

Consolidated Financial Statements for the Nine Months Ended December 31, 2025 <Under Japanese GAAP>

February 5, 2026

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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Start of distribution of dividends (scheduled): -

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 Nine Months Ended December 31, 2025 (April 1, 2025 to December 31, 2025)

(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	%
Nine months ended December 31, 2025	724,069	0.8	138,896	5.9	33,205	7.1	33,600	9.4	24,976	15.0
December 31, 2024	718,044	5.9	131,211	—	31,002	34.7	30,700	32.4	21,712	20.6

(Note) 1. Comprehensive income

For the nine months ended December 31, 2025: ¥38,390 million (53.9% increase)

For the nine months ended December 31, 2024: ¥24,949 million (37.7% decrease)

2. Due to a change in accounting policy, gross profit for the nine months ended December 31, 2024, has been restated retrospectively.

Accordingly, the year-on-year percentage change for the nine months is not presented.

	Earnings per share	Earnings per share (diluted)
	Yen	Yen
Nine months ended December 31, 2025	236.02	—
December 31, 2024	194.79	—

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2025	860,462	416,339	47.4	3,978.08
March 31, 2025	808,143	406,459	49.4	3,679.09

(Reference) Equity capital

As of December 31, 2025: ¥408,278 million

As of March 31, 2025: ¥399,052 million

2. Dividends

	Annual Dividends per Share				
	1Q	2Q	3Q	Fiscal year end	Annual
	Yen	Yen	Yen	Yen	Yen
For the year ended (or ending) March 2025	—	45.00	—	45.00	90.00
March 2026	—	45.00	—	—	—
March 2026 (forecast)	—	—	—	55.00	100.00

(Notes) 1. Revisions to the latest dividends forecast: Yes

2. For details, please refer to *Notice Regarding Revision to Dividend Forecasts (Dividend Increase)* announced on February 5, 2026.

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(% = 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
	964,000	2.0	183,000	5.6	40,700	4.1	40,600	5.8	31,500	23.4	300.53

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

2. Due to a change in accounting policy, the year-on-year percentage change in gross profit is calculated using the retrospectively adjusted figures for the corresponding period of the previous fiscal year.

* Notes

(1) Significant changes in major subsidiaries during the period: Yes

New: 8 (Company names: APLIQUIMICA APLICACOES QUIMICAS ESPECIAIS LTDA

SACHEM Japan Holding GK

SACHEM Japan GK

SN Tech Corporation

SACHEM Wuxi Co., Ltd.

SACHEM Korea Ltd.

NAGASE WAHLEE INDIA PRIVATE LIMITED

Nagase Diagnostics Co., Ltd.)

Excluded: 3 (Company names: Nagase Abrasive Materials Co., Ltd.

Inkron Oy

The Ingredient House, LLC)

(Note) In January 2026, an absorption-type merger was conducted with SACHEM Japan Holding GK and SN Tech Corporation as the dissolved companies and SACHEM Japan GK as the surviving company. The surviving company was subsequently reorganized into SACHEM Japan Co., Ltd.

(2) Application of special accounting methods to the preparation of quarterly financial statements: Yes

(Note) For details, please refer to 2. *Quarterly Consolidated Financial Statements and Notes*, (4) *Notes Related to Quarterly Consolidated Financial Statements (Special Accounting Treatment Applied in Preparing Quarterly Consolidated Financial Statements)*, on P.11 of this document.

(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: No

ii. Changes in items other than (i) above: Yes

iii. Changes in accounting estimates: Yes

iv. Restatement of prior period financial statements after error corrections: No

(Note) For details, please refer to 2. *Quarterly Consolidated Financial Statements and Notes*, (4) *Notes Related to Quarterly Consolidated Financial Statements (Changes in Accounting Policy)* and *(Changes in Accounting Estimates)* on P.11 of this document.

(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)

December 31, 2025	109,908,285 shares	March 31, 2025	114,908,285 shares
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ii. Number of treasury stock as of the fiscal period end

December 31, 2025	7,276,358 shares	March 31, 2025	6,443,222 shares
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iii. Average number of shares during the period

December 31, 2025	105,824,928 shares	December 31, 2024	111,467,485 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 (730,000 shares as of December 31, 2025 and 282,400 shares as of March 31, 2025). 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 (320,520 shares for the period ended December 31, 2025 and 285,450 shares for the period ended December 31, 2024).

*Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* 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. *Qualitative Information*, (3) *Qualitative Information Related to Consolidated Earnings Forecasts*, on P.4 of this document.

Attachments

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1. Qualitative Information

(1) Review of Business Performance

a. General Summary of Results

Earnings for the nine-month period ended December 31, 2025 are as follows.

(Millions of yen)

	Nine-month period ended December 31, 2024	Nine-month period ended December 31, 2025	Change	Change (%)
Net sales	718,044	724,069	6,025	0.8
Gross profit	131,211	138,896	7,684	5.9
Operating income	31,002	33,205	2,203	7.1
Ordinary income	30,700	33,600	2,900	9.4
Profit before income taxes	32,221	35,347	3,125	9.7
Profit attributable to owners of the parent	21,712	24,976	3,264	15.0

- Although the impact of yen appreciation, all profit stages increased for the period.
- Gross profit increased due to an increase in net sales and improved profitability at certain manufacturing subsidiaries and other factors.
- Operating income increased with an increase in gross profit, despite M&A-related expenses and an increase in selling, general and administrative expenses, which was caused by an increase in retirement benefit expenses related to the amortization of actuarial differences. For details, see *b. Segment Summary*.
- Profit attributable to owners of the parent increased by ¥3.2 billion to ¥24.9 billion, due to an increase in operating profit and the posting of a gain on negative goodwill and a gain on sales of shares of subsidiaries and affiliates, despite the posting of a loss on business withdrawal related to the decision made in fiscal 2020 to withdraw from the thin-film processing business for glass substrates in China.

b. Segment Summary

The following describes performance by segment.

The comparative analysis of gross profit in the Life & Healthcare segment reflects the retrospective application of a change in accounting policy for the third quarter of the previous fiscal year.

*For details, please refer to (*Changes in Accounting Policy*) on P.11 of this document.

Functional Materials

(Millions of yen)

	Nine-month period ended December 31, 2024	Nine-month period ended December 31, 2025	Change	Change (%)
Net sales	116,682	115,373	(1,308)	(1.1)
Gross profit	24,969	24,083	(886)	(3.6)
Operating income	7,470	6,759	(710)	(9.5)

Gross profit decreased mainly due to the following factors.

- Sales of coating materials decreased due to lower demand in automotive and architectural applications
- Sales increased for raw materials for semiconductor materials

Operating income decreased due to a decrease in gross profit.

Advanced Materials & Processing

(Millions of yen)

	Nine-month period ended December 31, 2024	Nine-month period ended December 31, 2025	Change	Change (%)
Net sales	161,086	154,249	(6,837)	(4.2)
Gross profit	19,847	20,393	545	2.8
Operating income	5,448	5,475	26	0.5

Gross profit increased mainly due to the following factors.

- Although resin sales declined due to lower volume in the electrical and electronics industry, including office automation equipment, profit margin improved as a result of planned product mix optimization
- Sales of industrial hoses and civil engineering pipes increased at Nagase RooTAC Industries, Inc.

Operating income remained flat due to an increase in general and administrative expenses such as personnel expenses, despite an increase in gross profit.

Electronics & Energy

(Millions of yen)

	Nine-month period ended December 31, 2024	Nine-month period ended December 31, 2025	Change	Change (%)
Net sales	121,267	128,959	7,691	6.3
Gross profit	29,261	33,907	4,646	15.9
Operating income	8,857	11,338	2,481	28.0

Gross profit increased mainly due to the following factors.

- Sales of materials for the semiconductors increased
- Sales of formulated epoxy resins of Nagase ChemteX increased due to strong demand for semiconductors used in AI servers, despite demand for mobile device applications remained sluggish
- Pac Tech Group sales for wafer bumping equipment and bumping contract services remained strong

Operating income increased due to increased gross profit, despite posting M&A related expenses.

Mobility

(Millions of yen)

	Nine-month period ended December 31, 2024	Nine-month period ended December 31, 2025	Change	Change (%)
Net sales	100,379	97,293	(3,086)	(3.1)
Gross profit	12,756	11,782	(973)	(7.6)
Operating income	3,495	2,735	(759)	(21.7)

Gross profit decreased mainly due to the following factors.

- Resin sales, which account for about half of gross profit remained flat
- Sales decreased for functional materials and functional components for interior and exterior fittings and electrification

Operating income decreased due to a decrease in gross profit.

Life & Healthcare

(Millions of yen)

	Nine-month period ended December 31, 2024	Nine-month period ended December 31, 2025	Change	Change (%)
Net sales	218,551	228,130	9,578	4.4
Gross profit	44,337	48,483	4,146	9.4
Operating income	3,114	6,980	3,865	124.1

Gross profit increased mainly due to the following factors.

- Sales increased for pharmaceutical raw materials and intermediates
- Nagase Viita saw an increase in sales of cosmetic materials and improved profit margin due in part to cost reductions
- The Prinova Group saw an increase in food ingredient sales due to an increase in volume

Operating income increased due to the completion of amortization for certain intangible assets at Nagase Viita and the efficiency improvements at the Prinova Group.

Others

No special matters to disclose.

(2) Review of Financial Position

a. Assets, Liabilities and Net Assets

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025	Change	Change (%)
Current assets	560,126	565,448	5,322	1.0
Non-current assets	248,017	295,014	46,996	18.9
Total assets	808,143	860,462	52,319	6.5
Liabilities	401,683	444,123	42,439	10.6
Net assets	406,459	416,339	9,879	2.4
Shareholders' equity ratio (%)	49.4	47.4	(2.0) p	—

- Current assets increased due to increases in accounts receivable and inventories, despite a decrease in cash and time deposits
- Non-current assets increased due to an increase in property, plant and equipment, as well as the recognition of goodwill from new consolidations
- Liabilities increased due to increases in accounts payable and commercial paper, despite a decrease due to the repayment of short-term loans
- Net assets increased due to the recording of quarterly profit attributable to owners of the parent and increases in net unrealized holding gains on securities and translation adjustments, despite purchases of treasury stock and payments of dividends
- As a result, the Company recorded a shareholders' equity ratio of 47.4%, down 2.0 points compared to 49.4% from the end of the prior consolidated fiscal year

b. Consolidated Cash Flows

(Millions of yen)

	Nine-month period ended December 31, 2024	Nine-month period ended December 31, 2025
Cash flows from operating activities	21,410	29,339
Cash flows from investing activities	(7,054)	(43,203)
Cash flows from financing activities	(17,703)	(10,793)

- Net cash provided by operating activities was mainly the result of ¥35.3 billion in income before taxes and ¥12.1 billion in depreciation and amortization, offset in part by a ¥1.6 billion decrease in cash due to an increase in working capital and ¥10.0 billion in income taxes paid.
- Net cash used in investing activities was mainly the result of ¥19.0 billion outlays for the acquisition of stock of a subsidiary resulting in a change in the scope of consolidation and ¥21.8 billion in purchases of property, plant and equipment.
- Net cash used in financing activities was mainly the result of a net decrease of ¥21.3 billion in short-term loans and ¥18.4 billion in the acquisition of treasury stock, offset in part by a net increase of ¥34.5 billion in commercial paper.

(3) Qualitative Information Related to Consolidated Earnings Forecasts

The full-year consolidated earnings forecast for the current consolidated fiscal year (April 1, 2025 to March 31, 2026) remains unchanged from the figures announced on November 6, 2025. In addition, there is no change to the earnings forecast by segment announced on November 6, 2025.

2. Quarterly Consolidated Financial Statements
(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
ASSETS		
Current assets		
Cash and time deposits	66,310	43,514
Notes and accounts receivable and contract assets	311,251	333,614
Merchandise and finished goods	146,834	151,359
Work in process	2,320	2,802
Raw materials and supplies	17,068	16,197
Other	17,387	19,005
Less allowance for doubtful accounts	(1,048)	(1,045)
Total current assets	560,126	565,448
Non-current assets		
Property, plant and equipment	91,671	117,646
Intangible fixed assets		
Goodwill	25,400	28,696
Technology-based assets	1,289	3,128
Other	39,121	38,356
Total intangible fixed assets	65,811	70,181
Investments and other assets		
Investments in securities	72,028	86,314
Long-term loans receivable	1,257	1,307
Retirement benefit asset	6,072	6,203
Deferred tax assets	5,700	5,760
Other	6,653	8,564
Less allowance for doubtful accounts	(1,179)	(964)
Total investments and other assets	90,534	107,186
Total non-current assets	248,017	295,014
Total assets	808,143	860,462

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
LIABILITIES		
Current liabilities		
Notes and accounts payable	151,269	165,847
Short-term loans	42,310	22,528
Current portion of long-term loans	6,039	15,056
Commercial paper	19,500	54,000
Accrued income taxes	3,753	7,006
Accrued bonuses for employees	8,518	5,848
Accrued bonuses for directors	394	255
Provision for directors' stock benefit	—	39
Provision for loss on business withdrawal	1,917	2,229
Other	35,874	35,486
Total current liabilities	269,576	308,298
Long-term liabilities		
Bonds	40,000	40,000
Long-term loans	53,454	50,401
Lease liabilities	11,471	10,958
Deferred tax liabilities	13,275	17,890
Retirement benefit liability	12,289	12,835
Provision for directors' stock benefit	111	272
Other	1,503	3,465
Total long-term liabilities	132,106	135,824
Total liabilities	401,683	444,123
NET ASSETS		
Shareholders' equity		
Common stock	9,699	9,699
Capital surplus	9,348	9,653
Retained earnings	312,244	312,212
Less treasury stock, at cost	(19,579)	(22,846)
Total shareholders' equity	311,712	308,719
Accumulated other comprehensive income		
Net unrealized holding gain on securities	30,665	39,587
Deferred gain on hedges	6	148
Translation adjustments	56,864	59,779
Remeasurements of defined benefit plans	(196)	44
Total accumulated other comprehensive income	87,340	99,558
Non-controlling interests	7,406	8,061
Total net assets	406,459	416,339
Total liabilities and net assets	808,143	860,462

**(2) Quarterly Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Quarterly Consolidated Statements of Income)**

Nine-month ended December 31, 2025 and 2024

(Millions of yen)

	Nine-month period ended December 31, 2024 (April 1, 2024 - December 31, 2024)	Nine-month period ended December 31, 2025 (April 1, 2025 - December 31, 2025)
Net sales	718,044	724,069
Cost of sales	586,832	585,173
Gross profit	131,211	138,896
Selling, general and administrative expenses	100,209	105,690
Operating income	31,002	33,205
Non-operating income		
Interest income	799	420
Dividend income	1,816	1,901
Rent income	241	102
Equity in earnings of affiliates	804	813
Foreign exchange gains	—	160
Other	249	446
Total non-operating income	3,911	3,845
Non-operating expenses		
Interest expenses	2,788	2,489
Foreign exchange losses	457	—
Other	966	960
Total non-operating expenses	4,213	3,450
Ordinary income	30,700	33,600
Extraordinary gains		
Gain on sales of non-current assets	2,172	19
Gain on sales of investment securities	2,789	2,772
Gain on sales of shares of subsidiaries and affiliates	—	498
Gain on liquidation of subsidiaries and affiliates	73	—
Gain on bargain purchase	—	1,780
Subsidy income	258	183
Other	9	—
Total extraordinary gains	5,303	5,254
Extraordinary losses		
Loss on sales of non-current assets	151	15
Loss on disposal of non-current assets	457	162
Loss on sales of investment securities	18	0
Loss on valuation of investment securities	1,014	176
Loss on sales of investments in capital of subsidiaries and affiliates	107	—
Loss on business withdrawal	2,033	2,647
Settlement payments	—	360
Other	—	143
Total extraordinary losses	3,781	3,507
Income before income taxes	32,221	35,347
Income taxes	9,930	9,829
Profit for the period	22,291	25,518
Profit attributable to non-controlling interests	578	541
Profit attributable to owners of the parent	21,712	24,976

(Quarterly Consolidated Statements of Comprehensive Income)

Nine-month ended December 31, 2025 and 2024

(Millions of yen)

	Nine-month period ended December 31, 2024 (April 1, 2024 - December 31, 2024)	Nine-month period ended December 31, 2025 (April 1, 2025 - December 31, 2025)
Profit for the period	22,291	25,518
Other comprehensive income		
Net unrealized holding (loss) gain on securities	(1,746)	8,919
Deferred gain on hedges	87	143
Translation adjustments	6,020	3,403
Remeasurements of defined benefit plans	(1,851)	240
Share of other comprehensive income of affiliates accounted for by the equity method	148	165
Total other comprehensive income	2,658	12,872
Comprehensive income	24,949	38,390
Comprehensive income attributable to:		
Shareholders of the parent	24,093	37,195
Non-controlling interests	855	1,195

(3) Quarterly Consolidated Statements of Cash Flows

Nine-month periods ended December 31, 2025 and 2024

(Millions of yen)

	Nine-month period ended December 31, 2024 (April 1, 2024 - December 31, 2024)	Nine-month period ended December 31, 2025 (April 1, 2025 - December 31, 2025)
Operating activities		
Income before income taxes	32,221	35,347
Depreciation and amortization other than amortization of goodwill	11,487	12,103
Amortization of goodwill	2,040	2,166
Subsidy income	(258)	(183)
Share of gain of entities accounted for using equity method	(804)	(813)
Loss on discontinued operations	2,033	2,647
Settlement payments	—	360
Gain on bargain purchase	—	(1,780)
Increase in retirement benefit liability	148	472
(Increase) decrease in retirement benefit asset	(2,511)	111
Interest and dividend income	(2,616)	(2,321)
Interest expenses	2,788	2,489
Exchange gain, net	(778)	(1,361)
Gain on sales of investment securities	(2,770)	(3,270)
Loss on evaluation of investment securities	1,014	176
Increase in notes and accounts receivable	(10,209)	(12,303)
(Increase) decrease in inventories	(4,876)	1,990
Increase in notes and accounts payable	3,974	8,699
Other	1,560	(5,211)
Subtotal	32,444	39,321
Interest and dividends received	3,017	2,569
Interest paid	(2,794)	(2,598)
Proceeds from subsidy income	258	183
Settlement paid	—	(103)
Income taxes paid	(11,515)	(10,032)
Net cash provided by operating activities	21,410	29,339
Investing activities		
Purchases of property, plant and equipment	(9,417)	(21,805)
Proceeds from sales of property, plant and equipment	2,421	202
Purchases of intangible fixed assets	(1,839)	(2,413)
Purchases of investments in securities	(785)	(1,101)
Proceeds from sales of investments in securities	3,279	3,570
Proceeds from sales of investments in capital	256	—
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	—	609
Purchases of shares of subsidiaries resulting in change in scope of consolidation	—	(19,053)
Decrease in short-term loans receivable included in other current assets	312	12
Increase in time deposits, net	(166)	(972)
Other	(1,116)	(2,250)
Net cash used in investing activities	(7,054)	(43,203)

(Millions of yen)

	Nine-month period ended December 31, 2024 (April 1, 2024 - December 31, 2024)	Nine-month period ended December 31, 2025 (April 1, 2025 - December 31, 2025)
Financing activities		
Decrease in short-term loans, net	(6,117)	(21,326)
(Decrease) increase in commercial paper, net	(19,000)	34,500
Proceeds from long-term loans	32,037	12,000
Repayments of long-term loans	(6,930)	(5,991)
Proceeds from issuance of bonds	20,000	—
Redemption of bonds	(10,000)	—
Purchase of treasury stock	(17,018)	(18,429)
Cash dividends paid	(9,557)	(9,604)
Cash dividends paid to non-controlling interests	(474)	(540)
Other	(642)	(1,400)
Net cash used in financing activities	(17,703)	(10,793)
Effects of exchange rate changes on cash and cash equivalents	4,591	836
Net increase (decrease) in cash and cash equivalents	1,243	(23,820)
Cash and cash equivalents at beginning of the year	59,185	65,903
Cash and cash equivalents at end of the period	60,429	42,083

(4) Notes Related to Quarterly Consolidated Financial Statements

(Assumption for Going Concern)

No matters to report.

(Changes in Accounting Policy)

(Revised Classification of Manufacturing Costs)

Effective from the beginning of the first quarter of the current fiscal year, the Company has revised the classification of manufacturing costs at the manufacturing subsidiaries of the Prinova Group, a consolidated subsidiary. Following the full acquisition of the Prinova Group in FY2023, this revision was implemented to strengthen cost control practices, leveraging the introduction of a new accounting system.

Accordingly, certain expense items that had previously been recorded as selling, general and administrative expenses are now recorded as cost of sales. This change in accounting policy has been applied retrospectively, and the consolidated financial statements for the corresponding period of the previous fiscal year have been restated accordingly.

As a result of the retrospective application, cost of sales increased by ¥6,199 million and selling, general and administrative expenses decreased by the same amount for the nine-month period of the previous fiscal year, resulting in a ¥6,199 million decrease in gross profit compared with the amount before the retrospective adjustment. There was no impact on operating income, ordinary income, or profit attributable to owners of the parent.

(Changes in Accounting Estimates)

(Loss on Business Withdrawal)

In the previous consolidated fiscal year, the Company recorded a provision for loss on business withdrawal related to the loss incurred from the thin-film processing business for glass substrates in China, the decision for which was made in fiscal 2020. However, due to the acquisition of new information regarding soil remediation costs, the Company revised estimates during the interim period and third quarter of the current consolidated fiscal year.

As a result of this change in estimate, the provision for loss on business withdrawal for the nine-month period of the current consolidated fiscal year increased by ¥2,851 million and income before income taxes decreased by ¥2,647 million.

(Significant Fluctuations in Shareholders' Equity)

Following a resolution by the Board of Directors at a meeting held May 8, 2025, the Company acquired 4,117,300 shares of treasury stock during the nine-month period of the current fiscal year, resulting in a ¥11,999 million increase in treasury stock. The Company also canceled 5,000,000 shares of treasury stock on May 30, 2025, pursuant to a resolution by the Board of Directors at a meeting held on the same date, resulting in a ¥15,404 million decrease in retained earnings and treasury stock. Following a resolution by the Board of Directors at a meeting held on November 6, 2025, the Company acquired 1,732,300 shares of treasury stock through market purchases, including an off-auction share repurchase transaction (ToSTNeT-3) on the Tokyo Stock Exchange during the nine-month period of the current fiscal year, resulting in a ¥6,400 million increase in treasury stock.

As a result, retained earnings amounted to ¥312,212 million and treasury stock holdings amounted to ¥22,846 million as of the end of the nine-month period of the current fiscal year.

(Special Accounting Treatment Applied in Preparing the Quarterly Consolidated Financial Statements)

(Calculation of Tax Expenses)

Tax expenses are calculated by rationally estimating an effective tax rate after applying tax effect accounting to profit before income taxes for the fiscal year, including the current third quarter, and multiplying profit before income taxes for the cumulative third quarter by the estimated effective tax rate.

In the event that the calculated tax expenses using this estimated effective tax rate lead to significantly unreasonable results, this shall be calculated by multiplying the statutory effective tax rate after adjusting significant non-temporary differences by the profit before income taxes.

Deferred income taxes are included in income tax.

(Segment Information, etc.)

a. Segment Information

I Nine-month period ended December 31, 2024 (consolidated)

1. Information related to net sales and income (loss) by reportable segment

(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	116,682	161,086	121,267	100,379	218,551	717,967	76	718,044	—	—	718,044
Intersegment sales/transfers	891	582	1,713	1,550	376	5,113	5,198	10,312	—	(10,312)	—
Total	117,573	161,669	122,980	101,930	218,928	723,081	5,274	728,356	—	(10,312)	718,044
Segment income	7,470	5,448	8,857	3,495	3,114	28,386	250	28,636	1,818	546	31,002

(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 represents expenses not allocated to Reportable Segments or Others.

3. Adjustments are eliminations of intersegment transactions.

4. The sum of segment income Total, Corporate, and Adjustments is equivalent to operating income presented in the consolidated financial statements.

II Nine-month period ended December 31, 2025 (consolidated)

1. Information related to net sales and income (loss) by reportable segment

(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	115,373	154,249	128,959	97,293	228,130	724,005	64	724,069	—	—	724,069
Intersegment sales/transfers	535	625	1,826	1,476	638	5,102	5,098	10,201	—	(10,201)	—
Total	115,909	154,875	130,785	98,769	228,768	729,108	5,162	734,271	—	(10,201)	724,069
Segment income (loss)	6,759	5,475	11,338	2,735	6,980	33,289	231	33,521	(967)	651	33,205

(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.

3. Adjustments are eliminations of intersegment transactions.

4. The sum of segment income (loss) Total, Corporate, and Adjustments is equivalent to operating income presented in the consolidated financial statements.

2. Information related to gain on negative goodwill by a reportable segment

The Life & Healthcare segment acquired shares in Nagase Diagnostics Co., Ltd., making said company a consolidated subsidiary of the Company and resulting in a gain on negative goodwill. The gain on negative goodwill resulting from this event amounted to ¥1,780 million. The gain in question has not been included in the income of the Life & Healthcare segment, as such is an extraordinary gain.

(Significant Subsequent Events)

(Repurchase of Own Shares)

At a meeting held on February 5, 2026, the Company's board of directors resolved to repurchase its own shares 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 repurchase of own shares

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 own shares.

(2) Details of the shares to be repurchased

a. Class of shares to be repurchased	Common shares
b. Total number of shares that may be repurchased	1,100,000 shares (maximum) (Equivalent to 1.07% of outstanding shares, excluding treasury stock)
c. Total value of shares that may be repurchased	3 billion yen (maximum)
d. Repurchase period	From February 6, 2026 to March 31, 2026
e. Repurchase method	Market purchases