--------------------|
| Total number of shares issued (excluding treasury stock) | 114,053,648 shares |
| Total number of treasury stock | 3,854,637 shares |

(*) The number of treasury shares as of April 30, 2024 does not include 288,500 Company shares held by the Stock-Granting Trust for Directors.