

June 30, 2026

To Whom It May Concern

Company Name: NAGASE & CO., LTD.
Representative: Hiroyuki Ueshima,
Representative Director,
President and CEO

Stock Exchange Listings:
Tokyo (Prime Market) Code 8012

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Notice Concerning Changes to Compensation for Directors

At a meeting held June 30, 2026, the NAGASE & CO., LTD. (“NAGASE” or the “Company”) Board of Directors resolved to revise compensation for directors (excluding outside directors and Audit & Supervisory Board members; "Directors," below) as outlined below. These revisions modify compensation for directors adopted by resolution of the Board of Directors on May 8, 2025. In conjunction with the launch of the new medium-term management plan, the Company reviewed the performance metrics and calculation formulas to better align compensation with the executive compensation policy. Refer to the *Notice Concerning Revision of Compensation for Directors*, released May 8, 2025, for information regarding compensation for directors before these revisions.

1. Executive compensation policy

The NAGASE Group addresses customer and societal challenges through materials and contributes to the well-being of people and the planet, building on the trusted relationships with stakeholders that the Group has established by adhering to the highest standards of integrity. The Group aims to enhance corporate value sustainably over the medium to long term in an era when economic and social value are increasingly intertwined. To this end, the Group designed a specific compensation system based on the following compensation policy, established for internal directors who drive the achievement of this objective.

Earnings and corporate value enhancement	Recruitment and retention of skilled human resources	Ensuring accountability
<ul style="list-style-type: none"> • Offer compensation system that drives the achievement of the following strategies and supports sustainable corporate value creation <ul style="list-style-type: none"> – Linking compensation to shareholder value – Pursing short-term and medium- to long-term growth and efficiency – Balancing economic and social value 	<ul style="list-style-type: none"> • Offer competitive compensation system and compensation levels to attract and retain diverse, skilled human resources capable of accelerating business transformation • Offer compensation levels that encourage the growth and development of the next generation of management leaders 	<ul style="list-style-type: none"> • Maintain a transparent and objective compensation system and compensation-determining process

2. Compensation levels

The Company uses objective external compensation data to benchmark NAGASE against competitive domestic companies in both business operations and talent acquisition. NAGASE sets its compensation levels at or above the median of such data, taking into account business conditions and other relevant factors. In doing so, NAGASE aims to attract and retain diverse, skilled human capital capable of accelerating business transformation and to foster the growth ambition of the next generation of management leaders.

Compensation system overview

Type of compensation (approximate ratio)	Purpose	Performance metrics	Evaluation period	Details
Basic compensation (33%-61%)	Basic compensation for execution of duties	—	—	Compensation paid monthly, determined by the Board of Directors in accordance with roles and responsibilities
Annual performance-linked bonus (28%-33%)	Incentivize improvement in annual business performance	<ul style="list-style-type: none"> • Consolidated operating income • Business division operating income (for Directors in charge of business divisions) 	1 year	<p>Determined by a formula resolved by the Board of Directors following deliberation by the Officer Remuneration Committee, based on consolidated operating income and business division operating income for the fiscal year. Paid at the end of June every year.</p> <p>The president, delegated by the Board of Directors, evaluates the performance of each Director and determines individual amounts. (The president is not subject to individual evaluation.)</p>
		Individual performance evaluations		

Stock-based compensation (14%-33%)	Interim performance-linked stock compensation	Incentivize sustainable growth in corporate value	<ul style="list-style-type: none"> • ROE • TSR (vs. TOPIX) • Sustainability-related indicators 	3 years	Shares to be delivered are calculated annually based on achievement of medium-term KPIs over three consecutive fiscal years and determined by a formula resolved by the Board of Directors following deliberation by the Officer Remuneration Committee. Shares are delivered after the end of the evaluation period (with a three-year transfer restriction after grant ^{*1}).
	Restricted stock compensation	Align interest with shareholder value	—	—	The Company grants Board-approved, position-specific standard numbers of restricted shares each year based on the roles and responsibilities of each position. Transfer restrictions are lifted upon retirement.

The indicated ratios show the proportion of each compensation type, assuming 100% achievement of performance targets based on the standard value. Ratios also exclude those serving in the position of director and senior adviser who are not eligible for stock-based compensation.

*1 Transfer restrictions are lifted upon resignation in the even that an officer retires during the three-year period.

3. Compensation structure ratio

The Group sets a higher variable compensation ratio for more senior positions with greater roles and responsibilities to strengthen incentives to improve performance and corporate value, one of the objectives of the executive compensation policy. Specifically, annual -performance-linked bonuses account for 27% to 33% of total compensation at the standard level to drive improvement in annual business performance. Stock-based compensation accounts for 13% to 33% of total compensation to enhance sustainable corporate value and align interests with shareholder value.

The Company sets the ratio of annual performance-linked bonus to stock-based compensation at 1:1 at the standard level (excluding non-executive directors), emphasizing the pursuit of profitability and efficiency over both the short and medium to long term. For example, at the standard level, the Company allocates the representative director, president, and CEO compensation equally among base salary, performance-linked annual bonus, and stock-based compensation, maintaining a 1:1:1 ratio.

Annual performance-linked bonus

To incentivize improvements in annual business performance and to strengthen incentives for further earnings expansion beyond both the actual operating income under the previous medium-term management plan (JPY 44.7 billion) and the target operating income under the current medium-term management plan (JPY 50.0 billion), the Company determines the amount of the annual performance-linked bonus based on (a) consolidated operating income, (b) business division operating income, and (c) individual performance evaluations for each

fiscal year.

a) Consolidated operating income

The Company has adopted a profit-sharing approach that allocates a fixed percentage of profit to further strengthen incentives to improve profitability. The following formula reinforces incentives for further earnings growth.

Case.1: The following formula determines the payment amount when consolidated operating income is ¥44.7 billion or less.

A	$\text{Consolidated operating income for the fiscal year in question} \times \text{Allocation rate (0.15\%)} \times \text{Position-specific coefficient} \times \text{Position-specific evaluation weight}$
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Case.2: When consolidated operating income exceeds ¥44.7 billion but does not exceed ¥50.0 billion, the payment amount equals the sum of the amounts calculated using Formulas A and B below.

A	$\text{¥44.7 billion} \times \text{Allocation rate (0.15\%)} \times \text{Position-specific coefficient} \times \text{Position-specific evaluation weight}$
B	$(\text{Consolidated operating income for the fiscal year} - \text{¥44.7 billion}) \times \text{Allocation rate (0.45\%)} \times \text{Position-specific coefficient} \times \text{Position-specific evaluation weight}$

Case.3: When consolidated operating income exceeds ¥50.0 billion, the payment amount equals the sum of the amounts calculated using Formulas A through C below.

A	$\text{¥44.7 billion} \times \text{Allocation rate (0.15\%)} \times \text{Position-specific coefficient} \times \text{Position-specific evaluation weight}$
B	$(\text{¥50.0 billion} - \text{¥44.7 billion}) \times \text{Allocation rate (0.45\%)} \times \text{Position-specific coefficient} \times \text{Position-specific evaluation weight}$
C	$(\text{Consolidated operating income for the fiscal year} - \text{¥50.0 billion}) \times \text{Allocation rate (0.75\%)} \times \text{Position-specific coefficient} \times \text{Position-specific evaluation weight}$

b) Business division operating income (for Directors in charge of business divisions)

The Company determines the payment amount based on the budget achievement rate for the fiscal year in question and the growth rate from the previous fiscal year to incentivize target achievement and continued business expansion. The payment amount equals the sum of the amounts calculated using the following two formulas. The budget achievement rate and year-on-year growth rate used in the calculation each range from 0% to 200%.

$\text{Position-specific standard amount} \times 50\% \times \text{Operating profit budget achievement rate for the business division} \times \text{Position-specific evaluation weight}$
$\text{Position-specific standard amount} \times 50\% \times \text{Year-over-year operating profit growth rate of the business division} \times \text{Position-specific evaluation weight}$

c) Individual performance evaluations

The president, delegated by the Board of Directors, evaluates the performance of each Director (between 0% to 200%) for the fiscal year in question against the initial targets and determines individual payments based on the evaluation results.

Position-specific standard amount × Individual performance evaluations results × Position-specific evaluation weight
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Stock-based compensation

Stock-based compensation consists of medium-term performance-linked stock compensation and restricted stock compensation. The Company sets a 1:1 allocation ratio between performance-linked stock compensation and restricted stock compensation. Refer to the Notice Concerning the Extension and Amendment of the Performance-Linked Stock Compensation Plan for Directors, released May 8, 2025, for details of the stock compensation system.

1. Medium-term performance-linked stock compensation

The Company adopted a performance share unit (PSU) plan with a three- consecutive-fiscal-year evaluation period to incentivize sustainable corporate value enhancement. This plan imposes a three-year transfer restriction on the shares delivered after the performance period (or until retirement if a Director retires before the end of the three-year period). A portion of the Company shares to be granted may be sold by the trustee to secure the funds needed for the Company to withhold taxes. Cash may be delivered in place of those shares.

The number of shares to be granted equals the sum of the results calculated using the following three formulas. The Company determines the performance multiplier for each performance metric based on actual results for the final fiscal year of the three-year evaluation period. These performance multipliers range from 0% to 200%.

Position-specific standard number of shares × 60% × ROE performance multiplier
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Position-specific standard number of shares × 30% × TSR* ² performance multiplier
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Position-specific standard number of shares × 10% × ESG* ³ performance multiplier
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*² The TSR performance metric is the ratio of the Company's TSR to the TSR of TOPIX.

*³ The ESG performance metric is carbon neutrality (Scope 1 and 2 emissions reduction rate).

2. Restricted stock compensation

The Company adopts restricted stock compensation to align interests with shareholder value. Restricted stock compensation consists of position-specific standard numbers of restricted shares delivered each year based on roles and responsibilities. In principle, transfer restrictions will be lifted upon retirement.

4. Compensation governance

The Company determines policies on Director compensation amounts and calculation methods based on discussions by the Officer Remuneration Committee, composed primarily of outside directors, and deliberations by the Board of Directors.

The Board of Directors delegates authority over individual Director compensation to Hiroyuki Ueshima, the Representative Director, President, and CEO, based on the review of compensation system and level appropriateness conducted by the Officer Remuneration Committee, which is composed primarily of outside directors. The authority delegated to Mr. Ueshima includes individual assessments of performance-linked

compensation (monetary) based on the performance of each Director's assigned business division. The Board of Directors determined that delegating this authority to the representative director, president, and CEO is appropriate, as he is best positioned to assess divisional performance while overseeing overall Company performance. The Board of Directors consulted the Officer Remuneration Committee, received recommendations, and confirmed that the delegated authority is exercised appropriately and decisions align with established policies.

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