



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
 Contact: Natsuki Imamura, Executive Officer, General Manager, Corporate Management Department
 TEL: +81-3-3665-3103
 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

(Note) For details, please refer to 3. *Consolidated Financial Statements and Notes*, (5) *Notes Related to Consolidated Financial Statements (Changes in Accounting Policy)* and *(Changes in Accounting Estimates)*, on P.16 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, 2026	439,633,140 shares	March 31, 2025	459,633,140 shares
----------------	--------------------	----------------	--------------------

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
----------------	-------------------	----------------	-------------------

iii. Average number of shares during the period

March 31, 2026	419,816,183 shares	March 31, 2025	443,098,504 shares
----------------	--------------------	----------------	--------------------

(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.

For matters related to earnings forecasts, please refer to 1. *Business Performance*, (4) *Future Outlook*, on P.6 of this document.

Attachments

1. Business Performance	2
(1) Review of Business Performance	2
(2) Review of Financial Position	4
(3) Summary of Cash Flows	5
(4) Future Outlook	6
(5) Dividend Policy and Dividends for the Fiscal Years Ending March 2026 and 2027	7
2. Basic Policy on the Selection of Accounting Standards	7
3. Consolidated Financial Statements and Notes	8
(1) Consolidated Balance Sheets	8
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	10
(3) Consolidated Statements of Changes in Shareholders' Equity	12
(4) Consolidated Statements of Cash Flows	14
(5) Notes Related to Consolidated Financial Statements	16
(Assumption for Going Concern)	16
(Changes in Accounting Policy)	16
(Changes in Accounting Estimates)	16
(Segment Information, etc.)	17
(Per-Share Data)	23
(Significant Subsequent Events)	23

1. Business Performance

(1) Review of Business Performance

a. General Summary of Results

Earnings for the current consolidated fiscal year were as follows.

(Millions of yen)

	Prior Consolidated Fiscal Year (March 31, 2025)	Current Consolidated Fiscal Year (March 31, 2026)	Change	Change (%)
Net sales	944,961	972,783	27,822	2.9
Gross profit	173,301	187,687	14,386	8.3
Operating income	39,078	44,727	5,649	14.5
Ordinary income	38,382	44,096	5,713	14.9
Profit before income taxes	38,130	45,977	7,846	20.6
Profit attributable to owners of the parent	25,521	33,119	7,597	29.8

- All profit stages increased despite yen appreciation.
- 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 an increase in 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 ¥7.5 billion to ¥33.1 billion, due to an increase in operating profit and the posting of a gain on negative goodwill and an increase in gain on sales of investment securities, 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 previous fiscal year.

*For the details of the business segmentation, please refer to (*Segment Information Etc.*) on P.17 of this document

Functional Materials

(Millions of yen)

	Prior Consolidated Fiscal Year (March 31, 2025)	Current Consolidated Fiscal Year (March 31, 2026)	Change	Change (%)
Net sales	153,746	153,642	(103)	(0.1)
Gross profit	32,511	32,243	(268)	(0.8)
Operating income	9,213	9,305	92	1.0

Gross profit remained flat 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 increased due to a decrease in general and administrative expenses.

Advanced Materials & Processing

(Millions of yen)

	Prior Consolidated Fiscal Year (March 31, 2025)	Current Consolidated Fiscal Year (March 31, 2026)	Change	Change (%)
Net sales	210,627	206,690	(3,937)	(1.9)
Gross profit	26,179	27,534	1,354	5.2
Operating income	6,684	7,650	965	14.4

Gross profit increased mainly due to the following factors.

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

Operating income increased due to an increase in gross profit

Electronics & Energy

(Millions of yen)

	Prior Consolidated Fiscal Year (March 31, 2025)	Current Consolidated Fiscal Year (March 31, 2026)	Change	Change (%)
Net sales	161,315	172,891	11,576	7.2
Gross profit	40,050	45,331	5,280	13.2
Operating income	12,302	14,859	2,557	20.8

Gross profit increased mainly due to the following factors.

- Sales of materials for semiconductors increased
- Sales of formulated epoxy resins of Nagase ChemteX increased due to strong demand for AI semiconductors, although 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 an increase in gross profit.

Mobility

(Millions of yen)

	Prior Consolidated Fiscal Year (March 31, 2025)	Current Consolidated Fiscal Year (March 31, 2026)	Change	Change (%)
Net sales	132,091	130,256	(1,834)	(1.4)
Gross profit	16,505	15,966	(539)	(3.3)
Operating income	4,238	3,785	(452)	(10.7)

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)

	Prior Consolidated Fiscal Year (March 31, 2025)	Current Consolidated Fiscal Year (March 31, 2026)	Change	Change (%)
Net sales	287,079	309,207	22,128	7.7
Gross profit	58,108	66,409	8,300	14.3
Operating income	3,423	9,832	6,408	187.2

Gross profit increased mainly due to the following factors.

- Sales remained flat for pharmaceutical raw materials and intermediates
- Nagase Viita's profit margins improved despite flat sales of cosmetic materials, mainly due to reductions in manufacturing costs in the food ingredients business
- Prinova Group's food ingredients sales increased as the company expanded market share and sales 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

(Millions of yen)

	Prior Consolidated Fiscal Year (March 31, 2025)	Current Consolidated Fiscal Year (March 31, 2026)	Change	Change (%)
Current assets	560,126	566,319	6,193	1.1
Non-current assets	248,017	305,207	57,190	23.1
Total assets	808,143	871,526	63,383	7.8
Liabilities	401,683	437,501	35,817	8.9
Net assets	406,459	434,025	27,565	6.8
Shareholders' equity ratio (%)	49.4	48.8	-0.6 p	—

- Current assets increased due to an increase in accounts receivable and inventories, despite a decrease in cash and time deposits
- Non-current assets increased due to the fair value appreciation of investments in securities, and an increase in property, plant and equipment, as well as the recognition of goodwill from new consolidations, despite the sales of investments in securities
- 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 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 48.8%, down 0.6 points compared to 49.4% from the end of the prior consolidated fiscal year

(3) Summary of Cash Flows

(Millions of yen)

	Prior Consolidated Fiscal Year (March 31, 2025)	Current Consolidated Fiscal Year (March 31, 2026)
Cash flows from operating activities	36,321	47,805
Cash flows from investing activities	(11,615)	(46,511)
Cash flows from financing activities	(18,212)	(25,384)

- Net cash provided by operating activities was mainly the result of ¥45.9 billion in income before income taxes and ¥16.6 billion in depreciation and amortization, as well as a ¥2.7 billion increase in cash due to a decrease in working capital, offset in part by ¥11.2 billion in income taxes paid.
- Net cash used in investing activities was mainly the result of ¥25.3 billion in outlays for the purchase of property, plant and equipment and ¥19.0 billion in outlays for the acquisition of stock of a subsidiary resulting in a change in the scope of consolidation.
- Net cash used in financing activities was mainly the result of a net decrease of ¥24.2 billion in short-term loans and cash outlays of ¥23.0 billion for the acquisition of treasury stock, offset in part by a net increase of ¥27.5 billion in commercial paper.

	FYE March 2022	FYE March 2023	FYE March 2024	FYE March 2025	FYE March 2026
Shareholders' equity ratio (%)	46.5	48.2	49.7	49.4	48.8
Shareholders' equity ratio based on market value (%)	29.5	31.3	36.7	35.6	54.0
Interest-bearing debt to cash flow ratio (years)	-	19.1	2.3	4.8	4.0
Interest coverage ratio (times)	-	3.1	18.9	9.9	14.0

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

The Group previously operated under five reportable segments: Functional Materials, Advanced Materials & Processing, Electronics & Energy, Mobility, and Life & Healthcare. In the fiscal year ending March 2027, we began operating under three reportable segments: Materials, Electronics, and Life Science. We also revised part of the allocation method for company-wide common expenses and changed the method used to measure reportable segment profit and loss to manage reportable segment earnings more appropriately. Refer to Significant Subsequent Events on page 23 for more details.

a. Performance Forecast for the Fiscal Year Ending March 2027

The Group expects the business environment in the next fiscal year to remain uncertain due to risks including higher naphtha and petrochemical product prices resulting from heightened tensions in the Middle East, as well as supply chain disruptions caused by supply instability. Rising inflationary pressure stemming from these factors has also increased concerns over a global economic slowdown and further heightened uncertainty surrounding the outlook. We have not incorporated the impact of the situation in the Middle East into our earnings forecast for the next fiscal year, as we cannot reasonably quantify any impact at this time.

Against this backdrop, the Group expects the business sectors related to the NAGASE Group to remain solid and profit margins to continue improving despite a negative rebound following pull-forward demand in the previous fiscal year, which mainly stemmed from the situation in the Middle East. Lower general and administrative expenses resulting from actuarial differences related to retirement benefits are also expected to contribute positively. As a result, the Group expects to achieve record highs in net sales and profit at all levels.

Segment outlooks are as follows.

The Materials segment expects profit margins to improve through higher sales volumes of resins for the electrical appliances and electronics industry, increased sales of functional materials and components for automotive applications, and a better product mix. The segment also expects to incur development expenses related to new business initiatives, including the development of new materials.

The Electronics segment expects sales to remain solid for Nagase ChemteX formulated epoxy resins for AI semiconductors and semiconductor materials for Greater China. The segment also expects to incur development expenses aimed at expanding the future scale of business.

The Life Science segment expects the Prinova Group to achieve profit growth through business expansion and operational efficiency improvements. The segment also expects to incur expenses related to the bio research laboratory established in California, U.S., in January 2026, which leverages advanced robotics and AI technologies and expertise to accelerate the development of new materials.

These forecasts have been developed based on foreign exchange rates of ¥155.0 to the U.S. dollar and ¥22.5 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 the impact of the situation in the Middle East, 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 occur.

(Millions of yen)

	Net sales	Gross profit	Operating income	Ordinary income	Profit attributable to owners of the parent
FYE March 2027 Forecast	1,000,000	198,000	45,000	45,000	34,500
FYE March 2026 Actual	972,783	187,687	44,727	44,096	33,119
Change (%)	+2.8	+5.5	+0.6	+2.1	+4.2

b. Gross Profit Forecast and Operating Income Forecast by Segment

The percentage change reflects a comparison with the reclassified figures for the FYE March 2026. The figures for the FYE March 2026 are estimates and may change in the future.

(Gross Profit)

(Millions of yen)

	FYE March 2026 Actual (Estimate)	FYE March 2027 Forecast	Change (%)
Materials	75,748	77,600	+2.4
Electronics	45,331	47,900	+5.7
Life Science	66,409	72,490	+9.2
Others	199	10	(95.0)
Total Gross Profit	187,687	198,000	+5.5

(Operating Income)

(Millions of yen)

	FYE March 2026 Actual (Estimate)	FYE March 2027 Forecast	Change (%)
Materials	21,468	19,600	(8.7)
Electronics	15,369	14,400	(6.3)
Life Science	8,600	7,200	(16.3)
Others	(711)	3,800	—
Total Operating Income	44,727	45,000	+0.6

(5) Dividend Policy and Dividends for the Fiscal Years Ending March 2026 and 2027

The Company positions the enhancement of shareholder value as one of our key management priorities and has established a shareholder return policy focused on continuous dividend increases and opportunistic share buybacks.

Under the new medium-term management plan, we aim to expand our business foundation, improve profitability, and deliver sustained growth in earnings per share through steady execution of initiatives and continued growth investments. Specifically, we target 30% earnings per share (EPS) growth as a benchmark over three years.

We will conduct share buybacks opportunistically while balancing growth investment opportunities and financial soundness and considering capital costs and share price levels, with the aim of achieving the 9% ROE target set out in the new medium-term management plan and enhancing shareholder value.

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 intercompany 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 and Notes

(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

(5) Notes Related to 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 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 FY 2023, 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 previous fiscal year have been restated accordingly.

As a result of the retrospective application, cost of sales increased by ¥7,990 million and selling, general and administrative expenses decreased by the same amount for the previous fiscal year, resulting in a ¥7,990 million decrease in gross profit compared with the amount before the retrospective adjustment. There was no impact on operating income, ordinary income, profit attributable to owners of the parent, opening balance of retained earnings and per share data.

(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 current consolidated fiscal year.

As a result of this change in estimate, the provision for loss on business withdrawal for the current consolidated fiscal year increased by ¥2,969 million and income before income taxes decreased by ¥2,726 million.

(Segment Information, etc.)

a. Segment Information

1. Reportable Segments

The Company's reportable segments are those units comprising the NAGASE Group for which separate financial information is available and for which the board of directors makes regular decisions regarding resource allocation and operating performance.

The Company classifies reportable segments according to the location of the business in the value chain and the market(s) targeted. Accordingly, the Company has defined five segment categories: Functional Materials (located at the top of the value chain), Advanced Materials & Processing (located in the next stage of the value chain), Electronics & Energy, Mobility, and Life & Healthcare (functioning in the value chain of their respective industries).

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

The Functional Materials segment is engaged in the sales of resin raw materials, resins, special epoxy, solvents, pigments and dispersions, dyestuffs, colorants, various additives, urethane raw materials, release agents, conductive materials, functional films, adhesives, hygiene materials, organic chemicals, inorganic chemicals, high-purity chemicals, silicone products, silicone raw materials, bio-products, special acrylic rubber, polymer filters, enzymes, Mixing Concierge™, total coordination services for dispersion and processing, raw material search services for CASE applications, Chemical AI Joint Logistics Matching Service, original VR safety goggles for the chemical industry, water treatment equipment, MOF, CO₂ Capture System, and more for the paints/inks, pigments, additives, resins, urethane foam, organic synthesis, surfactants, electronics chemicals, information printing-related materials, communications equipment, water treatment, metal processing, plastics/film processing, stationery, functional film/sheet, hygiene materials, and other industries.

The Advanced Materials & Processing segment is engaged in the sales of plastic compounds, masterbatch, raw resin material, engineering plastics, general-purpose plastics, packaging materials, and other plastics-related products and services for the home appliance/office equipment, electrical equipment, packaging, daily commodities, household goods, construction materials, and other industries.

The Electronics & Energy segment is engaged in the sales of formulated epoxy resins and related products, precision abrasives, display optical materials, touch panel components, functional coatings, conductive and insulating materials, adhesives and encapsulant materials, high heat-resistant films, optical lenses, high-frequency devices, low dielectric materials, sensing modules, semiconductor and electronic device-related equipment, battery evaluation and consulting services, battery pack prototyping and development, photolithography materials for flat panel displays and semiconductors, and other products for the semiconductor, electronic component, AR/VR, environmental energy, heavy electrical and light electrical, HDD, automotive and aircraft, display, touch panel, housing, lighting, renewable energy, large-scale commercial facility, storage battery and energy-related companies, and other industries.

The Mobility segment is engaged in the sales of various plastics, functional coatings, adhesives, light-weight components, decorative parts, HMI components, CASE-related products (xEV-related components, heat management components, battery materials, various sensors, LiDAR-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 sales of pharmaceutical materials (active pharmaceutical ingredients, additives, intermediates, and other raw materials), in-vitro diagnostics reagents, raw materials for cosmetics and household products (active ingredients, additives, emulsifiers, and fragrances), food ingredients (nutrition ingredients, functional carbohydrates such as TREHA® , glycosides, and processing aids such as enzymes), nutrient premixes (OEM, ODM), agricultural, fisheries, and livestock-related materials, endotoxin removal services, and other products and services for the pharmaceutical, food and beverage, cosmetics, agricultural, toiletries, and health care, and other industries.

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, 2024 to March 31, 2025)**

(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	153,746	210,627	161,315	132,091	287,079	944,860	101	944,961	—	—	944,961
Intersegment sales/transfers	1,215	783	2,221	2,028	491	6,740	7,046	13,787	—	(13,787)	—
Total	154,962	211,411	163,536	134,120	287,570	951,601	7,147	958,749	—	(13,787)	944,961
Segment income	9,213	6,684	12,302	4,238	3,423	35,862	239	36,102	2,443	533	39,078
Segment assets	123,699	110,117	84,961	68,727	262,916	650,422	3,824	654,246	211,926	(58,029)	808,143
Other items											
Depreciation and amortization	762	778	1,997	228	7,713	11,479	68	11,548	3,781	—	15,329
Amortization of goodwill	151	—	57	—	2,513	2,722	—	2,722	—	—	2,722
Unamortized balance of goodwill	1,819	—	382	—	23,198	25,400	—	25,400	—	—	25,400
Investments in equity affiliates	2,685	1,011	2,765	1,425	3,533	11,422	122	11,544	—	(3)	11,541
Increase in property, plant, and equipment and intangible fixed assets	1,269	1,291	2,811	677	3,987	10,037	439	10,476	5,733	—	16,209

(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 income and loss not allocated to reportable segments or Others. Segment assets under Corporate are assets not allocable to reportable segments or Others. The reportable segments exclude depreciation and amortization expenses incurred within the Corporate segment. However, we combine depreciation and amortization expenses associated with segments other than Corporate with other expenses and allocate to the reportable segments.

3. Adjustments are eliminations of intersegment transactions.

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

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

(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	153,642	206,690	172,891	130,256	309,207	972,689	94	972,783	—	—	972,783
Intersegment sales/transfers	694	818	2,386	2,086	856	6,843	6,362	13,205	—	(13,205)	—
Total	154,337	207,508	175,277	132,343	310,064	979,532	6,456	985,989	—	(13,205)	972,783
Segment income (loss)	9,305	7,650	14,859	3,785	9,832	45,434	282	45,716	△1,348	360	44,727
Segment assets	122,493	116,249	111,954	70,069	284,077	704,843	3,002	707,846	223,546	(59,865)	871,526
Other items											
Depreciation and amortization	802	886	2,805	257	7,518	12,269	169	12,439	4,197	—	16,636
Amortization of goodwill	149	—	264	—	2,549	2,963	—	2,963	—	—	2,963
Unamortized balance of goodwill	1,786	—	4,431	—	22,165	28,384	—	28,384	—	—	28,384
Investments in equity affiliates	3,010	1,147	2,769	1,625	3,159	11,713	134	11,848	—	(5)	11,842
Increase in property, plant, and equipment and intangible fixed assets	1,949	1,366	4,591	171	6,471	14,550	295	14,846	12,015	(344)	26,517

(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 income and loss not allocated to reportable segments or Others. Segment assets under Corporate are assets not allocable to reportable segments or Others. The reportable segments exclude depreciation and amortization expenses incurred within the Corporate segment. However, we combine depreciation and amortization expenses associated with segments other than Corporate with other expenses and allocate to the reportable segments.

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, 2024 to March 31, 2025)

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 details 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	71,237	35,795	56,726	41,574	72,169	101	277,605	29.4
Greater China	19,665	94,774	69,579	28,937	4,561	-	217,517	23.0
ASEAN	31,598	72,465	10,428	38,842	7,257	-	160,593	17.0
Americas	22,767	4,427	10,190	20,910	128,606	-	186,902	19.8
Europe	7,427	1,281	5,351	1,540	74,077	-	89,678	9.5
Other	1,048	1,883	9,038	286	408	-	12,664	1.3
Revenues from contracts with customers	153,746	210,627	161,315	132,091	287,079	101	944,961	100.0
Net sales to customers	153,746	210,627	161,315	132,091	287,079	101	944,961	100.0

(Note) 1. Net sales are presented by country or region based on the locations of the Company and consolidated subsidiaries.

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	Americas	Other	Total
62,858	21,072	7,740	91,671

3. Major Customers

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

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

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 details 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	72,214	37,173	61,042	41,538	77,376	94	289,441	29.8
Greater China	22,031	92,719	76,709	25,122	5,583	-	222,166	22.8
ASEAN	33,547	67,740	11,455	40,586	7,221	-	160,550	16.5
Americas	18,852	4,771	7,356	20,809	137,508	-	189,297	19.5
Europe	5,891	1,439	6,007	1,992	81,138	-	96,469	9.9
Other	1,105	2,845	10,320	207	378	-	14,857	1.5
Revenues from contracts with customers	153,642	206,690	172,891	130,256	309,207	94	972,783	100.0
Net sales to customers	153,642	206,690	172,891	130,256	309,207	94	972,783	100.0

(Note) 1. Net sales are presented by country or region based on the locations of the Company and consolidated subsidiaries.

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	Americas	Other	Total
83,537	25,523	14,912	123,973

3. Major Customers

Information is 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, 2024 to March 31, 2025)

(Millions of yen)

	Reportable Segments						Others	Corporate/ Elimination	Total
	Functional Materials	Advanced Materials & Processing	Electronics & Energy	Mobility	Life & Healthcare	Total			
Impairment loss	-	-	-	-	1,173	1,173	-	-	1,173

(Note) The Life & Healthcare segment recorded impairment losses of ¥1,173 million for goodwill and other assets related to the pharmaceuticals and cosmetic ingredients sales business in the U.S., as the initially expected earnings are no longer deemed achievable. The Company wrote down the book value of these assets to their recoverable amounts.

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

(Millions of yen)

	Reportable Segments						Others	Corporate/ Elimination	Total
	Functional Materials	Advanced Materials & Processing	Electronics & Energy	Mobility	Life & Healthcare	Total			
Impairment loss	-	-	-	100	-	100	-	-	100

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

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

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

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

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, 2024 to March 31, 2025)

No matters to report.

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

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.

(Per-Share Data)

	Prior Consolidated Fiscal Year (April 1, 2024 - March 31, 2025)	Current Consolidated Fiscal Year (April 1, 2025 - March 31, 2026)
Net assets per share	¥919.77	¥1,043.19
Earnings per share	¥57.60	¥78.89

(Note) 1. 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” and “Earnings per share” are calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

2. Information for diluted earnings per share is not presented, as the Company does not issue any stock with dilutive effects.

3. Shares of the Company held by the Stock-Granting Trust for Directors are recorded as treasury stock under shareholders' equity. These shares are included in treasury stock subtracted from the total number of shares issued as of the end of the fiscal year based on the number of shares after the stock split for calculating net assets per share (1,129,600 shares in the previous consolidated fiscal year; 2,920,000 shares in the current consolidated fiscal year). In addition, the aforementioned shares are included in treasury stock subtracted from the calculation of average number of shares during the fiscal period based on the number of shares after the stock split used for calculating earnings per share (1,138,984 shares in the previous consolidated fiscal year; 1,660,062 shares in the current consolidated fiscal year).

4. Basic earnings per share calculations are as shown below.

	Prior Consolidated Fiscal Year (April 1, 2024 - March 31, 2025)	Current Consolidated Fiscal Year (April 1, 2025 - March 31, 2026)
Profit attributable to owners of the parent (millions of yen)	25,521	33,119
Profit attributable to common stock owners of the parent (millions of yen)	25,521	33,119
Average number of outstanding shares of common stock (shares)	443,098,504	419,816,183

(Significant Subsequent Events)

(Share split)

The Company conducted a stock split, effective April 1, 2026, based on a resolution adopted at the Board of Directors meeting held on October 24, 2025.

(1) Purpose of share split

The purpose of this is to improve the liquidity of NAGASE's shares and expand the investor base by conducting a share split and lowering the amount per investment unit.

(2) Overview of share split

(i) Method of share split

NAGASE conducted a share split at a ratio of 4 shares for every one common share held by shareholders recorded on the final shareholder register on March 31, 2026.

(ii) Number of shares to be increased by share split

Total number of issued shares before the share split	109,908,285 shares
Number of shares to be increased by the share split	329,724,855 shares
Total number of issued shares after the share split	439,633,140 shares
Total number of shares authorized to be issued after the share split	1,387,920,000 shares

(iii) Schedule of the share split

Date of public notice of the record date	March 16, 2026
Record date	March 31, 2026
Effective date	April 1, 2026

(3) Impact on per-share data

See *Per-Share Data* for the impact of the stock split.

(4) Others

There has been no change in the amount of share capital following this share split.

(Change in Reportable Segments)

At a meeting held on May 7, 2026, the Company Board of Directors resolved to revise the reportable segments, beginning with the year ending March 31, 2027.

1. Overview of Segment Changes

The Company consolidated the previous five-segment structure into three segments: Materials, Electronics, and Life Science. The new structure will accelerate delegation of authority to each segment head and speed up decision-making. We will continue to build on the stable earnings base of the Materials business while further expanding Electronics and Life Science. To more appropriately manage the earnings of reportable segments, we also revised part of the allocation method for company-wide common expenses and changed the method used to measure reportable segment profit and loss. The following sections outline the businesses included in each segment after the changes.

(Materials)

The Materials segment is engaged in the sales of paints/inks, pigments/additives, resins, raw resin materials/resin molded products, plastic compounds, masterbatch, urethane foam, organic synthesis, surfactants, electronics chemicals, information printing-related materials, communications equipment, water treatment, metal processing, plastics/film processing, stationery, functional film/sheet, hygiene materials, home appliance/OA equipment, electronics, packaging, daily commodities, household goods, construction materials, and the overall mobility industry and related industries, as principal products: resin raw materials, resins, special epoxy, engineering plastics, general-purpose plastics, packaging materials, and other plastics-related products and services, solvents, pigments and dispersions, dyestuffs, functional coatings, colorants, various additives, urethane raw materials, release agents, conductive materials, functional films, pressure-sensitive adhesives, adhesives, hygiene materials, organic chemicals, inorganic chemicals, high-purity chemicals, silicone products, silicone raw materials, bio-products, special acrylic rubber, polymer filters, enzymes, light-weight components, decorative parts, HMI components, CASE-related products (xEV-related components, heat management components, battery materials, various sensors, LiDAR-related components, self-driving-related products), Mixing Concierge™, total coordination services for dispersion and processing, raw material search services for CASE applications, Chemical AI Joint Logistics Matching Service, original VR safety goggles for the chemical industry, water treatment equipment, MOF, CO₂ Capture System, and other products and services.

(Electronics)

The Electronics segment is engaged in the sales of semiconductor, electronic component, AR/VR, environmental energy, heavy electrical and light electrical, HDD, automotive and aircraft, display, touch panel, housing, lighting, renewable energy, large-scale commercial facility, storage battery and energy-related industries, offering as principal products formulated epoxy resins and related products, precision abrasives, display optical materials, touch panel components, functional coatings, conductive and insulating materials, adhesives and encapsulant materials, high heat-resistant films, optical lenses, high-frequency devices, low dielectric materials, sensing modules, semiconductor and electronic device-related equipment, battery evaluation and consulting services, battery pack prototyping and development, photolithography materials for flat panel displays and semiconductors, and other products and services.

(Life Science)

The Life Science segment is engaged in the sales of pharmaceutical materials (active pharmaceutical ingredients, additives, intermediates, and other raw materials), in-vitro diagnostics reagents, raw materials for cosmetics and household products (active ingredients, additives, emulsifiers, and fragrances), food ingredients (nutrition ingredients, functional carbohydrates such as TREHA®, glycosides, and processing aids such as enzymes), nutrient premixes (OEM, ODM), agricultural, fisheries, and livestock-related materials, endotoxin removal services, and other products and services for the pharmaceutical, food and beverage, cosmetics, agricultural, toiletries, and health care, and other industries.

2. Impact of Segment Changes

We are currently calculating information regarding net sales, profit or loss, assets, and other items by reportable segment for the current consolidated fiscal year under the revised segment classification.