

NAGASE 2024–2025



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On the issuance of NAGASE Integrated Report 2025

The NAGASE Group has created this integrated report to help shareholders, investors, and other stakeholders better understand the Group's wide-ranging business activities and growth-oriented management approach.

In preparing this fiscal year's report, we focused on explaining the transformative changes and focused business investments we have made, as well as how we combine the Group's resources to build upon these efforts and further accelerate growth.

By verbalizing the spirits and strengths NAGASE has cultivated over 190 years, as well as the unique value these strengths allow NAGASE to create, and clearly conveying these ideas to stakeholders, we will improve our communication efforts in the hope it leads to the further enhancement of our corporate value. We would greatly appreciate your opinions and other feedback.

Referenced Guidelines:

- The International Integrated Reporting Framework developed by the International Integrated Reporting Council (IIRC)
- Ministry of Economy, Trade and Industry's Guidance for Collaborative Value Creation

Period Covered:

April 2024–March 2025 (FY2024)

Some information after March 2025 is also included.

Organizations Covered:

Nagase & Co., Ltd. and the NAGASE Group

About the Front Cover

We used our fiscal 2025 corporate advertisement as the front cover. NAGASE believes that the Earth is borrowed from future generations. For this reason, we see sustainability as "returning the Earth to future generations in better condition than we received it." We chose the catchphrase "the Earth is borrowed from future generations" to convey our desire to contribute to society by conducting business not only with a focus on the present, but also with an eye toward the future. We continue to use the artwork of Ilya Kuvshinov for our corporate advertisements, having first adopted his work in fiscal 2019.

**NAGASE Group's Management Philosophy****Maintaining the highest standards of integrity**

We recognize our responsibility to society and offer beneficial products and services while maintaining the highest standards of integrity. Through our growth, we will contribute to society and enrich the lives of our employees.

Over a period of more than 190 years, NAGASE has constantly maintained the highest standards of integrity, delivering the products and services that are needed by our customers, and by society as a whole.

What we have built up over that time is the trust that our partners and society place in us. Going forward, besides working to solve the problems of "today," the NAGASE Group will be delivering "next" by addressing the new problems affecting society and the whole of humanity through the provision of new materials.

"The Earth is borrowed from future generations." To help realize a sustainable future society, NAGASE will continue working together with partners throughout the world to build a future where people can live with peace of mind.

NAGASE in Numbers

(As of end of March 2025)



Founded **1832**

►NAGASE's History P. 7

Consolidated net sales

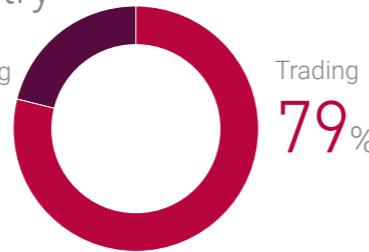
944.9 billion yen

Overseas gross profit ratio

54.1 %

Operating margin
by industry

Manufacturing
21 %



►CFO Message P. 19

►11-Year Financial Highlights P. 97

Number of bases

101 companies in **25** countries and regions



Number of partner corporations

18,000 companies

Employees (consolidated)

7,484

►NAGASE's Human Resource Strategy P. 73

NAGASE's Business and Functions

Five business segments

We are developing our business broadly from upstream to downstream on supply chains in various industries.

►List of Segments P. 43

Functional Materials



Advanced Materials & Processing



Electronics & Energy



Mobility



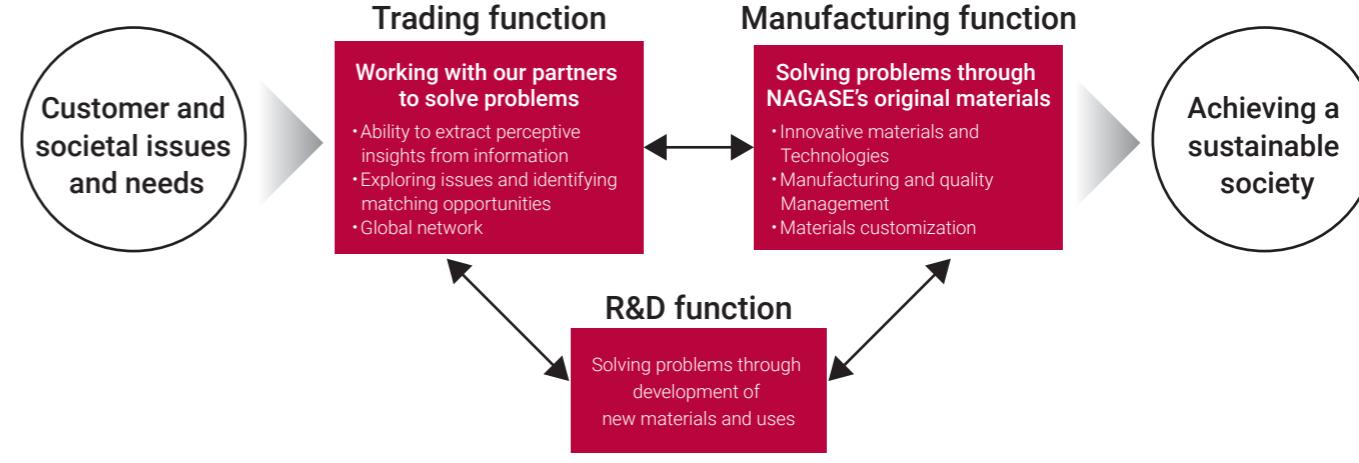
Life & Healthcare



Added value born from the three functions

We are creating added value through masterful use of manufacturing and R&D functions in light of the needs of customers and society grasped through the information and networks gained through our trading function.

Providing materials and solutions that make full use of NAGASE's unique functions



Our Expansion and Growth

1832–

Founding

In 1832, founder Denbei Nagase established Urokogataya, a wholesale business that handled safflower, funori seaweed, and starches in Nishijin, Kyoto. This is the beginning of the NAGASE Group's long history, which continues to this day. Later on, we established a foothold in the chemical industry by starting to handle synthetic dyes in addition to natural dyes.



Founder Denbei Nagase

Safflower: founding symbol



Expanding from natural dyes to synthetic dyes

Commencing business with major overseas manufacturers

Chemical

1901 **Established branch office in Lyon, France**

● **Forging ties with Ciba and UCC**

Synthetic dyes not available in Japan were imported from Ciba in Switzerland along with the methods and techniques for their use. In 1930, through transactions with Union Carbide Corporation, we expanded our handling of raw materials for paints.

1950

● **Commencement of epoxy resin imports from Ciba**

Began importing epoxy resin, which was not widely distributed in Japan at the time, from Ciba Inc., supporting the long-term, high-level economic growth of Japan with its diverse uses.

1923

● **Commencement of movie film imports from Eastman Kodak in America**

To bring entertainment to a Japan left reeling by the Great Kanto Earthquake, we signed an exclusive agency agreement and began importing movie film.

1968

● **Exclusive agency agreement with GE (General Electric Company)**

We began trading engineering plastics with GE.

Biotechnology

Innovating by using enzymes to soften dyed fabric

Expanding manufacturing, processing and R&D functions

Becoming a group of experts with insight and experience in the chemical industry, domestically and overseas

2001

● **Creation of Nagase ChemteX through the merger of four companies**

The merger of Teikoku Kagaku Sangyo, Nagase Kasei Kogyo, Nagase Seikagaku Kogyo, and Nagase Ciba resulted in the birth of a core chemical manufacturer.

1970

● **Established Nagase Ciba as a joint venture with Ciba Inc.**

Commencement of epoxy resin production.

● **Import and sale of photoresist from Eastman Kodak in America**

Introduced Japan to photoresists, which were used in the photolithography process in film development technology.

→ Aiming to develop the domestic semiconductor industry, we began the NAGASE Microelectronics Seminar in 1974.

1971

● **Established Engineering-Plastics Corporation (EPL) as a joint venture with GE.**

Commencement of engineering plastics production and sales.

1939

● **Manufacturing enzymes**

Put effort into domestic production of enzymes, succeeding in 1939 in production of a high-quality glue remover (enzyme) for staining which exceeded products from overseas. Expanded into manufacture of enzymes for industrial use and for food use.

● **Establishment of the Nagase Application Workshop**

● **Acquisition of Interfacial Consultants as a subsidiary**

● **Acquisition of Totaku Industries (now Nagase RooTAC Industries) as a wholly-owned subsidiary**

● **1980s and beyond—Exporting to Asia, increasing our Asian market share**

● **Established a biotechnology-related research and development center (Presently Nagase Bio-Innovation Center)**

2012

● **Formed subsidiary Nagase Viita (formerly Hayashibara)**

Enhancement of biotechnology functions.

Food

2019

● **Made Prinova a subsidiary**

Strengthening Group functions through M&A and other means

Five business Segments

Functional Materials

→ See pp. 46–47 for details

Electronics & Energy

→ See pp. 49–50 for details

June 2025
● Acquired the Asian high-purity chemical business of SACHEM, Inc. (P. 36)

Advanced Materials & Processing

→ See p. 48 for details

Mobility

→ See p. 51 for details

July 2025
● Acquired the diagnostics business of Asahi Kasei Pharma Corporation (P. 39) (Establishment of Nagase Diagnostics)

Life & Healthcare

→ See p. 52 for details

April 2025
● Acquisition of the trading company Aplinova (Brazil) by Prinova (P. 38)

1917–

Establishment of Nagase Shoten Becoming a full-fledged chemical trading company

As we entered the 1900s, we were spurred by the idea that "if only something like this existed, it would help customers and society" to venture overseas and find them, establishing branch offices in Lyon, France and New York, USA. When we were sure of the value of a technology or product we found, we would negotiate tenaciously to bring it back to Japan, where we would study the technology in order to develop and manufacture it ourselves. Our ability to leverage such discernment, the know-how we accumulated, and the networks we built to expand our business across disparate fields is what led to our current broad range of business domains.

Toward our 200th year

Our Strengths

NAGASE has built its identity with the trust it has earned by maintaining the highest standards of integrity and maintaining a network that can reach technologies and businesses around the world.



Our people are the main players that create value and assets

Our people have grown through interactions with society and customers while maintaining the highest standards of integrity. Today, our company is built on the drive to be a pioneer across oceans, the ability to overcome numerous changes in the environment in the face of challenges such as a world-encompassing war and economic crises, and the ability to always keep our radar up for unique ideas. To achieve further growth based on individual people, which is NAGASE's greatest strength, we are working to visualize tacit knowledge, develop cross-organizational linkages, and build initiatives that develop people.

NAGASE's management philosophy and origins

Maintaining the highest standards of integrity

Employees (consolidated)

7,484

Financial assets



Stability, growth, and efficiency

With a high shareholders' equity ratio, we have a strong financial foundation that can withstand changes in the external environment. We also consistently generate operating cash flow, achieving both financial stability and growth. We promote management that emphasizes capital efficiency indicators such as ROE and ROIC, and strive to sustainably increase corporate value through asset portfolio optimization.

Shareholders' equity ratio:

49.4%

Total return ratio:

100%

(Fiscal year ended March 31, 2025)

Rating: Rating and Investment Information, Inc. (R&I)

Long-term A
Short-term a-1

Non-financial assets



NAGASE has solutions

As times have changed, we have created high value-added services by addressing society and customer problems with solutions that only NAGASE can provide. Honing our foresight and discernment skills and cultivating on-site prowess allows us to be involved in a wide range of upstream and downstream areas in the supply chain, having built the trust required by society and customers and a network that provides reach to businesses and technologies around the world. Our customer comments of "NAGASE has solutions!" are testament to our progress.



NAGASE's ability to create is also what makes us unique

Beginning with the establishment of the joint venture Nagase-CIBA Ltd. (now Nagase ChemteX Corporation) in 1970, we have continuously expanded and deepened our manufacturing functions. Having manufacturing functions within the Group enables us to speedily propose materials tailored to the specific challenges and needs of each customer. These accumulated skills have cemented our position as a sought-after partner for management strategy not only for present but also looking to the future. NAGASE is both a trading company and a manufacturer.



Enhancing and connecting the value of materials

Since our early days of importing chemical dyes, we have maintained an innovative company culture, including establishing an in-house laboratory for application-specific R&D in the 1930s. We have research bases both inside and outside Japan and are committed to creating new businesses that leverage our high level of expertise and knowledge in areas such as fundamental research, material application development, and technical evaluation. Our researchers also frequently interact with researchers from different research fields, attending each other's research presentations. Most recently, we have been focusing on collaboration with external parties, such as launching joint research projects with Tohoku University.

Number of partner corporations:

Approx. 18,000
companies

Number of bases globally:

101 companies in
25 countries and regions

Number of manufacturing bases:

40 companies in
15 countries and regions

Main manufacturing functions: P. 53

Number of patent applications by the Group over the past 20 years (domestic applications in Japan)

Some 1,500

Number of industry-government-academia joint application partners over the past 20 years

More than 200

Main R&D function: P. 55