

## 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/>)

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

March 31, 2024	4,143,115 shares	March 31, 2023	786,718 shares
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- iii. Average number of shares during the period

March 31, 2024	114,911,971 shares	March 31, 2023	118,398,261 shares
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(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.

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## 1. Business Performance

### (1) Review of Business Performance

#### a. General Summary of Results

During the current consolidated fiscal year, concerns emerged about a slowdown in the global economy due to the protracted situation in Ukraine and the Middle East, continued inflation and accompanying monetary tightening policies in the United States and Europe, and stagnation in China's real estate market.

As an overview of the regions in which the NAGASE Group does business, we saw a slowing in economy of Greater China, as the stagnant real estate market drove down consumer spending. In the Americas, prices continue to rise, albeit at a slower pace. The economy is expected to continue picking up with increased personal consumption and employment growth. In ASEAN, the economy has been steady, mainly due to domestic and inbound demand. In Japan, downside factors include rising interest rates due to the lifting of the negative interest rate policy, sharp fluctuations in foreign exchange rates due to geopolitical risks and other factors, and rising negativity in consumer sentiment. However, the economy should continue to recover with improved real wages, firm corporate capital investment, and continued inbound travel demand.

In this environment, earnings for the current consolidated fiscal year were as follows.

(Millions of yen)

	Prior Consolidated Fiscal Year (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)	Change	Change (%)
Net sales	912,896	900,149	(12,746)	(1.4)
Gross profit	155,410	164,719	9,309	6.0
Operating income	33,371	30,618	(2,753)	(8.2)
Ordinary income	32,528	30,591	(1,937)	(6.0)
Profit before income taxes	33,137	32,665	(472)	(1.4)
Profit attributable to owners of the parent	23,625	22,402	(1,222)	(5.2)

- Gross profit increased due in part to the weakening yen.
- Operating income declined due to an increase in selling, general and administrative expenses despite an increase in gross profit. For details see *b. Segment Summary*.
- Profit attributable to owners of the parent decreased ¥1.2 billion to ¥22.4 billion, despite a decrease in loss on valuation of investment securities.

#### b. Segment Summary

The following describes performance by segment.

Note that as of October 1, 2023 of the consolidated fiscal year under review, the categorizations for reportable segments have been partially amended. Year-on-year amounts and ratios for the previous fiscal year are calculated after rearranging reportable segment classifications to match those of the current fiscal year.

\*For the details of the changes in business segmentation, please refer to (*Segment Information Etc.*) on P.15 of this document

#### Functional Materials

(Millions of yen)

	Prior Consolidated Fiscal Year (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)	Change	Change (%)
Net sales	156,161	146,804	(9,356)	(6.0)
Gross profit	29,889	28,123	(1,765)	(5.9)
Operating income	10,486	8,629	(1,856)	(17.7)

- Sales decreased for coating materials.
- Sales decreased for raw materials for the electronics industry, including semiconductor-related products
- Sales of digital print processing materials were lower, as was profitability in the manufacturing business

- Operating income decreased due to a decrease in gross profit

#### Advanced Materials & Processing

(Millions of yen)

	Prior Consolidated Fiscal Year (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)	Change	Change (%)
Net sales	220,955	198,543	(22,412)	(10.1)
Gross profit	24,248	23,614	(634)	(2.6)
Operating income	7,678	6,804	(874)	(11.4)

- Sales of resin declined due to lower demand in the office equipment, appliance, and video game device market and the impact of inventory adjustments by customers
- Operating income decreased due to a decrease in gross profit

#### Electronics & Energy

(Millions of yen)

	Prior Consolidated Fiscal Year (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)	Change	Change (%)
Net sales	136,975	144,758	7,782	5.7
Gross profit	30,770	34,226	3,456	11.2
Operating income	9,273	11,327	2,053	22.1

- Despite weakening semiconductor market conditions, sales of materials to the semiconductor industry increased due to product line expansion
- Sales increased due to higher demand for formulated epoxy resins, mainly for server applications and mobile device applications
- Sales increased for photolithography materials for display applications
- Operating income increased due to an increase in gross profit

#### Mobility

(Millions of yen)

	Prior Consolidated Fiscal Year (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)	Change	Change (%)
Net sales	125,560	132,117	6,556	5.2
Gross profit	14,432	15,235	803	5.6
Operating income	4,794	4,933	138	2.9

- Sales increased for resins, mainly due to boosted automobile production and expanded market share among existing customers.
- Sales increased for functional materials and functional components for interior and exterior fittings and electrification
- Operating income increased due to an increase in gross profit

#### Life & Healthcare

(Millions of yen)

	Prior Consolidated Fiscal Year (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)	Change	Change (%)
Net sales	273,161	277,779	4,617	1.7
Gross profit	55,907	63,436	7,528	13.5
Operating income	10,581	10,321	(259)	(2.5)

- Overall Prinova Group sales increased due to operations of the new plant in Utah
- Sales at Nagase Viita (name changed from Hayashibara on April 1, 2024) increased, mainly due to an increase in sales of cosmetic material
- Sales increased for pharmaceutical raw materials and intermediates
- Operating income decreased, despite higher gross profit, as personnel expense and other selling, general and administrative expenses increased at the Prinova Group and profit contribution from the new Utah plant was delayed

**Others**

No special matters to disclose.

**(2) Review of Financial Position**

(Millions of yen)

	Prior Consolidated Fiscal Year (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)	Change	Change (%)
Current assets	530,132	542,470	12,337	2.3
Non-current assets	232,556	249,865	17,309	7.4
Total assets	762,688	792,336	29,647	3.9
Liabilities	384,300	391,021	6,720	1.7
Net assets	378,388	401,315	22,926	6.1
Shareholders' equity ratio (%)	48.2	49.7	+1.5p	—

- Current assets increased due to an increase in cash and time deposits and accounts receivable, despite a decrease in inventories, etc.
- Non-current assets increased due to an increase in property, plant and equipment and intangible fixed assets, and the fair values of investments in securities
- Liabilities increased mainly due to an increase in accounts payable, accrued income taxes, and lease liabilities, despite a repayment in short-term loans
- Net assets increased mainly due to the recording of profit attributable to owners of the parent and an increase in net unrealized holding gain on securities and translation adjustments, despite decreases from purchases of treasury stock and payments of dividends
- As a result, the Company recorded a shareholders' equity ratio of 49.7%, up 1.5 points compared to 48.2% from the end of the prior consolidated fiscal year

**(3) Summary of Cash Flows**

(Millions of yen)

	Prior Consolidated Fiscal Year (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)
Cash flows from operating activities	9,414	72,959
Cash flows from investing activities	(8,031)	(11,627)
Cash flows from financing activities	(17,247)	(48,046)

- Net cash provided by operating activities was mainly the result of an increase in cash of ¥33.0 billion due to a decrease in working capital, the recording of ¥32.6 billion in profit before income taxes, and ¥13.9 billion in reserve of funds due to depreciation and amortization. These amounts were offset in part by ¥8.8 billion in income taxes paid.
- Net cash used in investing activities was mainly the result of cash outlays of ¥14.0 billion and ¥3.7 billion for the purchase of property, plant and equipment and purchase of intangible fixed assets, respectively, offset in part by ¥7.1 billion in proceeds from the sales of investments in securities
- Net cash used in financing activities was mainly the result of a ¥22.4 billion net decrease in short-term loans, ¥9.2 billion in dividend payments, cash outlays of ¥8.0 billion in purchases of treasury stock, and ¥6.0 billion in the acquisition of stock of a subsidiary not resulting in a change in the scope of consolidation.

	FYE March 2020	FYE March 2021	FYE March 2022	FYE March 2023	FYE March 2024
Shareholders' equity ratio	49.9%	51.5%	46.5%	48.2%	49.7%
Shareholders' equity ratio based on market value	25.9%	33.3%	29.5%	31.3%	36.7%
Interest-bearing debt to cash flow ratio (years)	4.1	5.8	-	19.1	2.3
Interest coverage ratio (times)	23.9	19.1	-	3.1	18.9

Shareholders' equity ratio: Equity capital/total assets

Shareholders' equity ratio based on market value: Market capitalization/total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt/operating cash flow

Interest coverage ratio: Operating cash flow/interest payments

(Note) 1. Indicators are calculated based on consolidated figures.

2. Market capitalization is calculated using the closing price at the end of the year multiplied by the number of outstanding shares at the end of the year (less treasury stock at cost).
3. Operating cash flow is net cash provided by operating activities as shown in the consolidated statements of cash flows.  
Interest-bearing debt is all liabilities in the consolidated balance sheets for which interest is payable. Interest payments are the amount of interest paid as presented in the consolidated statements of cash flows.
4. Interest-bearing debt to cash flow ratio or interest coverage ratio are not presented for the fiscal year ended March 31, 2022, as operating cash flow was negative.

## (4) Future Outlook

### a. Performance Forecast for the Fiscal Year Ending March 2025

The outlook for the business environment surrounding the NAGASE Group in the next fiscal year is uncertain, given the unprecedented rise in geopolitical risks, including a new outbreak of military conflict in the Middle East amid prolonged aggression in Ukraine. Elections are scheduled in many countries around the world, and there are concerns that changes in domestic politics could have a significant impact on the international order. Observers also expect further acceleration of supply chain restructuring, including a revision in the location of manufacturing bases in response to heightened geopolitical risks.

Given this environment, we expect many of the business sectors related to the NAGASE Group will perform well. We formulated our earnings forecast for the next fiscal year based on the following assumptions.

In our food-related business, the Prinova Group expects the downward trend from the previous fiscal year the food ingredients market to rise from a low point. The company is also improving productivity at its Utah plant. Nagase Viita (name changed from Hayashibara on April 1, 2024) expects strong sales of food ingredients due to increased inbound travel demand. In the semiconductor-related business, the Nagase ChemteX formulated epoxy resin products for high-end servers should continue to perform well. We also expect a full-scale recovery semiconductors, which had continued to perform sluggishly, for other applications in beginning in the second half of the fiscal year. The automobile-related business should recover, and we expect performance to be strong. On a non-consolidated basis, Nagase & Co. incurred approximately ¥3.5 billion in favorable differences under the accounting treatment for retirement benefit actuarial differences. We expect to amortize the recognized differences in a lump sum in the following year under the accounting policy in question, which will likely result in a significant decrease in expenses.

These forecasts have been developed based on foreign exchange rates of ¥148 to the U.S. dollar and ¥20 to the RMB.

Further, these forecasts were calculated based on information available at the time and on reasonable determinations of conditions. Actual results may vary significantly due to a variety of factors, including business conditions overseas and in Japan and exchange rate trends. Any issues that require disclosure in the future will be disclosed promptly if important developments relating to our forecasts for the fiscal year ending March 2025 occur.

(Millions of yen)

	Net sales	Gross profit	Operating income	Ordinary income	Profit attributable to owners of the parent
FYE March 2025 Forecast	940,000	180,000	36,500	35,200	28,000
FYE March 2024 Actual	900,149	164,719	30,618	30,591	22,402
Change	+4.4%	+9.3%	+19.2%	+15.1%	+25.0%

#### b. Operating Income Forecast by Segment

(Millions of yen)

	FYE March 2024 Actual	FYE March 2025 Forecast	Change
Functional Materials	6,158	6,800	+10.4%
Advanced Materials & Processing	5,313	5,500	+3.5%
Electronics & Energy	8,852	8,600	(2.8%)
Mobility	3,614	3,200	(11.4%)
Life & Healthcare	8,006	9,400	+17.4%
Others	(1,327)	3,000	-
Total Operating Income	30,618	36,500	+19.2%

(\*) Effective as of the fiscal year ending March 31, 2025, the Company revised in part our method for allocating company-wide shared expenses. To better manage the performance of reportable segments, we will allocate certain company-wide shared expenses, previously included under “Others”, to each reportable segment. Segment information for the fiscal year ended March 31, 2024 in the table above is based on the allocation method after the change.

### (5) Dividend Policy and Dividends for the Fiscal Years Ending March 2024 and 2025

At a meeting held May 8, 2024, the Company's board of directors resolved to revise the Company's shareholder return policy to a 100% total return ratio. This policy represents a limited measure for the two years through fiscal 2025, the final year of our Medium-Term Management Plan **ACE 2.0**, in order to achieve the **ACE 2.0** quantitative ROE target of at least 8.0%.

The Company intends to pay dividends in the same manner as before, following a basic policy of continuing dividend increases in consideration of consolidated earnings and financial structure, while also considering consolidated cash flows and investment conditions. At the same time, the Company will strive to improve profitability and strengthen our corporate structure.

The Company capped the amount of share buybacks at the level of policy holding share sales during the course of **ACE 2.0**. However, based on the preceding policy, we intend to carry out share buybacks opportunistically and with an eye to efficiency.

The Company plans to pay a year-end dividend of ¥40 per share for the current fiscal year, resulting in an annual dividend of ¥80 per share including the interim dividend. This dividend represents an increase of ¥10 per share compared with the previous fiscal year.

After a comprehensive consideration of our stability and continuity of dividend payments, we forecast a full-year dividend of ¥85 per share for the next fiscal year. This dividend will consist of a ¥40 per share interim dividend and a ¥45 per share year-end dividend.

## 2. Basic Policy on the Selection of Accounting Standards

The NAGASE Group intends to use Japanese accounting standards for the time being to allow for inter-company comparability. We have been studying the adoption of International Financial Reporting Standards (IFRS) for some time, and we plan to make the appropriate policy choice in the future, considering external trends and other factors.



### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

(Millions of yen)

	Prior Consolidated Fiscal Year (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)
<b>ASSETS</b>		
Current assets		
Cash and time deposits	40,897	59,410
Notes and accounts receivable	302,105	321,126
Merchandise and finished goods	152,504	131,137
Work in process	2,446	2,594
Raw materials and supplies	14,770	14,259
Other	18,429	14,881
Less allowance for doubtful accounts	(1,021)	(940)
Total current assets	530,132	542,470
Non-current assets		
Property, plant and equipment		
Buildings and structures	64,095	63,432
Accumulated depreciation	(37,018)	(36,734)
Buildings and structures (net)	27,076	26,697
Machinery, equipment and vehicles	65,005	67,471
Accumulated depreciation	(47,686)	(50,883)
Machinery, equipment and vehicles (net)	17,318	16,588
Land	18,839	20,221
Other	42,415	50,107
Accumulated depreciation	(23,585)	(26,222)
Other (net)	18,829	23,884
Total property, plant and equipment	82,064	87,392
Intangible fixed assets		
Goodwill	29,004	27,884
Technology-based assets	4,337	2,761
Other	35,587	38,703
Total intangible fixed assets	68,928	69,349
Investments and other assets		
Investments in securities	69,743	76,225
Long-term loans receivable	17	326
Retirement benefit asset	2,645	6,217
Deferred tax assets	3,857	4,596
Other	5,475	5,935
Less allowance for doubtful accounts	(176)	(177)
Total investments and other assets	81,562	93,123
Total non-current assets	232,556	249,865
Total assets	762,688	792,336

(Millions of yen)

	Prior Consolidated Fiscal Year (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)
<b>LIABILITIES</b>		
Current liabilities		
Notes and accounts payable	140,438	156,352
Short-term loans	66,117	50,731
Current portion of long-term loans	1,056	6,946
Commercial paper	38,000	37,000
Current portion of bonds	-	10,000
Accrued income taxes	2,913	5,195
Accrued bonuses for employees	6,985	7,569
Accrued bonuses for directors	371	251
Other	30,321	28,628
Total current liabilities	286,203	302,675
Long-term liabilities		
Bonds	30,000	20,000
Long-term loans	32,697	27,533
Lease liabilities	9,763	12,492
Deferred tax liabilities	10,360	13,567
Retirement benefit liability	13,197	12,345
Provision for directors' stock benefit	65	60
Other	2,012	2,345
Total long-term liabilities	98,097	88,345
Total liabilities	384,300	391,021
<b>NET ASSETS</b>		
Shareholders' equity		
Common stock	9,699	9,699
Capital surplus	10,636	9,348
Retained earnings	290,279	303,328
Less treasury stock, at cost	(1,550)	(9,543)
Total shareholders' equity	309,064	312,832
Accumulated other comprehensive income		
Net unrealized holding gain on securities	28,928	33,763
Deferred gain on hedges	(7)	119
Translation adjustments	30,414	44,846
Remeasurements of defined benefit plans	(726)	2,503
Total accumulated other comprehensive income	58,610	81,232
Non-controlling interests	10,713	7,250
Total net assets	378,388	401,315
Total liabilities and net assets	762,688	792,336

## (2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

### (Consolidated Statements of Income)

(Millions of yen)

	Prior Consolidated Fiscal Year (April 1, 2022 - March 31, 2023)	Current Consolidated Fiscal Year (April 1, 2023 - March 31, 2024)
Net sales	912,896	900,149
Cost of sales	757,486	735,430
Gross profit	155,410	164,719
Selling, general and administrative expenses		
Selling expenses	22,953	22,433
Employee salaries and allowances	38,839	43,704
Provision for accrued bonuses for employees	4,421	4,447
Provision for accrued bonuses for directors	396	270
Depreciation and amortization other than amortization of goodwill	7,554	9,231
Retirement benefit expenses	1,443	2,275
Allowance for doubtful accounts	333	282
Amortization of goodwill	2,545	2,627
Other	43,550	48,827
Total selling, general and administrative expenses	122,038	134,100
Operating income	33,371	30,618
Non-operating income		
Interest income	197	610
Dividend income	1,537	1,553
Rent income	243	248
Foreign exchange gains	12	635
Equity in earnings of affiliates	318	568
Other	656	705
Total non-operating income	2,967	4,321
Non-operating expenses		
Interest expenses	3,211	3,744
Other	598	604
Total non-operating expenses	3,810	4,348
Ordinary income	32,528	30,591
Extraordinary gains		
Gain on sales of non-current assets	144	83
Gain on sales of investment securities	6,587	5,591
Gain on sales of shares of subsidiaries and affiliates	52	-
Gain on sales of investments in capital of subsidiaries and affiliates	147	-
Gain on change in equity	449	-
Subsidy income	25	512
Other	-	46
Total extraordinary gains	7,406	6,234
Extraordinary losses		
Loss on sales of non-current assets	87	41
Loss on disposal of non-current assets	998	1,422
Loss on impairment of fixed assets	2,838	2,276
Loss on sales of investment securities	7	21
Loss on valuation of investment securities	2,120	135
Loss on sales of shares of subsidiaries and affiliates	466	-
Other	277	263
Total extraordinary losses	6,797	4,160
Income before income taxes	33,137	32,665
Income taxes - current	9,621	10,627
Income taxes - deferred	(694)	(815)
Total income taxes	8,927	9,812
Profit for the period	24,210	22,853
Profit attributable to non-controlling interests	584	450
Profit attributable to owners of the parent	23,625	22,402

**(Consolidated Statements of Comprehensive Income)**

(Millions of yen)

	Prior Consolidated Fiscal Year (April 1, 2022 - March 31, 2023)	Current Consolidated Fiscal Year (April 1, 2023 - March 31, 2024)
Profit for the period	24,210	22,853
Other comprehensive income		
Net unrealized holding (loss) gain on securities	(2,794)	4,827
Deferred (loss) gain on hedges	(186)	126
Translation adjustments	16,852	14,738
Remeasurements of defined benefit plans	(564)	3,229
Share of other comprehensive income of affiliates accounted for by the equity method	477	560
Total other comprehensive income	13,784	23,482
Comprehensive income	37,994	46,335
Comprehensive income attributable to:		
Shareholders of the parent	36,838	45,024
Non-controlling interests	1,156	1,310

### (3) Consolidated Statements of Changes in Shareholders' Equity

**Prior Consolidated Fiscal Year (April 1, 2022 - March 31, 2023)**

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Less treasury stock, at cost	Total shareholders' equity
Balance, beginning of period	9,699	10,639	280,015	(1,534)	298,820
Changes					
Cash dividends			(7,150)		(7,150)
Profit attributable to owners of the parent			23,625		23,625
Purchase of treasury stock				(5,662)	(5,662)
Cancellation of treasury stock			(5,645)	5,645	-
Equity transactions with non-controlling interests		(0)			(0)
Changes in scope of consolidation		(3)			(3)
Changes in scope of equity affiliates			(330)		(330)
Changes in fiscal year-end of consolidated subsidiaries			(234)		(234)
Changes other than shareholders' equity accounts (net)					
Total changes	-	(3)	10,264	(16)	10,244
Balance, end of period	9,699	10,636	290,279	(1,550)	309,064

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Net unrealized holding gain on securities	Deferred gain on hedges	Translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance, beginning of period	31,732	178	13,690	(161)	45,441	10,830	355,092
Changes							
Cash dividends							(7,150)
Profit attributable to owners of the parent							23,625
Purchase of treasury stock							(5,662)
Cancellation of treasury stock							-
Equity transactions with non-controlling interests							(0)
Changes in scope of consolidation							(3)
Changes in scope of equity affiliates							(330)
Changes in fiscal year-end of consolidated subsidiaries							(234)
Changes other than shareholders' equity accounts (net)	(2,804)	(186)	16,723	(564)	13,169	(117)	13,051
Total changes	(2,804)	(186)	16,723	(564)	13,169	(117)	23,295
Balance, end of period	28,928	(7)	30,414	(726)	58,610	10,713	378,388

**Current Consolidated Fiscal Year (April 1, 2023 - March 31, 2024)**

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Less treasury stock, at cost	Total shareholders' equity
Balance, beginning of period	9,699	10,636	290,279	(1,550)	309,064
Cumulative effects of changes in accounting policies			(72)		(72)
Restated balance	9,699	10,636	290,207	(1,550)	308,992
Changes					
Cash dividends			(9,281)		(9,281)
Profit attributable to owners of the parent			22,402		22,402
Purchase of treasury stock				(8,001)	(8,001)
Cancellation of treasury stock				7	7
Equity transactions with non-controlling interests		(1,287)			(1,287)
Changes other than shareholders' equity accounts (net)					
Total changes	-	(1,287)	13,121	(7,993)	3,840
Balance, end of period	9,699	9,348	303,328	(9,543)	312,832

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Net unrealized holding gain on securities	Deferred gain on hedges	Translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance, beginning of period	28,928	(7)	30,414	(726)	58,610	10,713	378,388
Cumulative effects of changes in accounting policies							(72)
Restated balance	28,928	(7)	30,414	(726)	58,610	10,713	378,315
Changes							
Cash dividends							(9,281)
Profit attributable to owners of the parent							22,402
Purchase of treasury stock							(8,001)
Cancellation of treasury stock							7
Equity transactions with non-controlling interests							(1,287)
Changes other than shareholders' equity accounts (net)	4,834	126	14,431	3,229	22,622	(3,462)	19,159
Total changes	4,834	126	14,431	3,229	22,622	(3,462)	22,999
Balance, end of period	33,763	119	44,846	2,503	81,232	7,250	401,315

#### (4) Consolidated Statements of Cash Flows

	(Millions of yen)	
	Prior Consolidated Fiscal Year (April 1, 2022 - March 31, 2023)	Current Consolidated Fiscal Year (April 1, 2023 - March 31, 2024)
<b>Operating Activities</b>		
Income before income taxes	33,137	32,665
Depreciation and amortization other than amortization of goodwill	12,377	13,998
Loss on impairment of fixed assets	2,838	2,276
Amortization of goodwill	2,545	2,627
Subsidy income	(25)	(512)
Share of gain of entities accounted for using equity method	(318)	(568)
Gain on change in equity	(449)	-
(Decrease) increase in retirement benefit liability	(609)	3,775
(Increase) decrease in retirement benefit asset	(55)	495
Interest and dividend income	(1,734)	(2,164)
Interest expenses	3,211	3,744
Exchange gain, net	(891)	(1,652)
Gain on sales of investment securities, investments in capital, shares of subsidiaries and affiliates, and investments in capital of subsidiaries and affiliates, net	(6,312)	(5,570)
Loss on valuation of investment securities, investments in capital, shares of subsidiaries and affiliates, and investments in capital of subsidiaries and affiliates, net	2,120	135
Increase in notes and accounts receivable	(5,171)	(7,373)
(Increase) decrease in inventories	(1,275)	31,626
(Decrease) increase in notes and accounts payable	(13,584)	8,844
Other	(1,462)	188
Subtotal	24,341	82,537
Interest and dividends received	2,418	2,589
Interest paid	(3,058)	(3,865)
Proceeds from subsidy income	-	512
Income taxes paid	(14,286)	(8,814)
Net cash provided by operating activities	9,414	72,959
<b>Investing activities</b>		
Purchases of property, plant and equipment	(12,029)	(14,019)
Proceeds from sales of property, plant and equipment	540	585
Purchases of intangible fixed assets included in other assets	(4,888)	(3,735)
Purchases of investments in securities	(437)	(623)
Proceeds from sales of investments in securities	7,474	7,154
Purchases of investments in capital	-	(205)
Proceeds from sales of investments in capital	178	-
Purchases of shares of subsidiaries resulting in change in scope of consolidation	-	(244)
Proceeds from sales of shares of subsidiaries resulting in change of scope of consolidation	2,040	-
Increase in short-term loans receivable included in other current assets, net	(623)	(316)
Decrease in time deposits, net	337	378
Proceeds from subsidy income	25	-
Other	(650)	(601)
Net cash used in investing activities	(8,031)	(11,627)

	(Millions of yen)	
	Prior Consolidated Fiscal Year (April 1, 2022 - March 31, 2023)	Current Consolidated Fiscal Year (April 1, 2023 - March 31, 2024)
Financing activities		
Decrease in short-term loans, net	(11,961)	(22,408)
Increase (decrease) in commercial paper, net	13,000	(1,000)
Proceeds from long-term loans	5,000	1,000
Repayments of long-term loans	(8,623)	(1,055)
Proceeds from issuance of bonds	10,000	-
Redemption of bonds	(10,000)	-
Purchase of treasury stock	(5,662)	(8,001)
Cash dividends paid	(7,150)	(9,281)
Cash dividends paid to non-controlling interests	(1,133)	(603)
Payments for purchases of shares of subsidiaries not resulting in change in scope of consolidation	-	(6,025)
Other	(716)	(670)
Net cash used in financing activities	(17,247)	(48,046)
Effects of exchange rate changes on cash and cash equivalents	3,064	5,569
Net (decrease) increase in cash and cash equivalents	(12,800)	18,854
Cash and cash equivalents at beginning of the year	53,336	40,331
Decrease in cash and cash equivalents resulting from changes in fiscal year-end of consolidated subsidiaries	(204)	-
Cash and cash equivalents, at end of the period	40,331	59,185



## (5) Notes Related to Consolidated Financial Statements

### (Assumption for Going Concern)

No matters to report.

### (Change in Accounting Policy)

(Adoption of U.S. FASB Accounting Standards Codification (ASC) No. 326, Financial Instruments-Credit Losses)

Certain foreign consolidated subsidiaries that adopted U.S. GAAP apply ASC No. 326, *Financial Instruments-Credit Losses*, at the beginning of the current consolidated fiscal year. As a result, the subsidiaries in question are required to revise the methods used to measure financial instruments and recognize impairment of financial assets using the expected credit loss model.

In applying this accounting standard, the subsidiary recognized the cumulative effect as of the date of adoption, which is permitted under the transitional provisions.

The impact of this accounting treatment on the quarterly consolidated statements of income is immaterial.

(Changes in Significant Hedge Accounting Methods)

The Company previously used the allocation method for foreign currency receivables and payables with foreign exchange contracts, if said receivables and payables qualified for the allocation method. However, from the consolidated third quarter of the current fiscal year, the Company switched accounting methods to the principle accounting method.

As the Company reforms its enterprise system, the Company reviewed its management of foreign exchange contracts and changed this approach to reflect derivative transactions more appropriately in Company financial statements.

Note that as impact from this change in accounting methods is minor, the change is not applied retroactively.

### (Additional Information)

(Stock-Based Compensation Plan)

Effective as of the previous consolidated fiscal year, the Company has adopted a stock-based compensation plan ("Plan") for directors (excluding outside directors) and executive officers (collectively, "Eligible Individuals"). The purpose of the Plan is to establish a clear link between compensation for Eligible Individuals and Company performance and share value, as well as for Eligible Individuals to share the benefits and risks associated with fluctuations in NAGASE share price with shareholders. In this way, the NAGASE Group intends to raise awareness about contributing to improved business performance and increased corporate value over the medium to long term.

#### (1) Overview

The Plan is a stock-based compensation plan under which a trust ("Trust") established by monetary contribution from the Company acquires Company shares. The Company grants points to each Eligible Individual, and the Trust delivers the number of Company shares equivalent to the points earned by each Eligible Individual. In principle, said delivery is made at the time of the retirement the Eligible Individual.

#### (2) Company shares remaining in the Trust

Company shares remaining in the Trust are recorded as treasury stock under net assets in the balance sheet based on the carrying value in the Trust (excluding incidental expenses). The carrying value of said treasury stock as of the end of the current consolidated fiscal year was ¥612 million and the treasury stock in question amounted to 288,500 shares.

### (Segment Information, etc.)

#### a. Segment Information

##### 1. Reportable Segments

(Change in Business Segments)

As of October 1, 2023 of the current consolidated fiscal year, the Company consolidated our original 11 business departments into 7 to streamline business operations through expanding the scale and functions of each department. This consolidation of business departments resulted in the following changes to business segments.

The Color & Advanced Processing Department of the Advanced Materials & Processing segment was abolished and integrated into the Performance Chemicals Department of the Functional Materials segment, and the Polymers Global Account Department of the Advanced Materials & Processing segment.

Segment information provided for the previous consolidated fiscal year is based on post-change classification methods.

The following describes the major products and services handled by each reportable segment.

The Functional Materials segment is engaged in the sales of paints/inks, dyestuffs, pigments, additives, processed pigments, dispersing elements, functional pigments, thermal paper materials, toner and inkjet materials, materials for adhesives, urethane materials and auxiliary materials, plastic materials, plastic additives, industrial oil solutions, water processing raw materials, surfactant raw materials, fluorochemicals, encapsulant materials, 5G materials, silicone materials, environmental solutions and environment-related commercial products, sintered metal filters, conductive coatings, and more for the paints/inks, dye/additive, resins, urethane foam, organic synthesis, surfactants, electronics chemicals, digital print processing materials, communications equipment, water processing, metal processing, plastic and film processing, stationery, functional film and sheet, hygiene materials, and other industries.

The Advanced Materials & Processing Segment is engaged in the sales of thermoplastic resins, thermosetting resins, plastics products, resin molding tools/dies, and more for the plastic compounds, masterbatch, raw resin material, resin molding, appliance and office automation device, electronics, packaging material, daily commodities, household goods, construction material, and other industries.

The Electronics & Energy Segment is engaged in the sales of formulated epoxy resins, fluorine products, precision abrasives, semiconductor assembly materials and devices, adhesives and encapsulant materials, display panel components and devices, chemical management equipment for display manufacturing processes, low-temperature/vacuum equipment, liquid state analysis equipment, LEDs, 3D printing products, solar panels, and other products for the semiconductor, electronic component, AR/VR, environmental energy, 3D printing, heavy electrical and light electrical, HDD, automotive and aircraft, display, touch panel, housing, lighting, renewable energy, large-scale commercial facility, and other industries.

The Mobility Segment is engaged in the sales of plastic products in general, materials for secondary batteries, interior and exterior materials, materials for functional components, products for electrification, sensor components, in-vehicle electronics products, in-vehicle display-related components, self-driving-related products, and other products for the overall mobility industry and related industries.

The Life & Healthcare segment is engaged in the sale of pharmaceutical/agricultural chemicals and materials, research products, in vitro diagnostics, enzymes, food additives, food ingredients, sports nutrition products, nutrient premixes, additives for cosmetics, feeds, surfactants, and medical appliances for the pharmaceutical, food and beverage, cosmetics, agricultural, toiletries, and health care, and other industries. The segment offers radiation measurement and sleep measurement as one of its main services. In addition, this segment sells cosmetics, health foods, and beauty foods directly to consumers.

## **2. Net Sales, Income (Loss), Assets, Liabilities, and Other Items by Segment**

Accounting treatment in each reportable segment follows the principles and procedures of the accounting treatments used to prepare the Company's consolidated financial statements.

Income in reportable segments is defined as operating income. Intersegment sales/transfers are based on actual market prices.

### 3. Information Related to Net Sales, Income (Loss), Assets, Liabilities, and Other Items by Segment

#### Prior Consolidated Fiscal Year (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable Segments						Others (Note) 1	Total	Corporate (Note) 2	Adjustments (Note) 3	Consolidated (Note) 4
	Functional Materials	Advanced Materials & Processing	Electronics & Energy	Mobility	Life & Healthcare	Total					
Net sales											
Sales to customers	156,161	220,955	136,975	125,560	273,161	912,815	81	912,896	—	—	912,896
Intersegment sales/transfers	799	776	2,580	2,257	490	6,903	7,439	14,343	—	(14,373)	—
Total	156,961	221,731	139,555	127,817	273,651	919,718	7,521	927,239	—	(14,343)	912,896
Segment income (loss)	10,486	7,678	9,273	4,794	10,581	42,814	108	42,922	(9,932)	381	33,371
Segment assets	130,562	113,358	77,666	74,739	240,442	636,769	3,221	639,990	189,535	(66,836)	762,688
Other items											
Depreciation and amortization	817	1,100	1,608	468	6,536	10,531	19	10,551	1,826	—	12,377
Amortization of goodwill	134	—	51	—	2,359	2,545	—	2,545	—	—	2,545
Unamortized balance of goodwill	1,890	—	442	—	26,671	29,004	—	29,004	—	—	29,004
Investments in equity affiliates	1,957	1,297	2,562	1,259	3,268	10,344	104	10,449	—	(0)	10,448
Increase in property, plant, and equipment and intangible fixed assets	1,591	1,006	1,908	279	5,737	10,524	7	10,531	6,642	—	17,174

(Note) 1. “Others” is a business segment consisting of businesses not included in Reportable Segments, and includes information processing services and professional services.

2. Corporate segment income (loss) represents expenses not allocated to Reportable Segments or Others. Segment assets under Corporate are assets not allocable to Reportable Segments or Others.

3. Adjustments are eliminations of intersegment transactions.

4. The sum of Segment income (loss) Total, Corporate, and Adjustments is equivalent to operating profit as presented in “Consolidated”.

**Current Consolidated Fiscal Year (April 1, 2023 to March 31, 2024)**

(Millions of yen)

	Reportable Segments						Others (Note) 1	Total	Corporate (Note) 2	Adjustments (Note) 3	Consolidated (Note) 4
	Functional Materials	Advanced Materials & Processing	Electronics & Energy	Mobility	Life & Healthcare	Total					
Net sales											
Sales to customers	146,804	198,543	144,758	132,117	277,779	900,003	146	900,149	—	—	900,149
Intersegment sales/transfers	1,709	792	3,068	2,798	471	8,839	7,251	16,090	—	(16,090)	—
Total	148,513	199,335	147,826	134,915	278,251	908,842	7,398	916,240	—	(16,090)	900,149
Segment income (loss)	8,629	6,804	11,327	4,933	10,321	42,016	79	42,095	(12,007)	529	30,618
Segment assets	131,559	104,394	84,087	74,881	245,132	640,056	3,142	643,198	203,748	(54,610)	792,336
Other items											
Depreciation and amortization	916	725	1,803	388	7,291	11,126	18	11,145	2,853	—	13,998
Amortization of goodwill	143	—	54	—	2,429	2,627	—	2,627	—	—	2,627
Unamortized balance of goodwill	1,992	—	444	—	25,447	27,884	—	27,884	—	—	27,884
Investments in equity affiliates	2,649	1,128	2,994	1,332	3,351	11,456	111	11,567	—	(4)	11,563
Increase in property, plant, and equipment and intangible fixed assets	1,262	1,159	3,189	325	4,367	10,304	60	10,364	9,648	—	20,012

(Note) 1. “Others” is a business segment consisting of businesses not included in Reportable Segments, and includes information processing services and professional services.

2. Corporate segment income (loss) represents expenses not allocated to Reportable Segments or Others. Segment assets under Corporate are assets not allocable to Reportable Segments or Others.

3. Adjustments are eliminations of intersegment transactions.

4. The sum of Segment income (loss) Total, Corporate, and Adjustments is equivalent to operating profit as presented in “Consolidated”.

## b. Other Information

### Prior Consolidated Fiscal Year (April 1, 2022 to March 31, 2023)

#### 1. Products and Services

Omitted, as the same information has been disclosed under Segment Information.

#### 2. Geographical Information

##### (1) Net sales

Group net sales consist primarily of revenues recognized from contracts with customers. The following provides detail of net sales for each reportable segment, broken down by geographic region.

(Millions of yen)

	Reportable Segments					Others (Note) 3	Total	Composition (%)
	Functional Materials	Advanced Materials & Processing	Electronics & Energy	Mobility	Life & Healthcare			
Japan	44,808	61,641	51,955	39,817	67,103	81	265,407	29.1
Greater China	13,288	115,304	56,943	33,499	3,276	-	222,312	24.4
ASEAN	29,358	73,801	7,540	36,541	5,507	-	152,750	16.7
Americas	20,969	6,893	6,929	14,039	122,538	-	171,370	18.8
Europe	2,660	5,606	4,712	1,321	74,386	-	88,686	9.7
Other	1,007	1,775	8,893	342	349	-	12,368	1.3
Revenues from contracts with customers	112,092	265,024	136,975	125,560	273,161	81	912,896	100.0
Net sales to customers	112,092	265,024	136,975	125,560	273,161	81	912,896	100.0

(Note) 1. Net sales are categorized by country or region, according to the location of the customer.

2. Major countries and regions in each category other than Japan

(1) Greater China..... China, Hong Kong, Taiwan

(2) ASEAN..... Thailand, Vietnam, Indonesia

(3) Americas..... U.S., Mexico

(4) Europe..... U.K., Germany

(5) Other..... Korea

3. "Others" is a business segment consisting of businesses not included in Reportable Segments, and includes information processing services and professional services.

##### (2) Property, plant and equipment

(Millions of yen)

Japan	Other	Total
59,807	22,257	82,064

#### 3. Major Customers

Information not presented here, since no single customer accounts for 10% or more of consolidated net sales.

## Current Consolidated Fiscal Year (April 1, 2023 to March 31, 2024)

### 1. Products and Services

Omitted, as the same information has been disclosed under Segment Information.

### 2. Geographical Information

#### (1) Net sales

Group net sales consist primarily of revenues recognized from contracts with customers. The following provides detail of net sales for each reportable segment, broken down by geographic region.

(Millions of yen)

	Reportable Segments					Others (Note) 3	Total	Composition (%)
	Functional Materials	Advanced Materials & Processing	Electronics & Energy	Mobility	Life & Healthcare			
Japan	64,933	34,694	56,442	42,163	70,490	146	268,872	29.9
Greater China	17,881	96,356	59,803	31,724	3,866	-	209,632	23.3
ASEAN	34,198	60,586	7,403	37,665	6,200	-	146,053	16.2
Americas	22,847	4,509	8,880	18,716	123,756	-	178,710	19.9
Europe	5,899	1,133	4,021	1,562	73,068	-	85,685	9.5
Other	1,044	1,263	8,206	285	396	-	11,196	1.2
Revenues from contracts with customers	146,804	198,543	144,758	132,117	277,779	146	900,149	100.0
Net sales to customers	146,804	198,543	144,758	132,117	277,779	146	900,149	100.0

(Note) 1. Net sales are categorized by country or region, according to the location of the customer.

2. Major countries and regions in each category other than Japan

(1) Greater China..... China, Hong Kong, Taiwan

(2) ASEAN..... Thailand, Vietnam, Indonesia

(3) Americas..... U.S., Mexico

(4) Europe..... U.K., Germany

(5) Other..... Korea

3. "Others" is a business segment consisting of businesses not included in Reportable Segments, and includes information processing services, and professional service

#### (2) Property, plant and equipment

(Millions of yen)

Japan	Americas	Other	Total
58,943	21,458	6,990	87,392

### 3. Major Customers

Information not presented here, since no single customer accounts for 10% or more of consolidated net sales.

### c. Impairment Losses of Non-Current Assets for Each Reportable Segment

#### Prior Consolidated Fiscal Year (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable Segments						Others	Corporate/ Elimination	Total
	Functional Materials	Advanced Materials & Processing	Electronics & Energy	Mobility	Life & Healthcare	Total			
Impairment loss	-	2,825	12	-	-	2,838	-	-	2,838

(Note) The Company conducted a review of the future business plans for the business assets in products and manufacturing process development business related to resins and for the development and manufacturing business in connection with water-soluble support materials for 3D printing, both in the Advanced Materials & Processing segment. As a result, we determined future cash flow will be less than book value. Therefore, the Company wrote down the book value of these assets to their recoverable amounts and recorded an impairment loss of ¥2,285 million and ¥539 million, respectively.

#### Current Consolidated Fiscal Year (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable Segments						Others	Corporate/ Elimination	Total
	Functional Materials	Advanced Materials & Processing	Electronics & Energy	Mobility	Life & Healthcare	Total			
Impairment loss	2,276	-	-	-	-	2,276	-	-	2,276

(Note) The Functional Materials segment recorded impairment losses of ¥2,276 million for business assets etc. related to color former manufacturing business due to declining profitability. The Company wrote down the book value of these assets to their recoverable amounts.

### d. Amortization and Unamortized Balance of Goodwill for Each Reportable Segment

#### Prior Consolidated Fiscal Year (April 1, 2022 to March 31, 2023)

Omitted, as the same information has been disclosed under Segment Information.

#### Current Consolidated Fiscal Year (April 1, 2023 to March 31, 2024)

Omitted, as the same information has been disclosed under Segment Information.

### e. Information About Gain on Negative Goodwill for Each Reportable Segment

#### Prior Consolidated Fiscal Year (April 1, 2022 to March 31, 2023)

No matters to report.

#### Current Consolidated Fiscal Year (April 1, 2023 to March 31, 2024)

No matters to report.

**(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)<br>(Equivalent to 4.82% of outstanding shares,<br>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<br>(Equivalent to 2.54% of outstanding shares,<br>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.