

Consolidated Financial Statements for the Fiscal Year Ended March 31, 2026
<Under Japanese GAAP>

May 7, 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/>)

Representative: Hiroyuki Ueshima, Representative Director and President

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Annual general meeting of stockholders: June 17, 2026

Start of distribution of dividends (scheduled): June 18, 2026

Securities report filing (scheduled): June 16, 2026

Supplementary documents: Yes

Investors' meeting: Yes (for analysts and institutional investors)

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(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 2026	972,783	2.9	187,687	8.3	44,727	14.5	44,096	14.9	33,119	29.8
FYE March 2025	944,961	5.0	173,301	—	39,078	27.6	38,382	25.5	25,521	13.9

(Note) 1. Comprehensive income FYE March 2026: ¥59,043 million (82.8%)

FYE March 2025: ¥32,299 million (-30.3%)

	Earnings per share	Earnings per share (diluted)	Return on equity	Ordinary income/ total assets	Operating income/net sales
	Yen	Yen	%	%	%
FYE March 2026	78.89	—	8.0	5.3	4.6
FYE March 2025	57.60	—	6.4	4.8	4.1

(Reference) Equity in earnings of affiliates FYE March 2026: ¥416 million

FYE March 2025: ¥979 million

(Note) 2. Due to a change in accounting policy, gross profit for the Fiscal Year Ended March 2025, has been restated retrospectively.

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

3. The Company enacted a four-for-one stock split of its common stock with an effective date of April 1, 2026. "Earnings per share" is calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FYE March 2026	871,526	434,025	48.8	1,043.19
FYE March 2025	808,143	406,459	49.4	919.77

(Reference) Equity capital FYE March 2026: ¥425,446 million

FYE March 2025: ¥399,052 million

(Note) The Company enacted a four-for-one stock split of its common stock with an effective date of April 1, 2026. "Net assets per share" is calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

(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 2026	47,805	(46,511)	(25,384)	45,390
FYE March 2025	36,321	(11,615)	(18,212)	65,903

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 2025	–	45.00	–	45.00	90.00	9,888	38.7	2.5
FYE March 2026	–	45.00	–	55.00	100.00	10,358	31.3	2.4
FYE March 2027 (forecast)	–	13.00	–	14.00	27.00		32.0	

(Note) Although the Company enacted a four-for-one stock split of its common stock with an effective date of April 1, 2026, “FYE March 2025” and “FYE March 2026” represent the actual dividend payments before the stock split.

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2027 (April 1, 2026 to March 31, 2027)

(% = 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	1,000,000	2.8	198,000	5.5	45,000	0.6	45,000	2.1	34,500	4.2	84.59

(Note) The Company enacted a four-for-one stock split of its common stock with an effective date of April 1, 2026. “Earnings per share” take into account the impact of the stock split.

* Notes

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

New: 8 (Company names: APLIQUIMICA APLICACOES QUIMICAS ESPECIAIS LTDA
SACHEM Japan Holding GK
SACHEM Japan Co., Ltd.
SN Tech Corporation
Nagase Circrea (Wuxi) Co., Ltd.
SACHEM Korea Ltd.
NAGASE WAHLEE INDIA PRIVATE LIMITED
Nagase Diagnostics Co., Ltd.)

Excluded: 6 (Company names: Nagase Abrasive Materials Co., Ltd.
SACHEM Japan Holding GK
SN Tech Corporation
Inkron Oy
The Ingredient House, LLC
Fruttini Sucos de Frutas Ltda)

(Note) 1. In March 2026, SACHEM (Wuxi) Co., Ltd. was renamed Nagase Circrea (Wuxi) Co., Ltd.

2. 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.

3. In April 2026, SACHEM Japan Co., Ltd. was renamed Nagase Circrea Co., Ltd., and SACHEM Korea Ltd. was renamed Nagase Circrea Korea Co., Ltd.

- (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: None
 - 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: None

(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, 2026	439,633,140 shares	March 31, 2025	459,633,140 shares
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- ii. Number of treasury stock as of the fiscal period end

March 31, 2026	31,800,608 shares	March 31, 2025	25,772,888 shares
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- iii. Average number of shares during the period

March 31, 2026	419,816,183 shares	March 31, 2025	443,098,504 shares
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(Note) 1. The Company enacted a four-for-one stock split of its common stock with an effective date of April 1, 2026. “Number of shares issued and outstanding as of the fiscal period end (including treasury stock)”, “Number of treasury stock as of the fiscal period end” and “Average number of shares during the period” are calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

2. The number of treasury shares as of the fiscal period end includes Company shares held by the Stock-Granting Trust for Directors (2,920,000 shares as of March 31, 2026 and 1,129,600 shares as of March 31, 2025). Treasury shares deducted from the calculation of the average number of shares during the period include Company shares held by the Stock-Granting Trust for Directors (1,660,062 shares as of March 31, 2026 and 1,138,984 shares as of March 31, 2025).

*** 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.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	Prior Consolidated Fiscal Year (March 31, 2025)	Current Consolidated Fiscal Year (March 31, 2026)
ASSETS		
Current assets		
Cash and time deposits	66,310	45,599
Notes and accounts receivable and contract assets	311,251	321,435
Merchandise and finished goods	146,834	157,496
Work in process	2,320	3,282
Raw materials and supplies	17,068	16,781
Other	17,387	22,660
Less allowance for doubtful accounts	(1,048)	(936)
Total current assets	560,126	566,319
Non-current assets		
Property, plant and equipment		
Buildings and structures	59,437	70,259
Accumulated depreciation	(32,679)	(36,606)
Buildings and structures (net)	26,757	33,652
Machinery, equipment and vehicles	64,625	80,124
Accumulated depreciation	(46,855)	(56,663)
Machinery, equipment and vehicles (net)	17,770	23,461
Land	20,114	23,104
Construction in progress	6,452	16,551
Other	47,972	58,113
Accumulated depreciation	(27,396)	(30,909)
Other (net)	20,576	27,203
Total property, plant and equipment	91,671	123,973
Intangible fixed assets		
Goodwill	25,400	28,384
Technology-based assets	1,289	3,060
Other	39,121	37,244
Total intangible fixed assets	65,811	68,688
Investments and other assets		
Investments in securities	72,028	87,595
Long-term loans receivable	1,257	1,329
Retirement benefit asset	6,072	9,628
Deferred tax assets	5,700	6,029
Other	6,653	9,056
Less allowance for doubtful accounts	(1,179)	(1,093)
Total investments and other assets	90,534	112,545
Total non-current assets	248,017	305,207
Total assets	808,143	871,526

(Millions of yen)

	Prior Consolidated Fiscal Year (March 31, 2025)	Current Consolidated Fiscal Year (March 31, 2026)
LIABILITIES		
Current liabilities		
Notes and accounts payable	151,269	159,845
Short-term loans	42,310	20,175
Current portion of long-term loans	6,039	15,000
Commercial paper	19,500	47,000
Accrued income taxes	3,753	6,934
Accrued bonuses for employees	8,518	9,533
Accrued bonuses for directors	394	404
Provision for directors' stock benefit	—	49
Provision for loss on business withdrawal	1,917	1,306
Other	35,874	36,757
Total current liabilities	269,576	297,008
Long-term liabilities		
Bonds	40,000	40,000
Long-term loans	53,454	50,000
Lease liabilities	11,471	16,077
Deferred tax liabilities	13,275	19,600
Retirement benefit liability	12,289	10,981
Provision for directors' stock benefit	111	315
Other	1,503	3,517
Total long-term liabilities	132,106	140,493
Total liabilities	401,683	437,501
NET ASSETS		
Shareholders' equity		
Common stock	9,699	9,699
Capital surplus	9,348	9,336
Retained earnings	312,244	321,076
Less treasury stock, at cost	(19,579)	(26,233)
Total shareholders' equity	311,712	313,878
Accumulated other comprehensive income		
Net unrealized holding gain on securities	30,665	40,477
Deferred gain (loss) on hedges	6	(123)
Translation adjustments	56,864	68,119
Remeasurements of defined benefit plans	(196)	3,094
Total accumulated other comprehensive income	87,340	111,567
Non-controlling interests	7,406	8,578
Total net assets	406,459	434,025
Total liabilities and net assets	808,143	871,526

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

	(Millions of yen)	
	Prior Consolidated Fiscal Year (April 1, 2024 - March 31, 2025)	Current Consolidated Fiscal Year (April 1, 2025 - March 31, 2026)
Net sales	944,961	972,783
Cost of sales	771,660	785,096
Gross profit	173,301	187,687
Selling, general and administrative expenses		
Selling expenses	22,627	23,265
Employee salaries and allowances	45,437	48,425
Provision for accrued bonuses for employees	5,247	5,654
Provision for accrued bonuses for directors	404	388
Provision for share awards	—	209
Depreciation and amortization other than amortization of goodwill	9,494	9,526
Retirement benefit expenses	(2,115)	1,376
Allowance for doubtful accounts	1,340	(39)
Amortization of goodwill	2,722	2,963
Other	49,062	51,189
Total selling, general and administrative expenses	134,222	142,959
Operating income	39,078	44,727
Non-operating income		
Interest income	1,047	743
Dividend income	1,941	2,051
Rent income	311	134
Equity in earnings of affiliates	979	416
Foreign exchange gains	—	147
Other	489	998
Total non-operating income	4,770	4,491
Non-operating expenses		
Interest expenses	3,734	3,348
Foreign exchange losses	492	—
Other	1,239	1,773
Total non-operating expenses	5,465	5,122
Ordinary income	38,382	44,096
Extraordinary gains		
Gain on sales of non-current assets	2,159	36
Gain on sales of investment securities and investments in capital	2,792	3,497
Gain on sales of shares of subsidiaries and affiliates	—	485
Gain on liquidation of subsidiaries and affiliates	74	—
Gain on bargain purchase	—	1,780
Subsidy income	258	231
Other	8	—
Total extraordinary gains	5,294	6,030
Extraordinary losses		
Loss on sales of non-current assets	388	71
Loss on disposal of non-current assets	575	224
Loss on impairment of fixed assets	1,173	100
Loss on sales of investment securities and investments in capital	19	0
Loss on valuation of investment securities and investments in capital	1,234	516
Loss on sales of investments in capital of subsidiaries and affiliates	108	—
Loss on business withdrawal	2,048	2,726
Settlement payments	—	364
Other	—	145
Total extraordinary losses	5,547	4,150
Income before income taxes	38,130	45,977
Income taxes - current	10,958	13,776
Income taxes - deferred	901	(1,709)
Total income taxes	11,859	12,066
Profit for the period	26,270	33,910
Profit attributable to non-controlling interests	748	790
Profit attributable to owners of the parent	25,521	33,119

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Prior Consolidated Fiscal Year (April 1, 2024 - March 31, 2025)	Current Consolidated Fiscal Year (April 1, 2025 - March 31, 2026)
Profit for the period	26,270	33,910
Other comprehensive income		
Net unrealized holding (loss) gain on securities	(3,091)	9,813
Deferred loss on hedges	(113)	(128)
Translation adjustments	11,824	11,793
Remeasurements of defined benefit plans	(2,699)	3,290
Share of other comprehensive income of affiliates accounted for by the equity method	109	363
Total other comprehensive income	6,028	25,133
Comprehensive income	32,299	59,043
Comprehensive income attributable to:		
Shareholders of the parent	31,668	57,346
Non-controlling interests	630	1,696

(3) Consolidated Statements of Changes in Shareholders' Equity

Prior Consolidated Fiscal Year (April 1, 2024 - March 31, 2025)

(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	9,348	303,328	(9,543)	312,832
Changes					
Cash dividends			(9,557)		(9,557)
Profit attributable to owners of the parent			25,521		25,521
Purchase of treasury stock				(17,000)	(17,000)
Disposition of treasury stock				12	12
Cancellation of treasury stock			(6,951)	6,951	-
Changes in scope of equity method			(96)		(96)
Changes other than shareholders' equity accounts (net)					
Total changes	-	-	8,916	(10,036)	(1,120)
Balance, end of period	9,699	9,348	312,244	(19,579)	311,712

	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	33,763	119	44,846	2,503	81,232	7,250	401,315
Changes							
Cash dividends							(9,557)
Profit attributable to owners of the parent							25,521
Purchase of treasury stock							(17,000)
Disposition of treasury stock							12
Cancellation of treasury stock							-
Changes in scope of equity method							(96)
Changes other than shareholders' equity accounts (net)	(3,097)	(113)	12,018	(2,699)	6,107	156	6,264
Total changes	(3,097)	(113)	12,018	(2,699)	6,107	156	5,144
Balance, end of period	30,665	6	56,864	(196)	87,340	7,406	406,459

Current Consolidated Fiscal Year (April 1, 2025 - March 31, 2026)

(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	9,348	312,244	(19,579)	311,712
Changes					
Cash dividends			(9,604)		(9,604)
Profit attributable to owners of the parent			33,119		33,119
Purchase of treasury stock				(24,675)	(24,675)
Disposition of treasury stock		414		2,616	3,031
Cancellation of treasury stock		(720)	(14,683)	15,404	-
Changes in ownership interests in subsidiaries		(11)			(11)
Tax effect adjustment related to changes in ownership interests		306			306
Changes other than shareholders' equity accounts (net)					
Total changes	-	(11)	8,831	(6,653)	2,166
Balance, end of period	9,699	9,336	321,076	(26,233)	313,878

	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	30,665	6	56,864	(196)	87,340	7,406	406,459
Changes							
Cash dividends							(9,604)
Profit attributable to owners of the parent							33,119
Purchase of treasury stock							(24,675)
Disposition of treasury stock							3,031
Cancellation of treasury stock							-
Changes in ownership interests in subsidiaries							(11)
Tax effect adjustment related to changes in ownership interests							306
Changes other than shareholders' equity accounts (net)	9,811	(129)	11,255	3,290	24,227	1,171	25,399
Total changes	9,811	(129)	11,255	3,290	24,227	1,171	27,565
Balance, end of period	40,477	(123)	68,119	3,094	111,567	8,578	434,025

(4) Consolidated Statements of Cash Flows

	(Millions of yen)	
	Prior Consolidated Fiscal Year (April 1, 2024 - March 31, 2025)	Current Consolidated Fiscal Year (April 1, 2025 - March 31, 2026)
Operating Activities		
Income before income taxes	38,130	45,977
Depreciation and amortization other than amortization of goodwill	15,329	16,636
Loss on impairment of fixed assets	1,173	100
Amortization of goodwill	2,722	2,963
Subsidy income	(258)	(231)
Share of gain of entities accounted for using equity method	(979)	(416)
Loss on business withdrawal	2,048	2,726
Settlement payments	—	364
Gain on bargain purchase	—	(1,780)
Decrease in retirement benefit liability	(798)	(1,185)
Increase in retirement benefit asset	(3,347)	(3,552)
Interest and dividend income	(2,989)	(2,794)
Interest expenses	3,734	3,348
Exchange gain, net	(689)	(2,533)
Gain on sales of investment securities and investments in capital, net	(2,773)	(3,981)
Loss on valuation of investment securities and investments in capital, net	1,234	516
Decrease in notes and accounts receivable	11,502	3,888
Increase in inventories	(13,093)	(1,254)
(Decrease) Increase in notes and accounts payable	(6,617)	123
Other	3,929	55
Subtotal	48,259	58,968
Interest and dividends received	3,708	3,389
Interest paid	(3,676)	(3,413)
Proceeds from subsidy income	258	231
Settlement paid	—	(104)
Income taxes paid	(12,228)	(11,266)
Net cash provided by operating activities	36,321	47,805
Investing activities		
Purchases of property, plant and equipment	(12,554)	(25,351)
Proceeds from sales of property, plant and equipment	2,623	223
Purchases of intangible fixed assets included in other assets	(2,630)	(2,749)
Purchases of investments in securities	(953)	(2,377)
Proceeds from sales of investments in securities	3,315	4,399
Proceeds from sales of investments in capital	256	—
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	—	622
Purchases of shares of subsidiaries resulting in change in scope of consolidation	—	(19,071)
Decrease in short-term loans receivable included in other current assets, net	403	22
(Increase) decrease in time deposits, net	(219)	211
Other	(1,856)	(2,441)
Net cash used in investing activities	(11,615)	(46,511)

	(Millions of yen)	
	Prior Consolidated Fiscal Year (April 1, 2024 - March 31, 2025)	Current Consolidated Fiscal Year (April 1, 2025 - March 31, 2026)
Financing activities		
Decrease in short-term loans, net	(7,909)	(24,292)
(Decrease) increase in commercial paper, net	(17,500)	27,500
Proceeds from long-term loans	32,036	12,000
Repayments of long-term loans	(6,941)	(6,511)
Proceeds from issuance of bonds	20,000	—
Redemption of bonds	(10,000)	—
Purchase of treasury stock	(17,018)	(23,037)
Cash dividends paid	(9,557)	(9,604)
Cash dividends paid to non-controlling interests	(474)	(540)
Other	(847)	(897)
Net cash used in financing activities	(18,212)	(25,384)
Effects of exchange rate changes on cash and cash equivalents	223	3,577
Net increase (decrease) in cash and cash equivalents	6,717	(20,513)
Cash and cash equivalents at beginning of the year	59,185	65,903
Cash and cash equivalents, at end of the period	65,903	45,390