

November 6, 2025

To Whom It May Concern

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Notice Concerning the Disposal of Treasury Stock as Restricted Stock for an Employee Stock Ownership Plan

At a meeting held today, the NAGASE & CO., LTD. ("Company") Board of Directors resolved to adopt a plan to grant restricted stock ("Plan") to Company employees and Company subsidiary employees ("NAGASE Group") via the NAGASE & CO. Employee Stock Ownership Plan ("ESOP"), which is the employee stock ownership plan of the Company. The disposal of treasury stock as restricted stock ("Disposal") shall be granted to the allottees as described below.

1. Disposal overview

(1) Payment date	March 25, 2026
(2) Type and number of shares to be disposed	450,000 shares of common stock of the Company (Note 1)
(3) Disposal price	3,434 yen per share * However, if the highest closing price of the Company's common stock on Prime Market on the Tokyo Stock Exchange ("closing price on the trading day prior to the term determination date") on any trading day immediately preceding any day between November 11, 2025, and November 14, 2025, exceeds 3,434 yen, the disposal price shall be equal to the highest closing price on the trading day prior to the term determination date. (Note 2)
(4) Total disposal price	1,545,300,000 yen (estimate as of the publication date of this disclosure; value shall be calculated by multiplying the disposal price as described in (3) above by the number of shares disposed as described in (2) above.)
(5) Disposal method	Disposal shall be conducted by third-party allotment.
(6) Allottees	NAGASE & CO. Employee Stock Ownership Plan 450,000 shares

(7) Other	The Company has submitted an interim report for this Disposal as required under the Financial Instruments and Exchange Act.
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(Note 1) Upon a resolution of the Employee Stock Ownership Plan Board of Governors scheduled to be held November 6, 2026, the ESOP shall collect applications for membership in ESOP after providing NAGASE Group employees with a sufficient notice period. Accordingly, the number of shares to be disposed and total disposal price noted above represents maximums for each figure. The Company intends to confirm the actual total figures for the number of shares to be disposed and disposal price after the membership drive and completion of the subscriber consent confirmation under the Plan.

(Note 2) Method for determining disposal price (purpose of establishing a price determination period)

In the case of raising funds through a disposal of shares via third-party allotment, such as Disposal, the disposal price is generally determined on the date of the resolution for said disposal. However, on November 6, 2025, which was the Disposal Determination Date, the Company announced financial results for the second quarter of the fiscal year ending March 31, 2026, and also passed a resolution to conduct share buybacks. Accordingly, on November 14, 2025, to factor in the impact on the stock price associated with this disclosure and take into consideration the interests of existing shareholders, the Company has decided to use the higher disposal price after comparing the closing price of 3,434 yen for Company common shares on the Prime Market of the Tokyo Stock Exchange on November 5, 2025, and the closing price on the trading day prior to the term determination date, giving consideration to various factors, including stock price fluctuations.

2. Purpose and reason for the disposal

The Company has decided to adopt the Plan and conduct the Disposal for NAGASE Group employees who are members of the ESOP and who have agreed to acquire shares of stock allocated to the ESOP ("Eligible Employees"), excluding persons not living in Japan. The objective of the Plan is to grant shares as an incentive to sustainably improve the corporate value of the NAGASE Group by encouraging Eligible Employees to further share values with stakeholders, enhance engagement, and assist in personal asset formation.

The following provides an overview of the Plan.

Plan Overview

Under the Plan, Eligible Employees will be granted monetary claims ("Monetary Claims") for the purpose of receiving restricted stock grants, and such employees will contribute Monetary Claims to the ESOP. The ESOP will make a contribution in kind to the Company of the Monetary Claims contributed by the eligible employees, and receive an issuance or disposal of Company common shares as restricted stock.

In the event that the Company makes a new issuance or disposal of common stock under the Plan, the amount paid in per share of the common stock in question shall be based on the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange on the trading day preceding the date of the Board of Directors resolution pertaining to said issuance or disposition (the closing price of the immediately preceding trading day, if no transaction was executed on the same day). The Board of Directors shall determine the amount based on this policy, provided that such is within a scope that does not result in a particularly advantageous amount for the ESOP (and, consequently, eligible employees).

In connection with the issuance or disposal of common stock under this Plan, the Company and the ESOP shall enter in a restricted stock allocation agreement, which shall include the following provisions: (1) A prohibition on the transfer, creation of security interests, or other disposition of the allocated shares to third parties for a specified period ("Transfer Restriction"); (2) The Company's right to acquire allocated shares without consideration upon the occurrence of certain events. The payment of Monetary Claims to the eligible employees will be made subject to the execution of said restricted stock allotment agreement between the Company and the ESOP.

Furthermore, eligible employees shall be restricted from withdrawing the restricted shares corresponding to their membership interests in restricted shares ("Restricted Stock Units") issued or acquired by the ESOP pursuant to the employee stock ownership plan regulations ("ESOP Regulations") until such Transfer Restriction on said restricted stock has been lifted.

Disposal Overview

On this basis, the NAGASE Group has decided to grant Eligible Employees a total of monetary claims of 1,545,300,000 yen, and the Company shall grant a total of 450,000 shares of Company common stock ("Allotted Shares") to the ESOP in exchange for the ESOP providing to the Company, as property contributed in kind, the monetary claims contributed to the ESOP by Eligible Employees.

The grant of Allocated Shares shall be made via treasury stock disposal, and the number of shares to be disposed will be determined at a later date as described in Note 1 of *1.Disposal overview*. However, the maximum number of shares to be disposed shall be 450,000 shares.

The scope of dilution resulting from Disposal will be 0.41% of the total number of outstanding shares as of September 30, 2025 (109,908,285 shares), and 0.43% of the total voting rights as of September 30, 2025 (1,046,031 voting rights; all percentages rounded to two decimal places).

In addition, at a meeting held October 24, 2025, the Company's Board of Directors approved a resolution to split the Company's common stock at a ratio of 4 shares for each share of the Company's common stock, effective as of April 1, 2026.

Overview of Restricted Stock Allotment Agreement

The Company and the ESOP shall enter into a restricted stock allotment agreement (the "Transfer Restriction Agreement"), an overview of which follows below.

(1) Restricted period of transfer

The ESOP shall not transfer, pledge, or otherwise dispose of Allotted Shares, including withdrawal by Eligible Employees, during the period from March 25, 2026 (Payment Date), to June 1, 2029 ("Transfer Restriction Period").

(2) Conditions for lifting transfer restrictions

On the condition that Eligible Employees remain a member of the ESOP for the duration of the Transfer Restriction Period, the Transfer Restriction of Allotted Shares in the number corresponding to the Restricted Stock Units held by Eligible Employees shall be lifted as of the expiration date of the Transfer Restriction Period.

When lifting the Transfer Restriction, the Company shall inform the ESOP that the Company will lift Transfer Restriction and the number of Allotted Shares subject to the lifting of Transfer Restriction. The ESOP shall, subject to the provisions of the ESOP Regulations, transfer the portion of Restricted Stock Units owned by Eligible Employees corresponding to the Allotted Shares for which the Transfer Restriction have been lifted, in the member shares ("Ordinary Shares") held by the Eligible Employee in question for the shares acquired by the ESOP outside the Plan.

(3) Treatment of termination of membership in the ESOP

In cases where an Eligible Employee terminates their membership in the ESOP (including cases where the membership of said Eligible Employee is automatically terminated due to the loss of membership qualifications or the employee terminates membership upon the submission of a notice of termination of membership) during the Transfer Restriction Period, the Company shall acquire all of the Allotted Shares without consideration as of the first business day of the month in which the settlement occurs ("Settlement Release Date") upon the withdrawal from the ESOP by the Eligible Employee in question. However, in the event of death, retirement (provided that, if re-employed after retirement, the expiration of the re-employment period at the Company or Company subsidiary to which the Eligible Employee belongs (If the re-employment period is renewed, the expiration of the renewed re-employment period. The same applies thereafter.); same as applied to retirement), promotion to an executive position, transfer to a company not covered by the ESOP, or other reasons deemed valid by the general manager of the Company's Human Resources and General Affairs Dept., or if the Eligible Employee in question is designated for an overseas assignment ("Assignment Designation") as of the Settlement Release Date, then the first business day following the day of the month of Assignment Designation, and the Eligible Employee withdraws from the ESOP, the transfer restriction on all Allotted Shares shall be lifted as of said dates.

(4) Acquisition by the Company without consideration

The Company shall automatically acquire Allotted Shares for which Transfer Restrictions have not been lifted without consideration upon the expiration of the Transfer Restriction Period or at any other time specified in this Transfer Restriction Agreement.

(5) Share management

Allotted Shares shall be managed within a dedicated account for restricted stock opened by the ESOP at Daiwa Securities Co., Ltd. during the Transfer Restriction Period to ensure Allotted Shares may not be transferred, pledged, or otherwise disposed during the Transfer Restriction Period. In addition, the ESOP shall register and manage the Restricted Stock Units of Allotted Shares of stock acquired by ESOP and held by Eligible Employees according to the provisions of the ESOP Regulations, separate from Ordinary Shares held by Eligible Employees.

(6) Treatment upon reorganization, etc.

In the event of a merger agreement during the Transfer Restriction Period in which the Company becomes the dissolved company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other events constituting organizational restructuring are approved at a Company general meeting of shareholders (or upon approval by the Company's Board of Directors, when such organizational restructuring does not require approval by the Company's shareholders), the transfer restrictions on all Allotted Shares shall be lifted as of the business day immediately prior to the effective

date of such organizational restructuring according to a decision by the general manager of the Company's Human Resources and General Affairs Dept.

3. Basis for the calculation of the amount to be paid in and specific details thereof

This Disposal shall be conducted with Eligible Employees contributing Monetary Claims paid to them as restricted stock grants as capital assets to the ESOP under the provisions of the Plan. The payment price shall be determined by comparing the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange on November 5, 2025 (the business day preceding the Board of Director resolution date), which was 3,434 yen, with the closing price on the trading day prior to the term determination date, using the higher of the two prices. We believe this method of determining disposal price for the treasury stock disposal is a reasonable method taking into account the interests of existing shareholders. We also believe this method will determine a disposal price of the same amount as the market price for said shares. Furthermore, the disposal price for the treasury shares determined by this method is not considered to be particularly advantageous for the ESOP.

The percentage deviation (rounded to two decimal places) of the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange on November 5, 2025 (the business day preceding the Board of Director resolution date), which is 3,434 yen, from the average closing price of the Company's common stock on the same exchange is as presented below.

Period	Closing average (rounded down to the nearest yen)	Deviation ratio
1 month (October 6, 2025 - November 5, 2025)	3,300 yen	4.06%
3 months (August 6, 2025 - November 5, 2025)	3,229 yen	6.35%
6 months (May 6, 2025 - November 5, 2025)	2,995 yen	14.66%

The four members (including two outside members) of the Company's Audit & Supervisory Board attending the Board of Directors Meeting held today expressed the opinion that the disposal price described above does not represent a disposal price that is particularly favorable to the ESOP as the allottee in light of the purpose of the Disposal as a means to adopt the Plan and that the disposal price is the higher price between the closing price on the business day preceding the date of the Board resolution and the closing price on the last trading day before the condition determination date.

4. Matters related to procedures under the Code of Corporate Conduct

As (1) the dilution ratio related to the Disposal is less than 25% and (2) the Disposal does not involve a change in controlling shareholder, it is not necessary to obtain an opinion from an independent third party or to confirm the intent of shareholders as required by Article 432 of the listing regulations established by the Tokyo Stock Exchange.

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