

*Innovating Today
for Future Well-being*

FY2025 Second Quarter Financial Briefing

NAGASE&CO.,LTD.

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November 6, 2025





I am Hiroyuki Ueshima, Representative Director, President and CEO of NAGASE & CO., LTD.




Thank you very much for your cooperation.
I will explain FY2025 Second Quarter Financial Briefing.

Executive Summary

FY2025 Second Quarter Results

-  The trading business reported a decrease in profit, despite strong performance in the Electronics & Energy and Life & Healthcare segments, mainly due to weaker results in automobile-related business under Mobility
-  The Prinova Group performed well overall, with the trading company business reporting strong results due to an increase in sales volume, despite a decline in the food ingredients market price. The group's manufacturing business reported a trend toward recovery with the acquisition of new business, mainly in the Solutions business, while the Nutrition business contributed through efficiency improvements.
 - Sales were solid for Nagase ChemteX formulated epoxy resins used in semiconductors for AI servers
 - Nagase Viita is performing well, driven by an expansion of adoptions in its domestic sales of food ingredients
 - Improved profitability through ROIC management improving gross profit margin by 0.7 percentage points

FY2025 Earnings Projections

-  Although each business entails favorable and unfavorable factors, overall, we revised the full-year forecast upward (from Net Sales to Ordinary Profit) above our initial assumptions, expecting record highs at each profit measurement
-  The Prinova Group Nutrition business achieved efficiency improvements, with cost reductions exceeding expectations.
-  In the Automotive-related business, sales of functional materials and components fell short of expectations due to a decline in production volumes among certain EV-related customers.
 - In the Semiconductor-related business, while sales of modified epoxy resins for AI server semiconductors by Nagase ChemteX face uncertainty due to U.S.-China relations, overall trading business of semiconductor—particularly to Greater China—have performed better than expected, remaining broadly in line with projections.

Medium-Term Management Plan **ACE 2.0**

- Steady progress reported in M&A PMI activities for manufacturing functions in the Focus Areas of food, semiconductors, and life sciences
- Initiatives moving forward in the Improve Area

First is an executive summary.

In Q2 of the FY2025 financial results, one item was below our expectations, one item was above our expectations, and three items progressed as we expected.

First, the item that fell below our expectations. In the automotive-related business of the Mobility segment, sales of functional materials and components for electrification were sluggish due to a decline in the production of some automobiles and EVs. In addition, sales of coating materials for automotive within the Functional Materials segment were lower than expected.

Next, the items that exceeded our expectations. The Prinova Group recovered better than expected. The Nutrition business, which had been stagnant until the last fiscal year, is making progress in reducing costs ahead of schedule through automation and workforce saving. The Solutions business also exceeded the plan due to the acquisition of new projects. Next are items that went as we expected.

First, sales of Nagase ChemteX's formulated epoxy resins used in semiconductors for AI servers increased due to strong growth in the generative AI market. Secondly is Nagase Viita. Nagase Viita is performing well, driven by an expansion in the adoption of its food ingredients in domestic sales. Thirdly is ROIC management. ROIC management penetrated both the manufacturing and trading businesses, improving the gross profit margin by 0.7 percentage points YoY. A 2.0 percentage point improvement was made from the start of **ACE 2.0**. Next is the FY2025 earnings projections. Although each business entails favorable and unfavorable factors, overall, we revised the full-year projection upward, and we have revised operating income from JPY39.5 billion to JPY40.7 billion and ordinary income from JPY38.5 billion to JPY40.6 billion. We are expecting record highs at each profit measurement. The Prinova Group will continue its recovery trend, albeit slightly lower than in H1. In the Mobility segment, sales of functional materials and components for electrification and sales of resins are expected to remain sluggish as in H1.

Business Environment Surrounding NAGASE Segments



Industry	Full-Year FY2025 Initial Forecast		First Half Trends		Second Half Trends		Segment
Coatings	Automotive applications to grow slightly; construction applications unlikely to recover; overall performance expected to remain generally flat		Automotive applications to remain flat; construction applications decreased; overall performance expected to decrease year on year		Roughly in line with the first half		Functional Materials
Semiconductors	Strong year-on-year growth driven by rising AI-related demand and solid production of smartphones, PCs, and other devices		Strong year-on-year growth driven by firm AI-related demand and solid production of smartphones, PCs, and other devices		uncertainty in AI-related demand due to U.S.-China relations. Demand for smartphones, PCs, and other devices appears to be settling down		
Smartphones	High-end sales to remain steady, while mid-range and low-end sales rise slightly due to growing adoption of low-priced smartphones		High-end sales to remain steady year on year, while mid-range and low-end sales rose slightly year on year due to growing adoption of low-priced smartphones		Slightly down from the first half due to seasonal factors; but slightly up for the full year		Advanced Materials
OA and Games (Electrical and Electronic Equipment)	General level year on year (overall demand and resin market conditions made a moderate recovery)		Overall demand recovering moderately, but resin market conditions trending downward		Roughly in line with the first half		
Automobiles	Generally level year on year (automobile production did not recover fully in the second half, remaining flat overall due to regional polarization)		Slight decrease overall year on year due to regional polarization		Roughly in line with the first half		Mobility
Medical	Generally level year on year (demand strong for additives, APIs and intermediates)		Demand was strong for additives, APIs and intermediates		Demand to remain strong for additives, APIs, and intermediates, due in part to an increase in the use of generic drugs as a result of the introduction of selective care		Life & Healthcare
Cosmetics	Recovery anticipated as growing end markets drive expansion into new sales regions		Sluggish consumer demand in China, a key end market, along with the emergence of domestic manufacturers there, is causing market weakness.		Roughly in line with the first half		
Food	Flat market growth in Japan year on year, with moderate growth expected in food ingredients and nutrition in Europe and the U.S.		Sales in Japan were flat year-on-year, while the market grew in Europe and the U.S. in both food ingredients and nutrition.		Roughly in line with the first half		

• May not always be consistent with industry trends

() indicates FY2024 trends

The business environment is organized for the eight industries surrounding each segment.

The left column shows the industry situation assumed at the start of FY2025, the middle column shows the situation at the end of H1, and the right column shows the forecast for H2.

For H1, the three industries of coatings, automobiles, and cosmetics fell short of initial expectations. Trends in H2 are generally expected to continue the trends of H1, but in semiconductors, the environment related to AI servers is expected to be slightly lower than in H1 due to the impact of the US-China relationship.

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- ✓ Sales, Gross Profit, and Operating Income by Quarter
- ✓ Cash Allocation in FY2025
- ✓ Major Cash Inflows and Outflows for FY2021-FY2024
- ✓ Prinova Group Business Overview

* The Prinova Group revised part of its classification between cost of goods manufactured and selling, general and administrative expenses during the current fiscal year.

Figures, including fiscal 2024 figures, reflect this reclassification.

* Manufacturing figures represent the aggregate totals of manufacturing subsidiaries.

* Trading figures include the aggregate totals of NAGASE and our sales subsidiaries, as well as Corporate & Others and eliminations

FY2025 Second Quarter Results and FY2025 Earnings Projections

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Consolidated Statements Income

- ▶ Gross profit increased due to efforts toward improving profit margin
- ▶ Operating income was level year on year, despite M&A-related expenses and an increase in selling, general and administrative expenses, which was caused by an increase in retirement benefit expenses related to the amortization of actuarial differences
- ▶ Despite gain on negative goodwill (¥1.7 billion), profit attributable to owners of the parent decreased due to factors that included a loss on business withdrawal due to the fiscal 2020 decision to withdraw from the thin-film processing business for glass substrates in China (¥1.6 billion), as well as the impact of posting a gain on sale of investment securities in the same period of the previous fiscal year (¥1.9 billion decrease year on year)

100 millions of yen

	FY2024 2Q	FY2025 2Q	Change	Vs.PY	Forecast	Achievement
Sales	4,809	4,797	(12)	100%	9,550	50%
Gross profit	879	909	29	103%	1,810	50%
<GP ratio>	18.3%	19.0%	0.7ppt	—	19.0%	—
SG&A expenses	669	698	29	104%	1,415	49%
Operating income	210	210	0	100%	395	53%
<OP ratio>	4.4%	4.4%	0.0ppt	—	4.1%	—
(excluding the effect of actuarial gains and losses)	192	212	19	110%	398	53%
Ordinary income	202	207	4	102%	385	54%
Profit Attributable to owners of the parent	159	150	(8)	94%	315	48%
US\$ Exchange rate (period average)	@ 152.8	@ 146.0	@ 6.8 Strong yen		@ 143.0	
RMB Exchange rate (period average)	@ 21.2	@ 20.3	@ 0.9 Strong yen		@ 19.0	

* Impact from foreign exchange: Gross profit, -¥1.3 billion; Operating income, -¥0.3 billion

* The Prinova Group revised part of its classification between cost of goods manufactured and selling, general and administrative expenses during the current fiscal year. See the Contents page for details.

Consolidated statements of income.

Gross profit, operating income, and ordinary income increased, reaching record high figures.

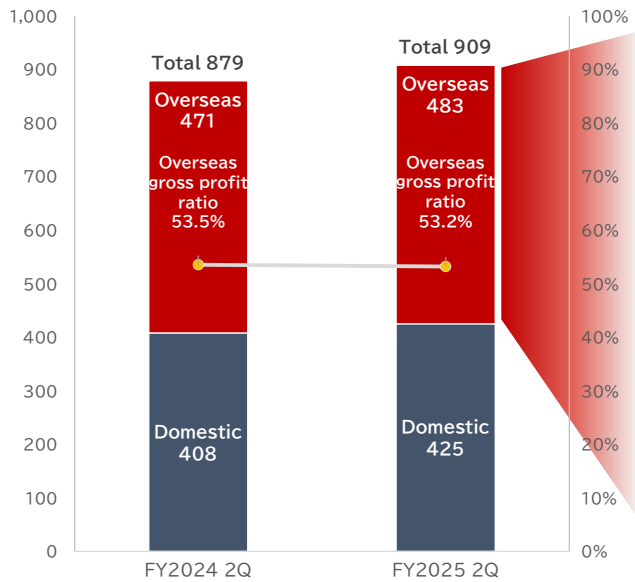
The gross profit margin improved by 0.7 percentage points. Operating income increased slightly from the previous year to JPY21 billion due to the impact of actuarial gains and losses. Excluding actuarial gains and losses, operating income increased approximately JPY1.9 billion to 110% of the previous year's level.

On the other hand, net income for the period was JPY15 billion, 94% of the previous year's level, due to the recording of approximately JPY1.6 billion for the withdrawal cost of the thin-film processing business for glass substrates in China, which we decided to withdraw from in FY2020.

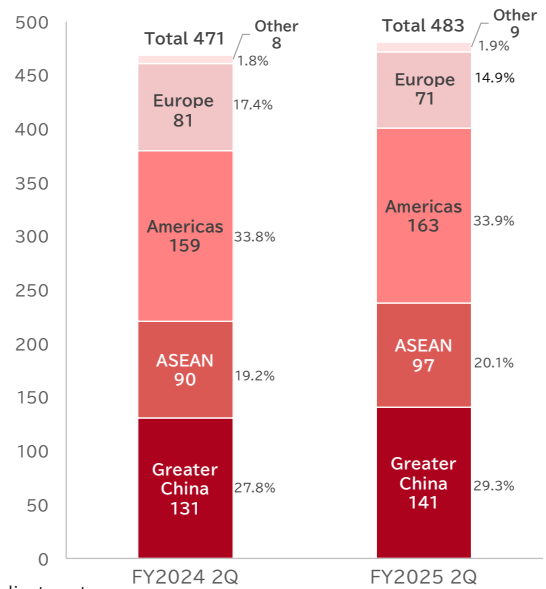
Gross Profit by Region

- ▶ Higher domestic profit stemming from an increase in domestic sales, mainly due to higher sales of food ingredients at Nagase Viita and formulated epoxy resins at Nagase ChemteX (including exports)
- ▶ Gross profit increased overseas due to strong growth in the semiconductor-related business in Greater China and ASEAN, even while the Prinova Group recorded weak sales of food ingredients in Europe and the stronger yen had a negative impact on results

Domestic & Overseas Gross profit(100 millions of yen)



Overseas gross profit By Region(100 millions of yen)



* Domestic figures under Domestic & Overseas Gross Profit include inter-regional adjustments

* The Prinova Group revised part of its classification between cost of goods manufactured and selling, general and administrative expenses during the current fiscal year. See the Contents page for details.

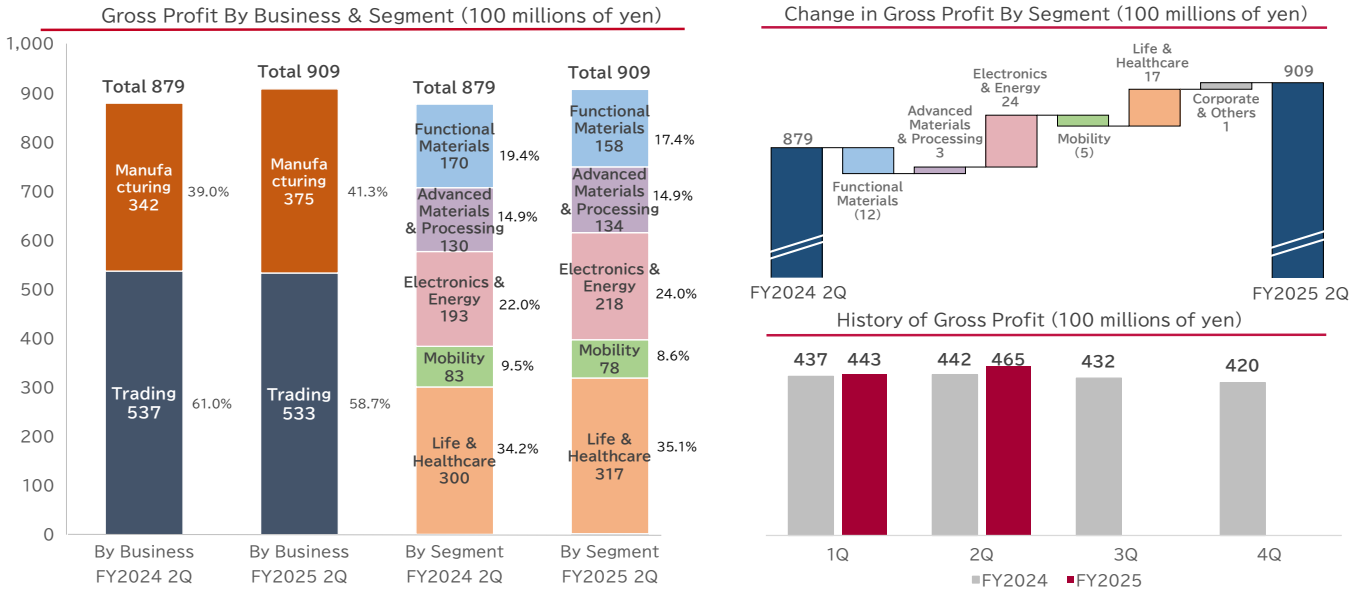
Gross profit by region.

Profits increased both domestically and internationally.

Overseas sales were almost unchanged from the same period last year at 53%, with the Americas at 18%, Greater China at 16%, and others at 19%.

Gross Profit by Business & Segment

- ▶ While the Trading business performed well in Electronics & Energy and Life & Healthcare, Functional Materials and in the automobile-related business under Mobility remained sluggish, resulting in an approximately ¥0.4 billion decrease in profit.
- ▶ Manufacturing business profits rose by roughly ¥3.3 billion, owing mainly to the recovery of the Prinova Group's manufacturing operations in Life & Healthcare, higher sales of food ingredients at Nagase Viita, and increased sales of formulated epoxy resins by Nagase ChemteX in Electronics & Energy.
- ▶ Functional Materials experienced a decrease, while the Electronics & Energy and Life & Healthcare segments saw growth during the period (see Segment Overview for more details)



* Calculation of segment composition ratios does not include Corporate & Others and eliminations
* The Prinova Group revised part of its classification between cost of goods manufactured and selling, general and administrative expenses during the current fiscal year. See the Contents page for details.

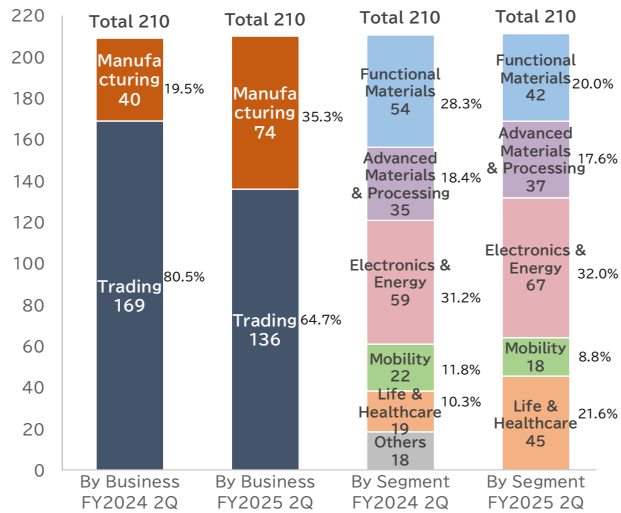
Gross profit by business and segment.

I will explain the details on the next page, along with operating income.

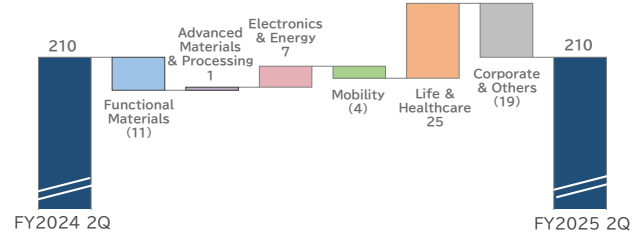
Operating Income by Business & Segment

- ▶ Trading business profit decreased approximately ¥3.3 billion due to a decrease in gross profit, posting M&A related expenses and the impact of an increase in retirement benefit expenses related to the amortization of actuarial differences
- ▶ Manufacturing business profit rose roughly ¥3.4 billion in a positive rebound from the allowance for doubtful accounts recorded in the year-ago period (¥1.3 billion) by the Prinova Group, advancements in efficiency in the Nutrition business, and the conclusion of amortization for a portion of intangible assets at Nagase Viita
- ▶ Profit under Corporate & Others decreased, mainly due to the impact of an increase in retirement benefit expenses related to the amortization of actuarial differences
(Retirement benefit actuarial differences: Approximately ¥3.5 billion gain in fiscal 2024 and approximately ¥0.3 billion loss in fiscal 2025 equally prorated and recorded on a quarterly basis)

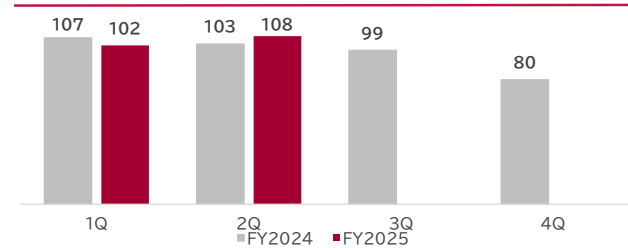
Operating Income by Business & Segment (100 millions of yen)



Change in Operating Income By Segment (100 millions of yen)



History of Operating Income (100 millions of yen)



* Calculation of segment composition ratios does not include Corporate & Others and eliminations
* The Prinova Group revised part of its classification between cost of goods manufactured and selling, general and administrative expenses during the current fiscal year. See the Contents page for details.

Operating income by business and segment.

First, in the trading business, the Functional Materials segment and the automobile-related business under Mobility segment remained sluggish, resulting in approximately JPY3.3 billion decrease in profit. Even excluding the negative JPY1.9 billion in actuarial difference in retirement benefits, income decreased by JPY1.4 billion.

On the other hand, the manufacturing business posted an increase of approximately JPY3.4 billion, due in part to the recovery of the Prinova Group's Nutrition business, Nagase Viita's strong business performance, and the conclusion of amortization for a portion of intangible assets at Nagase Viita.

Segment Overview: Functional Materials

- ▶ Gross profit decreased primarily for the following reasons
 - Coating materials sales were lower due to weak demand automotive and architectural applications
 - Sales of raw materials for semiconductor materials were flat
- ▶ Operating income decreased due to weaker gross profit

[Key Measures]

Performance Chemicals Dept.

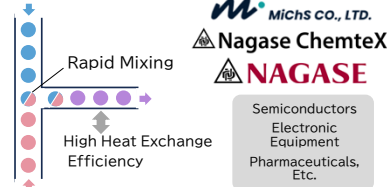
- ▶ Capture business opportunities in the electrochemical industry and in response to market changes by leveraging our global procurement capabilities
- ▶ Propose sustainable materials and solutions (biodegradable bio-SAPs, chemical joint logistics matching, Mixing ConciergesTM, etc.)

Speciality Chemicals Dept.

- ▶ Business expansion through contributions to the supply chain in upstream segment of the semiconductor
- ▶ Creating businesses with utilizing unique technologies such as flow synthesis, metal-organic frameworks (MOFs), etc.

Flow Synthesis

Continuous Synthesis of Chemicals in a Pipeline



Invested in MiChS, a company with many years of experience and knowledge in this field

Quarterly results						100 millions of yen	
		1Q	2Q	3Q	4Q	YTD	
Sales	FY2025	380	381			762	FY2025 Forecast
	FY2024	405	388	372	370	794	Achievement
	YoY%	(6.1%)	(1.7%)			(4.0%)	FY2024 Actual
Gross profit	FY2025	77	80			158	1,570 49%
	FY2024	88	81	79	75	170	1,537
	YoY%	(11.7%)	(2.2%)			(7.1%)	2.1%
<profit ratio>	FY2025	20.5%	21.0%			20.7%	328 48%
	FY2024	21.8%	21.1%	21.3%	20.3%	21.4%	20.9%
	YoY%						21.1%
Manufacturing	FY2025	5	6			12	
	FY2024	6	6	4	4	12	22
	YoY%						
Trading	FY2025	72	73			145	
	FY2024	82	75	74	70	157	302
	YoY%						
Operating income	FY2025	21	20			42	88 48%
	FY2024	29	24	20	17	54	92
	YoY%	(27.4%)	(15.6%)			(22.1%)	(4.5%)
<profit ratio>	FY2025	5.7%	5.4%			5.5%	5.6%
	FY2024	7.3%	6.3%	5.5%	4.7%	6.8%	6.0%
	YoY%						
Manufacturing	FY2025	1	2			4	
	FY2024	2	3	0	1	5	7
	YoY%						
Trading	FY2025	19	18			38	
	FY2024	27	21	20	15	48	84
	YoY%						

Segment overview.

First is the Functional Materials segment.

Sales of coating materials were weak, affected by sluggish domestic automobile production and housing starts. In addition, the semiconductor material sales business remained flat compared to the same period last year, resulting in a JPY1.2 billion decrease in profit.

As a key measure, we will promote the development and sales expansion of our original products.

First is flow synthesis. We will take a 25% stake in MiChS, which possesses flow synthesis technology. We will divide the areas to work in, specifically, MiChS will conduct R&D and Nagase ChemteX will conduct mass production. By doing so, we will work on the development and manufacturing of flow synthesis products.

Second, aiming to expand sales of MOF materials or metal-organic frameworks, we will invest in Atomis to commercialize the separation and recovery of carbon dioxide using MOF and expand sales of MOF materials.

As a side note, Dr. Kitagawa of Kyoto University, who serves as advisor to Atomis, was just recently awarded the Nobel Prize in Chemistry for his work on MOF.

Segment Overview: Advanced Materials & Processing

- ▶ Gross profit increased primarily for the following reasons:
 - Sales of resins decreased due to lower volume for the Electrical Appliances and Electronics industries, including OA equipment and other applications. However, planned product mix improvements resulted in an improved profit margin.
 - Sales of industrial hoses and civil engineering pipes increased at Nagase RooTAC.
- ▶ Operating income increased due to improved gross profit

100 millions of yen

Quarterly results		1Q	2Q	3Q	4Q	YTD	FY2025 Forecast	Achiev ement
							FY2024 Actual	
Sales	FY2025	502	526			1,029	2,110	49%
	FY2024	535	546	528	495	1,082	2,106	
	YoY%	(6.0%)	(3.7%)			(4.8%)	0.2%	
Gross profit	FY2025	65	69			134	270	50%
	FY2024	65	65	67	63	130	261	
	YoY%	(0.1%)	6.1%			3.0%	3.1%	
<profit ratio>	FY2025	13.1%	13.1%			13.1%	12.8%	
	FY2024	12.3%	11.9%	12.8%	12.8%	12.1%	12.4%	
Manufacturing	FY2025	14	14			28		
	FY2024	12	12	15	12	25	53	
Trading	FY2025	51	54			105		
	FY2024	53	52	52	50	105	208	
Operating income	FY2025	18	18			37	69	54%
	FY2024	15	19	19	12	35	66	
	YoY%	14.5%	(3.2%)			4.8%	3.2%	
<profit ratio>	FY2025	3.6%	3.6%			3.6%	3.3%	
	FY2024	3.0%	3.6%	3.6%	2.5%	3.3%	3.2%	
Manufacturing	FY2025	3	3			6		
	FY2024	2	2	4	1	4	10	
Trading	FY2025	14	15			30		
	FY2024	13	17	14	10	30	55	

[Key Measures]

Polymer Global Account Dept.

- ▶ Shift resources to priority (e.g., Mexico and India) in line with the transition in global brand owner production bases
- ▶ Expand transactions in environmental materials (NAGASE products and products from other companies)
- ▶ Improve efficiency of global business operations and optimize organizational structure



Manufacturing Subsidiary: TOTAKU INDUSTRIES, Inc. will change its company name effective November 1

Nagase RooTAC
Root + TAC

Name symbolizing the technology and craftsmanship in the DNA of TOTAKU



Square-shaped TAC Rex (multi-duct square conduit) Contributing to the promotion of utility pole elimination through undergrounding of power lines.

Next is the Advanced Materials & Processing segment.

The unit sales volume decreased due to lower volume for the electrical appliances and electronics industries, including OA equipment and other applications. However, product mix improvements resulted in an improved profit margin. Our consolidated subsidiary, TOTAKU, changed its name to Nagase RooTAC starting this November.

Sales of industrial hoses and civil engineering pipes increased at Nagase RooTAC due to continued demand related to the strengthening of Japan's national resilience plan. The Advanced Materials & Processing segment as a whole posted an increase of JPY0.2 billion.

As for key measures, we will continue to review our area portfolio in order to respond flexibly to the shift of production to India, Asia, and Mexico by our customers, EMS manufacturers in China and Taiwan.

Segment Overview: Electronics & Energy

- ▶ Gross profit increased primarily for the following reasons
 - Sales of semiconductor materials increased
 - Despite weakness in sales for mobile device applications, sales of Nagase ChemteX formulated epoxy resins increased with solid performance for resins used in semiconductors for AI servers
- ▶ Operating income increased due to improved gross profit, despite posting M&A related expenses

100 millions of yen

Quarterly results						FY2025 Forecast	Achiev ement
		1Q	2Q	3Q	4Q	YTD	
Sales	FY2025	415	431			846	
	FY2024	400	398	413	400	799	1,670
	YoY%	3.6%	8.3%			5.9%	51%
Gross profit	FY2025	103	115			218	
	FY2024	95	97	99	107	193	434
	YoY%	7.9%	17.7%			12.8%	50%
<profit ratio>	FY2025	24.8%	26.7%			25.8%	
	FY2024	23.8%	24.5%	24.0%	26.9%	24.2%	26.0%
							24.8%
Manufacturing	FY2025	35	47			83	
	FY2024	33	35	34	48	68	150
	YoY%	6.1%	35.3%			21.9%	
Trading	FY2025	67	67			134	
	FY2024	62	62	65	59	125	249
	YoY%	8.1%	8.1%	4.6%	8.5%	7.2%	
Operating income	FY2025	29	38			67	
	FY2024	27	32	28	34	59	129
	YoY%	5.8%	19.5%			13.1%	52%
<profit ratio>	FY2025	7.1%	8.9%			8.0%	
	FY2024	6.9%	8.1%	7.0%	8.6%	7.5%	7.7%
							7.6%
Manufacturing	FY2025	9	15			24	
	FY2024	7	9	7	19	17	45
	YoY%	28.6%	66.7%			41.2%	
Trading	FY2025	19	23			42	
	FY2024	19	22	20	14	42	77
	YoY%	0%	4.5%	10%	71.4%	0%	

[Key Measures]

Electronics Dept.

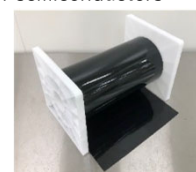
- ▶ Expansion of commercial products in the semiconductor market
 - Expand business based on expansion of domestic production
 - Expand business in Europe, the U.S., India, etc.
- ▶ Develop business for cutting-edge electronic devices

Advanced Functional Materials Dept.

- ▶ Expand sales of Nagase ChemteX products for advanced semiconductors (LMC holds the dominant market share for molding compounds for advanced semiconductors)
- ▶ a-SMC aims to become the de facto standard for molding compounds for next-generation semiconductors
- ▶ Expand the recovery and recycling business of developer solution for semiconductors



LMC: Liquid Molding Compound



a-SMC: Advanced Sheet Molding Compound

Next is the Electronics & Energy segment.

Sales of materials for semiconductors in China have been strong. Sales of Nagase ChemteX formulated epoxy resins used in semiconductors for AI servers remained strong at 105% YoY. In Q2, due diligence expenses of JPY0.4 billion related to the acquisition of SACHEM and other expenses were recorded, resulting in an overall increase of only JPY0.8 billion.

As a key measure, we will increase the production capacity of liquid molding compound in order to expand the market for semiconductors for AI servers. We plan to quadruple our capacity by the end of this fiscal year compared to FY2023.

In addition, we will proceed with customer evaluations and preparations for the mass production of Advanced Sheet Molding Compound for next-generation semiconductors as planned.

Segment Overview: Mobility

- ▶ Gross profit decreased primarily for the following reasons
 - Resin sales, which account for about half of gross profit, saw the negative impact of a rising yen; however, performance improved year on year with an increase in volume
 - Sales decreased for functional materials and functional components related to interior and exterior fittings and electrification
- ▶ Operating income decreased due to weaker gross profit

Quarterly results							100 millions of yen	
		1Q	2Q	3Q	4Q	YTD	FY2025 Forecast	Achievement
Sales	FY2025	305	332			637		
	FY2024	321	338	343	317	660	1,300	49%
	YoY%	(5.0%)	(2.0%)			(3.4%)	(1.6%)	
Gross profit	FY2025	37	40			78		
	FY2024	40	43	43	37	83	164	48%
	YoY%	(7.3%)	(6.5%)			(6.9%)	(0.6%)	
<profit ratio>	FY2025	12.2%	12.3%			12.3%	12.6%	
	FY2024	12.5%	12.9%	12.7%	11.8%	12.7%	12.5%	
Manufacturing	FY2025	—	—			—		
	FY2024	—	—	—	—	—		
Trading	FY2025	37	40			78		
	FY2024	40	43	43	37	83	165	
Operating income	FY2025	8	10			18	42	44%
	FY2024	9	12	12	7	22	42	
	YoY%	(15.1%)	(20.5%)			(18.1%)	(0.9%)	
<profit ratio>	FY2025	2.7%	3.1%			2.9%	3.2%	
	FY2024	3.1%	3.8%	3.6%	2.3%	3.4%	3.2%	
Manufacturing	FY2025	—	—			—		
	FY2024	—	—	—	—	—		
Trading	FY2025	8	10			18		
	FY2024	9	12	12	7	22	42	

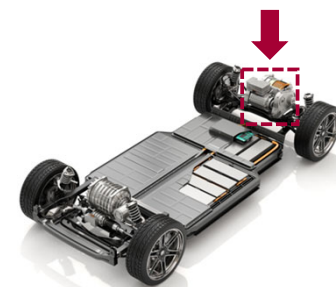
[Key Measures]

Mobility Solutions Dept.

- ▶ Expand electrification-related materials and components further
- ▶ Invest resources in growth markets (e.g., North America and India)



Metal insert mold parts for automotive inverters



Mobility segment.

The resin business was affected by the strong yen, but volume increased 109%. The components business remained sluggish due to a decline in production of EVs and hybrid vehicles in which they are used. The result was a decrease of JPY0.4 billion.

As a key measure, we will review our area portfolio for shifting from the Chinese market to North America and India and optimize our sales resources.

Segment Overview: Life & Healthcare

- ▶ Gross profit increased primarily for the following reasons
 - Increased sales of intermediates and pharmaceutical raw materials
 - Nagase Viita posted increased sales, mainly for food ingredients and cosmetic materials
 - Despite lower market prices, sales of Prinova Group food ingredient sales increased due to higher volume
- ▶ Operating income increased, despite M&A-related expenses, due to the completion of amortization for certain intangible assets at Nagase Viita and the efficiency improvements at the Prinova Group

100 millions of yen

Quarterly results						FY2025 Achiev Forecast	ement
		1Q	2Q	3Q	4Q	YTD	FY2024 Actual
Sales	FY2025	768	751			1,520	2,899
	FY2024	728	744	712	685	1,473	2,870
	YoY%	5.5%	0.9%			3.2%	1.0%
Gross profit	FY2025	157	160			317	612
	FY2024	148	152	142	137	300	581
	YoY%	6.0%	5.4%			5.7%	5.3%
<profit ratio>	FY2025	20.5%	21.3%			20.9%	21.1%
	FY2024	20.4%	20.4%	20.0%	20.1%	20.4%	20.2%
Manufacturing	FY2025	121	128			250	
	FY2024	116	120	107	99	236	443
Trading	FY2025	35	31			67	
	FY2024	32	31	35	37	64	137
Operating income	FY2025	24	20			45	73
	FY2024	15	4	11	3	19	34
	YoY%	61.5%	366.7%			130.7%	113.2%
<profit ratio>	FY2025	3.2%	2.8%			3.0%	2.5%
	FY2024	2.1%	0.6%	1.6%	0.5%	1.3%	1.2%
Manufacturing	FY2025	19	19			39	
	FY2024	11	2	6	(1)	13	18
Trading	FY2025	4	1			6	
	FY2024	4	1	4	4	5	15

[Key Measures]

Life & Healthcare Products Dept.

- ▶ Focus on expanding sales of in-house products in Japan and overseas
- ▶ Expand cross-sales through stronger collaboration among overseas group bases and offices
- ▶ Expand bio-materials
(Creation of NVI*1, NBIC*2 bio-derived materials; e.g., ergothioneine mass produced using fermentation technology)
- ▶ Expand the Prinova Group manufacturing
 - *1 Nagase Viita
 - *2 Nagase Bio-Innovation Center

Diagnostic enzymes business and others
Joined the NAGASE Group on July 1, 2025

Nagase Diagnostics



Nagase Diagnostics Co., Ltd. Ohito Plant

* The Prinova Group revised part of its classification between cost of goods manufactured and selling, general and administrative expenses during the current fiscal year. See the Contents page for details.

Life & Healthcare segment.

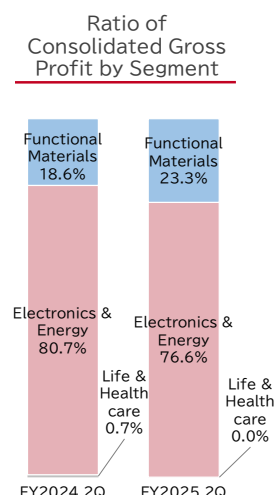
Both the Prinova Group and Nagase Viita performed well. I will explain the details later. As a result, the profit increased by JPY2.6 billion.

As a key measure, we will continue to expand the bio-materials business. Asahi Kasei Pharma Corporation's diagnostic reagents and diagnostic enzymes business was added to the NAGASE Group in July 2025. The company name is Nagase Diagnostics. In addition, preparations are underway to bring ergothioneine to the market by FY2027.

Overview of Major Manufacturing Subsidiaries: Nagase ChemteX

- ▶ Gross profit increased primarily for the following reasons
 - Despite weakness in sales for mobile device applications, sales of formulated epoxy resins increased with solid performance for resins used in semiconductors for AI servers
 - Sales decreased for photolithography materials for use in displays
- ▶ Operating income increased due to gross profit gains, despite increases in R&D expenses and other selling, general and administrative expenses
 - * Functional dyes business transferred from Nagase Viita on of April 1, 2025

Quarterly results							100 millions of yen	
		1Q	2Q	3Q	4Q	YTD	FY2025 Forecast	Achievement
Sales	FY2025	66	66			132	292	45%
	FY2024	66	64	66	61	130	258	
	YoY%	(0.1%)	2.9%			1.4%	13.3%	
Gross profit	FY2025	23	23			46	103	45%
	FY2024	20	20	22	21	41	84	
	YoY%	10.0%	15.7%			12.8%	21.7%	
<profit ratio>	FY2025	34.8%	35.4%			35.1%	35.3%	
	FY2024	31.6%	31.5%	33.9%	34.4%	31.5%	32.8%	
Operating income	FY2025	7	7			14	36	40%
	FY2024	7	6	7	5	13	27	
	YoY%	(2.6%)	20.4%			7.6%	33.1%	
<profit ratio>	FY2025	11.2%	11.0%			11.1%	12.5%	
	FY2024	11.5%	9.4%	12.0%	9.6%	10.5%	10.6%	



* The sales functions of Nagase ChemteX are handled by our company and its sales subsidiaries, and profits from Nagase ChemteX's business are also recognized under the trading business

I would like to explain the performance of our three major manufacturing subsidiaries. First is Nagase ChemteX.

Sales of formulated epoxy resins, including those for applications other than semiconductors, remained steady at 107% YoY.

Development of next-generation sheet materials for semiconductors is progressing as planned. On the other hand, sales of formulated epoxy resins for SAW filters for mobile devices fell short of the budget due to intensified competition.

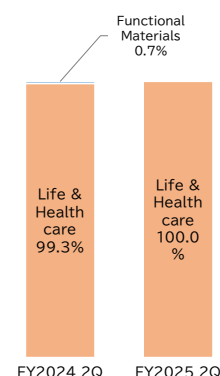
For chemicals, sales and gross profit decreased by JPY1.2 billion and JPY0.3 billion, respectively, due to the discontinuation of supply of photolithography materials to Sakai Display Products last year. As a result, Nagase ChemteX as a whole only posted an increase of JPY0.1 billion.

Overview of Major Manufacturing Subsidiaries: Nagase Viita

- ▶ Gross profit increased primarily for the following reasons
 - Sales of food ingredients increased due to wider adoption, mainly in Japan
 - Sales of cosmetic ingredients increased due to strong performance in Japan by the acquisition of new customers
 - ▶ Operating income increased due to an increase in gross profit, despite an increase in amortization expense associated with the replacement of the company's accounting system
 - ▶ Amortization of goodwill, etc., decreased due to the completion of amortization of certain intangible assets (Full-year impact: Approximately ¥1.1 billion yen lower year on year)
- * Functional dyes business transferred to Nagase ChemteX on April 1, 2025

Quarterly results							100 millions of yen	
		1Q	2Q	3Q	4Q	YTD	FY2025 Forecast	Achievement
							FY2024 Actual	
Sales	FY2025	86	85			171	365	47%
	FY2024	86	87	92	83	174	350	
	YoY%	(0.3%)	(2.7%)			(1.5%)	4.3%	
Gross profit	FY2025	35	34			70	141	50%
	FY2024	33	32	34	30	65	129	
	YoY%	7.6%	8.3%			7.9%	9.5%	
<profit ratio>	FY2025	41.2%	41.0%			41.1%	38.8%	
	FY2024	38.2%	36.9%	36.8%	36.1%	37.6%	37.0%	
Operating income	FY2025	15	13			29	53	55%
	FY2024	13	12	13	11	25	50	
	YoY%	16.0%	13.6%			14.8%	5.1%	
<profit ratio>	FY2025	17.8%	16.3%			17.1%	14.5%	
	FY2024	15.3%	14.0%	14.8%	13.5%	14.6%	14.4%	
Amortisation of	FY2025	4	4			9	18	
	FY2024	7	7	7	6	15	29	
	YoY%	(40.5%)	(40.5%)			(40.5%)	(38.4%)	
Operating income after amortised	FY2025	10	9			20	34	58%
	FY2024	5	4	6	4	10	20	
	YoY%	94.5%	105.2%			99.3%	67.8%	

Ratio of Consolidated Gross Profit by Segment



* The sales functions of Nagase Viita are handled by our company and its sales subsidiaries, and profits from Nagase Viita's business are also recognized under the trading business

Next is Nagase Viita.

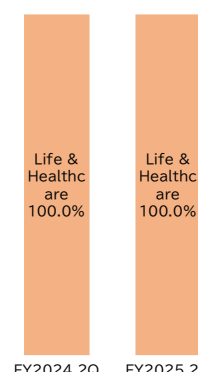
In the food ingredients and cosmetics businesses, both sales and income increased, mainly in Japan. In addition, a portion of amortization of intangible assets completed in February 2025, a positive factor of JPY0.6 billion YoY, resulted in a profit increase of JPY1 billion.

Overview of Major Manufacturing Subsidiaries: Prinova Group

- ▶ Gross profit increased primarily for the following reasons:
 - Despite lower market prices, sales of food ingredients increased due to higher volume
 - The manufacturing business is on the path to recovery with improving product mix, particularly in the Solutions business
- ▶ Operating income increased with the positive rebound from the allowance for doubtful accounts recorded in the year-ago period (¥1.3 billion), as well as a decrease in SG&A due to advancements in efficiency in the Nutrition business

Quarterly results						100 millions of yen	
		1Q	2Q	3Q	4Q	YTD	
Sales	FY2025	539	530			1,070	FY2025 Forecast
	FY2024	504	537	488	466	1,041	Achievement
	YoY%	6.9%	(1.2%)			2.7%	FY2024 Actual
Gross profit	FY2025	82	86			168	1,997
	FY2024	79	79	72	65	158	1,996
	YoY%	3.6%	8.5%			6.1%	54%
<profit ratio>	FY2025	15.2%	16.2%			15.7%	320
	FY2024	15.7%	14.8%	14.8%	14.0%	15.2%	295
							8.3%
Operating income	FY2025	16	19			36	16.0%
	FY2024	13	0	10	1	13	14.8%
	YoY%	26.3%	4,289.9%			159.9%	49
<profit ratio>	FY2025	3.1%	3.6%			3.4%	73%
	FY2024	2.7%	0.1%	2.1%	0.4%	1.3%	25
							89.9%
Amortisation of	FY2025	6	6			13	2.5%
	FY2024	6	7	6	6	13	1.3%
	YoY%	2.6%	(7.6%)			(2.6%)	26
Operating income after amortised	FY2025	9	12			22	27
	FY2024	6	(6)	3	(5)	(0)	(5.7%)
	YoY%	50.7%	-			-	98%

Ratio of Consolidated Gross Profit by Segment



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Prinova Group.

In the food ingredients sales business, profits increased due to an increase in sales volume while market conditions remained stable at a low level. In the manufacturing business, profits also increased due to the acquisition of new projects in the Solutions business and the promotion of efficiency improvement measures in the Nutrition business. The approximately JPY1.3 billion allowance for doubtful accounts recorded in September 2024 was also a positive factor compared to the previous year. As a result, profits increased by JPY2.2 billion.

The details of the Nutrition business will be explained in the later pages.

Consolidated Balance Sheets

► Partially utilized interest-bearing debt for the acquisition of the SACHEM business in Asia and Nagase Diagnostics

100 millions of yen

	2025/03	2025/09	Change	Details
Total Current Assets	5,601	5,343	(257)	
(Cash&deposits)	663	406	(256)	
(Trade account receivable)	3,112	3,145	33	
(Inventories)	1,662	1,643	(19)	
Total non-current assets	2,480	2,785	305	SACHEM business +141, Nagase Diagnostics +104
(Investments in security)	720	795	74	
Total assets	8,081	8,129	47	
Current Liab.	2,695	2,766	70	Short-term loans +113
(Trade account payable)	1,512	1,432	(80)	
Non-current Liab.	1,321	1,342	21	
Total Liab.	4,016	4,108	92	
Shareholders' equity	3,117	3,101	(16)	
Accum. Other Comprehensive Income	873	845	(27)	Translation adjustments -76
Non-controlling interest	74	73	(0)	
Total net assets	4,064	4,020	(44)	
Working capital	3,262	3,356	94	
Shareholders' equity ratio	49.4%	48.5%	(0.9ppt)	
Interest-bearing debt	1,753	1,884	130	
NET D/E ratio	0.27	0.37	0.10	

Next is the consolidated balance sheet.

The NET DE ratio was 0.37 times as of the end of September, following debt financing for the acquisitions of business in Asia of SACHEM from the US and Nagase Diagnostics.

Consolidated Cash Flows

- ▶ Net cash used in investing CF amounted to ¥35.7 billion due to the acquisition of the SACHEM business in Asia, Nagase Diagnostics, etc.
- ▶ Net cash used in financing CF amounted to ¥3.4 billion as the Company raised debt to invest in growth, while also conducting share buybacks, making dividend payments, etc.
- ▶ Cash and cash equivalents decreased ¥25.6 billion due to the effective use of internal group funds and partial allocation to growth investments

100 millions of yen

	FY2024 2Q	FY2025 2Q
Operating CF	119	162
(Income before income taxes)	230	212
(Depreciation and amortization)	89	94
(Change in working capital)	(88)	(78)
(Other)	(111)	(65)
Investing CF	(108)	(357)
(Fixed asset investment)	(76)	(348)
(Other)	(32)	(9)
Free CF	10	(194)
Financing CF	(110)	(34)
(Share buybacks)	(94)	(118)
(Dividends paid)	(50)	(54)
(Change in loans and bonds)	43	144
(Other)	(8)	(6)
Effects of exchange rate	(9)	(27)
Net increase / decrease in cash and cash equivalents	(109)	(256)

Consolidated cash flows.

Net cash used in investing cash flow amounted to JPY35.7 billion partly due to acquisitions of business in Asia of SACHEM and Nagase Diagnostics, which is as I explained for B/S. Cash and cash equivalents decreased JPY25.6 billion as of September 30, 2025.

FY2025 Earnings Projection(Change)

- ▶ Based on the following circumstances, we have revised upward our full-year earnings forecast up to Ordinary Profit (from Net Sales to Ordinary Profit)
 - ▶ In the Food-related business, the Prinova Group has achieved greater-than-expected progress in cost reductions through efficiency improvements and the acquisition of new projects within its manufacturing operations
 - ▶ In the Automotive-related business, sales of functional materials and components fell short of expectations due to a decline in production volumes among certain EV-related customers
 - ▶ In the Semiconductor-related business, while sales of modified epoxy resins for AI server semiconductors by Nagase ChemteX face uncertainty due to U.S.-China relations, overall semiconductor material sales—particularly to Greater China—have performed better than expected, remaining broadly in line with projections
 - ▶ As for Profit attributable to owners of the parent, we have kept the forecast unchanged, as business withdrawal costs in China have exceeded expectations
- *Retirement benefit expenses due to the amortization of actuarial differences : Approximately ¥3.5 billion income in fiscal 2024 and approximately ¥0.3 billion expense in fiscal 2025

	FY2024 Actual	FY2025 Forecast (Before Revision)	FY2025 Forecast (After Revision)	100 millions of yen	
				Change (YoY)	Percentage change (YoY)
Sales	9,449	9,550	9,640	190	2.0%
Gross profit	1,733	1,810	1,830	96	5.5%
<GP ratio>	18.3%	19.0%	19.0%	0.6ppt	—
SG&A expenses	1,342	1,415	1,423	80	6.0%
Operating income	390	395	407	16	4.1%
<OP ratio>	4.1%	4.1%	4.2%	0.1ppt	—
(excluding the effect of actuarial gains and losses)	355	398	410	55	15.5%
Ordinary income	383	385	406	22	5.7%
Profit attributable to owners of the parent	255	315	315	59	23.1%
US\$ Exchange rate (period average)	@ 152.6	@ 143.0	@ 148.0	@ 4.6	Strong yen
RMB Exchange rate (period average)	@ 21.1	@ 19.0	@ 20.6	@ 0.5	Strong yen

* The Prinova Group revised part of its classification between cost of goods manufactured and selling, general and administrative expenses during the current fiscal year. See the Contents page for details.

Here is our full-year projection for FY2025.

As indicated, we have revised our forecasts upward from those at the beginning of the fiscal year. While we expect items from sales through ordinary income to exceed our initial forecast, we left our profit forecast unchanged due to higher-than-expected costs for withdrawal of the thin-film processing business for glass substrates in China, which we decided in FY2020.

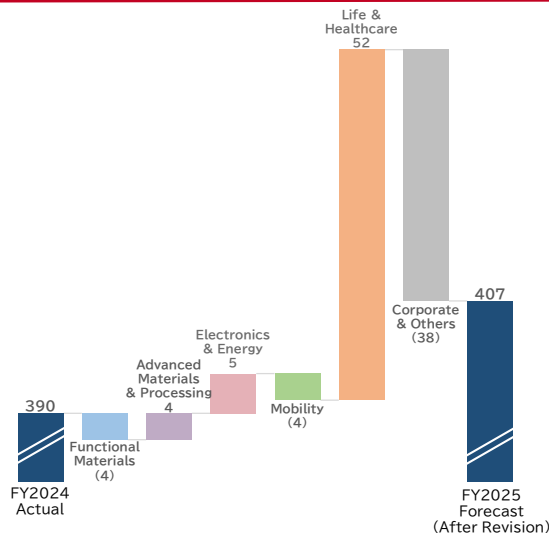
I will explain details by segment on the next page.

FY2025 Earnings Projection By Segment(Change)

- ▶ For Functional Materials, while sales of coating raw materials for automotive and construction applications remained sluggish, sales of semiconductor materials continued to perform steadily; therefore, the forecast remains unchanged
- ▶ For Advanced Materials & Processing, the forecast has been revised upward, reflecting stronger-than-expected performance in related industries during the first half
- ▶ For Electronics & Energy, although sales of modified epoxy resins for AI server semiconductors by Nagase ChemteX face uncertainty due to U.S.-China relations, overall semiconductor material sales—particularly to Greater China—have exceeded expectations and remained strong; thus, the forecast remains unchanged
- ▶ For Mobility, the forecast has been revised downward as sales of functional materials and components fell short of expectations due to a decline in production volumes among certain EV-related customers
- ▶ For Life & Healthcare, the forecast has been revised upward, supported sales of food ingredients within the Prinova Group progressing as planned, combined with greater-than-expected cost reductions achieved through the acquisition of new projects and efficiency improvements in manufacturing

		100 millions of yen		Change	
		FY2024 Actual	FY2025 Forecast (Before Revision)	FY2025 Forecast (After Revision)	Percentage Change (YoY)
Functional Materials	Sales	1,537	1,570	1,570	2%
	Gross profit	325	328	328	1%
	<profit ratio>	21.1%	20.9%	20.9%	—
	Operating income	92	88	88	(4%)
Advanced Materials & Processing	Sales	2,106	2,110	2,080	(1%)
	Gross profit	261	270	272	4%
	<profit ratio>	12.4%	12.8%	13.1%	0.6ppt
	Operating income	66	69	71	6%
Electronics & Energy	Sales	1,613	1,670	1,670	4%
	Gross profit	400	434	434	8%
	<profit ratio>	24.8%	26.0%	26.0%	0.2ppt
	Operating income	123	129	129	5%
Mobility	Sales	1,320	1,300	1,280	(3%)
	Gross profit	165	164	158	(4%)
	<profit ratio>	12.5%	12.6%	12.3%	(0.2ppt)
	Operating income	42	42	38	(10%)
Life & Healthcare	Sales	2,870	2,899	3,039	6%
	Gross profit	581	612	636	9%
	<profit ratio>	20.2%	21.1%	20.9%	0.7ppt
	Operating income	34	73	87	154%
Corporate & Others	Sales	1	1	1	(1%)
	Gross profit	(0)	2	2	(462%)
	<profit ratio>	—	2.5%	2.9%	1.7ppt
	Operating income	32	(6)	(6)	(38)
Total	Sales	9,449	9,550	9,640	2%
	Gross profit	1,733	1,810	1,830	6%
	<profit ratio>	18.3%	19.0%	19.0%	0.6ppt
	Operating income	390	395	407	4%
	Sales	9,449	9,550	9,640	2%
	Gross profit	1,733	1,810	1,830	6%
	<profit ratio>	18.3%	19.0%	19.0%	0.6ppt
	Operating income	390	395	407	4%

Change in Operating Income Forecast By Segment (100 millions of yen)



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This is the earnings projection by segment.

In terms of operating income, we made upward revisions of JPY0.2 billion and JPY1.4 billion for the Advanced Materials & Processing segment and the Life & Healthcare segment, respectively. On the other hand, the Mobility segment is revised downward by JPY0.4 billion. We have upwardly revised our consolidated forecast by JPY1.2 billion.

First, let me explain by segment. For Functional Materials segment, with respect to the sales of coating raw materials, the demand from both automotive and construction applications is expected to remain sluggish in H2 as in H1. However, the full-year forecast remains unchanged as budgeted due to the recovery of the automotive urethane business in Mexico, which was suspended due to the US-China relationship, the recovery of the materials sales business for general-purpose semiconductors, and the contribution to profit from the launch of a large-scale project in the filter business.

Next is the Advanced Materials & Processing segment. Although overall resin sales are expected to be slightly lower than in H1, sales of industrial hoses and civil engineering pipes increased at Nagase RooTAC are expected to be strong, leading to an upward revision of JPY0.2 billion to the overall segment forecast. Demand has been particularly strong for use as underground cable protection pipes during the burying of power lines for data center construction.

Electronics & Energy segment. We expect slightly weaker H2 figures for formulated epoxy resins used in semiconductors for AI servers due to the uncertain outlook for US-China relations. On the other hand, we expect sales of semiconductor materials in China to continue to be favorable as in H1, and the overall outlook for the segment is in line with our budget.

Mobility segment. We expect H2 to be as sluggish as H1. Sales for functional materials and functional components related to interior and exterior fittings and electrification are also expected to remain sluggish as in H1. We have revised downward our full-year forecast for the Mobility segment by JPY0.4 billion.

Life & Healthcare segment. Efficiency improvement through automation and workforce saving in Nutrition business of the Prinova Group was completed in H1. New businesses such as gummies and premixes for high-end pet food in the Solutions business have been launched and are expected to remain strong in H2. The full-year forecast has been revised upward by JPY1.4 billion.

FY2025 Earnings Projections by Major Manufacturing Subsidiaries(Change)

- ▶ Nagase ChemteX: Downward revision of the forecast, as sales of modified epoxy resins for AI server semiconductors face market uncertainty due to U.S.-China relations, and demand for mobile devices is weaker than expected
- ▶ Nagase Viita: Sales of food ingredients and cosmetic materials should be in line with forecast for the full year, taking into account that sales in the second half tend to be lower than in the first half due to seasonal factors (year-on-year impact of the conclusion of amortization for a portion of intangible assets: ¥1.1 billion)
- ▶ Prinova Group: Upward revision as the Solutions business is performing better than expected due to new business wins, combined with greater than expected progress in cost reductions achieved through efficiency improvements in the Nutrition business

		100 millions of yen				
		FY2024 Actual	FY2025 Forecast (Before Revision)	FY2025 Forecast (After Revision)	Change (YoY)	Percentage Change (YoY)
Nagase ChemteX Corporation	Sales	258	292	284	26	10%
	Gross profit	84	103	99	14	17%
	<profit ratio>	32.8%	35.3%	34.9%	2.1ppt	–
	Operating income	27	36	33	5	20%
	<profit ratio>	10.6%	12.5%	11.6%	1.0ppt	–
Nagase Viita Co., Ltd.	Sales	350	365	365	15	4%
	Gross profit	129	141	141	12	9%
	<profit ratio>	37.0%	38.8%	38.8%	1.8ppt	–
	Operating income	50	53	53	2	5%
	<profit ratio>	14.4%	14.5%	14.5%	0.1ppt	–
	Goodwill amortization etc. Operating income after amortization burden	29 20	18 34	18 34	(11) 14	– 68%
Prinova Group	Sales	1,996	1,997	2,532	536	27%
	Gross profit	295	320	397	101	34%
	<profit ratio>	14.8%	16.0%	15.7%	0.9ppt	–
	Operating income	25	49	62	36	139%
	<profit ratio>	1.3%	2.5%	2.4%	1.2ppt	–
	Goodwill amortization etc. Operating income after amortization burden	27 (1)	26 22	27 34	(0) 36	– –

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Next is earnings projections by major manufacturing subsidiaries.

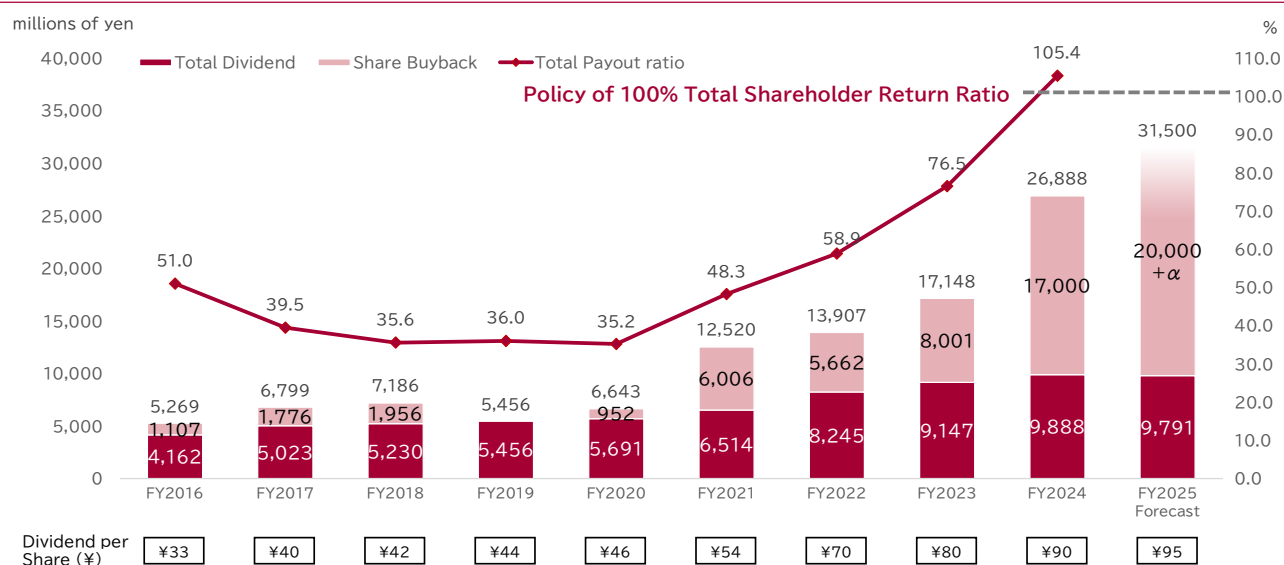
For Nagase ChemteX, we initially expected sales of formulated epoxy resins for AI server semiconductors to continue to grow, but due to the still uncertain outlook for US-China relations, the forecast for H2 is weaker than H1. We have revised our full-year forecast for operating income downward by JPY0.3 billion.

Nagase Viita. There is also a seasonal factor for cosmetic applications. Compared to H1, H2 is expected to see a decrease in profit as usual. There is no change to the full-year forecast.

Prinova Group. As explained earlier, there has been a continuous recovery, and we have revised our full-year forecast upward by JPY1.3 billion.

Shareholder Returns

- ▶ We plan to pay ¥95 per share for the full year, consisting of an interim dividend of ¥45 per share and a year-end dividend of ¥50 per share (forecasting a 16th consecutive year of dividend increases)
- ▶ No changes to the Policy of 100% Total Shareholder Return Ratio in fiscal 2025, continuing from fiscal 2024
- ▶ The repurchase of ¥12 billion in treasury stock, resolved in May 2025, was completed in October
- ▶ In November 2025, we resolved to conduct ¥8.0 billion in share buybacks (planned schedule: December 2025 through January 2026)



* FY2025 year-end dividend to be submitted for approval to the 111th general meeting of shareholders scheduled for June 2026.

The status of shareholder returns.

There is no change in our return policy. In FY2025, as in FY2024, we are targeting a total shareholder return ratio of 100%. Repurchase of the JPY12 billion treasury stock announced in May of this fiscal year was completed in October.

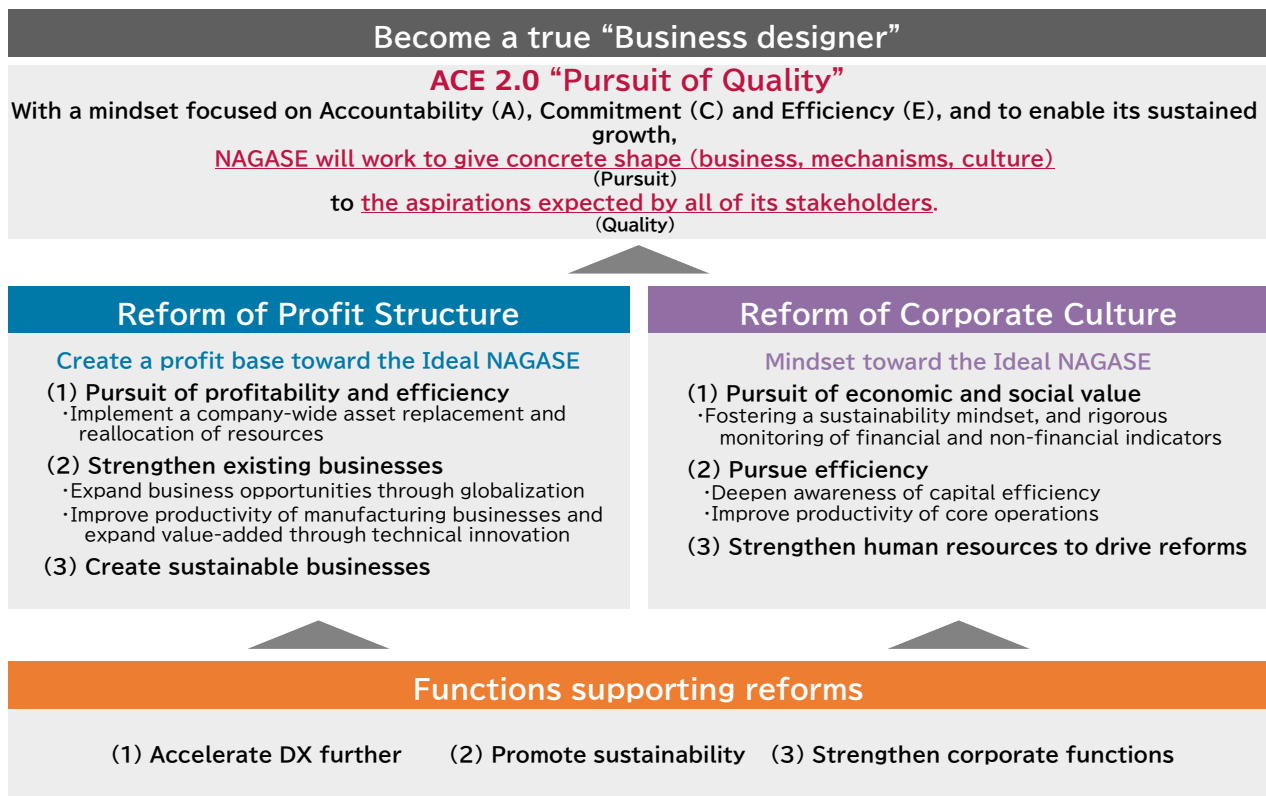
An additional JPY8 billion acquisition was also decided at yesterday's Board of Directors meeting. The Company plans to pay an interim dividend of JPY45 per share and a year-end dividend of JPY50 per share, for an annual dividend of JPY95 per share. Dividends are expected to increase for the 16th consecutive fiscal year.

As announced in October, a 1-for-4 stock split will be implemented on April 1, 2026 to improve stock liquidity.

Medium-Term Management Plan **ACE 2.0**

■ ACE 2.0 Basic Policies	P25
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■ KGI Outlook for Medium-Term Management Plan ACE 2.0	P32

ACE 2.0 Basic Policies



From here, I am going to explain the progress of our Medium-Term Management Plan **ACE 2.0**.

We presented this before, but it is the basic policies of **ACE 2.0**.

ACE 2.0 (QUICK WIN) Status~Laying the Groundwork for Change~

The initiatives implemented as Quick Wins have advanced the “Pursuit of Quality” outlined in ACE 2.0

Evolve our Business and Financial portfolios

Strengthen front-line capabilities and improve capital efficiency

- Updated Growth Strategy and redefined Focus Areas (Food, Semiconductors, Life Sciences)
- Improved gross profit margin
- Streamlined unprofitable businesses (e.g., Sofix, Inkron)
- Policy of 100% Total Shareholder Return Ratio

Strengthen Management Governance

Increase management efficiency and decision-making speed

- Reorganization of Departments (from 11 Dept. to 7 Dept.)
- Restructuring of group companies in the bio and chemical sectors
- Review of the Meeting Structure

Restructure Our Human Resources Portfolio

Maximize human capital and improve engagement

- Introduction of the Departmental CHRO (Chief Human Resource Officer) System
- Enhancing Engagement through management-led initiatives (N-meet up, CEO Accompaniment Program, Internal Earnings Briefings, Regular Distribution CEO Messages)

Next, I would like to discuss the qualitative progress of the medium-term management plan.

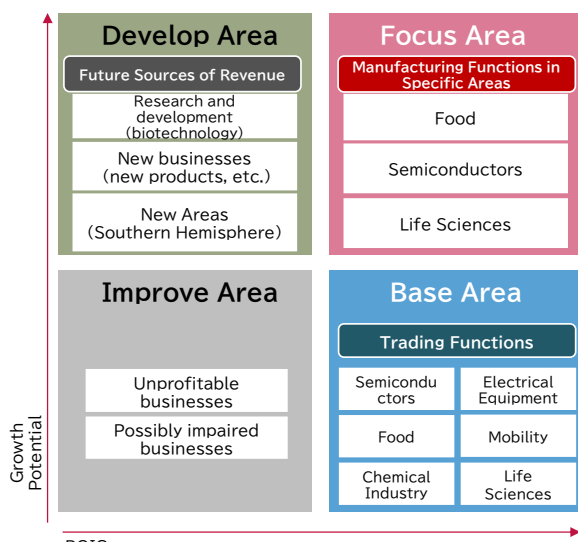
We have been promoting “Quick Win” based on the **ACE 2.0** basic policy.

We continue to pursue quality, as stated in **ACE 2.0**, with an eye on evolving our business and financial portfolios, strengthening management governance, and restructuring our human resources portfolio.

Growth Strategies for the Future

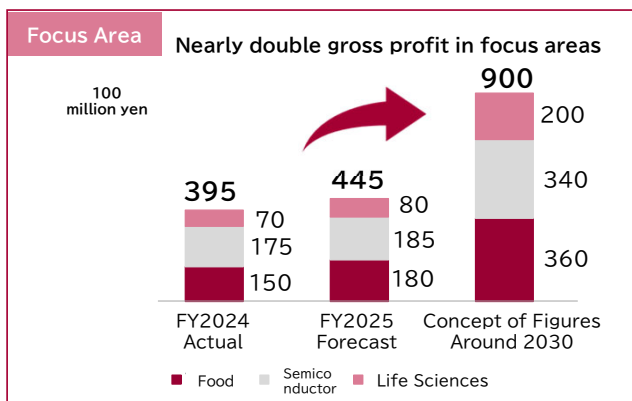
Make proactive investments in Focus Area of manufacturing (across the three areas of food, semiconductors, and life sciences) to expand profit scale and profit margin over the medium to long term

Potential investments in Focus Area and Develop Area
Approx. 80 billion yen
(M&A and Capital investment)



Base Area Obtain cash and high-value-added information to enhance Focus and Develop Areas

Develop Area Take on new challenges in areas that will become future sources of revenue



Improve Area Narrowing losses

ROIC

* The Prinova Group revised part of its classification between cost of goods manufactured and selling, general and administrative expenses during the current fiscal year. See the Contents page for details.

Here are the growth strategies we announced last year.

We will proactively inject resources in the manufacturing functions across the three areas of food, semiconductors, and life sciences as focus areas to expand profits. We plan to double our gross profit from FY2024 to JPY90 billion by around 2030 in our focus areas.

The breakdown is as follows: JPY36 billion in the food area, JPY34 billion in the semiconductor area, and JPY20 billion in the life science area.

Improvement Areas FY2025 Progress

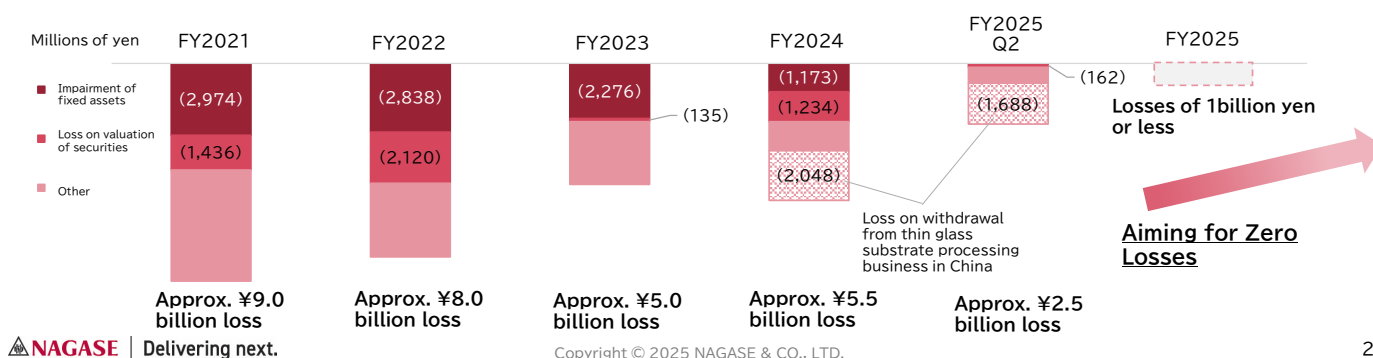
Reducing operating losses through the sale of Inkron Oy, a developer and manufacturer of functional materials for optical devices

- ▶ Signed a share transfer agreement with Radiant Opto-Electronics Corporation to transfer shares completed in October 2025 for approximately JPY 1 billion.
- ▶ Operating loss amounted to ¥0.2 billion in FY2024

Improvement targets and initiatives

1. Operating loss among subsidiaries and equity in losses of affiliates
 - Develop and implement improvement plans as early as possible.
 - Study withdrawing from businesses not expected to improve.
2. Assets at risk for impairment loss
 - List and monitor all cases; return rights for businesses not expected to improve
3. Unprofitable transactions

[Operating Loss, Loss in Equity, Impairment Loss, and Unprofitable Transactions With Operating Subsidiaries]

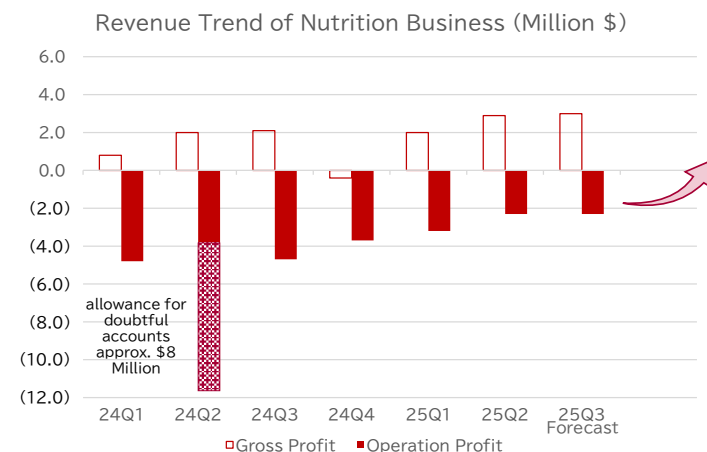


To begin, let me explain the improvement areas.

First, we have completed the sale process of Inkron in Finland, selling the company for approximately JPY1 billion in October 2025. The graph below shows the figures for the improvement areas as of Q2 of FY2025. The Company recorded approximately JPY1.6 billion in H1 of the fiscal year as costs for withdrawal of the thin-film processing business for glass substrates in China, which the Company decided in FY2020.

We had been aiming for a loss of less than JPY1 billion in FY2025, but we sincerely apologize that we were unable to achieve this goal.

Efforts in the Food Area ~Prinova Group Nutrition Business~



	FY24				FY25		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3 Forecast
Gross Profit	0.8	2.0	2.1	(0.4)	2.0	2.9	3.0
Operating Profit	(4.8)	(11.7)	(4.8)	(3.7)	(3.2)	(2.3)	(2.3)

* The Prinova Group revised part of its classification between cost of goods manufactured and selling, general and administrative expenses during the current fiscal year. See the Contents page for details.
 * The Prinova Group fiscal year ends in December (January-December), which we incorporated in our own consolidated financial statements under a three-month discrepancy.

■ Cost reductions through efficiency improvements

- Optimize staffing structure
- Streamline raw materials procurement/supply chain
- Revise manufacturing processes/efficient operations via automated equipment

Aiming to improve profitability through cost reductions

■ Initiatives to improve top line

- Rebuild sales structure/hire sales staff
- Strengthen product development systems/hire product development staff
- Strengthen/pursue stick packs and other product lineups

Leveling up by reorganizing the functions necessary to win new business

I will now explain our focus areas.

First is the food area. I would like to explain the Prinova Group's Nutrition business as an initiative in the food area.

Since starting in 2022, the Utah Plant has not reached its target level of utilization, and the Nutrition business has been losing money. We have been allocating resources and responding to this issue as one of the most important tasks of the NAGASE Group, which is to return to profitability by FY2027.

The graph on the left shows the quarterly changes in gross profit and operating income since FY2024. Automation and workforce saving are being promoted to increase efficiency and reduce costs.

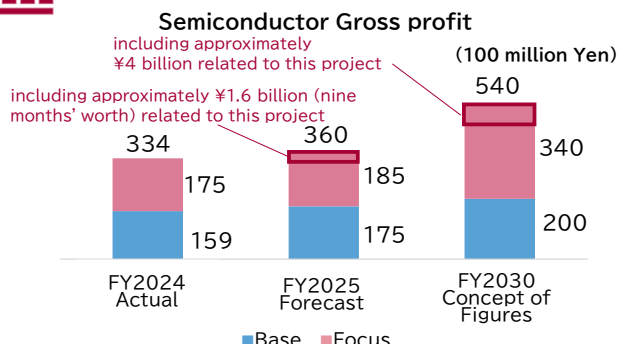
In addition, we are promoting the acquisition of new projects by reforming the management team, improving the sales function as well as coordination in manufacturing and sales, and establishing a system that can respond quickly to new projects. We will further reduce costs and accelerate the acquisition of new projects, aiming for the achievement of profitability ahead of schedule.

Efforts in the Semiconductor Area ~SACHEM Business in Asia~

- ▶ We acquired the SACHEM business in Asia for high-purity chemicals for semiconductors \$101 million; the business joined the NAGASE Group on June 1, 2025 (PL consolidation began in the second quarter)
- ▶ Acquired technology to purify various chemicals, including TMAH*; technology to recover and recycle developer; and a development system for next-generation process chemicals
- ▶ Aiming for gross profit of ¥4 billion around 2030



Business Scale



*Developer (tetramethylammonium hydroxide) used in the manufacturing process of semiconductors and flat panel displays



Creation of Synergies

- Adding new technology and products to the group portfolio, combined with the technologies and product groups previously owned by Nagase ChemteX, we expect to expand our scope as a semiconductor materials manufacturer
- We will develop new materials for next-generation semiconductor pre-processes with our business partners through ultra-sensitive analysis, electrolysis, and refining technologies



PMI Progress

- Five employees from the NAGASE Group dispatched to the new company
- Steady progress, with 11 subcommittees launched



Initiatives for Business Growth

- Global development of TMAH and other high-purity chemicals utilizing the NAGASE Group network
- Planning to begin sales of TMAH recovery and recycling equipment and sales of recovered TMAH to semiconductor plants in fiscal 2026



SACHEM Wuxi Plant



Developer recovery and recycling tank

Next is the semiconductor area.

In June of this year, business in Asia of SACHEM including China, South Korea, Taiwan, and Japan, joined our Group. SN Tech, a joint venture with SACHEM of the US, was established in Japan and has been engaged in the business of recovery and recycling of chemicals for displays. Around 2030, we plan to expand gross profit to approximately JPY4 billion.

As efforts to realize that, we would like to introduce two initiatives.

The first is, utilizing the NAGASE Group network, we will enhance the product lineup of high-purity chemicals including chemicals for semiconductors and globally launch high-purity chemicals.

Second, we are planning to begin sales of TMAH recovery and recycling equipment to semiconductor manufacturers and promote a recycling business in which SN Tech will electrolyze and refine the TMAH recovered by the equipment for resale. The recycling business is scheduled to start in FY2026.

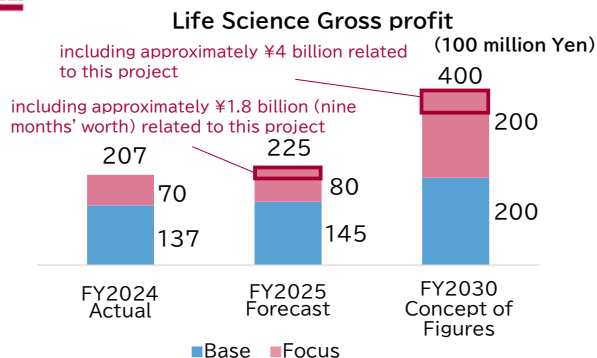
The NAGASE Group will continue to provide solutions to reduce the environmental impact of semiconductor manufacturing.

Efforts in the Life Science Area ~Nagase Diagnostics~

- ▶ Acquired Nagase Diagnostics, successor to the Asahi Kasei Pharma Corporation diagnostic enzymes business, added to the NAGASE Group in July 2025
- ▶ Develops, manufactures, and markets diagnostic reagents, enzymes for diagnostic reagents, and other life science raw materials
- ▶ Aiming for gross profit of ¥4 billion around 2030



Business Scale



Creation of Synergies

- Strengthening development capabilities for bio-related products (enzymes, enzyme reactants, fermentation products) through an expansion of our microorganism and enzyme portfolio
- Considering the use of the Ohito Plant (GMP plant) by Nagase ChemteX and Nagase Viita for low-endotoxin and ergothioneine-related business



PMI Progress

- Seven employees from the NAGASE Group dispatched
- Established 11 subcommittees and moving PMI forward in orderly manner



Initiatives for Business Growth

- Aim to grow business through overseas sales by developing enzymes for diagnostic reagents in new markets in Brazil, ASEAN, and India



Nagase Diagnostics Co., Ltd. Ohito Plant

Next, we will discuss our efforts in the life science area.

In July of this year, we took over the diagnostic reagents and diagnostic enzymes business from Asahi Kasei Pharma and began operations as Nagase Diagnostics. Two initiatives are underway to increase gross profit to approximately JPY4 billion around 2030.

First, we will utilize the NAGASE Group network to expand sales of diagnostic enzymes and diagnostic reagents in the new markets of Brazil, ASEAN, and India.

Second, we will utilize Nagase Diagnostics' GMP technology, knowledge, know-how, human resources, and facilities to commercialize new businesses and products that have been promoted at Nagase Viita and Nagase Bio-Innovation Center.

In addition, Nagase Diagnostics, Nagase Viita, and the Nagase Bio-Innovation Center will be concentrating their basic research in biotechnology on Port Island in Kobe to further promote research and development of new products as NAGASE that is strong in biotechnology.

KGI Outlook for Medium-Term Management Plan **ACE 2.0**

Projected KGI Achievement

Aim to achieve a PBR above 1.0 at an early stage through sustained capital efficiency improvement and growth strategy execution

Medium-Term Management Plan **ACE 2.0** “Pursuit of Quality” KGI

Measures	Indicator	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025 Forecast	FY2025 KGI
Improvement in capital efficiency	ROE	5.9%	7.7%	6.6%	5.9%	6.4%	8.0%	8.0% or higher
Increased profitability	Operating income	21.9 ¥billion	35.2 ¥billion	33.3 ¥billion	30.6 ¥billion	39.0 ¥billion	40.7 ¥billion	35.0 ¥billion

Finally, the KGI outlook for **ACE 2.0**.

Operating income of JPY35 billion, which is KGI, is expected to be achieved with JPY40.7 billion estimated for the current fiscal year. We expect to achieve ROE of 8%.

We will continue to manage the Company with an awareness of its stock price and aim to achieve a P/B ratio of one time as soon as possible.

That is all for the presentation.

We look forward to your continued support of the NAGASE Group.
Thank you for your attention.

[END]



■IR Materials for the first meeting:

<https://www.nagase.co.jp/english/ir/library/pdf/factbooks/20250804-1.pdf>

■NAGASE Group Investor Relations Website:

<https://www.nagase.co.jp/english/ir/>

■Inquiries:

<https://www.nagase.co.jp/english/contact/ir/>

These presentation materials contain projections based on forward-looking assumptions, forecasts, and plans as of November 6, 2025. Actual earnings may differ from projections due to risks and uncertainties in the future global economy, competitive landscape, currency exchange rates, etc.

Management Conscious of Capital Costs and Share Prices

We continue to implement initiatives in the final year of the current medium-term management plan

Policies to Enhance Corporate Value

Execute growth, financial, and capital strategies set forth in the Medium-Term Management Plan ACE 2.0

Current Issue Recognition

- PBR has been below 1x since FY2007
- The cost of equity is 8.0% or more, based on dialogue with investors (as needed through the use of CAPM and interviews with investors)
- Continued high level of strategic cross-shareholdings; 13.9% of net assets

Matters to be Addressed

Profitability and Efficiency

- Permeation of ROIC management: Improve gross profit margin and capital turnover
- Reduce unprofitable businesses and unprofitable transactions in business targeted for improvement
- Reduce strategic cross-shareholdings in phases

Capital Costs

- Increase in Shareholder Returns: limited 100% total return ratio for two years
- Leverage debt in growth investments

IR Activities

- Make active disclosures of and expand dialogue with investors

Sales, Gross Profit and Operating Income by Quarter

Quarterly results							100 millions of yen	
		1Q	2Q	3Q	4Q	YTD	FY2025 Forecast (After Revision)	Achievement
Sales	FY2025	2,373	2,424			4,797	9,640	50%
	FY2024	2,392	2,417	2,370	2,269	4,809	9,449	
	YoY%	(0.8%)	0.3%			(0.3%)	2.0%	
Gross profit	FY2025	443	465			909	1,830	50%
	FY2024	437	442	432	420	879	1,733	
	YoY%	1.3%	5.3%			3.3%	5.6%	
<profit ratio>	FY2025	18.7%	19.2%			19.0%	19.0%	
	FY2024	18.3%	18.3%	18.2%	18.5%	18.3%	18.3%	
Manufacturing	FY2025	177	197			375		
	FY2024	168	174	161	165	342	670	
Trading	FY2025	265	268			533		
	FY2024	269	267	270	255	537	1,062	
Operating income	FY2025	102	108			210	407	52%
	FY2024	107	103	99	80	210	390	
	YoY%	(4.5%)	4.7%			0.0%	4.1%	
<profit ratio>	FY2025	4.3%	4.5%			4.4%	4.1%	
	FY2024	4.5%	4.3%	4.2%	3.6%	4.4%	4.1%	
Manufacturing	FY2025	34	39			74		
	FY2024	24	16	19	21	40	81	
Trading	FY2025	67	68			136		
	FY2024	83	86	80	59	169	309	

* Manufacturing figures represent the aggregate totals of manufacturing subsidiaries.

* Trading figures include the aggregate totals of NAGASE and our sales subsidiaries, as well as Corporate & Others and eliminations

* The Prinova Group revised part of its classification between cost of goods manufactured and selling, general and administrative expenses during the current fiscal year. See the Contents page for details.

Cash Allocation in FY2025

Leverage interest-bearing debt to pursue growth investments and shareholder returns

Cash In

Asset Replacement

- ▶ Reduce strategic cross-shareholdings, etc.
- ▶ Utilize cash and cash equivalents through group-wide cash management

Expanding Interest-Bearing Debt Financing

- ▶ Obtain financing within a range that allows us to maintain credit ratings

Operating CF
¥26.5~
30 billion

Asset Replacement
¥14 billion

Loan
¥56 billion

Maximize
Corporate
Value

Growth Investments
¥41 billion

Others
¥24 billion

Shareholder Returns
¥31.5~
35 billion

Cash Out

Growth Investments

- ▶ Execute announced M&A
- ▶ Consider M&A deals in the range of several tens of billions of yen on an ongoing basis
- ▶ Strengthen specific functions in the three fields of the Focus areas and acquire missing parts
- ▶ Invest in CVC and the Global South in the Develop Area

Shareholder Returns

- ▶ Continue Increasing Dividends and Achieve a 100% Total Return Ratio
- ▶ Control net assets at around ¥400 billion

* Growth investments do not include working capital, DX · R&D expenses etc.

Major Cash Inflows and Outflows for FY2021-FY2024

100 millions of yen

Cash In	FY2021	FY2022	FY2023	FY2024	4-years Cumulative Total	Cash Out	FY2021	FY2022	FY2023	FY2024	4-years Cumulative Total
Operating CF after adjustments*	525	363	476	515	1,879	Dividends and share buybacks	124	139	178	270	713
Proceeds from sales of strategic cross-shareholdings, etc.	92	96	71	35	296	Investment in DX, R&D, etc	71	68	78	69	288
Decrease in working capital	—	—	330	—	330	Increase in working capital	631	200	—	82	913
Proceeds from change in interest-bearing debt	401	—	—	96	498	Expenses from change in interest-bearing debt	—	25	234	—	260
Other income	7	9	9	30	57	Other growth investments, etc	156	173	188	161	679
						Other expenditures	25	20	76	29	150
Total	1,026	469	888	678	3,062	Total	1,008	628	756	613	3,005

* Operating CF excluding the impact of changes in working capital, DX and R&D costs recorded as expenses, etc.

Prinova Group Business Overview

