NAGASE
Delivering next.

Consolidated Financial Statements for the Six Months Ended September 30, 2026
<Under Japanese GAAP>

November 6, 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

Filing of semi-annual securities report (scheduled): November 12, 2026
Start of distribution of dividends (scheduled): December 7, 2026
Supplementary documents of financial results: Yes
Holding of financial results briefing: Yes (for analysts and institutional investors)

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

1. Consolidated Results for the Six Months Ended September 30, 2026 (April 1, 2026 to September 30, 2026)

(1) Consolidated Operating Results

(% = year-on-year change)

	Net sales		Gross profit		Operating income		Ordinary income		Profit attributable to owners of the parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	572,587	19.4	113,452	24.8	36,313	72.4	36,385	75.6	32,707	116.7
September 30, 2025	479,734	-0.3	90,913	3.3	21,058	0.0	20,717	2.1	15,089	-5.6

(Notes) 1. Comprehensive income For the six months ended September 30, 2026: ¥44,076 million (243.7% increase)
For the six months ended September 30, 2025: ¥12,825 million (48.5% decrease)

	Earnings per share	Earnings per share (diluted)
Six months ended	Yen	Yen
September 30, 2026	80.32	—
September 30, 2025	35.36	—

(Notes) 2. 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
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2026	964,458	468,952	47.7	1,135.00
March 31, 2026	871,526	434,025	48.8	1,043.19

(Reference) Equity capital As of September 30, 2026: ¥460,402 million
As of March 31, 2026: ¥425,446 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.

2. Dividends

	Annual Dividends per Share				
	1Q	2Q	3Q	Fiscal year end	Annual
For the year ended (or ending)	Yen	Yen	Yen	Yen	Yen
March 2026	—	45.00	—	55.00	100.00
March 2027	—	15.00			
March 2027 (forecast)			—	15.00	30.00

(Notes) 1. Revisions to the latest dividends forecast: Yes
2. The Company enacted a four-for-one stock split of its common stock with an effective date of April 1, 2026. "FYE March 2026" represents the actual dividend payments before the stock split.
3. For details, please refer to *Notice Regarding Dividends of Surplus (Interim Dividend) and Revision to Year-End Dividend Forecast (Dividend Increase)* announced on November 6, 2026.

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	1,085,080	11.5	215,000	14.6	58,500	30.8	58,000	31.5	48,000	44.9	118.23

(Notes) 1. Revisions to the latest consolidated earnings forecast: Yes
2. For details, please refer to *1. Qualitative Information, (3) Qualitative Information Related to Consolidated Earnings Forecasts*, on P.5 of this document.

* Notes

(1) Significant changes in the scope of consolidation during the period: Yes
New: – (Company name: –) Excluded: 1 (Company name: Fukui Yamada Chemical Co., Ltd.)

(2) Application of special accounting methods to the preparation of semi-annual financial statements: Yes
(Note) For details, please refer to *2. Semi-Annual Consolidated Financial Statements and Notes, (4) Notes Related to Semi-Annual Consolidated Financial Statements (Special Accounting Treatment Applied in Preparing the Interim Consolidated Financial Statements)*, on P.13 of this document.

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections
i. Changes in accordance with revisions to accounting and other standards: No
ii. Changes in items other than (i) above: No
iii. Changes in accounting estimates: No
iv. Restatement of prior period financial statements after error corrections: No

(4) Number of shares issued and outstanding (common stock)
i. Number of shares issued and outstanding as of the fiscal period end (including treasury stock)

September 30, 2026	439,633,140 shares	March 31, 2026	439,633,140 shares

ii. Number of treasury stock as of the fiscal period end

September 30, 2026	33,992,247 shares	March 31, 2026	31,800,608 shares

iii. Average number of shares during the period

September 30, 2026	407,208,062 shares	September 30, 2025	426,793,628 shares

(Notes) 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 (2,671,200 shares as of September 30, 2026 and 2,920,000 shares as of March 31, 2026). 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 (2,848,914 shares for the period ended September 30, 2026 and 1,110,628 shares for the period ended September 30, 2025).

*** Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.**

*** Cautionary Statement with Respect to Forecasts of Consolidated Business Results**

The earnings forecasts presented in this document are based upon currently available information and assumptions deemed rational. A variety of factors could cause actual results to differ materially from forecasts.

For matters related to earnings forecasts, please refer to *1. Qualitative Information, (3) Qualitative Information Related to Consolidated Earnings Forecasts*, on P.5 of this document.

Attachments

1. Qualitative Information 2
(1) Review of Business Performance 2
(2) Review of Financial Position 4
(3) Qualitative Information Related to Consolidated Earnings Forecasts 5
2. Semi-Annual Consolidated Financial Statements and Notes 7
(1) Semi-Annual Consolidated Balance Sheets 7
(2) Semi-Annual Consolidated Statements of Income and Consolidated Statements of Comprehensive Income 9
Semi-Annual Consolidated Statements of Income
Six-month periods ended September 30, 2026 and 2025 9
Semi-Annual Consolidated Statements of Comprehensive Income
Six-month periods ended September 30, 2026 and 2025 10
(3) Semi-Annual Consolidated Statements of Cash Flows 11
(4) Notes Related to Semi-Annual Consolidated Financial Statements 13
(Assumption for Going Concern) 13
(Significant Fluctuations in Shareholders' Equity) 13
(Special Accounting Treatment Applied in Preparing the Interim Consolidated Financial Statements) 13
(Segment Information, etc.) 14
(Significant Subsequent Events) 16

1. Qualitative Information

(1) Review of Business Performance

a. General Summary of Results

Earnings for the six-month period ended September 30, 2026 are as follows.

(Millions of yen)

	Six-month period ended September 30, 2025	Six-month period ended September 30, 2026	Change	Change (%)
Net sales	479,734	572,587	92,853	19.4
Gross profit	90,913	113,452	22,538	24.8
Operating income	21,058	36,313	15,255	72.4
Ordinary income	20,717	36,385	15,667	75.6
Profit before income taxes	21,232	43,315	22,083	104.0
Profit attributable to owners of the parent	15,089	32,707	17,617	116.7

・Net sales and profit at all levels reached record highs in the first half of the current consolidated fiscal year.
・Gross profit increased due to improved performance in the semiconductor business and the Prinova Group, as well as our ability to meet customer demands reliably amid soaring market prices and supply chain disruptions caused by the situation in the Middle East.
・Operating income also benefited from a decrease in retirement benefit expenses due to the amortization of actuarial differences.
・Profit attributable to owners of the parent reflected the sale of strategic cross-shareholdings in line with growth investments.

b. Segment Summary

The following describes performance by segment.
As of the first half of the current consolidated fiscal year, we changed the reportable segments and revised the allocation method for company-wide common expenses. Accordingly, information for the first half of the previous consolidated fiscal year has been restated based on the reportable segments after the change and the revised allocation method.
For details, please refer to *(Segment Information, etc.)* on P.14 of this document.

Materials

(Millions of yen)

	Six-month period ended September 30, 2025	Six-month period ended September 30, 2026	Change	Change (%)
Net sales	242,994	290,589	47,594	19.6
Gross profit	37,121	45,793	8,671	23.4
Operating income	10,168	16,024	5,856	57.6

Gross profit increased ¥8.6 billion year on year, and operating income increased ¥5.8 billion year on year.
<Manufacturing Business>
・Sales of industrial hoses and other products increased at Nagase RooTAC Industries, Inc.
・Nagase ChemteX sales of epichlorohydrin derivatives increased, driven by demand for 3D printing applications.
<Trading Business>
・Overall, profit margins improved as market prices trended upward due to the situation in the Middle East.
・In the chemicals business, the procurement of substitute products contributed to maintaining the supply chain, while sales of materials for semiconductor were also strong.
・Sales volumes of resins for electrical and electronic equipment were in line with the previous fiscal year, while long-standing product mix optimization efforts contributed to segment income.
・Sales of resins, functional materials, and components for automotive applications were solid, due in part to new adoptions in the United States.

Electronics

(Millions of yen)

	Six-month period ended September 30, 2025	Six-month period ended September 30, 2026	Change	Change (%)
Net sales	84,663	100,911	16,247	19.2
Gross profit	21,808	27,083	5,274	24.2
Operating income	7,042	11,185	4,142	58.8

Gross profit increased ¥5.2 billion year on year, and operating income increased ¥4.1 billion year on year.
<Manufacturing Business>
・Sales of formulated epoxy resins of Nagase ChemteX increased. The company steadily captured demand for products for AI semiconductors (logic and memory).
・Sales of bumping contract services at the Pac Tech Group remained strong.
<Trading Business>
・Sales of semiconductor materials increased in Greater China.

Life Sciences

(Millions of yen)

	Six-month period ended September 30, 2025	Six-month period ended September 30, 2026	Change	Change (%)
Net sales	152,030	181,044	29,014	19.1
Gross profit	31,777	40,438	8,661	27.3
Operating income	3,910	6,909	2,999	76.7

Gross profit increased ¥8.6 billion year on year, and operating income increased ¥2.9 billion year on year.
<Manufacturing Business>
・The Prinova Group's manufacturing business saw a significant increase in profits, driven by rising sales in the Solutions business due to expanded applications, while the Nutrition business returned to profitability.
・Nagase Viita offset rising raw materials prices through an increase in sales of food ingredients for overseas markets and other factors, maintaining performance at roughly the prior-year level.
・Nagase Diagnostics performed well, driven by higher sales of diagnostic reagents and enzymes for diagnostic reagents.
<Trading Business>
・Prinova Group's food ingredients sales increased.
・Sales of pharmaceutical raw materials and intermediates remained flat year on year.

Others

No special matters to disclose.

(2) Review of Financial Position

a. Assets, Liabilities and Net Assets

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026	Change	Change (%)
Current assets	566,319	639,454	73,134	12.9
Non-current assets	305,207	325,004	19,796	6.5
Total assets	871,526	964,458	92,931	10.7
Liabilities	437,501	495,505	58,003	13.3
Net assets	434,025	468,952	34,927	8.0
Shareholders' equity ratio (%)	48.8	47.7	(1.1) p	―

・Current assets increased due to increases in accounts receivable and inventories
・Non-current assets increased due to an increase in property, plant and equipment and the fair value appreciation of investments in securities, despite the sales of investments in securities
・Liabilities increased due to increases in accounts payable, short-term loans and commercial paper
・Net assets increased due to the recording of interim profit attributable to owners of the parent and increases in net unrealized holding gains on securities and translation adjustments, despite purchases of treasury stock and payments of dividends
・As a result, the Company recorded a shareholders' equity ratio of 47.7%, down 1.1 points compared to 48.8% from the end of the prior consolidated fiscal year

b. Consolidated Cash Flows

(Millions of yen)

	Six-month period ended September 30, 2025	Six-month period ended September 30, 2026
Cash flows from operating activities	16,277	(20,886)
Cash flows from investing activities	(35,754)	(6,114)
Cash flows from financing activities	(3,410)	28,909

・Net cash used in operating activities was mainly the result of a ¥52.9 billion decrease in cash due to an increase in working capital and ¥8.9 billion in income taxes paid, offset in part by ¥43.3 billion in income before taxes.
・Net cash used in investing activities was mainly the result of ¥14.5 billion in purchases of property, plant and equipment, offset in part by ¥4.7 billion in proceeds from sales of property, plant and equipment and intangible assets and ¥5.4 billion in proceeds from sales of investments in securities.
・Net cash provided by financing activities was mainly the result of a net increase of ¥30.0 billion in commercial paper and a net increase of ¥9.5 billion in short-term loans, offset in part by ¥3.0 billion in the purchases of treasury stock and ¥5.6 billion in dividend payments.

(3) Qualitative Information Related to Consolidated Earnings Forecasts

Overall progress has exceeded initial forecasts for the full year (April 1, 2026 to March 31, 2027) as published on May 7, 2026. As a result, we have made upward revisions to our forecasts for net sales and profit at all levels. In addition, we expect to post record-high results for net sales and each profit measure.

The main reasons for this revision are as follows.

(Materials segment)
Net sales and profit margins improved against a backdrop of surging market prices stemming from the situation in the Middle East. The segment also won new business by responding to customers' needs to maintain their supply chains amid a tight supply-demand balance. As a result, the segment's results exceeded initial forecasts. The business overall is expected to remain solid from the third quarter onward. However, taking into account factors such as fewer customer operating days (e.g., Lunar New Year), and the risk of lower profitability from falling market prices, segment income in the second half is expected to be lower than in the first half. Even so, we expect a significant year-on-year increase in segment income for the full year.

(Electronics segment)
Sales of formulated epoxy resins for advanced semiconductors grew on expanding demand for generative AI servers, and sales of semiconductor materials in Greater China also remained strong. As a result, results exceeded our initial forecasts. We expect performance to remain strong from the third quarter onward, with a significant year-on-year increase in segment income for the full year.

(Life Sciences segment)
In the Prinova Group's Nutrition business, profitability improved faster than expected on the back of newly won business and other factors, and the business returned to operating profitability. The Solutions business also continued to deliver strong results, as in the previous fiscal year. In the second half, segment income is expected to be lower than in the first half due to factors such as fewer customer operating days associated with the Christmas holidays, and scheduled maintenance at manufacturing subsidiaries. For the full year, however, a significant year-on-year increase in segment income is expected.

Accordingly, we revised our full-year consolidated earnings forecasts.

We also changed the assumed foreign exchange rates used as the basis of our earnings forecasts from ¥155 to ¥157.2 per U.S. dollar and from ¥22.5 to ¥23.4 per RMB.

a. Revised full-year consolidated earnings forecasts (April 1, 2026 to March 31, 2027) (Millions of yen)

	Prior Forecast (A) *1	Revised Forecast (B)	Change (B-A)	Change (%)
Net sales	1,000,000	1,085,080	85,080	8.5
Gross profit	198,000	215,000	17,000	8.6
Operating income	45,000	58,500	13,500	30.0
Ordinary income	45,000	58,000	13,000	28.9
Profit attributable to owners of the parent	34,500	48,000	13,500	39.1

b. Revised full-year earnings forecasts by segment (April 1, 2026 to March 31, 2027)

(Net sales by segment) (Millions of yen)

	Prior Forecast (A) *1	Revised Forecast (B)	Change (B-A)	Change (%)
Materials	495,500	525,000	29,500	6.0
Electronics	175,000	200,000	25,000	14.3
Life Sciences	329,400	360,000	30,600	9.3
Others and Corporate *2	100	80	(20)	(20.0)
Total net sales	1,000,000	1,085,080	85,080	8.5

(Gross profit by segment) (Millions of yen)

	Prior Forecast (A) *1	Revised Forecast (B)	Change (B-A)	Change (%)
Materials	77,600	81,500	3,900	5.0
Electronics	47,900	54,000	6,100	12.7
Life Sciences	72,490	79,500	7,010	9.7
Others and Corporate *2	10	0	(10)	(100.0)
Total gross profit	198,000	215,000	17,000	8.6

(Operating income by segment) (Millions of yen)

	Prior Forecast (A) *1	Revised Forecast (B)	Change (B-A)	Change (%)
Materials	19,600	24,500	4,900	25.0
Electronics	14,400	21,000	6,600	45.8
Life Sciences	7,200	9,500	2,300	31.9
Others and Corporate *2	3,800	3,500	(300)	(7.9)
Total operating income	45,000	58,500	13,500	30.0

(*1) Full-year consolidated earnings forecast announced on May 7, 2026
(*2) Others and Corporate includes consolidation adjustments.

2. Semi-Annual Consolidated Financial Statements and Notes

(1) Semi-Annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
ASSETS		
Current assets		
Cash and time deposits	45,599	48,142
Notes and accounts receivable and contract assets	321,435	362,772
Merchandise and finished goods	157,496	175,818
Work in process	3,282	2,964
Raw materials and supplies	16,781	20,926
Other	22,660	30,035
Less allowance for doubtful accounts	(936)	(1,205)
Total current assets	566,319	639,454
Non-current assets		
Property, plant and equipment	123,973	130,863
Intangible fixed assets		
Goodwill	28,384	27,266
Technology-based assets	3,060	2,846
Other	37,244	36,078
Total intangible fixed assets	68,688	66,191
Investments and other assets		
Investments in securities	87,595	99,760
Long-term loans receivable	1,329	1,302
Retirement benefit asset	9,628	9,688
Deferred tax assets	6,029	8,234
Other	9,056	9,896
Less allowance for doubtful accounts	(1,093)	(932)
Total investments and other assets	112,545	127,949
Total non-current assets	305,207	325,004
Total assets	871,526	964,458

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
LIABILITIES		
Current liabilities		
Notes and accounts payable	159,845	167,812
Short-term loans	20,175	29,576
Current portion of long-term loans	15,000	15,000
Commercial paper	47,000	77,000
Accrued income taxes	6,934	11,831
Accrued bonuses for employees	9,533	8,956
Accrued bonuses for directors	404	279
Provision for directors' stock benefit	49	21
Provision for losses on business withdrawal	1,306	1,114
Other	36,757	40,278
Total current liabilities	297,008	351,872
Long-term liabilities		
Bonds	40,000	40,000
Long-term loans	50,000	50,000
Lease liabilities	16,077	16,160
Deferred tax liabilities	19,600	22,349
Retirement benefit liability	10,981	11,137
Provision for directors' stock benefit	315	304
Other	3,517	3,679
Total long-term liabilities	140,493	143,632
Total liabilities	437,501	495,505
NET ASSETS		
Shareholders' equity		
Common stock	9,699	9,699
Capital surplus	9,336	9,336
Retained earnings	321,076	348,144
Less treasury stock, at cost	(26,233)	(29,043)
Total shareholders' equity	313,878	338,137
Accumulated other comprehensive income		
Net unrealized holding gain on securities	40,477	48,644
Deferred loss on hedges	(123)	(478)
Translation adjustments	68,119	72,404
Remeasurements of defined benefit plans	3,094	1,694
Total accumulated other comprehensive income	111,567	122,265
Non-controlling interests	8,578	8,550
Total net assets	434,025	468,952
Total liabilities and net assets	871,526	964,458

(2) Semi-Annual Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(Semi-Annual Consolidated Statements of Income)

Six-month periods ended September 30, 2026 and 2025

(Millions of yen)

	Six-month period ended September 30, 2025 (April 1, 2025 - September 30, 2025)	Six-month period ended September 30, 2026 (April 1, 2026 - September 30, 2026)
Net sales	479,734	572,587
Cost of sales	388,821	459,135
Gross profit	90,913	113,452
Selling, general and administrative expenses	69,854	77,138
Operating income	21,058	36,313
Non-operating income		
Interest income	362	384
Dividend income	1,074	1,153
Rent income	70	33
Equity in earnings of affiliates	418	665
Other	279	425
Total non-operating income	2,205	2,662
Non-operating expenses		
Interest expenses	1,787	1,878
Foreign exchange losses	160	178
Other	599	533
Total non-operating expenses	2,546	2,590
Ordinary income	20,717	36,385
Extraordinary gains		
Gain on sales of non-current assets	16	2,073
Gain on sales of investment securities	851	4,867
Gain on bargain purchase	1,780	—
Gain on sales of investments in capital	—	66
Gain on sales of shares of subsidiaries and affiliates	—	20
Subsidy income	179	—
Total extraordinary gains	2,827	7,028
Extraordinary losses		
Loss on sales of non-current assets	12	3
Loss on disposal of non-current assets	64	50
Loss on sales of investment securities	0	—
Loss on valuation of investment securities	162	—
Loss on business withdrawal	1,688	44
Settlements payments	329	—
Other	54	—
Total extraordinary losses	2,312	98
Income before income taxes	21,232	43,315
Income taxes	5,781	10,051
Profit for the period	15,451	33,264
Profit attributable to non-controlling interests	361	557
Profit attributable to owners of the parent	15,089	32,707

(Semi-Annual Consolidated Statements of Comprehensive Income)

Six-month periods ended September 30, 2026 and 2025

(Millions of yen)

	Six-month period ended September 30, 2025 (April 1, 2025 - September 30, 2025)	Six-month period ended September 30, 2026 (April 1, 2026 - September 30, 2026)
Profit for the period	15,451	33,264
Other comprehensive income		
Net unrealized holding gain on securities	4,514	8,165
Deferred gain (loss) on hedges	100	(356)
Translation adjustments	(7,353)	4,444
Remeasurements of defined benefit plans	194	(1,399)
Share of other comprehensive loss of affiliates accounted for by the equity method	(81)	(41)
Total other comprehensive (loss) income	(2,626)	10,812
Comprehensive income	12,825	44,076
Comprehensive income attributable to:		
Shareholders of the parent	12,296	43,410
Non-controlling interests	528	666

(3) Semi-Annual Consolidated Statements of Cash Flows

Six-month periods ended September 30, 2026 and 2025

(Millions of yen)

	Six-month period ended September 30, 2025 (April 1, 2025 - September 30, 2025)	Six-month period ended September 30, 2026 (April 1, 2026 - September 30, 2026)
Operating activities		
Income before income taxes	21,232	43,315
Depreciation and amortization other than amortization of goodwill	7,995	9,400
Amortization of goodwill	1,469	1,605
Subsidy income	(179)	—
Share of gain of entities accounted for using equity method	(418)	(665)
Loss on business withdrawal	1,688	44
Settlements payments	329	—
Gain on bargain purchase	(1,780)	—
Increase (decrease) in retirement benefit liability	322	(180)
Decrease (increase) in retirement benefit asset	74	(1,747)
Interest and dividend income	(1,436)	(1,538)
Interest expenses	1,787	1,878
Exchange loss (gain), net	1,397	(409)
Gain on sales of investment securities	(850)	(4,867)
Loss on evaluation of investment securities	162	—
Increase in notes and accounts receivable	(1,337)	(39,984)
Decrease (increase) in inventories	2,741	(20,166)
(Decrease) increase in notes and accounts payable	(9,288)	7,241
Other	(2,024)	(5,631)
Subtotal	21,884	(11,703)
Interest and dividends received	1,594	1,704
Interest paid	(1,745)	(1,889)
Proceeds from subsidy income	179	—
Income taxes paid	(5,635)	(8,998)
Net cash provided by (used in) operating activities	16,277	(20,886)
Investing activities		
Purchases of property, plant and equipment	(12,930)	(14,547)
Proceeds from sales of property, plant and equipment and intangible assets	161	4,705
Purchases of intangible fixed assets	(1,951)	(589)
Purchases of investments in securities	(860)	(1,059)
Proceeds from sales of investments in securities	1,277	5,443
Payments for investments in capital of subsidiaries and affiliates	—	(819)
Proceeds from sales of investments in capital	—	173
Purchases of shares of subsidiaries resulting in change in scope of consolidation	(19,060)	—
Decrease in short-term loans receivable included in other current assets	189	1,445
Increase in time deposits, net	—	(332)
Other	(2,579)	(533)
Net cash used in investing activities	(35,754)	(6,114)
Financing activities		
Increase in short-term loans, net	10,861	9,543
Increase in commercial paper, net	9,500	30,000
Repayments of long-term loans	(5,871)	—
Purchase of treasury stock	(11,861)	(3,000)
Cash dividends paid	(4,893)	(5,647)
Cash dividends paid to non-controlling interests	(540)	(694)
Other	(605)	(1,292)
Net cash (used in) provided by financing activities	(3,410)	28,909

(Millions of yen)

	Six-month period ended September 30, 2025 (April 1, 2025 - September 30, 2025)	Six-month period ended September 30, 2026 (April 1, 2026 - September 30, 2026)
Effects of exchange rate changes on cash and cash equivalents	(2,777)	302
Net (decrease) increase in cash and cash equivalents	(25,664)	2,210
Cash and cash equivalents at beginning of the year	65,903	45,390
Cash and cash equivalents at end of the period	40,238	47,600

(4) Notes Related to Semi-Annual Consolidated Financial Statements

(Assumption for Going Concern)

No matters to report.

(Significant Fluctuations in Shareholders' Equity)

Following a resolution by the Board of Directors at a meeting held August 4, 2026, the Company acquired 2,427,300 shares of treasury stock in the first half of the current consolidated fiscal year. As a result, treasury stock increased by ¥2,999 million, and treasury stock holdings amounted to ¥29,043 million as of the end of the interim consolidated period.

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

(Calculation of Tax Expenses)

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

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

Deferred income taxes are included in income tax.

(Segment Information, etc.)

a. Segment Information

I Six-month period ended September 30, 2025 (consolidated)

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

(Millions of yen)

	Reportable Segments				Others (Note) 1	Total	Corporate (Note) 2	Adjustments (Note) 3	Consolidated (Note) 4
	Materials	Electronics	Life Sciences	Total					
Net sales									
Sales to customers	242,994	84,663	152,030	479,689	45	479,734	—	—	479,734
Intersegment sales/transfers	468	1,095	401	1,966	3,801	5,767	—	(5,767)	—
Total	243,463	85,759	152,432	481,655	3,846	485,502	—	(5,767)	479,734
Segment income (loss)	10,168	7,042	3,910	21,120	195	21,316	(621)	364	21,058

(Note) 1. "Others" is a business segment consisting of businesses not included in Reportable Segments and includes information processing services and professional services.

2. Corporate segment income (loss) represents expenses not allocated to Reportable Segments or Others.

3. Adjustments are eliminations of intersegment transactions.

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

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

The Life Sciences 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 Sciences segment, as such is an extraordinary gain.

II Six-month period ended September 30, 2026 (consolidated)

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

(Millions of yen)

	Reportable Segments				Others (Note) 1	Total	Corporate (Note) 2	Adjustments (Note) 3	Consolidated (Note) 4
	Materials	Electronics	Life Sciences	Total					
Net sales									
Sales to customers	290,589	100,911	181,044	572,546	40	572,587	—	—	572,587
Intersegment sales/transfers	458	1,093	459	2,012	3,008	5,020	—	(5,020)	—
Total	291,048	102,005	181,504	574,558	3,049	577,607	—	(5,020)	572,587
Segment income	16,024	11,185	6,909	34,119	330	34,450	1,748	114	36,313

(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 gains and losses not allocated to Reportable Segments or Others.

3. Adjustments are eliminations of intersegment transactions.

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

2. Matters Related to Changes in Reportable Segment

（Change in Business Segments）

As of the first half of the current consolidated fiscal year, the Company consolidated the previous five-segment structure into three segments: Materials, Electronics, and Life Sciences. 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 Sciences.

Segment information for the first half of the previous fiscal year reflects this reclassification.

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

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, CO_2 Capture System, and other products and services.

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.

The Life Sciences 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. In addition, this segment sells cosmetics, health foods, and beauty foods directly to consumers.

(Change in Measurement Method for Segment Income (Loss))

As of the first half of the current consolidated fiscal year, we changed the method of allocating corporate expenses to more appropriately evaluate the performance of reportable segments. Segment information for the first half of the previous consolidated fiscal year is based on the allocation method after the change.

(Significant Subsequent Events)

(Repurchase of Own Shares)

At a meeting of the Board of Directors held on November 6, 2026, the Company resolved, in accordance with Article 156 of the Companies Act, as applied pursuant to Article 165, Paragraph 3 of the Companies Act, to repurchase its own shares as follows.

1. Reason for the Repurchase of Own Shares

The Company positions the enhancement of shareholder value as one of its key management priorities. Under Medium-Term Management Plan “Walk the Talk 2028,” the Company has established a shareholder return policy of delivering continuous dividend increases and flexibly repurchasing its own shares.

Based on the above shareholder return policy, the Company will repurchase its own shares to enhance corporate and shareholder value by further improving capital efficiency, after comprehensively considering the current state of its stock price, financial position and investment capacity for growth.

2. Details of the share to be repurchased

(1) Class of shares to be repurchased	Common shares
(2) Total number of shares to be repurchased	Up to 3,500,000 shares (Equivalent to 0.86% of outstanding shares, excluding treasury shares)
(3) Total repurchase amount	Up to 3 billion yen
(4) Repurchase period	From November 9, 2026, to November 30, 2026
(5) Repurchase method	Market purchases, including Off-Auction Own Share Repurchase Trading System (ToSTNeT-3)