

## Consolidated Financial Statements for the Six Months Ended September 30, 2024 <Under Japanese GAAP>

November 6, 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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Filing of semi-annual securities report (scheduled): November 12, 2024

Start of distribution of dividends (scheduled): December 2, 2024

Supplementary documents of financial results: Yes

Holding of financial results briefing: Yes (for analysts and institutional investors)

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

### 1. Consolidated Results for the Six Months Ended September 30, 2024 (April 1, 2024 to September 30, 2024)

#### (1) Consolidated Operating Results

(% = year-on-year change)

|                    | Net sales       |      | Gross profit    |      | Operating income |       | Ordinary income |       | Profit attributable to owners of the parent |       |
|--------------------|-----------------|------|-----------------|------|------------------|-------|-----------------|-------|---|-------|
| Six months ended   | Millions of yen | %    | Millions of yen | %    | Millions of yen  | %     | Millions of yen | %     | Millions of yen                             | %     |
| September 30, 2024 | 480,976         | 6.8  | 92,144          | 16.8 | 21,054           | 45.4  | 20,297          | 42.5  | 15,977                                      | 55.9  |
| September 30, 2023 | 450,199         | -1.2 | 78,896          | -0.6 | 14,483           | -27.2 | 14,245          | -29.8 | 10,247                                      | -34.3 |

(Note) Comprehensive income

For the six months ended September 30, 2024: ¥24,888 million (20.5% decrease)

For the six months ended September 30, 2023: ¥31,306 million (15.0% decrease)

|                    | Earnings per share | Earnings per share (diluted) |
|--------------------|--------------------|------------------------------|
| Six months ended   | Yen                | Yen                          |
| September 30, 2024 | 142.08             | —                            |
| September 30, 2023 | 88.48              | —                            |

#### (2) Consolidated Financial Position

|                    | Total assets    | Net assets      | Shareholders' equity ratio | Net assets per share |
|--------------------|-----------------|-----------------|----------------------------|----------------------|
| As of              | Millions of yen | Millions of yen | %                          | Yen                  |
| September 30, 2024 | 796,695         | 411,716         | 50.8                       | 3,655.20             |
| March 31, 2024     | 792,336         | 401,315         | 49.7                       | 3,463.84             |

(Reference) Equity capital

As of September 30, 2024: ¥404,710 million

As of March 31, 2024: ¥394,064 million

### 2. Dividends

|                                | Annual Dividends per Share |       |     |                 |        |
|--------------------------------|----------------------------|-------|-----|-----------------|--------|
|                                | 1Q                         | 2Q    | 3Q  | Fiscal year end | Annual |
| For the year ended (or ending) | Yen                        | Yen   | Yen | Yen             | Yen    |
| March 2024                     | —                          | 40.00 | —   | 40.00           | 80.00  |
| March 2025                     | —                          | 45.00 | —   | —               | —      |
| March 2025 (forecast)          | —                          | —     | —   | 45.00           | 90.00  |

(Notes) 1. Revisions to the latest dividends forecast: No

2. For details, please refer to *Notice Regarding Dividends of Surplus (Interim, Increased)* announced on November 6, 2024.

### 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 |
|------------------|-----------------|-----|-----------------|-----|------------------|------|-----------------|------|---|------|--------------------|
| Full fiscal year | Millions of yen | %   | Millions of yen | %   | Millions of yen  | %    | Millions of yen | %    | Millions of yen                             | %    | Yen                |
|                  | 940,000         | 4.4 | 180,000         | 9.3 | 36,500           | 19.2 | 35,200          | 15.1 | 28,000                                      | 25.0 | 254.30             |

(Note) Revisions to the latest consolidated earnings forecast: No

#### \* Notes

- (1) Changes in major subsidiaries during the period (changes in specified subsidiaries accompanying changes in the scope of consolidation): Yes

New: — (Company name: ) Excluded: 1 (Company name: Nagase Specialty Materials NA LLC)

- (2) Application of special accounting methods to the preparation of semi-annual financial statements: Yes

- (3) 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: No
- iii. Changes in accounting estimates: No
- iv. Restatement of prior period financial statements after error corrections: No

- (4) Number of shares issued and outstanding (common stock)

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

|                    |                    |                |                    |
|--------------------|--------------------|----------------|--------------------|
| September 30, 2024 | 114,908,285 shares | March 31, 2024 | 117,908,285 shares |
|--------------------|--------------------|----------------|--------------------|

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

|                    |                  |                |                  |
|--------------------|------------------|----------------|------------------|
| September 30, 2024 | 4,186,657 shares | March 31, 2024 | 4,143,115 shares |
|--------------------|------------------|----------------|------------------|

- iii. Average number of shares during the period

|                    |                    |                    |                    |
|--------------------|--------------------|--------------------|--------------------|
| September 30, 2024 | 112,455,860 shares | September 30, 2023 | 115,817,285 shares |
|--------------------|--------------------|--------------------|--------------------|

**\* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.**

#### **\* 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.

## Semi-Annual Consolidated Financial Statements

### (1) Semi-Annual Consolidated Balance Sheets

(Millions of yen)

|   | As of March 31, 2024 | As of September 30, 2024 |
|---|----------------------|--------------------------|
| <b>ASSETS</b>                                     |                      |                          |
| Current assets                                    |                      |                          |
| Cash and time deposits                            | 59,410               | 54,484                   |
| Notes and accounts receivable and contract assets | 321,126              | 317,416                  |
| Merchandise and finished goods                    | 131,137              | 139,294                  |
| Work in process                                   | 2,594                | 2,782                    |
| Raw materials and supplies                        | 14,259               | 16,773                   |
| Other   | 14,881               | 17,814                   |
| Less allowance for doubtful accounts              | (940)                | (2,360)                  |
| Total current assets                              | 542,470              | 546,204                  |
| Non-current assets                                |                      |                          |
| Property, plant and equipment                     | 87,392               | 90,968                   |
| Intangible fixed assets                           |                      |                          |
| Goodwill  | 27,884               | 27,977                   |
| Technology-based assets                           | 2,761                | 1,973                    |
| Other   | 38,703               | 40,391                   |
| Total intangible fixed assets                     | 69,349               | 70,343                   |
| Investments and other assets                      |                      |                          |
| Investments in securities                         | 76,225               | 70,802                   |
| Long-term loans receivable                        | 326                  | 1,209                    |
| Retirement benefit asset                          | 6,217                | 6,304                    |
| Deferred tax assets                               | 4,596                | 4,873                    |
| Other   | 5,935                | 6,150                    |
| Less allowance for doubtful accounts              | (177)                | (161)                    |
| Total investments and other assets                | 93,123               | 89,178                   |
| Total non-current assets                          | 249,865              | 250,490                  |
| Total assets                                      | 792,336              | 796,695                  |

(Millions of yen)

|  | As of March 31, 2024 | As of September 30, 2024 |
|--|----------------------|--------------------------|
| <b>LIABILITIES</b>                           |                      |                          |
| Current liabilities                          |                      |                          |
| Notes and accounts payable                   | 156,352              | 148,340                  |
| Short-term loans                             | 50,731               | 50,412                   |
| Current portion of long-term loans           | 6,946                | 5,045                    |
| Commercial paper                             | 37,000               | 34,000                   |
| Current portion of bonds                     | 10,000               | 10,000                   |
| Accrued income taxes                         | 5,195                | 5,753                    |
| Accrued bonuses for employees                | 7,569                | 7,284                    |
| Accrued bonuses for directors                | 251                  | 203                      |
| Other  | 28,628               | 30,665                   |
| Total current liabilities                    | 302,675              | 291,704                  |
| Long-term liabilities                        |                      |                          |
| Bonds  | 20,000               | 20,000                   |
| Long-term loans                              | 27,533               | 34,138                   |
| Lease liabilities                            | 12,492               | 12,458                   |
| Deferred tax liabilities                     | 13,567               | 11,480                   |
| Retirement benefit liability                 | 12,345               | 12,637                   |
| Provision for directors' stock benefit       | 60                   | 81                       |
| Other  | 2,345                | 2,477                    |
| Total long-term liabilities                  | 88,345               | 93,274                   |
| Total liabilities                            | 391,021              | 384,978                  |
| <b>NET ASSETS</b>                            |                      |                          |
| Shareholders' equity                         |                      |                          |
| Common stock                                 | 9,699                | 9,699                    |
| Capital surplus                              | 9,348                | 9,348                    |
| Retained earnings                            | 303,328              | 307,792                  |
| Less treasury stock, at cost                 | (9,543)              | (12,043)                 |
| Total shareholders' equity                   | 312,832              | 314,796                  |
| Accumulated other comprehensive income       |                      |                          |
| Net unrealized holding gain on securities    | 33,763               | 29,673                   |
| Deferred gain (loss) on hedges               | 119                  | (184)                    |
| Translation adjustments                      | 44,846               | 59,154                   |
| Remeasurements of defined benefit plans      | 2,503                | 1,269                    |
| Total accumulated other comprehensive income | 81,232               | 89,913                   |
| Non-controlling interests                    | 7,250                | 7,006                    |
| Total net assets                             | 401,315              | 411,716                  |
| Total liabilities and net assets             | 792,336              | 796,695                  |

## (2) Semi-Annual Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

### (Semi-Annual Consolidated Statements of Income)

Six-month periods ended September 30, 2024 and 2023

(Millions of yen)

|  | Six-month period ended<br>September 30, 2023<br>(April 1, 2023 - September 30, 2023) | Six-month period ended<br>September 30, 2024<br>(April 1, 2024 - September 30, 2024) |
|--|--|--|
| Net sales  | 450,199  | 480,976  |
| Cost of sales                                    | 371,302  | 388,832  |
| Gross profit                                     | 78,896   | 92,144   |
| Selling, general and administrative expenses     | 64,413   | 71,090   |
| Operating income                                 | 14,483   | 21,054   |
| Non-operating income                             |  |  |
| Interest income                                  | 130  | 557  |
| Dividend income                                  | 778  | 842  |
| Rent income                                      | 117  | 162  |
| Equity in earnings of affiliates                 | 217  | 449  |
| Foreign exchange gains                           | 539  | —  |
| Other  | 236  | 121  |
| Total non-operating income                       | 2,020  | 2,133  |
| Non-operating expenses                           |  |  |
| Interest expenses                                | 1,924  | 1,935  |
| Foreign exchange losses                          | —  | 605  |
| Other  | 334  | 347  |
| Total non-operating expenses                     | 2,258  | 2,889  |
| Ordinary income                                  | 14,245   | 20,297   |
| Extraordinary gains                              |  |  |
| Gain on sales of non-current assets              | 55   | 281  |
| Gain on sales of investment securities           | 923  | 2,790  |
| Subsidy income                                   | 500  | 257  |
| Other  | 45   | 9  |
| Total extraordinary gains                        | 1,524  | 3,388  |
| Extraordinary losses                             |  |  |
| Loss on sales of non-current assets              | 3  | 12   |
| Loss on disposal of non-current assets           | 696  | 342  |
| Loss on sales of investment securities           | 21   | 18   |
| Loss on valuation of investments securities      | 104  | —  |
| Loss on discontinued operations                  | —  | 229  |
| Other  | 63   | 29   |
| Total extraordinary losses                       | 888  | 632  |
| Income before income taxes                       | 14,881   | 23,004   |
| Income taxes                                     | 4,256  | 6,642  |
| Profit for the period                            | 10,625   | 16,362   |
| Profit attributable to non-controlling interests | 377  | 384  |
| Profit attributable to owners of the parent      | 10,247   | 15,977   |

**(Semi-Annual Consolidated Statements of Comprehensive Income)**

Six-month periods ended September 30, 2024 and 2023

(Millions of yen)

|   | Six-month period ended<br>September 30, 2023<br>(April 1, 2023 - September 30, 2023) | Six-month period ended<br>September 30, 2024<br>(April 1, 2024 - September 30, 2024) |
|---|--|--|
| Profit for the period   | 10,625   | 16,362   |
| Other comprehensive income  |  |  |
| Net unrealized holding gain (loss) on securities                                      | 3,797  | (4,081)  |
| Deferred gain (loss) on hedges  | 307  | (306)  |
| Translation adjustments   | 15,753   | 14,109   |
| Remeasurements of defined benefit plans   | 331  | (1,233)  |
| Share of other comprehensive gain of affiliates<br>accounted for by the equity method | 491  | 38   |
| Total other comprehensive income  | 20,681   | 8,526  |
| Comprehensive income  | 31,306   | 24,888   |
| Comprehensive income attributable to:   |  |  |
| Shareholders of the parent  | 30,184   | 24,658   |
| Non-controlling interests   | 1,121  | 229  |

### (3) Semi-Annual Consolidated Statements of Cash Flows

Six-month periods ended September 30, 2024 and 2023

(Millions of yen)

|   | Six-month period ended<br>September 30, 2023<br>(April 1, 2023 - September 30, 2023) | Six-month period ended<br>September 30, 2024<br>(April 1, 2024 - September 30, 2024) |
|---|--|--|
| <b>Operating activities</b>   |  |  |
| Income before income taxes  | 14,881   | 23,004   |
| Depreciation and amortization other than amortization of goodwill   | 6,662  | 7,624  |
| Amortization of goodwill  | 1,288  | 1,363  |
| Subsidy income  | (500)  | (257)  |
| Share of gain of entities accounted for using equity method   | (217)  | (449)  |
| Loss on discontinued operations   | —  | 229  |
| Increase (decrease) in retirement benefit liability   | 501  | (1,501)  |
| Decrease (increase) in retirement benefit asset   | 246  | (1,674)  |
| Interest and dividend income  | (908)  | (1,399)  |
| Interest expenses   | 1,924  | 1,935  |
| Exchange gain (loss), net   | (1,314)  | 634  |
| Gain on sales of investment securities, investments in capital, shares of subsidiaries and affiliates, and investments in capital of subsidiaries and affiliates, net | (902)  | (2,771)  |
| (Increase) decrease in notes and accounts receivable  | (11,599)   | 5,459  |
| Decrease (increase) in inventories  | 24,901   | (6,003)  |
| Increase (decrease) in notes and accounts payable   | 10,002   | (8,328)  |
| Other   | (2,054)  | 940  |
| Subtotal  | 42,910   | 18,805   |
| Interest and dividends received   | 1,024  | 1,751  |
| Interest paid   | (2,040)  | (2,009)  |
| Proceeds from subsidy income  | 500  | 257  |
| Income taxes paid   | (4,161)  | (6,841)  |
| Net cash provided by operating activities   | 38,232   | 11,964   |
| <b>Investing activities</b>   |  |  |
| Purchases of property, plant and equipment  | (4,947)  | (6,589)  |
| Proceeds from sales of property, plant and equipment  | 93   | 639  |
| Purchases of intangible fixed assets  | (2,438)  | (605)  |
| Purchases of investments in securities  | (394)  | (451)  |
| Proceeds from sales of investments in securities  | 1,604  | 3,279  |
| Purchases of investments in capital   | (202)  | —  |
| Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation   | (244)  | —  |
| (Increase) decrease in short-term loans receivable included in other current assets   | (245)  | 229  |
| Decrease (increase) in time deposits, net   | 322  | (6,242)  |
| Other   | 40   | (1,128)  |
| Net cash used in investing activities   | (6,411)  | (10,869)   |
| <b>Financing activities</b>   |  |  |
| (Decrease) increase in short-term loans, net  | (16,269)   | 2,240  |
| Decrease in commercial paper, net   | (2,000)  | (3,000)  |
| Proceeds from long-term loans   | —  | 7,000  |
| Repayments of long-term loans   | (17)   | (1,920)  |
| Purchase of treasury stock  | (6,677)  | (9,481)  |
| Cash dividends paid   | (4,696)  | (4,562)  |
| Cash dividends paid to non-controlling interests  | (603)  | (474)  |
| Payments for purchases of shares of subsidiaries not resulting in change in scope of consolidation  | (6,002)  | —  |
| Other   | (422)  | (880)  |
| Net cash used in financing activities   | (36,689)   | (11,077)   |

(Millions of yen)

|   | Six-month period ended<br>September 30, 2023<br>(April 1, 2023 - September 30, 2023) | Six-month period ended<br>September 30, 2024<br>(April 1, 2024 - September 30, 2024) |
|---|--|--|
| Effects of exchange rate changes on cash and cash equivalents | 5,082  | (972)  |
| Net increase (decrease) in cash and cash equivalents          | 213  | (10,955)   |
| Cash and cash equivalents at beginning of the year            | 40,331   | 59,185   |
| Cash and cash equivalents at end of the period                | 40,545   | 48,230   |