

Securities identification code: 8012

June 1, 2021

To our shareholders:

Kenji Asakura  
Representative Director and President  
**NAGASE & CO., LTD.**  
1-1-17, Shinmachi, Nishi-ku,  
Osaka City, Osaka, Japan  
5-1, Nihonbashi-Kobunacho, Chuo-ku,  
Tokyo, Japan (Tokyo Head Office)

## **NOTICE OF THE 106TH ANNUAL SHAREHOLDERS' MEETING**

You are cordially invited to attend the 106th Annual Shareholders' Meeting of NAGASE & CO., LTD. (the "Company"), which will be held as described below.

Considering the need to prevent the spread of novel coronavirus disease ("COVID-19"), we sincerely request you to refrain from attending this meeting in person as much as possible and to exercise your voting rights in advance by postal mail or via the Internet, etc.

We request that you exercise your voting rights on or before 5:15 p.m. on Tuesday, June 22, 2021 after considering the following Reference Documents for the Annual Shareholders' Meeting.

### **Meeting Details**

- 1. Date and time:** Wednesday, June 23, 2021 at 10:00 a.m. (Reception begins at 9:00 a.m.)  
(Japan Standard Time)
- 2. Venue:** Nihonbashi Mitsui Hall  
COREDO Muromachi 1 (Reception: 4th floor)  
2-2-1, Nihonbashi-muromachi, Chuo-ku, Tokyo
- 3. Purposes:**  
**Items to be reported:**
  1. Business Report and Consolidated Financial Statements for the 106th Term (from April 1, 2020 to March 31, 2021), as well as the results of audit of the Consolidated Financial Statements by the Independent Auditor and Audit & Supervisory Board
  2. Non-Consolidated Financial Statements for the 106th Term (from April 1, 2020 to March 31, 2021)

### **Items to be resolved:**

- Proposal 1:** Appropriation of surplus
- Proposal 2:** Election of nine (9) Directors
- Proposal 3:** Election of one (1) Audit & Supervisory Board Member
- Proposal 4:** Election of one (1) substitute Audit & Supervisory Board Member

**4. Other matters relating to this Notice:**

Pursuant to laws and regulations and Article 14 of the Articles of Incorporation, information concerning the following matters is contained on the Company's website (<https://www.nagase.co.jp/>) and consequently is not included in the provided documents.

(1) Notes to Consolidated Financial Statements

(2) Notes to Non-Consolidated Financial Statements

The Consolidated Financial Statements and Non-Consolidated Financial Statements audited by Audit & Supervisory Board Members and the Independent Auditor comprise Notes to Consolidated Financial Statements and Notes to Non-Consolidated Financial Statements posted on the Company's website as well as each document attached to this Notice of the Shareholders' Meeting.

**5. Instructions on exercising voting rights:**

Please refer to "Instructions on exercising voting rights." (Japanese only)

## Reference Documents for the Annual Shareholders' Meeting

### Proposal 1: Appropriation of surplus

The Company proposes the appropriation of surplus as follows:

Matters related to year-end dividend

The Company's basic policy on dividends is to continuously increase dividends in line with its consolidated business performance and financial structure, while improving profitability and strengthening its management structure. To this end, the Company also takes consolidated cash flows and investment status into consideration. The Company proposes the following year-end dividend for the fiscal year.

(1) Type of dividend property

Cash

(2) Allocation of dividend property and total amount thereof

24 yen per common stock of the Company

Total amount of dividends: 2,963,382,960 yen

(3) Effective date of distribution of dividends of surplus

June 24, 2021

## Proposal 2: Election of nine (9) Directors

The terms of office of all eight Directors, Hiroshi Nagase, Reiji Nagase, Kenji Asakura, Ichiro Wakabayashi, Masaya Ikemoto, Nobumasa Kemori, Takahiko Ijichi, and Ritsuko Nonomiya will expire at the conclusion of this meeting. Of these, Ichiro Wakabayashi will retire from office.

In order to strengthen the Company's management structure and enable the execution and supervision of reforms towards the achievement of the **ACE 2.0** medium-term management plan, the proposal is for the election of nine Directors (including three outside Directors), increasing the number of Directors by one.

The candidates for Directors are as follows:

To increase objectivity and transparency of nominations for Directors and Executive Officers, the Company established a Nomination Committee consisting of a majority of Independent Outside Directors. The aforementioned Nomination Committee is also reviewing the contents of this proposal.

No.	Name	Position and responsibilities in the Company	Attendance of Board of Directors meetings (fiscal year ended March 31, 2021)	Length of service (as of conclusion of this meeting)	Number of other listed companies where concurrent positions are held
1	Hiroshi Nagase [Reelection] [Inside Director]	Representative Director and Chairman	17 out of 17 (100%)	32 years	0
2	Reiji Nagase [Reelection] [Inside Director]	Director and Vice Chairman	17 out of 17 (100%)	26 years	0
3	Kenji Asakura [Reelection] [Inside Director]	Representative Director, President and CEO	17 out of 17 (100%)	8 years	0
4	Masaya Ikemoto [Reelection] [Inside Director]	Representative Director and Managing Executive Officer, in charge of Corporate Administration and affiliates	17 out of 17 (100%)	3 year	0
5	Nobumasa Kemori [Reelection] [Outside Director] [Independent officer]	Outside Director	16 out of 17 (94%)	5 years	2
6	Takahiko Ijichi [Reelection] [Outside Director] [Independent officer]	Outside Director	13 out of 13 (100%)	1 year	1
7	Ritsuko Nonomiya [Reelection] [Outside Director] [Independent officer]	Outside Director	13 out of 13 (100%)	1 year	2
8	Masatoshi Kamada [New election] [Inside Director]	(New election)	-	-	0
9	Takahiro Okumura [New election] [Inside Director]	(New election)	-	-	0

Notes:

1. The number of the Board of Directors meetings does not include resolutions made in writing. The number of Board of Directors meetings indicated with regard to attendance at meetings by Takahiko Ijichi and Ritsuko Nonomiya is the number of meetings since they were elected as Directors.
2. The number of other listed companies where concurrent positions are held refers to the number of listed companies other than the Company, where the candidate holds a directorial position.

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares held
1	<p>[Inside Director] [Reelection]</p>  <p><b>Hiroshi Nagase</b> (July 18, 1949)</p> <p>Length of service: 32 years (as of conclusion of this meeting)</p> <p>Attendance of Board of Directors meetings: 17 out of 17 Board of Directors meetings (100%)</p>	<p>April 1977      Joined the Company</p> <p>April 1988      General Manager of Plastics Dept. 2</p> <p>June 1989        Director</p> <p>June 1995        Managing Director</p> <p>June 1997        Representative Director and Senior Managing Director</p> <p>June 1999        Representative Director and President</p> <p>June 2001        Representative Director and President and CEO</p> <p>April 2015       Representative Director and Chairman (present position)</p> <p>[Significant concurrent positions outside the Company]</p> <p>None</p>	1,356,730
<p><b>Reason for nomination as candidate for Director</b></p> <p>Hiroshi Nagase has worked mainly in the plastics, electronics, and management planning fields since joining the Company and has the character suitable as a manager of the Company. In addition, he has served as President from 1999 to 2015, and has been responsible for the management supervisory function as Representative Director and Chairman since April 2015. In light of his extensive experience in operations and his knowledge in overall management in the Company, Mr. Nagase is nominated as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares held
2	<p data-bbox="304 293 561 320">[Inside Director] [Reelection]</p>  <p data-bbox="360 651 507 707">Reiji Nagase (June 24, 1955)</p> <p data-bbox="288 723 580 772">Length of service: 26 years (as of conclusion of this meeting)</p> <p data-bbox="288 788 580 862">Attendance of Board of Directors meetings: 17 out of 17 Board of Directors meetings (100%)</p>	<p data-bbox="611 300 1155 389">April 1978      Joined Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry)</p> <p data-bbox="611 405 855 432">June 1994      Retired</p> <p data-bbox="611 448 979 474">July 1994      Joined the Company</p> <p data-bbox="611 490 1177 647">June 1995      Director, General Manager of Chemicals Management Office, Plastics and Industrial Materials Management Office, and Management Office and Equipment System Office</p> <p data-bbox="611 663 967 689">June 1999      Managing Director</p> <p data-bbox="611 705 1110 763">June 2001      Managing Director and Executive Officer</p> <p data-bbox="611 779 1110 837">April 2003      Managing Director and Managing Executive Officer</p> <p data-bbox="611 853 1110 911">June 2003      Director and Managing Executive Officer</p> <p data-bbox="611 927 1177 985">April 2009      Director and Senior Managing Executive Officer</p> <p data-bbox="611 1001 1123 1059">June 2010      Representative Director and Senior Managing Executive Officer</p> <p data-bbox="611 1075 1139 1133">April 2015      Director and Vice Chairman (present position)</p> <p data-bbox="611 1205 1150 1232">[Significant concurrent positions outside the Company]</p> <p data-bbox="611 1247 1067 1305">Representative Director of Nagase Science and Technology Foundation</p> <p data-bbox="611 1321 1150 1348">Representative Director of Hayashibara Museum of Art</p>	94,539
<p data-bbox="268 1368 772 1395"><b>Reason for nomination as candidate for Director</b></p> <p data-bbox="288 1402 1386 1585">Reiji Nagase has worked mainly in the chemical products and plastics fields since joining the Company and has the character suitable as a manager of the Company. In addition, he has served as president of a number of major manufacturing subsidiary companies of the Company's group (the "Group"), and has been responsible for the management supervisory function as Director and Vice Chairman since April 2015. In light of his extensive experience in operations and his knowledge in overall management in the Company, Mr. Nagase is nominated as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares held
3	<p>[Inside Director] [Reelection]</p>  <p><b>Kenji Asakura</b> (December 11, 1955)</p> <p>Length of service: Eight years (as of conclusion of this meeting)</p> <p>Attendance of Board of Directors meetings: 17 out of 17 Board of Directors meetings (100%)</p>	<p>April 1978      Joined the Company</p> <p>October 2006    General Manager of Automotive Solutions Dept.</p> <p>April 2009      Executive Officer and General Manager of Automotive Solutions Dept.</p> <p>June 2013      Director and Executive Officer</p> <p>April 2015      Representative Director, President and CEO (present position)</p> <p>[Significant concurrent positions outside the Company]</p> <p>None</p>	23,327
<p><b>Reason for nomination as candidate for Director</b></p> <p>Kenji Asakura has worked mainly in the electronics, automotive solutions and management planning fields since joining the Company and has a character suitable as a manager of the Company. In addition, he was appointed as Representative Director and President in April 2015. Since then, he has contributed to improvement of the corporate value of the Company by driving the <b>ACE-2020</b> medium-term management plan forward. He is considered the most qualified person who can show leadership towards the execution of the <b>ACE 2.0</b> medium-term management plan. Accordingly, Mr. Asakura is nominated as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares held
4	<p>[Inside Director] [Reelection]</p>  <p><b>Masaya Ikemoto</b> (September 20, 1961)</p> <p>Length of service: Three years (as of conclusion of this meeting)</p> <p>Attendance of Board of Directors meetings: 17 out of 17 Board of Directors meetings (100%)</p>	<p>April 1984      Joined the Company</p> <p>April 2013      General Manager of Automotive Solutions Dept.</p> <p>April 2015      Executive Officer and General Manager of Automotive Solutions Dept., Manager of Nagoya Branch</p> <p>June 2018      Director and Executive Officer</p> <p>April 2021      Representative Director and Managing Executive Officer, in charge of Corporate Administration and affiliates (present position)</p> <p>[Significant concurrent positions outside the Company]</p> <p>None</p>	8,667
<p><b>Reason for nomination as candidate for Director</b></p> <p>Masaya Ikemoto has worked mainly in the plastics, electronics, automotive solutions and management planning fields since joining the Company and has a character suitable for being a part of the Company's management team. In addition, he was appointed as Director in 2018. Since then, he has contributed to improvement of the corporate value of the Company by driving the <b>ACE-2020</b> medium-term management plan forward as an officer in charge of Corporate Administration and affiliates. In light of his extensive experience in operations and his knowledge in overall management, Mr. Ikemoto is nominated as a candidate for Director towards the achievement of the <b>ACE 2.0</b> new medium-term management plan.</p>			

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company		Number of the Company's shares held			
	<p>[Outside Director] [Reelection] [Independent officer]</p>  <p><b>Nobumasa Kemori</b> (April 12, 1951)</p> <p>Length of service: Five years (as of conclusion of this meeting)</p> <p>Attendance of Board of Directors meetings: 16 out of 17 Board of Directors meetings (94%)</p>	<p>September 1980 Joined Sumitomo Metal Mining Co., Ltd.</p> <p>June 2006 Managing Executive Officer and Director of Sumitomo Metal Mining Co., Ltd.</p> <p>June 2007 Representative Director and President of Sumitomo Metal Mining Co., Ltd.</p> <p>June 2013 Representative Director and Chairman of Sumitomo Metal Mining Co., Ltd.</p> <p>June 2016 Director and Chairman of Sumitomo Metal Mining Co., Ltd.</p> <p>June 2016 Director of the Company (present position)</p> <p>June 2017 Executive Adviser of Sumitomo Metal Mining Co., Ltd. (present position)</p>	<p>[Significant concurrent positions outside the Company]</p> <p>Outside Director of JFE Holdings, Inc.</p> <p>Outside Director of Sumitomo Realty &amp; Development Co., Ltd.</p>	3,061			
5	<p><b>Reason for nomination as candidate for outside Director, and outline of expected roles</b></p> <p>Nobumasa Kemori has been involved in management of Sumitomo Metal Mining Co., Ltd. for many years and possesses advanced knowledge and extensive experience regarding corporate management. He will use this knowledge and experience to make proposals concerning the Company's overall management from a perspective of familiarity with industry and is expected to enhance the Group's corporate governance. Accordingly, we request that Mr. Kemori be elected as outside Director. If the proposal is passed, he is expected to participate in the deliberations of the Company's Board of Directors, Compensation Committee, Nomination Committee, etc. from an objective and neutral standpoint.</p>						
	<p><b>Special notes concerning candidate for outside Director</b></p> <p>Mr. Kemori is Executive Adviser of Sumitomo Metal Mining Co., Ltd. and Outside Director of JFE Holdings, Inc. The Company has the following business relationships with these companies.</p>						
	Company name	Position	Transactions	Seller	Purchaser	Ratio of transaction amount	Compared with
	Sumitomo Metal Mining Co., Ltd.	Executive Adviser	Sale of goods	The Company	Sumitomo Metal Mining Co., Ltd.	Below 0.1%	Net sales of the Company
				Sumitomo Metal Mining Co., Ltd.	The Company	Below 0.1%	Sum of cost of sales and selling, general and administrative expenses of the Company
	JFE Holdings, Inc.	Outside Director	Sale of goods	The Company	JFE Holdings, Inc.	Below 0.1%	Net sales of the Company
				JFE Holdings, Inc.	The Company	Below 0.1%	Sum of cost of sales and selling, general and administrative expenses of the Company

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company		Number of the Company's shares held																	
6	<p data-bbox="295 293 571 342">[Outside Director] [Reelection] [Independent officer]</p>  <p data-bbox="347 674 521 730"><b>Takahiko Ijichi</b> (July 15, 1952)</p> <p data-bbox="284 745 584 795">Length of service: One year (as of conclusion of this meeting)</p> <p data-bbox="288 810 579 882">Attendance of Board of Directors meetings: 13 out of 13 Board of Directors meetings (100%)</p>	<p data-bbox="611 293 719 315">April 1976</p> <p data-bbox="611 353 719 376">June 2004</p> <p data-bbox="611 414 719 436">June 2008</p> <p data-bbox="611 474 719 497">June 2011</p> <p data-bbox="611 535 719 557">June 2013</p> <p data-bbox="611 618 719 640">June 2015</p> <p data-bbox="611 723 719 745">June 2016</p> <p data-bbox="611 784 719 806">June 2017</p> <p data-bbox="611 889 719 911">June 2018</p> <p data-bbox="611 949 719 972">June 2019</p> <p data-bbox="611 1032 719 1055">June 2020</p>	<p data-bbox="786 293 1185 342">Joined Toyota Motor Co., Ltd. (Currently Toyota Motor Corporation)</p> <p data-bbox="786 353 1121 403">Managing Officer of Toyota Motor Corporation</p> <p data-bbox="786 414 1137 463">Senior Managing Director of Toyota Motor Corporation</p> <p data-bbox="786 474 1185 524">Director and Senior Managing Officer of Toyota Motor Corporation</p> <p data-bbox="786 535 1161 607">Advisor of Toyota Motor Corporation, and President of Towa Real Estate Co., Ltd.</p> <p data-bbox="786 618 1161 712">Advisor of Towa Real Estate Co., Ltd., and Executive Vice President and a member of the Board of Directors of Toyota Motor Corporation</p> <p data-bbox="786 723 1185 772">Retired Advisor of Towa Real Estate Co., Ltd.</p> <p data-bbox="786 784 1169 878">Senior Adviser of Toyota Motor Corporation, and Representative Director, Chairman of the Board of Aioi Nissay Dowa Insurance Co., Ltd.</p> <p data-bbox="786 889 1106 938">Retired Adviser of Toyota Motor Corporation</p> <p data-bbox="786 949 1153 1021">Retired Representative Director, Chairman of the Board of Aioi Nissay Dowa Insurance Co., Ltd.</p> <p data-bbox="786 1032 1106 1081">Director of the Company (present position)</p> <p data-bbox="611 1128 1153 1189">[Significant concurrent positions outside the Company] Outside Director of COMANY INC.</p>	1,001																	
	<p data-bbox="268 1240 1158 1263"><b>Reason for nomination as candidate for outside Director, and outline of expected roles</b></p> <p data-bbox="288 1272 1390 1473">Takahiko Ijichi has been involved in management of Toyota Motor Corporation for many years and possesses advanced knowledge and extensive experience regarding corporate management. He will use this knowledge and experience to make proposals concerning the Company's overall management including manufacturing activities performed by the Company in both Japan and overseas and is expected to enhance the Group's corporate governance. Accordingly, we request that Mr. Ijichi be elected as outside Director. If the proposal is passed, he is expected to participate in the deliberations of the Company's Board of Directors, Compensation Committee, Nomination Committee, etc. from an objective and neutral standpoint.</p>																				
<p data-bbox="268 1500 842 1523"><b>Special notes concerning candidate for outside Director</b></p> <p data-bbox="288 1532 1289 1581">Mr. Ijichi is former Executive Vice President and a member of the Board of Directors of Toyota Motor Corporation. The Company has the following business relationships with it.</p>																					
<table border="1"> <thead> <tr> <th data-bbox="268 1599 432 1697">Company name</th> <th data-bbox="432 1599 555 1697">Position</th> <th data-bbox="555 1599 678 1697">Transactions</th> <th data-bbox="678 1599 831 1697">Seller</th> <th data-bbox="831 1599 984 1697">Purchaser</th> <th data-bbox="984 1599 1121 1697">Ratio of transaction amount</th> <th data-bbox="1121 1599 1398 1697">Compared with</th> </tr> </thead> <tbody> <tr> <td data-bbox="268 1697 432 1993" rowspan="2">Toyota Motor Corporation</td> <td data-bbox="432 1697 555 1993" rowspan="2">Former Executive Vice President and a member of the Board of Directors</td> <td data-bbox="555 1697 678 1993" rowspan="2">Sale of goods</td> <td data-bbox="678 1697 831 1771">The Company</td> <td data-bbox="831 1697 984 1771">Toyota Motor Corporation</td> <td data-bbox="984 1697 1121 1771">Below 0.6%</td> <td data-bbox="1121 1697 1398 1771">Net sales of the Company</td> </tr> <tr> <td data-bbox="678 1771 831 1993">Toyota Motor Corporation</td> <td data-bbox="831 1771 984 1993">The Company</td> <td data-bbox="984 1771 1121 1993">Below 0.3%</td> <td data-bbox="1121 1771 1398 1993">Sum of cost of sales and selling, general and administrative expenses of the Company</td> </tr> </tbody> </table>		Company name	Position	Transactions	Seller	Purchaser	Ratio of transaction amount	Compared with	Toyota Motor Corporation	Former Executive Vice President and a member of the Board of Directors	Sale of goods	The Company	Toyota Motor Corporation	Below 0.6%	Net sales of the Company	Toyota Motor Corporation	The Company	Below 0.3%	Sum of cost of sales and selling, general and administrative expenses of the Company		
Company name	Position	Transactions	Seller	Purchaser	Ratio of transaction amount	Compared with															
Toyota Motor Corporation	Former Executive Vice President and a member of the Board of Directors	Sale of goods	The Company	Toyota Motor Corporation	Below 0.6%	Net sales of the Company															
			Toyota Motor Corporation	The Company	Below 0.3%	Sum of cost of sales and selling, general and administrative expenses of the Company															

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares held														
7	<p>[Outside Director] [Reelection] [Independent officer]</p>  <p><b>Ritsuko Nonomiya</b> (November 28, 1961)</p> <p>Length of service: One year (as of conclusion of this meeting)</p> <p>Attendance of Board of Directors meetings: 13 out of 13 Board of Directors meetings (100%)</p>	<p>September 1987 Joined Peat, Marwick, Mitchell &amp; Company (currently KPMG LLP)</p> <p>April 1997 Partner of KPMG Corporate Finance K.K.</p> <p>November 2000 Joined UBS Warburg Japan (currently UBS Securities Japan Co., Ltd.)</p> <p>January 2005 M&amp;A Advisor, Managing Director of UBS Warburg Japan</p> <p>July 2008 Senior Vice President and Business Development Leader of GE Capital Asia Pacific Ltd.</p> <p>April 2013 Senior Executive Officer and Business Development Leader of GE Capital Japan, GE Japan Inc.</p> <p>December 2013 Managing Director of GCA Savvian Corporation (currently GCA Corporation) (present position)</p> <p>January 2015 Executive Officer (Japan Region) of GCA Savvian Corporation (currently GCA Corporation) (present position)</p> <p>March 2017 Director of GCA Corporation (present position)</p> <p>June 2020 Director of the Company (present position)</p> <p>[Significant concurrent positions outside the Company] Director, GCA Corporation Director, GCA Advisors Corporation External Audit &amp; Supervisory Board Member, Shiseido Company, Limited</p>	500														
<p><b>Reason for nomination as candidate for outside Director, and outline of expected roles</b></p> <p>Ritsuko Nonomiya has accumulated business experience, including auditing, in the KPMG Group and has engaged in M&amp;A and business development in the UBS Group and the GE Group. Thus, she has advanced knowledge mainly in the fields of finance and accounting and also possesses sufficient knowledge and experience regarding corporate management. She will use this knowledge and experience to make proposals concerning the Company's overall management and is expected to enhance the corporate governance of the Group, whose overseas business operations are expanding. Accordingly, we request that Ms. Nonomiya be elected as outside Director. If the proposal is passed, she is expected to participate in the deliberations of the Company's Board of Directors, Compensation Committee, etc. from an objective and neutral standpoint.</p>																	
<p><b>Special notes concerning candidate for outside Director</b></p> <p>Ms. Nonomiya is External Audit &amp; Supervisory Board Member of Shiseido Company, Limited. The Company has the following business relationships with it.</p>																	
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Company name	Position	Transactions	Seller	Purchaser	Ratio of transaction amount	Compared with											
Shiseido Company, Limited	External Audit & Supervisory Board Member	Sale of goods	The Company	Shiseido Company, Limited	Below 0.3%	Net sales of the Company											

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares held
8	<p data-bbox="293 293 576 322">[Inside Director] [New election]</p>  <p data-bbox="325 651 544 707">Masatoshi Kamada (August 6, 1961)</p>	<p data-bbox="612 300 983 329">April 1985      Joined the Company</p> <p data-bbox="612 342 1177 398">April 2011      General Manager of Electronic Materials Dept.</p> <p data-bbox="612 412 1177 470">April 2013      Executive Officer and General Manager of Electronic Materials Dept.</p> <p data-bbox="612 483 1139 539">April 2018      Executive Officer and Greater China CEO</p> <p data-bbox="612 553 1182 609">April 2021      Executive Officer, in charge of Corporate Sales &amp; Marketing (present position)</p> <p data-bbox="612 689 1150 745">[Significant concurrent positions outside the Company] None</p>	11,810
<p data-bbox="268 779 772 801"><b>Reason for nomination as candidate for Director</b></p> <p data-bbox="293 808 1385 931">Masatoshi Kamada has worked in the plastics, electronics, and overseas business fields since joining the Company, possesses superb knowledge of and experience in these fields, and has a personality suitable for being a part of the Company's management team. In light of his management skills gained through various experience, including as a China area manager, Mr. Kamada is nominated as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares held
9	<p data-bbox="295 295 571 322">[Inside Director] [New election]</p>  <p data-bbox="327 654 542 712">Takahiro Okumura (March 22, 1962)</p>	<p data-bbox="614 295 981 322">April 1985      Joined the Company</p> <p data-bbox="614 340 1082 398">February 2015    General Manager of Electronic Chemicals Dept.</p> <p data-bbox="614 416 1168 474">April 2016      Executive Officer and General Manager of Electronic Chemicals Dept.</p> <p data-bbox="614 492 1173 586">April 2017      Executive Officer, General Executive of Electronics Segment, and General Manager of Electronic Chemicals Dept.</p> <p data-bbox="614 604 1177 698">April 2020      Executive Officer, in charge of Energy Business Office and New Value Creation Office, and Europe CEO</p> <p data-bbox="614 716 1173 833">April 2021      Executive Officer, in charge of Overseas Overall Operations and Business Development, Greater China CEO, and Europe CEO (present position)</p> <p data-bbox="614 891 1149 918">[Significant concurrent positions outside the Company]</p> <p data-bbox="614 936 667 963">None</p>	13,167
<p data-bbox="271 981 774 1008"><b>Reason for nomination as candidate for Director</b></p> <p data-bbox="295 1012 1388 1137">Takahiro Okumura has worked in the plastics, electronics, and new business fields since joining the Company, possesses superb knowledge of and experience in these fields, and has a character suitable for being a part of the Company's management team. In light of his management skills gained through various experience, including as General Executive of Electronics Segment, Mr. Okumura is nominated as a candidate for Director.</p>			

Notes:

1. Nobumasa Kemori, Takahiko Ijichi and Ritsuko Nonomiya are candidates for outside Director and are independent officers pursuant to the regulations of financial instruments exchanges.
2. Special interests with the Company
  - (1) Candidate Reiji Nagase also serves as Representative Director of Nagase Science and Technology Foundation, to which the Company makes contributions.
  - (2) Candidate Reiji Nagase also serves as Representative Director of Hayashibara Museum of Art. Hayashibara Co., Ltd., a wholly owned subsidiary of the Company, makes contributions to the museum.
  - (3) There are no special interests between the other candidates and the Company.
3. Agreement limiting liability

Pursuant to the Articles of Incorporation, the Company has entered into an agreement with outside Directors Nobumasa Kemori, Takahiko Ijichi and Ritsuko Nonomiya, limiting liability to the Company for damage to a certain degree. If this proposal is approved, the Company plans to renew the agreement under the same terms. A summary of the agreements is as follows:

If the Company incurs damage as a result of the failure of the outside Director to perform his or her duties, as long as the outside Director performed his or her duties in good faith and without gross negligence, the liability for damage that the outside Director shall owe to the Company shall be limited to the minimum amount of liability specified in Article 425, paragraph (1) of the Companies Act.
4. Directors and officers liability insurance contract

The Company's Directors are covered by directors and officers liability insurance. Under this insurance policy, 10% of insurance premiums applicable to an indemnity rider covering shareholder representative lawsuits are paid by the insured persons, and 90% are paid by the Company. If each candidate is elected as a Director and assumes the office, they will be the insured persons under this insurance policy. Covered insurance events are third-party lawsuits, shareholder representative lawsuits, etc. In addition, the maximum total amount of insurance has been set, and officers responsible for an insurance event are required to individually pay for a certain portion of the damage incurred so that the appropriateness of their duties is not compromised. When renewing this insurance, the Company will choose similar policy provisions.
5. The number of Board of Directors meetings does not include resolutions made in writing. The number of Board of Directors meetings indicated with regard to attendance at meetings by Takahiko Ijichi and Ritsuko Nonomiya is the number of meetings since they were elected as Directors.
6. Shares of the Company held by each candidate include shares nominally held by NAGASE & CO., LTD. Officer's Shareholding Association and NAGASE & CO., LTD. Own Share Investment Association.

### Proposal 3: Election of one (1) Audit & Supervisory Board Member

The term of office of Masanori Furukawa, the Audit & Supervisory Board Member, will expire at the conclusion of this meeting. Accordingly, the proposal is for the election of one Audit & Supervisory Board Member. The Audit & Supervisory Board has given its consent to this proposal.

The candidate for Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary, position and significant concurrent positions outside the Company	Number of the Company's shares held
<p>[Inside Audit &amp; Supervisory Board Member] [Reelection]</p>  <p><b>Masanori Furukawa</b> (January 3, 1962)</p> <p>Length of service: Four years (as of conclusion of this meeting)</p> <p>Attendance of Board of Directors meetings: 17 out of 17 Board of Directors meetings (100%)</p> <p>Attendance of Board of Audit &amp; Supervisory meetings: 17 out of 17 Board of Audit &amp; Supervisory meetings (100%)</p>	<p>April 1984      Joined the Company</p> <p>April 2012      General Manager of Finance Div. and Accounting Div.</p> <p>April 2013      Executive Officer and General Manager of Finance Div. and Accounting Div.</p> <p>December 2013   Executive Officer, in charge of Hayashibara Co., Ltd.</p> <p>June 2017      Audit &amp; Supervisory Board Member (present position)</p> <p>[Significant concurrent positions outside the Company]</p> <p>None</p>	<p>7,902</p>
<p><b>Reason for nomination as candidate for Audit &amp; Supervisory Board Member</b></p> <p>Masanori Furukawa has worked in the finance and accounting fields since joining the Company, possesses superb knowledge of and experience in these fields. In addition, he has extensive experience in operations and management gained at the Group's major manufacturing subsidiary companies, and has fully fulfilled his duties as an Audit &amp; Supervisory Board Member of the Company for the past four years, and consequently, we determined that he will properly perform his duties as Audit &amp; Supervisory Board Member, and we request his election.</p>		

Notes:

1. There are no special interests between Masanori Furukawa and the Company.
2. Shares of the Company held by Mr. Furukawa include shares nominally held by NAGASE & CO., LTD. Officer's Shareholding Association.
3. Directors and officers liability insurance contract
 

The Company's Audit & Supervisory Board Members are covered by directors and officers liability insurance. Under this insurance policy, 10% of insurance premiums applicable to an indemnity rider covering shareholder lawsuits are paid by the insured persons, and 90% are paid by the Company. If the candidate is elected as an Audit & Supervisory Board Member and assumes the office, he will be the insured person under this insurance policy. Covered insurance events are third-party lawsuits, shareholder lawsuits, etc. In addition, the maximum total amount of insurance has been set, and officers responsible for an insurance event are required to individually pay for a certain portion of the damage incurred so that the appropriateness of job execution can be maintained. When renewing this insurance, the Company will choose similar policy provisions.

**Proposal 4: Election of one (1) substitute Audit & Supervisory Board Member**

The Company proposes to elect one substitute Audit & Supervisory Board Member to prepare for a contingency in which the Company does not have the number of Audit & Supervisory Board Members required by laws and regulations. The Audit & Supervisory Board has given its consent to this proposal.

The candidate for substitute Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary, position and significant concurrent positions outside the Company	Number of the Company's shares held
[Outside Audit & Supervisory Board Member] [Reelection] [Independent officer]  Hidekado Miyaji (February 11, 1952)	April 1975 Official at Income Tax Division of National Tax Agency	0
	July 1982 Superintendent of Mikuni Tax Office, Kanazawa Regional Taxation Bureau	
	July 1987 Director of Administrative Services Bureau, Iwate Prefectural Police Headquarters	
	July 1991 Consul of the Consulate General of Japan in New York	
	July 1996 Director (Mutual Agreement Procedures), National Tax Agency	
	July 1999 Director of Second Large Enterprise Examination Department, Tokyo Regional Taxation Bureau	
	July 2002 Director, Research Department, National Tax College	
	August 2003 Professor, Department of Social-Human Environmentology, Daito Bunka University (present position)  [Significant concurrent positions outside the Company] None	
<p><b>Reason for nomination as candidate for substitute outside Audit &amp; Supervisory Board Member</b>                      Hidekado Miyaji does not have direct managerial experience, but he has held a number of important posts in public service. Based on his high degree of specialization relating to taxes and corporate accounting and experience in perspective as a university professor, we have determined that he will properly perform his duties as outside Audit &amp; Supervisory Board Member, and we request his election.</p>		
<p><b>Special notes concerning candidate for substitute outside Audit &amp; Supervisory Board Member</b>                      There is no special interest between the candidate and the Company.</p>		

Notes:

1. Hidekado Miyaji is a candidate for substitute outside Audit & Supervisory Board Member, and if he is elected as outside Audit & Supervisory Board Member, the Company plans to file notice as an independent officer pursuant to the regulations of financial instruments exchanges.

2. Agreement limiting liability

If the candidate is elected as substitute outside Audit & Supervisory Board Member and assumes the office of outside Audit & Supervisory Board Member, the Company plans to enter into an agreement pursuant to the Articles of Incorporation limiting liability to the Company for damage to a certain degree. A summary of the agreement is as follows:

If the Company incurs damage as a result of the failure of the outside Audit & Supervisory Board Member to perform his duties, as long as the outside Audit & Supervisory Board Member performed his duties in good faith and without gross negligence, the liability for damage that the outside Audit & Supervisory Board Member shall owe to the Company shall be limited to the minimum amount of liability specified in Article 425, paragraph (1) of the Companies Act.

3. Directors and officers liability insurance contract

The Company's Audit & Supervisory Board Members are covered by directors and officers liability insurance. Under this insurance policy, 10% of insurance premiums applicable to an indemnity rider covering shareholder lawsuits are paid by the insured persons, and 90% are paid by the Company. If the candidate is elected as substitute outside Audit & Supervisory Board Member and assumes the office of outside Audit & Supervisory Board Member, he will be the insured person under this insurance policy. Covered insurance events are third-party lawsuits, shareholder lawsuits, etc. In addition, the maximum total amount of insurance has been set, and officers responsible for an insurance event are required to individually pay for a certain portion of the damage incurred so that the appropriateness of job execution can be maintained. When renewing this insurance, the Company will choose similar policy provisions.

## Business Report (April 1, 2020 to March 31, 2021)

### 1. Nagase Group business conditions

#### (1) Development and results of business operations

The global economy in the first half of the current fiscal year slumped significantly due to the global spread of COVID-19, but economic recovery is gradually in progress in some areas including China, and although there are differences between areas, a gradual recovery trend is now being seen. When it comes to the Japanese economy, the tourism, travel, restaurant and other industries were hit hardest due to activity restrictions, but companies in some industries achieved solid performance by keeping up with consumption pattern changes caused by stay-at-home demand, etc.

Among the regions where the NAGASE Group conducts business, Greater China has recovered to pre-pandemic levels. In the Americas and ASEAN, an accelerated recovery is expected due to step-by-step resumption of economic activities and economic stimulus measures. In Japan, however, such resumption is limited due to the repeated declarations of a state of emergency. Each country's economic recovery conditions differ depending on measures taken to prevent the spread of infections, including those to promote the widespread use of vaccines, and the future continues to be uncertain due to various reasons, including the reaccelerating pace of infections in some regions.

The impact on the Group's earnings has been limited overall. The most prominent impact was on the first quarter results of the automobile-related business. However, since the second quarter, certain business recoveries have been observed, including those of the electronics-related business and the resins business, mainly due to demand driven by teleworking.

In this environment, the Company recorded domestic sales of 363.16 billion yen (-9.8% year on year) for the current fiscal year. Overseas sales amounted to 467.07 billion yen (+17.6%). In total, the Company recorded 830.24 billion yen (+3.8%) in net sales.

The company recorded gross profit of 114.6 billion yen (+9.2%) due to the contributions of the highly profitable Prinova Group. Despite rising costs related to our pursuit of digital transformation (DX) and other activities toward sustainable growth, operating income amounted to 21.91 billion yen (+14.3%), mainly due to cost savings associated with voluntary constraints on activities caused by the COVID-19 pandemic. Ordinary income amounted to 22.85 billion yen (+19.8%). Net income attributable to owners of the parent amounted to 18.82 billion yen (+24.3%).

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Year on year	
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(%)
Net sales	799,559	830,240	30,681	3.8%
Operating income	19,167	21,916	2,748	14.3%
Ordinary income	19,083	22,854	3,771	19.8%
Net income attributable to owners of parent	15,144	18,829	3,685	24.3%

## Overview by Segment

### <Functional Materials>

#### Net sales

155.1 billion yen (down 8.4% from the previous fiscal year)

The Functional Materials segment recorded lower sales in both domestic and overseas markets. This result was mainly due to lower automotive production in all regions (except Greater China) affected by the spread of the COVID-19 pandemic. This was particularly true for the first half of the year, despite a more recent trend in recovery.

The Performance Chemicals business recorded lower sales due to lower sales in coating raw materials and urethane materials as a result of lower automotive production.

The Specialty Chemicals business recorded lower sales overall, despite firm sales of electronics chemicals mainly for the semiconductor and other electronics industries, mainly due to the performance of industrial oil solutions and plastic materials, which were sharply impacted by the weak automotive industry.

As a result, sales for the segment amounted to 155.16 billion yen, which was a 14.15 billion yen (-8.4%) decrease compared to the previous fiscal year. Operating income fell 470 million yen (-8.9%) from the previous fiscal year to 4.88 billion yen.

### <Advanced Materials & Processing>

#### Net sales

269.1 billion yen (up 0.8% from the previous fiscal year)

The Advanced Materials & Processing segment recorded slightly higher sales overall, due to increased sales in overseas markets, despite decreased sales in the domestic market.

The Colors & Advanced Processing business recorded lower sales overall, due to sharply decreased sales of digital print processing materials in Japan, the Americas, and Europe. Sales of dyes and additives, plastic resins for industrial and packaging applications, and conductive materials were also lower.

The Polymer Global Account business, which mainly sells plastics to the office equipment, appliance, and video game device markets, recorded higher sales overall. This result was due to an increase in overseas sales mainly in the resins business, driven by demand recovery and rising market price, while sales declined in Japan.

As a result, sales for the segment amounted to 269.15 billion yen, representing a 2.07 billion yen (+0.8%) increase compared to the same period in the prior fiscal year. Operating income declined 1.21 billion yen (-14.2%) compared to the previous fiscal year to 7.31 billion yen, impacted primarily by weaker profitability due to declining market conditions in the digital print processing materials business.

### <Electronics>

#### Net sales

119.5 billion yen (up 3.9% from the previous fiscal year)

The Electronics segment recorded higher net sales overall due to increased sales of precision processing-related materials, used in connection with intermediate processing in semiconductors, and formulated epoxy resins-related materials, despite lower sales of materials related to displays and equipment.

As a result, sales for the segment amounted to 119.59 billion yen, representing a 4.46 billion yen (+3.9%) increase compared to the previous fiscal year. Operating income was 8.74 billion yen, an increase of 3.35 billion yen (+62.1%) year on year, mainly due to improved profitability among the Company's manufacturing subsidiaries in addition to the increased sales.

(Note) From April 1, 2021, the name of the Electronics Segment has been changed to the Electronics & Energy Segment.

#### <Mobility & Energy>

Net sales

111.5 billion yen (down 11.5% from the previous fiscal year)

The Mobility Solutions business recorded lower sales both in Japan and overseas. This result was due to lower sales of car electronics-related products in Japan and lower sales in the resins business in all regions (except Greater China), stemming from lower automotive production (excluding Greater China) caused by the COVID-19 pandemic.

As a result, sales for the segment amounted to 111.53 billion yen, representing a 14.46 billion yen (-11.5%) decrease year on year. Operating income fell 340 million yen (-18.4%) compared to the previous fiscal year, amounting to 1.54 billion yen.

(Note) From April 1, 2021, the name of the Mobility & Energy Segment has been changed to the Mobility Segment.

#### <Life & Healthcare>

Net sales

174.4 billion yen (up 43.5% from the previous fiscal year)

The Life & Healthcare segment recorded significantly higher sales overall, due to higher sales overseas driven by the contribution of sales in the current fiscal year from the Prinova Group acquired by the Company in the prior second quarter, though domestic sales decreased mainly due to lower demand attributable to the impact of the COVID-19 pandemic.

The new Food Ingredients business recorded significantly higher sales overall, boosted by an increase in sales of Prinova Group, despite reduced sales of TREHA™ and other products in the food materials field in Japan.

The Life & Healthcare business recorded gains in sales of pharmaceutical raw materials and intermediates and medical materials in the medical and pharmaceutical field along with rising sales of hygiene products-related materials in the cosmetics and toiletries field. Meanwhile, overall sales were lower as sales of AA2G™ in the skin care field decreased in Japan and overseas. Pharmaceutical production business sales to the medical and pharmaceutical field also decreased due to the sale of a Company's manufacturing subsidiary.

As a result, sales for the segment amounted to 174.45 billion yen, which was a 52.9 billion yen (+43.5%) increase compared to the previous fiscal year. Operating income grew 2.53 billion yen (+63.9%) year on year, reaching 6.51 billion yen.

#### <Others>

No special matters to disclose.

(2) Status of capital investment, etc.

During the current fiscal year, the Group made capital investment of 10.75 billion yen (including intangible fixed assets), particularly including capital investment of 2.71 billion yen in new pullulan and enzyme facility at Okayama Plant II of Hayashibara Co., Ltd. (in the Life & Healthcare segment).

A breakdown of capital investment amounts by segment is set forth below.

Segment	Amount (millions of yen)
Functional Materials	399
Advanced Materials & Processing	1,974
Electronics	1,195
Mobility & Energy	261
Life & Healthcare	5,744
Others, Company-wide (common)	1,179
Total	10,755

(3) Status of capital procurement

During the current fiscal year, working capital of overseas group companies increased, but we reduced the outstanding balance of issued commercial papers by 22.0 billion yen as the procurement environment in the financial market calmed down while the Group procured a greater amount of funds than usual in the previous fiscal year by issuing commercial papers to hedge the liquidity risk due to COVID-19. As a result of the above and effects from fluctuations in foreign currency exchange rates and other factors, the Group's interest-bearing liabilities decreased by about 17.0 billion yen.

Domestic Group companies, particularly wholly owned subsidiaries, in principle do not procure capital from outside the Group, and the Company performs centralized capital management. Also, the Group cash management system has been introduced in the U.S., U.K., Singapore, Hong Kong, Mexico and China to unify capital procurement and raise capital efficiency.

(4) Status of transfers of business, absorption-type company split or corporate divisions

No applicable information.

(5) Status of acquisition of business of other companies

No applicable information.

(6) Status of assumption of rights and duties relating to the business of other companies through absorption-type merger or company split

No applicable information.

(7) Status of acquisition or disposal of shares, other equity interests, or share options and the like of other companies

No applicable information.

(8) Issues to be addressed

(1) Review of the previous **ACE-2020** Medium-Term Management Plan

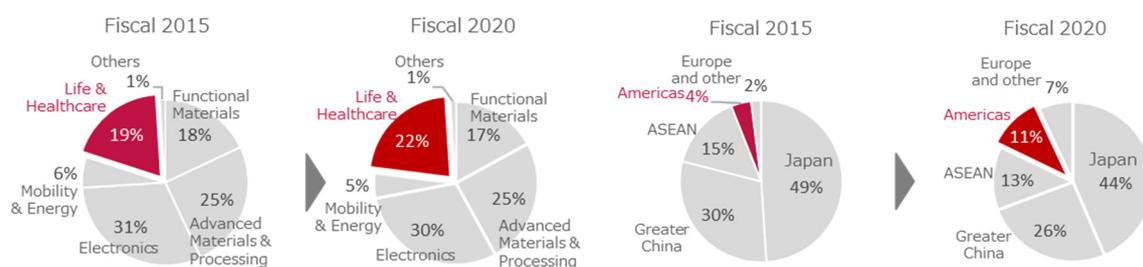
The NAGASE Group (hereinafter “NAGASE”) divided 17 years from fiscal 2016 to 2032 (200th anniversary of its foundation) into three stages, with the five years between fiscal 2016 and fiscal 2020 positioned as Stage 1: Reform, and promoted the **ACE-2020** medium-term management plan focusing on the two kinds of reform, “Reform Profit Structure” and “Reform Corporate Culture.”

To “Reform Profit Structure,” we accelerated our globalization and improved our manufacturing profitability. However, certain issues still remain regarding the expansion and strengthening of our revenue base because there has been a delay in profit contribution driven by inorganic growth through measures to fill gaps. In addition, we divided each business into four areas, “Focus,” “Growth,” “Base” and “Improvement,” implemented strategies in line with each area, made growth investment mainly in the electronics and life & healthcare segments, which are focus areas, invested capital in the Americas, which is a focus region, and withdrew certain operations from the standpoint of efficiency and best owners. Through these activities, etc., our portfolio optimization progressed in terms of both businesses and regions. We also sold cross-shareholdings for 23.9 billion yen to replace them with highly efficient assets.

(Portfolio optimization)

<h3 style="margin: 0;">Focus Areas</h3> <p>Business domains where we expect further increase in profit</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #f4d03f; padding: 5px;">Life &amp; Healthcare</th> <th style="background-color: #f4d03f; padding: 5px;">Electronics</th> </tr> </thead> <tbody> <tr> <td colspan="2" style="padding: 5px;"> <p>[Resource allocation policy] Resource allocation that accelerates growth</p> <p>[Main achievements]</p> <ul style="list-style-type: none"> <li>Converted U.S. Prinova Group, LLC to a Subsidiary; Created group synergy</li> <li>Hayashibara/Established a structure for increasing the production of TREHA® and polysaccharide pullulan</li> <li>Hayashibara/Established application development laboratories in China and Singapore</li> <li>Invested in next-generation communication-related markets, and established a necessary structure</li> <li>Invested in next-generation displays and pharmaceuticals fields</li> </ul> </td> </tr> </tbody> </table>	Life & Healthcare	Electronics	<p>[Resource allocation policy] Resource allocation that accelerates growth</p> <p>[Main achievements]</p> <ul style="list-style-type: none"> <li>Converted U.S. Prinova Group, LLC to a Subsidiary; Created group synergy</li> <li>Hayashibara/Established a structure for increasing the production of TREHA® and polysaccharide pullulan</li> <li>Hayashibara/Established application development laboratories in China and Singapore</li> <li>Invested in next-generation communication-related markets, and established a necessary structure</li> <li>Invested in next-generation displays and pharmaceuticals fields</li> </ul>		<h3 style="margin: 0;">Growth Areas</h3> <p>Areas we expect to transform into Focus Areas within 3 years</p> <div style="border: 1px solid #ccc; padding: 5px; margin-top: 10px;"> <p>[Resource allocation policy] Resource allocation that accelerates growth</p> <p>[Main achievements]</p> <ul style="list-style-type: none"> <li>Released materials informatics “TABRASA”</li> <li>Established a structure for promoting DX, and started developing digital marketing</li> <li>Entered the self-driving technology field (related to LiDAR)</li> <li>Converted U.S.-based INTERFACIAL CONSULTANTS LLC into a subsidiary (acquired innovative technology platforms for resins and other)</li> </ul> </div>
Life & Healthcare	Electronics				
<p>[Resource allocation policy] Resource allocation that accelerates growth</p> <p>[Main achievements]</p> <ul style="list-style-type: none"> <li>Converted U.S. Prinova Group, LLC to a Subsidiary; Created group synergy</li> <li>Hayashibara/Established a structure for increasing the production of TREHA® and polysaccharide pullulan</li> <li>Hayashibara/Established application development laboratories in China and Singapore</li> <li>Invested in next-generation communication-related markets, and established a necessary structure</li> <li>Invested in next-generation displays and pharmaceuticals fields</li> </ul>					
<h3 style="margin: 0;">Base Areas</h3> <p>Areas that stably contribute to raising corporate value</p> <div style="border: 1px solid #ccc; padding: 5px; margin-top: 10px;"> <p>[Resource allocation policy] Resource allocation as revenue sources to sustain businesses on a long-term basis</p> <p>[Main achievements]</p> <ul style="list-style-type: none"> <li>Converted U.S.-based Fitz Chem LLC (currently Nagase Specialty Materials North America) into a subsidiary (expanded the specialty chemical channels in the Americas)</li> <li>Aience Inc. became an affiliated company (developed an environmental contribution business)</li> <li>Set up facilities in Lyon and Izmir (Expanded into markets in Europe and the Middle East)</li> </ul> </div>	<h3 style="margin: 0;">Improvement Areas</h3> <p>Areas in which drastic improvement in profit structure is immediately required</p> <div style="border: 1px solid #ccc; padding: 5px; margin-top: 10px;"> <p>[Main achievements]</p> <ul style="list-style-type: none"> <li>Withdrew from 14 businesses from the viewpoints of efficiency and best owners</li> </ul> </div>				

(Composition ratios of operating profit by segment) (Composition ratios of net sales by region)



To “Reform Corporate Culture,” we had all employees understand the **ACE-2020** and built accountability and responsibility by sharing management’s message, etc. However, certain issues still remain regarding thorough monitoring and PDCA. Regarding the consolidated SG&A ratio set as a KPI to pursue efficiency, we failed to meet the target mainly due to an increase in investment (cost) for the promotion of digital transformation towards sustainable growth in the future (hereinafter “DX”). Meanwhile, for the overall optimization of corporate functions and the pursuit of efficiency, we established Nagase Business Expert Co., Ltd., a provider of domestic group companies’ back-office functions as shared services. As a result, we were able to move toward overall optimization of corporate functions.

(Main achievements)

Reform Corporate Culture	Established Nagase Business Expert Co., Ltd., a shared service company (Set up a framework to streamline and standardize operations)
	Established regional headquarters in the U.S. and China (Improved corporate governance)
	Set up the Group Manufacturers’ Collaboration Committee (Strengthened our compliance framework)
	Set up the Sustainability Committee (Started our activities for ESG and sustainability)
	Facilitated the delegation of authority (Improved the effectiveness of the Board of Directors)
	Set up the Nomination Committee
	Increased the ratio of outside Directors to one-third or more of the members of the Board of Directors
	Abolished the anti-takeover measures

Quantitative targets were met as follows.

Quantitative targets: KGI (Key Goal Indicator)

KGI	Fiscal 2015 Actual	Fiscal 2020 Goal	Fiscal 2020 Actual	Degree of achievement	Compared to Fiscal 2015
Consolidated net sales	742.1 billion yen	1.0 trillion yen or more	<b>830.2 billion yen</b>	<b>83%</b>	112%
Consolidated operating income	18.0 billion yen	30.0 billion yen or more	<b>21.9 billion yen</b>	<b>73%</b>	122%
ROE	4.4%	6.0% or more	<b>5.9%</b>	<b>-0.1pt</b>	+1.5pt

Factor indicators for the achievement of KGI: KPI (Key Performance Indicator)

Reform/Strategy	Measures	KPI	Fiscal 2015 Actual	Fiscal 2020 Goal	Fiscal 2020 Actual	Degree of achievement	Compared to Fiscal 2015
Profit Structure Reform Indicator	Increase Focused Business (Portfolio Optimization)	Operating Income in Focus Area* <sup>1</sup>	10.3 billion yen	16.9 billion yen	<b>18.2 billion yen</b>	<b>108%</b>	177%
		Growing Investment Distribution Ratio in Focus Area	Not set	35% or more	<b>85%</b>	<b>+50pt</b>	-
	Accelerate Globalization (Expand and Strengthen Profit Structure)	Overseas Group Sales* <sup>1</sup>	424.7 billion yen	600.0 billion yen	<b>482.0 billion yen</b>	<b>80%</b>	113%
		Sales Growth Rate in the Americas	Not set	170%	<b>332%</b>	<b>+162pt</b>	-
	Increase Manufacturing Profitability (Expand and Strengthen Profit Structure)	Operating Income from Manufacturing* <sup>1</sup>	8.3 billion yen	14.4 billion yen	<b>8.6 billion yen</b>	<b>60%</b>	104%
		Break-Even Point Sales Ratio* <sup>1</sup>	82%	73%	<b>77%</b>	<b>-4pt</b>	+5pt
Corporate Culture Reform Indicators	Pursue Efficiency (Strengthen Management Platform)	Consolidated Selling, General and Administrative Ratio	9.9%	9.4%	<b>11.2%</b>	<b>-1.8pt</b>	-1.3pt
Financial Strategy Indicator	Investment	Growth Investment	Not set	100.0 billion yen* <sup>2</sup>	<b>122.6 billion yen*<sup>2</sup></b>	<b>123%</b>	-
	Financial Structure	Rating (R&I)	A	A or more	<b>A</b>	<b>100%</b>	100%

\*1: Represents simply added values and does not correspond to consolidated financial statement figures

\*2: Total value during the medium-term management plan period

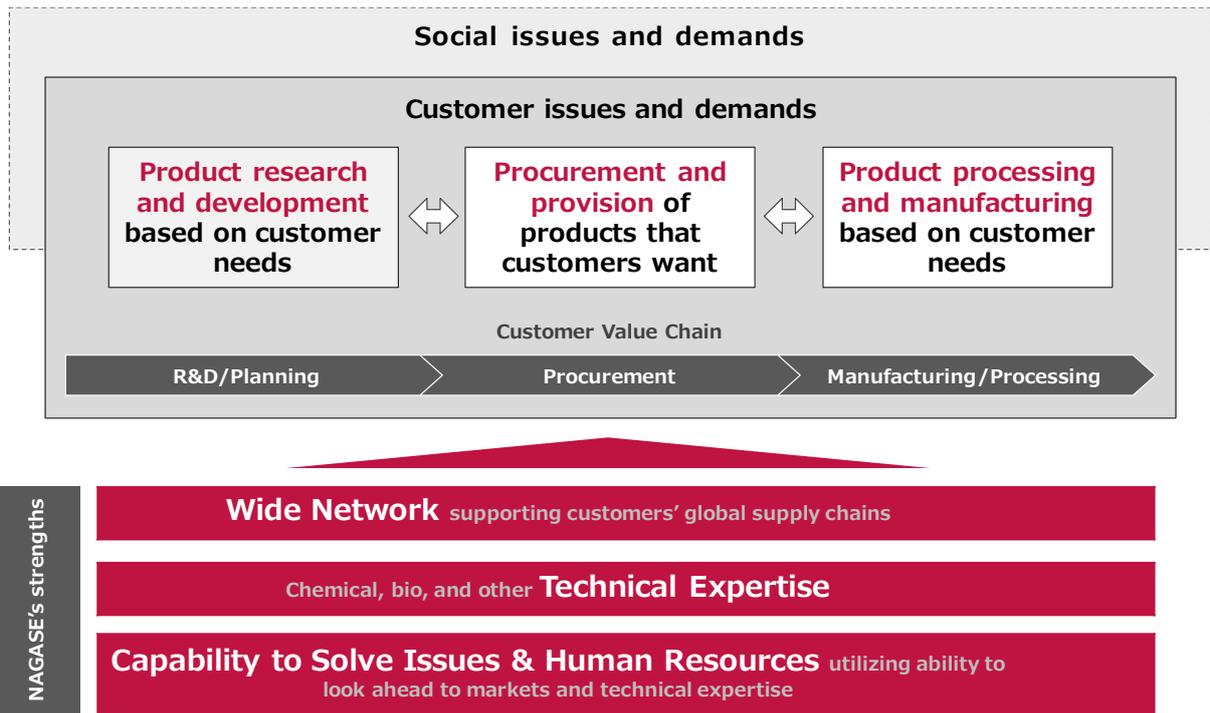
Certain issues to be addressed still remain due to a failure to meet the quantitative targets of the **ACE-2020**. However, our efforts made under the **ACE-2020** are considered good-quality, competitive assets that uphold NAGASE's corporate value and can become a basis for improvement of revenue and efficiency during the new medium-term management plan period.

(2) Review of management environments and framework of principles

Management environments

Environments surrounding NAGASE have largely changed and have been recently affected significantly by the spread of COVID-19. We think it is necessary to create and provide new value by responding to changing customers, markets and societies affected by any external environmental change as well as the COVID-19 pandemic.

(Internal environment analysis: Strengths of NAGASE)



NAGASE has addressed needs of customers and society based on its strengths (i.e., “Wide Network,” “Technical Expertise,” and “Capability to Solve Issues & Human Resources”). NAGASE recognizes the necessity to solidify and grow these strengths further when creating and providing new value.

(External environment analysis: Recognition of important external environments, and future opportunities and threats)

	Current strengths that may be weakened	Anticipated future opportunities and threats
Technological innovation	<ul style="list-style-type: none"> <li>■ The impact of the digital divide on transaction volume is smaller due to an increasing amount of information distributed</li> <li>■ Past experiences and knowledge become obsolete as information is updated faster than ever before</li> </ul>	<ul style="list-style-type: none"> <li>■ The digital divide between customers and makers will become smaller due to the progress of digital marketing and the emergence of digital platformers</li> <li>■ New competition may emerge in unexpected areas</li> </ul>
Climate change/ Resource shortages	<ul style="list-style-type: none"> <li>■ Transaction volume decreases or becomes zero if the environmental burdens of products are high</li> <li>■ The importance of environment has increased (e.g., designation of environmental stocks in the capital market)</li> </ul>	<ul style="list-style-type: none"> <li>■ Stronger interest in the reduction of customers' environmental burdens</li> <li>■ Shift from existing products to sustainable products</li> </ul>
Changes in population dynamics	<ul style="list-style-type: none"> <li>■ Japan is the NAGASE Group's home country, but its relative status has decreased mainly due to the rise of emerging economies</li> <li>■ Consumption and production areas have shifted from advanced countries to emerging countries</li> </ul>	<ul style="list-style-type: none"> <li>■ Distribution volume will decrease in Japan due to depopulation and population aging</li> <li>■ Supply chains may change in areas where there is still room for development</li> </ul>
Industry reorganization	<ul style="list-style-type: none"> <li>■ Product differentiation has become difficult due to fiercer competition caused by the formation of corporate alliances and the enhancement of technological capability driven mainly by the rise of companies in emerging markets</li> </ul>	<ul style="list-style-type: none"> <li>■ Customers are actively integrating their transactions and reviewing distribution channels due to industry reorganization</li> <li>■ Distribution channels may change due to the emergence of new competition</li> </ul>

NAGASE considers that external environmental changes (e.g., technological innovation, climate change, resource shortages, changes in population dynamics, and industry reorganization) may substantially alter the value provided so far and will be risks that may weaken NAGASE's strengths. NAGASE also considers that inappropriate responses to these environmental changes may create future threats, but the adaptation to these changes could possibly bring big opportunities.

(Value provided to important stakeholders, and materiality (important issues))

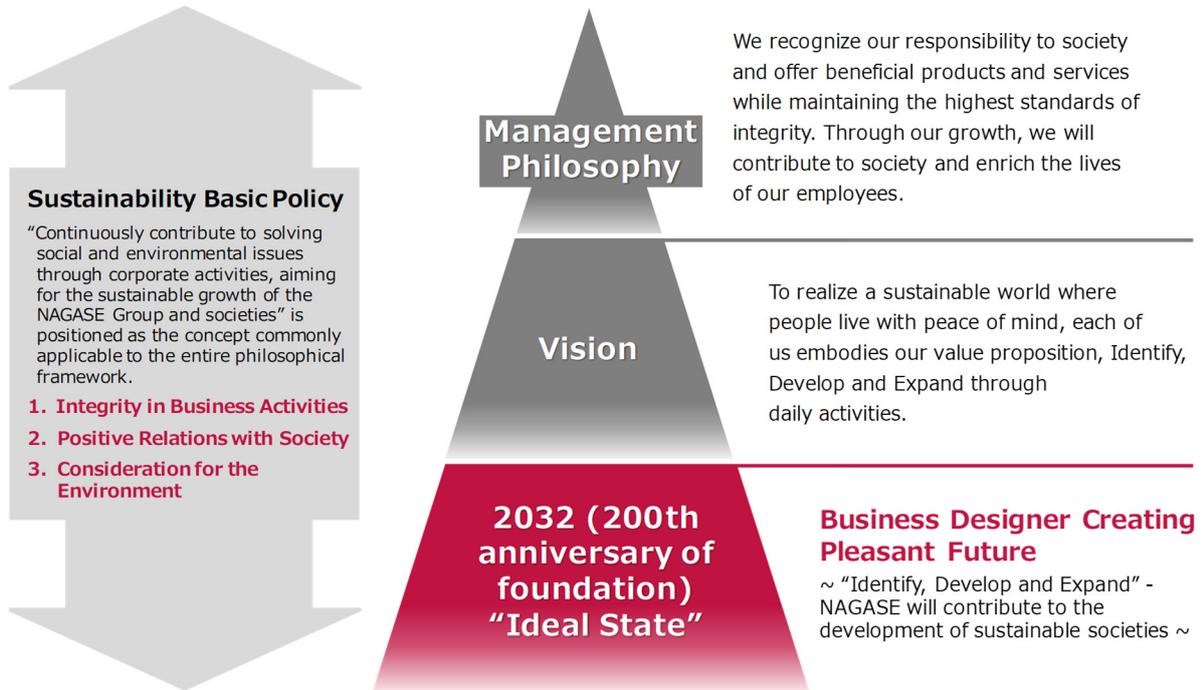
	Value provided	Materiality (key issues)	Relevant SDGs
Employees	<ul style="list-style-type: none"> <li>• <b>Work environments that are safe and facilitate work</b></li> <li>• <b>Work environments where all employees can positively and enjoyably engage in work with motivation</b></li> <li>• A corporate group that employees and their families are proud of</li> </ul>	<p><b>[Use of a variety of human resources/Provision of a work environment and corporate culture]</b></p> <ul style="list-style-type: none"> <li>• Improve productivity using advanced technology, and use <b>a variety of human resources</b></li> <li>• Provide <b>a work environment</b> where Group employees with diverse backgrounds respect and encourage each other, and create such <b>corporate culture</b></li> </ul>	 
Business Partners	<ul style="list-style-type: none"> <li>• <b>Deepen our understanding</b> of partners and <b>build cooperative relationships with them</b> to pursue a wide range of possibilities</li> <li>• <b>Solutions for social issues</b> that the entire value chain should undertake</li> </ul>	<p><b>[New value creation using advanced technology]</b></p> <ul style="list-style-type: none"> <li>• New <b>value creation</b> using advanced technology and the networks of business partners</li> <li>• <b>Provide various ways to solve</b> increasingly complex issues of business partners by understanding the real reasons behind these issues</li> </ul>	 
Society/Consumers	<ul style="list-style-type: none"> <li>• Contribute to the development of regional societies by implementing <b>ethical management that complies with laws and regulations</b></li> <li>• Business activities that <b>respect</b> the rights, health and <b>well-being</b> of people in the supply chain</li> <li>• Products and services to <b>realize a sustainable world where people live with peace of mind</b></li> </ul>	<p><b>[Solving social and environmental issues, and globalization]</b></p> <ul style="list-style-type: none"> <li>• Solve issues that threaten peace of mind and safety, such as <b>climate change</b> and food and water shortages</li> <li>• Contribute to assurance and improvement of <b>food safety</b> using bio, AI, and other advanced technologies</li> <li>• Meet demand for <b>health maintenance</b> amid the progress of an aging population mainly in advanced countries</li> <li>• Accelerate <b>globalization</b>, and contribute to solving regional social issues</li> </ul>	   
Shareholders	<ul style="list-style-type: none"> <li>• <b>Foster trust and reassurance</b> with highly transparent management structure and timely and accurate information disclosure</li> <li>• <b>Improve both social and economic value, maximize corporate value by constantly creating new businesses</b></li> </ul>	<p><b>[Corporate governance]</b></p> <ul style="list-style-type: none"> <li>• Establish highly transparent <b>corporate governance</b></li> <li>• Continuous <b>corporate value enhancement</b>, with both economic value and social value in mind</li> </ul>	

With the above-mentioned large external environmental changes in mind, NAGASE has identified important stakeholders, the value that it wants to provide to each stakeholder, and the materiality (important issues) for the realization of such provision of value towards the year 2032 (200th anniversary of its foundation). In addition, assuming the successful provision of such value, NAGASE has newly designated such state as the Ideal State - “Business Designer Creating Pleasant Future.”

Through the activities of “Identify, Develop and Expand,” a part of the NAGASE Vision, NAGASE will solve the issues of societies, customers, and suppliers, contributing to the development of sustainable societies.

## Review of framework of principles

Considering the above, NAGASE has reviewed the framework of its principles. NAGASE has positioned the Ideal State as follows and prepared its “Sustainability Basic Policy” as the concept commonly applicable to the entire framework of principles.

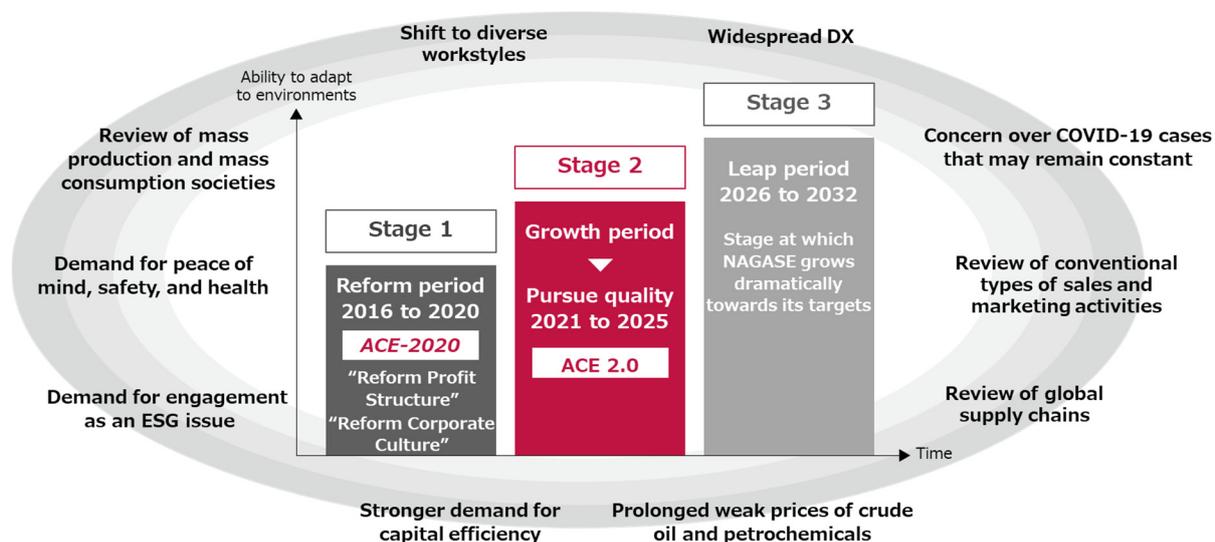


### (3) New Medium-Term Management Plan **ACE 2.0**

NAGASE considers that the materiality (important issues) for the realization of the “Ideal State” in 2032 (200th anniversary of its foundation) and items listed in the New Medium-Term Management Plan “**ACE 2.0**,” that the Company has prepared by backcasting from 2032 to realize the Ideal State, are the issues to be addressed.

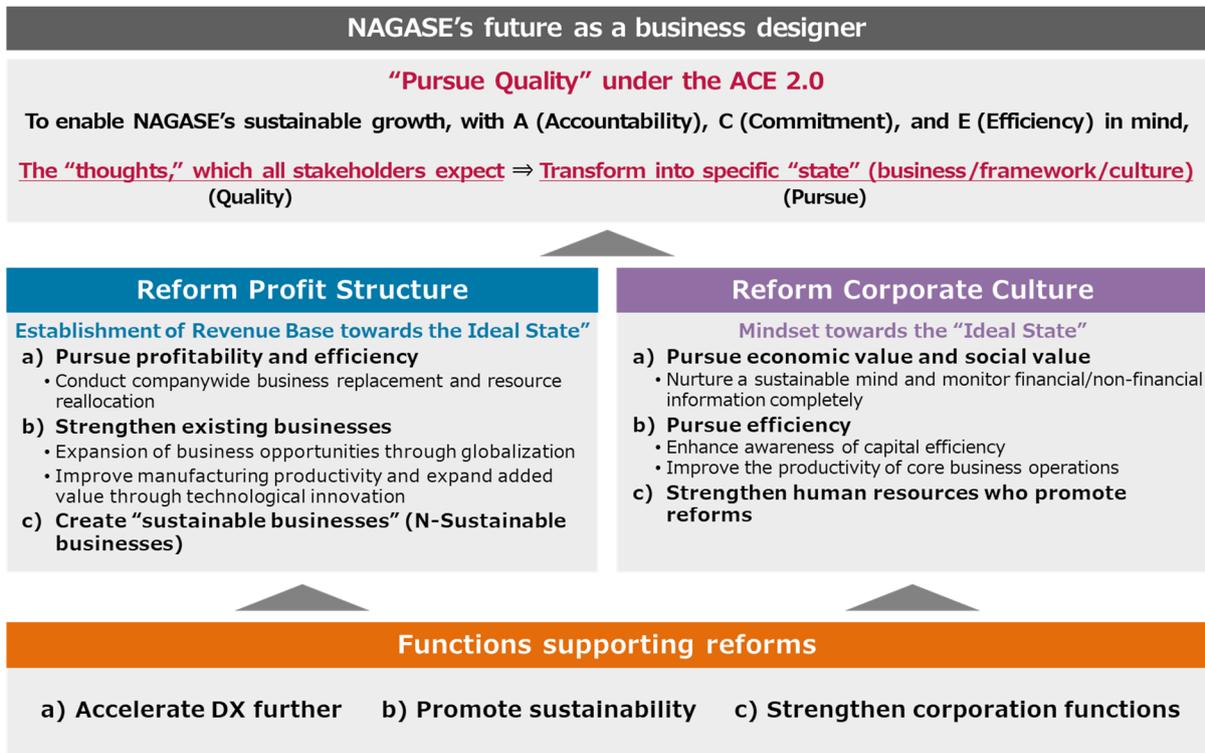
Many reforms have been launched through the implementation of measures under the **ACE-2020**, but further efforts are considered necessary to ensure the completion of these reforms. In addition, a paradigm shift has become increasingly necessary due to environments that are continuously changing in a radical manner, and therefore the Company has named the New Medium-Term Management Plan **ACE 2.0**, denoting an upgraded version of **ACE-2020**, while the basic concept of the former plan remains unchanged. With these drastic changes in external environments in mind, the Company has also changed the positioning of **ACE 2.0** from the previously categorized “Growth Stage” to “Pursue Quality.”

\* “**ACE**” represents Accountability, Commitment, and Efficiency.



Basic ACE 2.0 Policy

For the realization of NAGASE’s sustainable growth under the **ACE 2.0**, NAGASE will create the “thoughts” that all stakeholders expect as a specific “state” (business/framework/culture). Then, Nagase will aim to become “a business designer creating a pleasant future” by accelerating DX further, promoting sustainability, and strengthening corporate functions for the two kinds of reform, “Reform Profit Structure” and “Reform Corporate Culture,” including the functions to uphold both reforms.

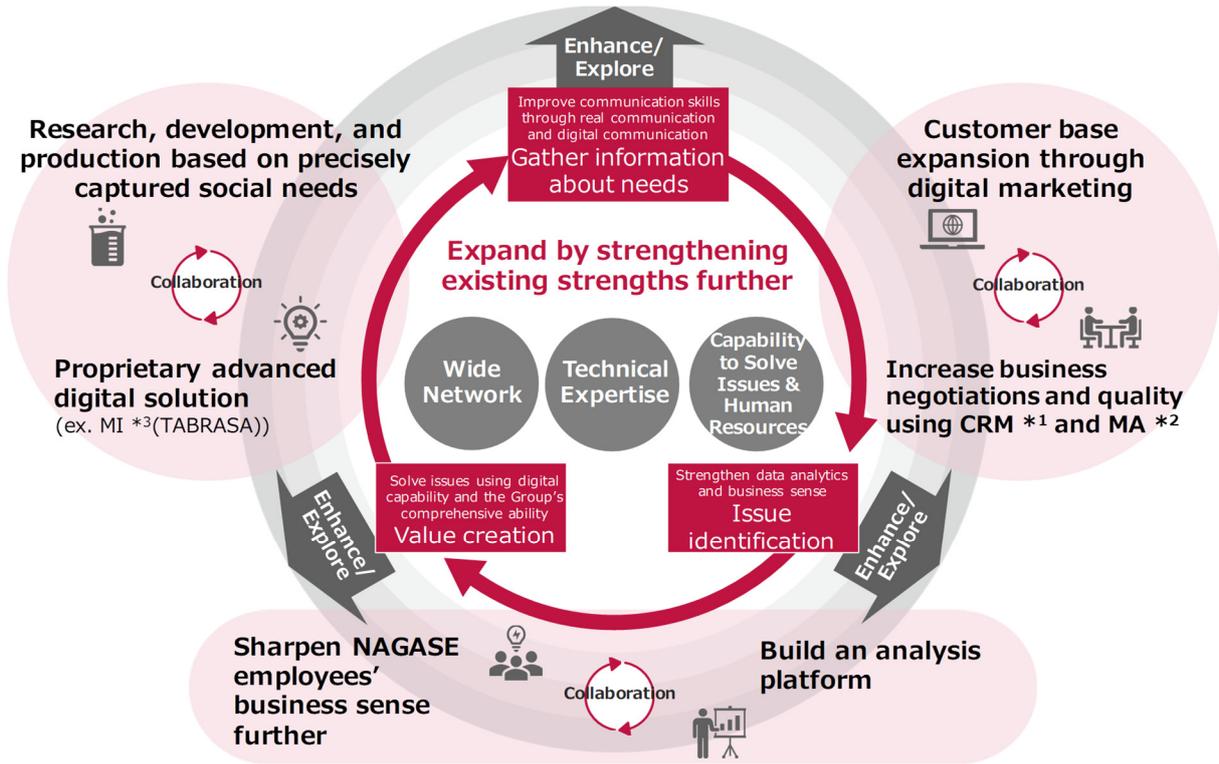


Functions supporting reforms

To realize both reforms, NAGASE will expand the DX, sustainability, and corporate functions because these functions are necessary across the Group.

By using DX as a means, NAGASE will further improve its existing strengths, “Wide Network,” “Technical Expertise,” and “Capability to Solve Issues & Human Resources,” mainly aiming to enhance and explore business models that can solve the issues of customers and societies, create innovation, and improve productivity.

To pursue economic value and social value for the realization of the “Ideal State” based on the Sustainability Basic Policy, NAGASE will also make these functions available to the entire Group.



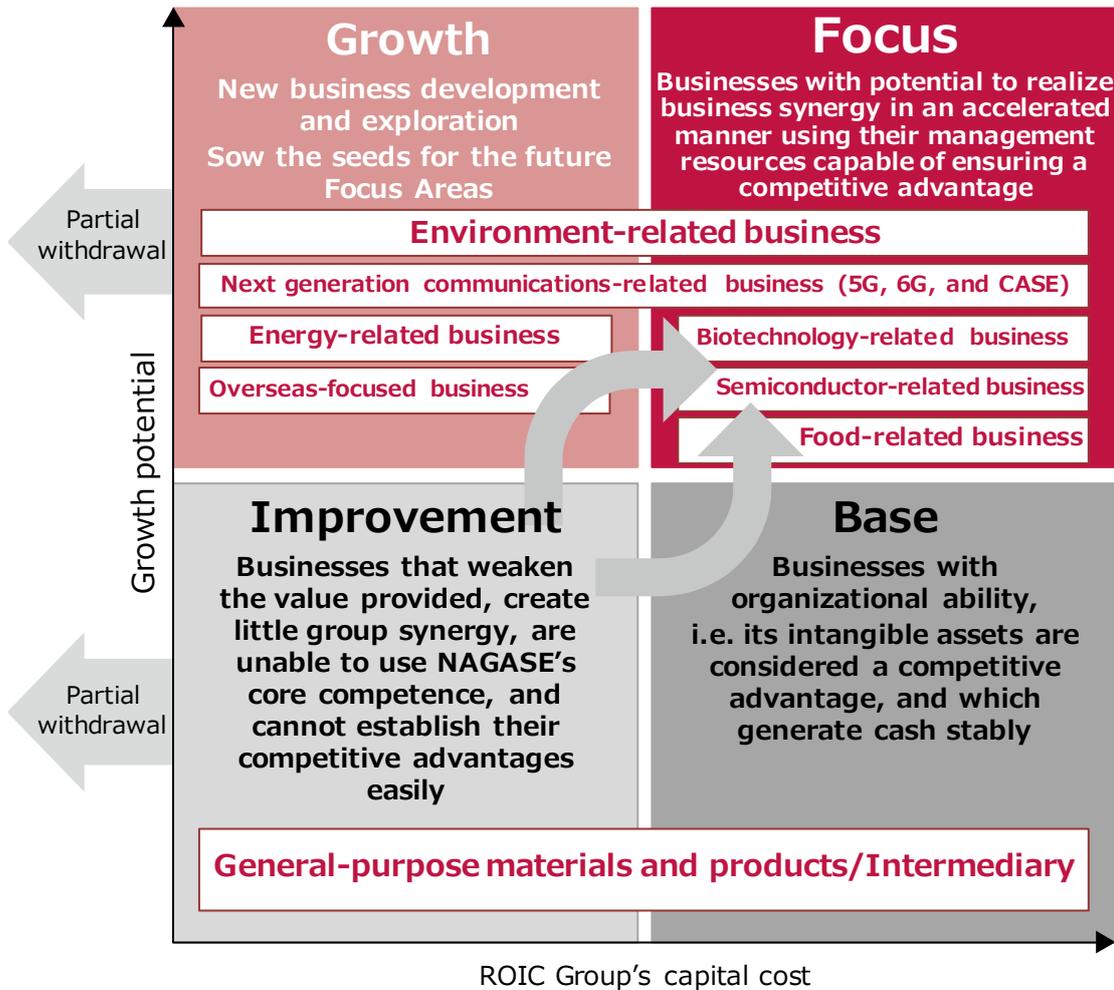
\*1: Customer Relationship Management    \*2: Marketing Automation    \*3: Materials Informatics

Reform Profit Structure - Establishment of Revenue Base towards the “Ideal State”

a) Pursue Profitability and Efficiency

- Conduct companywide business replacement and resource reallocation

To maximize management resource efficiency, NAGASE will secure and reinvest management resources. From the viewpoints of efficiency and growth, NAGASE will classify its businesses into four areas, “Focus,” “Growth,” “Base” and “Improvement,” implement strategies for each area, secure 10% of invested capital of all the companies, and reinvest it in “Focus Areas” and “Growth Areas” aiming to accelerate the shifting of resources.



b) Strengthen existing businesses

- Expansion of business opportunities through globalization

Based on regional needs and industry trends, NAGASE will accelerate its globalization mainly by creating prospective businesses whose strategic functions should be located overseas, facilitating the transfer of business creation authority to each region, and strengthening the training of local management personnel, so that it can expand business opportunities.

- Improve manufacturing productivity and expand added value through technological innovation

NAGASE will improve manufacturing productivity and expand added value mainly by strengthening its bases through the reduction of environmental burdens and the promotion of production innovation using DX, strengthening and expanding the elemental technology and product

development functions, developing new materials using materials informatics (TABRASA) and exploring new markets through digital marketing.

c) Create “sustainable businesses” (N-Sustainable businesses)

NAGASE will identify issues that are not yet recognized by customers and societies, and create “sustainable businesses” (= N-Sustainable businesses) for the enhancement of social and environmental value by providing “solutions that can generate profit.”

By designating the environment/energy area, next generation communications-related area, and life & healthcare area as the main areas, NAGASE will enhance its existing business model to improve social and environmental value and provide new value that can solve issues, explore new business models, and create innovation.

**Concept of N-Sustainable businesses**

**1. Improve social and environmental value**

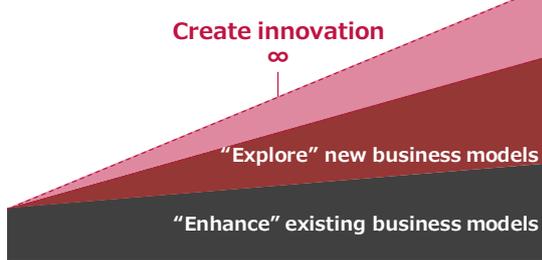
Achieve a sustainable future for future generations by examining the details of 17 SDGs (169 targets) and contributing to solving issues through business activities

and

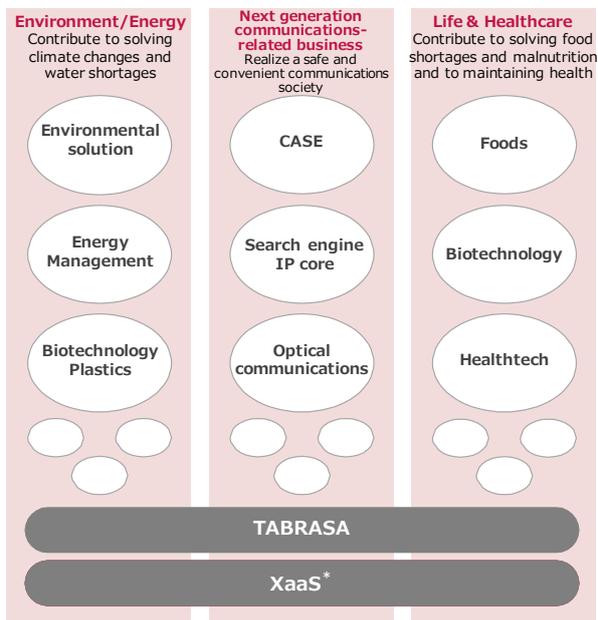
**2. Provide new value that can solve issues**

Recognize, as early as possible, the issues that customers and society may face in the future, and provide “solutions that can generate profit” through innovative services and technologies and by using the NAGASE Group’s “connections.”

**Value created by N-Sustainable businesses**



**Areas of N-Sustainable businesses**



\*X as a Service: Business model related to various services

## Reform Corporate Culture - Mindset towards the “Ideal State”

### a) Pursue economic value and social value

- Foster sustainable mind and monitor financial/non-financial information completely

Considering that it is necessary to pursue economic value and social value as a pair of values for the realization of “Pursue Quality,” NAGASE will conduct comprehensive monitoring by setting financial and non-financial KPIs.

Regarding non-financial KPIs, NAGASE will set them based on the “keywords for the provision of value” described below so that it can make quantitative assessments of its efforts for handling the materiality (important issues) that has been set to realize the “Ideal State.”

These KPIs will be announced by the end of fiscal 2021.

Materiality (key issues)	Keyword of value provided	Anticipated KPI
<p><b>[Use of a variety of human resources/Provision of a work environment and corporate culture]</b></p> <ul style="list-style-type: none"> <li>• Improve productivity using advanced technology, and use <b>a variety of human resources</b></li> <li>• Provide <b>a work environment</b> where Group employees with diverse backgrounds respect and encourage each other, and create such <b>corporate culture</b></li> </ul>	<p><b>[Employee engagement]</b></p> <p><b>[Workstyle/Diversity]</b></p>	<ul style="list-style-type: none"> <li>• Number of female managers</li> <li>• Number of specialized scientists</li> <li>• Localize overseas management, etc.</li> </ul>
<p><b>[New value creation using advanced technology]</b></p> <ul style="list-style-type: none"> <li>• New <b>value creation</b> using advanced technology and the networks of business partners</li> <li>• <b>Provide various ways to solve</b> increasingly complex issues of business partners by understanding the real reasons behind these issues</li> </ul>	<p><b>[N-Sustainable businesses]</b></p> <p><b>[Reduce GHG emissions]</b></p> <p><b>[Circular economy]</b></p> <p><b>[Food loss]</b></p>	<ul style="list-style-type: none"> <li>• Number of N-Sustainable businesses deals</li> <li>• Volume of GHG emissions</li> <li>• Quantities of water intake and drainage water</li> <li>• Energy volume used</li> <li>• Disposal volume, etc.</li> </ul>
<p><b>[Solving social and environmental issues, and globalization]</b></p> <ul style="list-style-type: none"> <li>• Solve issues that threaten peace of mind and safety, such as <b>climate change</b> and food and water shortages</li> <li>• Contribute to assurance and improvement of <b>food safety</b> using bio, AI, and other advanced technologies</li> <li>• Meet demand for <b>health maintenance</b> amid the progress of an aging population mainly in advanced countries</li> <li>• Accelerate <b>globalization</b>, and contribute to solving regional social issues</li> </ul>	<p><b>[Corporate governance]</b></p>	<ul style="list-style-type: none"> <li>• More diverse management teams, etc.</li> </ul>

b) Pursue efficiency

- Enhance awareness of capital efficiency

Under **ACE 2.0**, NAGASE will improve its ROIC through business strategies, reduce WACC through financial strategies, and increase the ROIC spread. NAGASE will aim to improve added value by earning its ROIC above WACC at all times.



\*1: Net income attributable to owners of the parent/Average invested capital\*100

\*2: Cost of shareholders' equity (constituent of WACC) represents the amount obtained using the Company's original CAPM-based calculation method.

The promotion of "Pursue Quality" requires a certain amount of investment, and therefore NAGASE will shift its resources to "Focus Area" and "Growth/Emerging Area" as part of its business strategies, and promote the improvement of companywide efficiency, although its active stance on investment remains unchanged. As for financial strategies, NAGASE will reduce WACC mainly by using interest-bearing liabilities up to the Net DE ratio of less than 0.5, and raising dividends.

(Sources and use of funds)

During the **ACE 2.0** period, NAGASE will make growth investments worth up to 150 billion yen (including working capital). NAGASE will create cash flows through sustainable growth and portfolio improvement, ensure its financial soundness, and conduct efficient fund allocation (e.g., investments in new businesses, research and development, etc., aiming for further growth).

(Shareholder return)

Regarding the policy on shareholder returns during the **ACE 2.0** period, NAGASE has changed its dividend policy from a stable dividend payment to the policy of continuously raising dividends.

When acquiring treasury stock, NAGASE will do so flexibly by comprehensively considering how its shares are assessed in the capital market, financial soundness (Net DE ratio of less than 0.5), investment capability for further growth, and other factors.

- Improve the productivity of core business operations

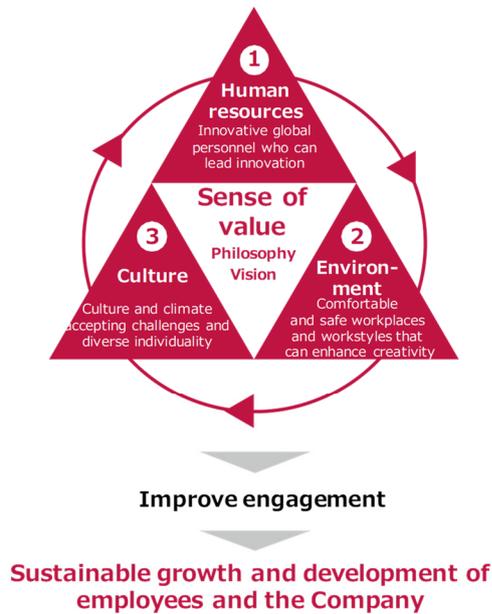
NAGASE will improve the consolidated SG&A ratio\*1 by 5 percentage points\*2 mainly by enhancing business productivity and quality through the expansion of the scope of operations of Nagase Business Expert Co., Ltd., which efficiently provides back-office operations as shared services to domestic subsidiaries and affiliates, and by streamlining back-office operations and marketing and sales activities using IT.

\*1: Excluding research and development expenses, amortization of acquisition-related intangible assets such as goodwill, and amortization of actuarial gains or losses

\*2: Comparison with an average figure for the past five years (fiscal 2016 to 2020)

c) Strengthen human resources promoting reforms

By securing “human resources (global human resources who are innovative and can lead innovation),” creating “environments (comfortable, safe, and creative workplaces and workstyles),” and developing a “culture (corporate culture and climate that can embrace challenges and a variety of individualities),” NAGASE will enhance employee and corporate engagements and realize sustainable growth and development of both.



Alignment of <b>business and HR strategies</b>	Create a base enabling <b>a variety of human resources to fulfill their roles</b>
<b>a) Human resources</b>	
<p style="text-align: center; margin: 0;"><u>Talent management</u></p> <p style="margin: 0;">Hire and foster talented personnel, and delegate the right tasks to the right people</p> <ul style="list-style-type: none"> <li>• Visualize the global HR portfolio</li> <li>• Hire personnel in line with strategies, and strengthen development</li> </ul>	<p style="text-align: center; margin: 0;"><u>Health and productivity management</u></p> <p style="margin: 0;">Physically and mentally healthy employees</p> <ul style="list-style-type: none"> <li>• Visualize employees' health conditions, strengthen analysis, and implement new measures</li> </ul>
<b>b) Environment</b>	
<p style="text-align: center; margin: 0;"><u>Workstyle reform</u></p> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p style="margin: 0;">Offices where employees can show their creativity</p> <ul style="list-style-type: none"> <li>• Set and realize a new workplace vision under which talented individuals get connected and co-create something</li> </ul> </div> <div style="width: 45%;"> <p style="margin: 0;">Workstyles enabling people to work at any time and place</p> <ul style="list-style-type: none"> <li>• Implement an effective and efficient workstyle, including a work-from-home scheme and staggered working hours</li> </ul> </div> </div>	
<b>c) Culture</b>	
<p style="text-align: center; margin: 0;"><u>Diversity &amp; Inclusion</u></p> <p style="margin: 0;">Human resources diversification</p> <ul style="list-style-type: none"> <li>• Increase the ratio of females, non-Japanese, and highly specialized personnel in domestic offices</li> </ul>	<p style="text-align: center; margin: 0;"><u>HR policy</u></p> <p style="margin: 0;">Management decisions focusing on both the improvement of capital efficiency and the challenges of starting new businesses</p> <ul style="list-style-type: none"> <li>• Revise the officer compensation system</li> </ul>

## Quantitative Targets of **ACE 2.0**

Target indicator of “Pursue Quality” (KGI: Key Goal Indicator)

Measures	Indicators	Fiscal 2020	Fiscal 2025*
Enhance capital efficiency	ROE	5.9%	8.0% or more
Increase earnings power	Operating income	21.9 billion yen	35.0 billion yen

\*Assumed rates for fiscal 2025: 1US\$ = 108.7 yen, 1RMB = 15.6 yen

KPI: Key Performance Indicator to achieve “Pursue Quality”

Reform/Functions	Measures	Indicators	Fiscal 2020	Fiscal 2025
Reform Profit Structure	Companywide business replacement and resource reallocation	Growth investment <sup>*1</sup>	-	150.0 billion yen <sup>*2</sup>
		Secure 10% of the Group's invested capital, and reinvest it in Focus and Growth Areas	-	10% or more
	Create “N-Sustainable businesses”	Operating income	-	5.0 billion yen or more <sup>*3</sup>
	Improve manufacturing productivity and expand added value through technological innovation	Operating income from manufacturing <sup>*4</sup>	13.8 billion yen <sup>*5</sup>	20.0 billion yen or more
Reform Corporate Culture	Improve the productivity of core business operations	Selling, general and administrative ratio <sup>*6</sup>	57.1% <sup>*7</sup>	52.1%
	Enhance awareness of capital efficiency	Net DE ratio	0.23	Less than 0.5
Functions supporting reforms	Accelerate DX further	Invested capital (including expenses) <sup>*8</sup>	2.4 billion yen	10.0 billion yen <sup>*2</sup>

\*1: N-Sustainable investment, new business investment, DX-related investment, research and development expenses, working capital \*2: Cumulative sum for five years \*3: Figures based on internal management

\*4: Simple addition of figures \*5: The Company has reviewed its manufacturing category (e.g., the Prinova Group is classified as a manufacturer effective fiscal 2021), and actual figures for fiscal 2020 are based on the new category.

\*6: Excluding research and development expenses, amortization of acquisition-related intangible assets such as goodwill, and amortization of actuarial gains or losses \*7: Average figure for the past five years (fiscal 2016 to 2020)

\*8: DX-related investments amounting to a 5-year cumulative total of 10 billion yen are included in the 150 billion yen growth investment

Under **ACE 2.0**, non-financial KPIs will be set. These KPIs will be announced by the end of fiscal 2021.

## (9) Changes in assets and profit/loss

(Unit: millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	783,933	807,755	799,559	830,240
Ordinary income	25,982	26,643	19,083	22,854
Net income attributable to owners of parent	17,175	20,136	15,144	18,829
Net income per share (Unit: yen)	136.34	161.30	122.12	151.91
Total asset	569,456	567,346	611,477	640,587
Net asset	308,804	312,609	313,243	338,431

Note: Amounts indicated in units of one million yen are rounded down to the nearest one million yen.

## (10) Status of parent company and main subsidiaries (As of March 31, 2021)

## a) Status of parent company

No applicable information.

## b) Status of main subsidiaries

Company name	Capital	Percentage of voting rights held	Main business
Nagase Holdings America Corporation	(thousand) US\$ 1	100.0%	Regional management, investment and asset management, and provision of professional services
Prinova Group, LLC	-	93.3% (93.3%)	Sales of food ingredients, processing, and contract manufacturing of finished products
Hayashibara Co., Ltd.	500 million yen	100.0%	Development, manufacture, and sale of food raw materials, pharmaceutical raw materials, cosmetics raw materials, health foods raw materials, and functional dyes
Nagase ChemteX Corporation	2,474 million yen	100.0%	Manufacture of epoxy resins, enzymes, and chemical industry products
Shanghai Hua Chang Trading Co., Ltd.	(thousand) RMB 19,864	70.0% (53.8%)	Sale of plastics and related products
Shanghai Nagase Trading Co., Ltd.	(thousand) RMB 8,120	100.0%	Import/export, intermediate trade, market development, information collection
Nagase (Thailand) Co., Ltd.	(thousand) BAHT 321,000	100.0%	Import/export, intermediate trade, market development, information collection
Totaku Industries, Inc.	270 million yen	100.0%	Manufacture and sale of plastic products, etc.
Nagase (Hong Kong) Ltd.	(thousand) HK\$ 3,120	100.0%	Import/export, intermediate trade, market development, information collection
Nagase Plastics Co., Ltd.	310 million yen	100.0%	Sale of plastic products, etc.

Notes:

1. Figures in parentheses under percentage of voting rights held indicate indirect ownership (included in total equity holdings).
2. Prinova Group, LLC is a limited liability company under United States law. The amount of capital is not stated because it does not exactly accord with the concept of capital.
3. As of the end of the fiscal year, there were no specified wholly owned subsidiaries.

(11) Main business activities (As of March 31, 2021)

The Nagase Group conducts import and export of a diverse range of products, conducts domestic transactions, manufactures and sells products, and provides services.

Business segment	Products handled or services provided
Functional Materials	Paint, ink and adhesive raw materials, urethane materials and auxiliaries, plastic materials, plastic additives, industrial oil materials, water processing-related materials, surfactant raw materials, fluorochemicals, adhesive materials, 5G-related materials, silicone materials, environmental solution and environment-related commercial products, sintered metal filters, and others
Advanced Materials & Processing	Dyestuff, pigments, functional dyes, information printing-related products, 3D printing-related commercial products, thermoplastic resins, thermosetting resins, auto body repair paint, conductive paints, synthetic rubber, inorganic materials, plastic products, plastic moldings and molds, and others
Electronics	Modified epoxy resins, fine polishing abrasives, semiconductor assembly materials and equipment, adhesive and sealing materials, display panel components, materials and equipment, chemical management equipment for display production processes, low-temperature vacuum equipment, LED, and others
Mobility & Energy	Plastic products, rechargeable battery raw materials, interior and exterior materials and parts, materials for mechanical components, products for electrification, sensor parts, products for automotive interior electronics, automotive display-related components, products for automatic driving, design and manufacture of rechargeable battery systems, proposals for energy management systems, solar panels, battery assessment services, optical wireless communication equipment, and others
Life & Healthcare	Pharmaceutical and agricultural raw materials, research reagents, in-vitro diagnostics, enzymes, food additives, food extracts, sports nutrition, premix, cosmetics additives, feed, surfactants, radiation measuring services, cosmetics, health foods, beauty foods, and others
Others	Logistics services, information processing services, vocational services, and others

Note: From April 1, 2021, business segments have been changed as follows:

Business segment	Products handled or services provided
Functional Materials	Paint, ink and adhesive raw materials, urethane materials and auxiliaries, plastic materials, plastic additives, industrial oil materials, water processing-related materials, surfactant raw materials, fluorochemicals, adhesive materials, 5G-related materials, silicone materials, environmental solution and environment-related commercial products, sintered metal filters, and others
Advanced Materials & Processing	Dyestuff, pigments, functional dyes, information printing-related products, thermoplastic resins, thermosetting resins, auto body repair paint, conductive paints, synthetic rubber, inorganic materials, plastic products, plastic moldings and molds, and others
Electronics & Energy	Modified epoxy resins, fluoric products, fine polishing abrasives, semiconductor assembly materials and equipment, adhesive and sealing materials, display panel components, materials and equipment, chemical management equipment for display production processes, low-temperature vacuum equipment, LED, 3D printing-related commercial products, design and manufacture of rechargeable battery systems, proposals for energy management systems, solar panels, battery assessment services, optical wireless communication equipment, and others
Mobility	Plastic products, rechargeable battery raw materials, interior and exterior materials and parts, materials for mechanical components, products for electrification, sensor parts, products for automotive interior electronics, automotive display-related components, products for automatic driving, and others
Life & Healthcare	Pharmaceutical and agricultural raw materials, research reagents, in-vitro diagnostics, enzymes, food additives, food extracts, sports nutrition, premix, cosmetics additives, feed, surfactants, radiation measuring services, cosmetics, health foods, beauty foods, and others
Others	Logistics services, information processing services, vocational services, and others

(12) Main offices and plants (As of March 31, 2021)

NAGASE & CO., LTD.	Domestic sales branch	Head office	Osaka Head Office (Osaka, Osaka)
		Branch	Tokyo Head Office (Chuo-ku, Tokyo), Nagoya Branch Office (Nagoya, Aichi)
	Domestic R&D center	Nagase R&D Center (Kobe, Hyogo), Nagase Application Workshop (Amagasaki, Hyogo)	
Subsidiaries	Domestic sales branch	Nagase Plastics Co., Ltd. (Osaka, Osaka), and others	
	Domestic manufacturing plant	Hayashibara Co., Ltd.: Okayama Plant I, Plant II, Okayama Functional Saccharide Plant, Fujita Plant and Fujita Formulation Plant (Okayama, Okayama) Nagase ChemteX Corporation: Harima Plant, (Tatsuno, Hyogo), Fukuchiyama Plant (Fukuchiyama, Kyoto), Sakai Factory (Sakai, Osaka) Totaku Industries, Inc.: Kansai Rinku Factory (Sennan, Osaka), Kanto Oyama Factory (Oyama, Tochigi) and others	
	Domestic R&D center	Hayashibara Co., Ltd. R&D Center (Okayama, Okayama), Nagase ChemteX Corporation Harima Plant (Tatsuno, Hyogo) and Fukuchiyama Plant (Fukuchiyama, Kyoto), and others	
	Overseas sales branch	Nagase Holdings America Corporation, Prinova Group, LLC, Nagase (Thailand) Co., Ltd., Shanghai Hua Chang Trading Co., Ltd., Nagase (Hong Kong) Ltd., Shanghai Nagase Trading Co., Ltd., and others	

(13) Status of employees (As of March 31, 2021)

a) Status of the corporate group employees

Business Segment	Number of employees
Functional Materials	673
Advanced Materials & Processing	1,606
Electronics	1,338
Mobility & Energy	348
Life & Healthcare	1,874
Others	308
Company-wide (common)	793
Total	6,940

Notes:

1. The number of employees indicates the number of persons employed.
2. The number of employees indicated as “Company-wide (common)” refers to employees who are assigned to management divisions that cannot be categorized in a particular business segment.

b) Status of the Company’s employees

Number of employees	Change from the end of the previous fiscal year	Average age	Average length of service
875	-34	42.3	14.8 years

Note: The number of employees indicates the number of persons employed.

(14) Main lenders and loan amounts (As of March 31, 2021)

Lenders	Loan amounts
Sumitomo Mitsui Banking Corporation	28,482 million yen
MUFG Bank, Ltd.	15,801 million yen
Mizuho Bank, Ltd.	8,707 million yen

Note: Amounts of less than one million yen are rounded down to the nearest one million yen.

(15) Other significant matters relating to the current state of the corporate group

No applicable information.

**2. Matters relating to the Company's shares** (As of March 31, 2021)

- (1) Total number of shares authorized 346,980,000
- (2) Total number of shares issued 124,408,285
- (3) Number of shareholders 25,934

(4) Principal shareholders (top 10)

Principal shareholders	Number of shares held (thousand shares)	Holdings percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	9,726	7.9
Sumitomo Mitsui Trust Bank, Limited	5,776	4.7
NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	5,477	4.4
Custody Bank of Japan, Ltd. (Trust Account)	5,435	4.4
Sumitomo Mitsui Banking Corporation	4,377	3.5
Nippon Life Insurance Company	3,589	2.9
Reiko Nagase	3,519	2.9
NORTHERN TRUST CO. (AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS	3,122	2.5
NAGASE & CO., LTD. Own Share Investment Association	2,927	2.4
Nagase Shunzo Co., Ltd.	2,688	2.2

Notes:

1. the Company holds 933,995 shares of treasury stock, and holdings percentages are calculated with the treasury stock excluded.
2. Quantities of less than one thousand shares are rounded down.

(5) Status of shares issued to the Company's Directors as consideration for the execution of duties during the current fiscal year

No applicable information.

(6) Other significant matters relating to shares

Treasury stock canceled based on a resolution made at the Board of Directors meeting held on February 5, 2021

- (i) Class of shares canceled Common stock of the Company
- (ii) Number of shares canceled 3,000,000 shares  
(2.35% of the total number of issued shares before the cancellation)
- (iii) Date of the cancellation February 26, 2021

**3. Matters relating to share options for the Company's stock**

- (1) Status of share options issued as consideration for the execution of duties and held by the Company officers as of the end of the fiscal year

No applicable information.

- (2) Status of share options issued to employees and others as consideration for the execution of duties during the fiscal year

No applicable information.

- (3) Other significant matters relating to share options

No applicable information.

#### 4. Matters relating to officers

##### (1) Status of the Company officers (As of March 31, 2021)

Position	Name	Areas of responsibility or profession	Significant concurrent positions outside the Company
Representative Director and Chairman	Hiroshi Nagase		
Director and Vice Chairman	Reiji Nagase		Representative Director of Nagase Science Technology Foundation Representative Director of Hayashibara Museum of Art
Representative Director and President	Kenji Asakura		
Representative Director	Ichiro Wakabayashi	In charge of Corporate Sales & Marketing	
Director	Masaya Ikemoto	In charge of Corporate Administration and Affiliates	
Director	Nobumasa Kemori		Outside Director of JFE Holdings, Inc. Outside Director of Sumitomo Realty & Development Co., Ltd.
Director	Takahiko Ijichi		Outside Director of COMANY INC.
Director	Ritsuko Nonomiya		Director of GCA Corporation Director of GCA Advisors Corporation External Audit & Supervisory Board Member of Shiseido Company, Limited
Full-time Audit & Supervisory Board Member	Nobuyuki Shirafuji		
Full-time Audit & Supervisory Board Member	Masanori Furukawa		
Full-time Audit & Supervisory Board Member	Mitsuru Kanno		
Audit & Supervisory Board Member	Gan Matsui	Attorney	Outside Audit & Supervisory Board Member of Orient Corporation Outside Audit & Supervisory Board Member of TOTETSU KOGYO CO., LTD. Outside Director (Audit and Supervisory Committee Member) of GLOBERIDE, Inc. Outside Director of Dentsu Group Inc. Attorney of Yaesu Sogo Law Office

Notes:

1. Directors Nobumasa Kemori, Takahiko Ijichi and Ritsuko Nonomiya are outside Directors and are independent officers pursuant to the regulations of financial instruments exchanges.
2. Full-time Audit & Supervisory Board Member Nobuyuki Shirafuji and Audit & Supervisory Board Member Gan Matsui are outside Audit & Supervisory Board Members and are independent officers pursuant to the regulations of financial instruments exchanges.
3. Full-time Audit & Supervisory Board Member Nobuyuki Shirafuji has many years of experience in financial institutions and possesses considerable knowledge regarding finance and accounting.
4. Full-time Audit & Supervisory Board Member Masanori Furukawa has many years of experience engaged in the finance and accounting departments of the Company and possesses considerable knowledge regarding finance and accounting.
5. Audit & Supervisory Board Member Gan Matsui has many years of experience in the legal field as an attorney and possesses considerable knowledge regarding compliance and governance.
6. The Company has adopted an executive officer system, and Directors Kenji Asakura, Ichiro Wakabayashi and Masaya Ikemoto are also executive officers.
7. Changes in Directors and Audit & Supervisory Board Members during the fiscal year

(1) Appointments

Takahiko Ijichi and Ritsuko Nonomiya were newly elected and appointed as Director at the 105th Annual Shareholders' Meeting held on June 22, 2020.

(2) Retirements

Director Hidenori Nishi retired from office due to the expiration of his term of office effective as of the conclusion of the 105th Annual Shareholders' Meeting held on June 22, 2020.

(3) Changes in status or areas of responsibility of Directors during the fiscal year

The areas of responsibility of Directors as of April 1, 2020 were as set forth below.

Position	Name	New	Old
Director	Masaya Ikemoto	In charge of Corporate Administration and Affiliates	In charge of Corporate Administration, Affiliates and Prinova Group, LLC

<Reference>

1. Representative Directors as of April 1, 2021 were as set forth below.

Name	New	Old
Masaya Ikemoto	Representative Director	Director
Ichiro Wakabayashi	Director	Representative Director

2. The areas of responsibility of Directors as of April 1, 2021 were as set forth below.

Position	Name	New	Old
Director	Ichiro Wakabayashi		In charge of Corporate Sales & Marketing

Note: Director Ichiro Wakabayashi retired as Executive Officer as of March 31, 2021.

3. Status of Executive Officers (except for Executive Officers who are also Directors)

Executive Officers were elected on April 1, 2021, and their areas of responsibility were as set forth below.

Status	Name	Areas of responsibility
Managing Executive Officer	Naoki Yasuba	In charge of Hayashibara Co., Ltd. and Nagase R&D Center
Managing Executive Officer	Takanori Yamauchi	In charge of Nagase Business Expert Co., Ltd. and BCP
Managing Executive Officer	Satoru Fujii	In charge of Nagase ChemteX Corporation
Executive Officer	Masatoshi Kamada	In charge of Corporate Sales & Marketing
Executive Officer	Yasuhiro Mihara	General Manager of Corporate Strategy Dept.
Executive Officer	Takahiro Okumura	In charge of Overseas Overall Operations and Business Development, Greater China CEO, and Europe CEO
Executive Officer	Kusuo Ota	In charge of Totaku Industries, Inc.
Executive Officer	Hiroyuki Ueshima	General Manager of Mobility Solutions Dept.
Executive Officer	Koichi Sagawa	General Manager of Polymer Global Account Dept.
Executive Officer	Akira Takami	General Manager of Audit Office
Executive Officer	Takayuki Masuda	Americas CEO
Executive Officer	Yasumitsu Orii	General Manager of New Value Creation Office
Executive Officer	Ryuichi Uchida	General Manager of Global Marketing Office
Executive Officer	Takeshi Takada	Manager of Nagoya Branch Office
Executive Officer	Noriaki Arashima	General Manager of Specialty Chemicals Dept.
Executive Officer	Noriyoshi Yamaoka	General Manager of Human Resources & General Affairs Div.
Executive Officer	Yoshihisa Shimizu	General Manager of Corporate Management Dept.
Executive Officer	Xiaoli Liu	General Manager of Nagase R&D Center

(2) Summary of limiting liability agreement

Pursuant to the Articles of Incorporation, the Company has entered into agreements with outside Directors Nobumasa Kemori, Takahiko Ijichi and Ritsuko Nonomiya and outside Audit & Supervisory Board Members Nobuyuki Shirafuji and Gan Matsui, limiting liability to the Company for damage specified in Article 423, paragraph (1) of the Companies Act. A summary of the agreement is as follows:

If the Company incurs damage as a result of the failure of outside officers to perform their duties, as long as the outside officers performed their duties in good faith and without gross negligence, the liability for damage that the outside officers shall owe to the Company shall be limited to the minimum amount of liability specified in Article 425, paragraph (1) of the Companies Act.

(3) Summary of directors and officers liability insurance contract

The Company's Directors, Executive Officers and Audit & Supervisory Board Members are covered by directors and officers liability insurance. Under this insurance policy, 10% of insurance premiums applicable to an indemnity rider covering shareholder lawsuits are paid by the insured persons, and 90% are paid by the Company. Covered insurance events are third-party lawsuits, shareholder lawsuits, etc. In addition, the maximum total amount of insurance has been set, and officers responsible for an insurance event are required to individually pay for a certain portion of the damage incurred so that the appropriateness of job execution can be maintained.

(4) Compensation to Directors and Audit & Supervisory Board Members for the fiscal year

a) Total compensation paid to Directors and Audit & Supervisory Board Members

(Millions of yen)

Status	Number	Total amount of compensation	Breakdown			
			Fixed compensation	Performance-linked compensation, etc.	Performance-linked compensation, etc. (non-monetary comp.)	
Director	Inside Director	5	286	192	93	-
	Outside Director	4	28	28	-	-
	Total	9	314	220	93	-
Audit & Supervisory Board Member	Inside Audit & Supervisory Board Member	2	46	46	-	-
	Outside Audit & Supervisory Board Member	2	33	33	-	-
	Total	4	79	79	-	-

Notes:

1. Included in the above is 61 million yen in total compensation paid to the six outside Directors.
2. The total amount paid to Directors indicated above includes 76 million yen which is reported as an expense of accrued bonuses for directors and executive officers during the fiscal year.
3. In addition to the above, 12 million yen in employee salaries was paid to Directors who also serve as employees.
4. The amount of compensation indicated above includes compensation paid to one Director who retired effective as of the conclusion of the 105th Annual Shareholders' Meeting held in June 22, 2020.

b) Matters relating to performance-linked compensation

To provide an incentive that can improve performance, the Company has selected net income attributable to owners of the parent (i.e. final profit) as an index for performance-linked compensation. For the calculation of performance-linked compensation, the base amount of such compensation is determined first based on consolidated performance forecasts at the beginning of year. Then, the base amount is multiplied by the ratio of the current year's net income against the previous year's actual net income and by the rate of achieving the consolidated performance forecasts at the beginning of year. Finally, the resulting amount is adjusted through the assessments of each officer. The current fiscal year's actual net income was 18.8 billion yen. Effective from fiscal 2021, ROE will be used, in addition to the said net income, as an index for the provision of incentives that can enhance capital efficiency.

For the calculation of compensation based on ROE, the degree of achieving annual goals that are set each year to attain the final target value under the Medium-Term Management Plan is used.

- c) Matters relating to the resolutions of shareholders' meetings on compensation, etc., paid to Directors and Audit & Supervisory Board Members

The upper limit of Director compensation was decided to be 450 million yen per year (40 million yen per year for outside Directors) by the resolution of the Annual Shareholders' Meeting held on June 22, 2020 (however, employee salaries paid to Directors who also serve as employees are not included). The number of Directors at the conclusion of this Shareholders' Meeting was eight (including three outside Directors).

The upper limit of Audit & Supervisory Board member compensation was decided to be 100 million yen per year by the resolution of the Annual Shareholders' Meeting held on June 21, 2019. The number of Audit & Statutory Board members at the conclusion of this Shareholders' Meeting was four.

- d) Matters relating to the policy of determining the details of compensation, etc., paid to each Director

The Company has established policy on officer compensation amounts and the calculation method after having proposed such for consideration at a meeting of the Compensation Committee, in which the majority of members are outside Directors, and then had it deliberated on at a Board of Directors meeting. As a basic policy, the ratios of fixed compensation and performance-linked compensation will be 50-70% and 30-50%, respectively, depending on the position of each officer so that the Company can provide officer compensation that suits the scope of roles and responsibility for each position considering objective external data, business conditions, etc., and that serves as motivation to sustainably enhance the Company's corporate value. Compensation paid to outside Directors and outside Audit & Supervisory Board members includes solely base compensation, which is fixed compensation in consideration of the details of their duties.

In addition, the annual amount of fixed compensation is divided into 12 months and paid, while variable compensation is paid all at once at the end of June, as a basic policy.

- e) Matters relating to the entrustment of determination of the details of compensation, etc., paid to each Director

Regarding compensation paid to each Director, the Board of Directors has appointed Kenji Asakura, Representative Director and President, to make the final decision, considering that the validity of the compensation system, levels, etc., has been discussed by the Compensation Committee in which the majority of members are outside Directors. The said authority entrusted to the Representative Director and President is the assessment of compensation of each Director based on his or her work performance, etc. The reason for entrusting such authority is that the Representative Director and President is considered the most suitable person to overlook the Company's overall performance and assess each Director's work performance. The Board of Directors has proposed the original plan for consideration at a meeting of the Compensation Committee and received the Committee's answer so that the said authority can be exercised appropriately by the Representative Director and President. The Company considers that the compensation determination policy has been complied with. Compensation paid to each Audit & Supervisory Board member is determined through discussions held by the Audit & Supervisory Board members.

(5) Matters relating to outside officers

a) Significant concurrent positions and relationship with the Company

Status	Name	Significant concurrent positions outside the Company	Special relationship with the Company
Outside Director	Nobumasa Kemori	Outside Director of JFE Holdings, Inc.	The Company engages in transactions including sale of goods.
		Outside Director of Sumitomo Realty & Development Co., Ltd.	No special relationship
Outside Director	Takahiko Ijichi	Outside Director of COMANY INC.	No special relationship
Outside Director	Ritsuko Nonomiya	Director of GCA Corporation	The Company received outsourcing services in the past.
		Director of GCA Advisors Corporation	The Company received outsourcing services in the past.
		External Audit & Supervisory Board Member of Shiseido Company, Limited	The Company engages in transactions including sale of goods.
Outside Audit & Supervisory Board Member	Gan Matsui	Outside Audit & Supervisory Board Member of Orient Corporation	No special relationship
		Outside Audit & Supervisory Board Member of TOTETSU KOGYO CO., LTD.	No special relationship
		Outside Director (Audit and Supervisory Committee Member) of GLOBERIDE, Inc.	The Company sells products.
		Outside Director of Dentsu Group Inc.	The Company engages in research-related transactions.
		Attorney of Yaesu Sogo Law Office	No special relationship

b) Relatives of managing members or officers (who are not managing members) of the Company or trading partners that have special-interest businesses

No applicable information.

c) Main business activities during the fiscal year

Status	Name	Main business activities and overview of duties performed in the expected role of Outside Directors
Outside Director	Nobumasa Kemori	He attended 16 of 17 Board of Directors meetings held during the fiscal year (attendance rate: 94%). Regarding the matters discussed at the meetings of the Company's Board of Directors, Compensation Committee, Nomination Committee, etc., he gave advice focusing on the Company's overall management from a perspective of familiarity with industry.
	Takahiko Ijichi	He attended 13 of 13 Board of Directors meetings held after he was appointed as Director on June 22, 2020 (attendance rate: 100%). Regarding the matters discussed at the meetings of the Company's Board of Directors, Compensation Committee, Nomination Committee, etc., he gave advice focusing on the Company's overall management including manufacturing activities conducted in Japan and overseas from a perspective of familiarity with manufacturing industries.
	Ritsuko Nonomiya	She attended 13 of 13 Board of Directors meetings held after she was appointed as Director on June 22, 2020 (attendance rate: 100%). Regarding the matters discussed at the meetings of the Company's Board of Directors, Compensation Committee, etc., she gave advice focusing on the Company's overall management from a perspective of advanced knowledge of finance and accounting and familiarity with M&A and business development.
Outside Audit & Supervisory Board Member	Nobuyuki Shirafuji	Attended 17 of 17 Board of Directors meetings held during the fiscal year (attendance rate: 100%) and all 17 meetings of the Audit & Supervisory Board held during the fiscal year (attendance rate: 100%) and presented opinions, gave advice, and made other statements as appropriate based on broad insight by making use of many years of overseas experience in financial institutions.
	Gan Matsui	Attended 16 of 17 Board of Directors meetings held during the fiscal year (attendance rate: 94%) and all 17 meetings of the Audit & Supervisory Board held during the fiscal year (attendance rate: 100%) and presented opinions, gave advice, and made other statements as appropriate from a professional perspective as an attorney.

Note: The number of Board of Directors meetings noted above does not include resolutions made in writing.

## 5. Independent Auditor

(1) Name of Independent Auditor

Ernst & Young ShinNihon LLC

(2) Summary of Limiting liability agreement

The Company has not entered into a liability limiting agreement specified in Article 423, paragraph (1) of the Companies Act with its Independent Auditor.

(3) Amount of compensation paid to Independent Auditor during the current fiscal year

	Amount of compensation (millions of yen)
Amount of compensation, etc. paid by the Company to Independent Auditor in relation to business specified in Article 2, paragraph 1 of the Certified Public Accountants Act	137
Amount of compensation, etc. paid by the Company to Independent Auditor in relation to business other than that specified above	0
Total compensation, etc. paid by the Company and its consolidated subsidiaries to Independent Auditor	182

Notes:

1. The audit agreement between the Company and the Independent Auditor does not distinguish between audit compensation for audits performed pursuant to the Companies Act and audits performed pursuant to the Financial Instruments and Exchange Act and compensation cannot practically be categorized in this manner, and accordingly, the total amount is reported as compensation, etc. paid to the Independent Auditor during the current fiscal year.
2. The Audit & Supervisory Board received materials necessary for investigating the amount of the Independent Auditor's compensation from relevant internal divisions, Directors, Independent Auditor, and so on, received explanations from the Independent Auditor of a summary of the audit plan for the current fiscal year, audit times for each audit item, and so on, and based on the results of its confirmation of the audit plans for prior years and implementation of those plans determined that the compensation, etc. paid to the Independent Auditor is appropriate and gave its consent pursuant to Article 399, paragraph (1) of the Companies Act.

(4) Details of duties other than audits

Non-audit services include agreed procedural work associated with tax filing in foreign countries.

(5) Status of audits of financial statements of the Company's main subsidiaries by Certified Public Accountants or Audit Firms other than the Company's Independent Auditor

Of the Company's main subsidiaries, Prinova Group, LLC, Nagase (Hong Kong) Ltd., Nagase (Thailand) Co., Ltd. and two other overseas subsidiaries were audited by certified public accountants or an audit firm (including persons with corresponding qualifications in a foreign country) other than the Company's Independent Auditor.

(6) Policy on determination to dismiss or not to reappoint Independent Auditor

In addition to dismissal of the Independent Auditor by the Audit & Supervisory Board as specified in Article 340 of the Companies Act, if the Company determines that it would be difficult for the Independent Auditor to properly perform its duties because of a violation of laws and regulations by the Independent Auditor, the occurrence of events that impair the Independent Auditor's qualifications or independence, and so on or if the Company determines that changing the Independent Auditor would be suitable for enhancing the appropriateness of audits, the Company's policy is to propose at a Shareholders' Meeting to dismiss or not to reappoint the Independent Auditor.

## 6. Company systems and policies

- (1) Systems for ensuring the proper implementation of business and status of operation of those systems

### Summary of resolution on systems for ensuring the proper implementation of business (internal control systems)

The Company's Board of Directors adopted a resolution on basic policy for creating internal control systems entitled "Creation of Systems to Ensure that Directors Execute their Duties in Accordance with Laws and Regulations and the Articles of Incorporation and Other Systems Specified by Ministry of Justice Ordinance Necessary for Ensuring the Proper Implementation of Business by a Stock Corporation and the Corporate Group Comprising that Corporation and its Subsidiaries." Details of the policy are set forth below. Based on this basic policy, the Company will ensure the appropriateness of its business operations and conduct ongoing reviews and continuous improvement in order to appropriately reinforce governance systems even further in light of changes in the Company's business environment.

The Company has established the Internal Control Committee to build, maintain and improve the internal control system. The Committee deliberates on basic policies for the internal control systems, builds systems established under the internal control systems, and monitors the operation of the systems.

- a) Systems to ensure that Directors and employees execute their duties in accordance with laws and regulations and the Articles of Incorporation

Based on its long-standing management philosophy of "recognizing our responsibility to society while maintaining the highest standards of integrity," the Company has established Risk Management & Compliance Committee, has established Basic Compliance Policy, and has created systems for ensuring that all officers and employees including those of Group companies conduct corporate activities in accordance with the Nagase Group Compliance Code of Conduct in order to create and maintain compliance systems. The Risk Management & Compliance Committee is made up of Directors and employees, and the members make all determinations relating to risk management and compliance. When necessary, the Committee engages outside experts and works to prevent violations of laws and regulations and the Articles of Incorporation.

In addition, the Company has formulated internal rules on individual issues, and makes decisions through multidirectional examination on compliance and other important points from a professional perspective. Our Audit Office conducts internal audits relating to the status of execution of duties by Directors and employees in accordance with the Internal Audit Rules.

Should employees of Nagase or its Group companies become aware of legal or other compliance issue, they immediately report to and consult with their supervisor or the relevant division and then report to the Risk Management & Compliance Committee, which promptly reports to the Board of Directors and the Audit & Supervisory Board and its members. In addition, the Committee has introduced an internal reporting system wherein employees and officers including those of Group companies can report or discuss issues directly. Furthermore, awareness regarding legal compliance among officers and employees including those of Group companies is raised by conducting courses taught by outside experts and through other means, and efforts are made to disseminate information regarding management philosophy by the Committee.

- b) Systems for retaining and managing information relating to the execution of duties by Directors

Information relating to the execution of duties by Directors is recorded on paper or electromagnetically in accordance with internal rules and is retained and managed. Directors and Audit & Supervisory Board members can access and view these documents at any time.

- c) Rules relating to management of loss-related risks and other systems

The Company has established the Risk Management & Compliance Committee as the organization that performs comprehensive management relating to loss-related risks for the

Company and Group companies, determined the committee's functions and authority, and created a system that clarifies its roles and responsibilities. Under this system, each responsible division establishes rules and guidelines, conducts training, prepares and distributes manuals, and takes other measures concerning individual risks relating to the business activities of the Company and Group companies. When new risks arise, the Committee promptly designates the responsible division to address the risks, and also develops a system for prompt and appropriate communication and emergency procedures in case that an incident occurs within the Group.

d) Systems for ensuring the efficient execution of duties by Directors

The Board of Directors is clearly positioned as the body in charge of making decisions on management policies and strategies, and it supervises the execution of operations as the foundation for ensuring that Directors efficiently execute their duties. The Board of Directors holds regular monthly meetings as well as extraordinary meetings when necessary. With regard to the performance of business in accordance with the decisions of the Board of Directors, organizational operations rules and divisions of work responsibilities established under an executive officer system specify responsible parties, their responsibilities, and procedures for carrying out those responsibilities. In addition, the Group Management Committee consists of executive officers appointed by the Board of Directors, and holds regular meetings twice a month in principle to discuss important matters such as management strategies and investment projects, as a way to support management decision-making.

Directors and Audit & Supervisory Board Members may attend the Group Management Committee meetings.

e) Systems for ensuring the proper implementation of business by the corporate group comprising a stock corporation and its subsidiaries

In principle, the Company dispatches officers to Group companies and ensures the proper conduct of business by those companies by establishing operational standards and establishing a system that requires approval from or reporting to the Company after Group companies make decisions on certain matters. The Audit Office of the Company conducts audits of the Company and its Group companies in accordance with the Internal Audit Rules. Under the medium-term management plan and a system of annual budgets, clear targets are set and budget and results management is performed for the Company and each Group company. In order to further enhance the reliability of financial reports, the status of company-wide internal controls as well as the process for preparing financial statements has been codified in light of the Financial Instruments and Exchange Act and evaluation and improvement efforts are made on a consolidated basis.

The Company and Group companies perform Group-wide risk management with the Risk Management & Compliance Committee mentioned above playing a central role. Important matters relating to Group-wide compliance are discussed and decisions are made while tasks and measures to promote the risk management are deliberated and decided on.

f) Matters pertaining to employees when Audit & Supervisory Board members request the appointment of employees to assist them in the execution of their duties

Upon request from Audit & Supervisory Board members, in order to ensure their auditing effectiveness, the Company appoints employees to support the Audit & Supervisory Board members' work. Such employees are assigned to the Audit Office.

g) Matters pertaining to ensuring the independence of employees specified in the preceding paragraph from Directors and ensuring the effectiveness of instructions from Audit & Supervisory Board members

In order to ensure the independence of the employees specified in the preceding paragraph from the Directors, when such employees are transferred, evaluations are conducted, and so on, prior consultations are conducted with Audit & Supervisory Board members and their opinions are sought. In addition, efforts are made to ensure the effectiveness of instructions to such

employees, adequately taking into consideration the selection of such employees and the period for which they will work supporting the execution of duties by Audit & Supervisory Board members.

- h) Systems for Directors and employees to report to Audit & Supervisory Board members and other systems for reporting to Audit & Supervisory Board members

Audit & Supervisory Board members attend the Board of Directors meetings and other important meetings, exchange opinions with managers, review requests for decisions, reports, and so on so that they can understand the overall status of operations of the Company and Group companies at all times. Furthermore, the directors, employees, and so on of the Company and Group companies can report to Audit & Supervisory Board and its members regarding the following matters individually or through the Risk Management & Compliance Committee or the Board of Directors as necessary.

- i. Improper implementation, violations of laws and regulations or the Articles of Incorporation, or other compliance-related issues regarding the performance of duties by Directors;
- ii. Facts that pose a risk of substantial harm to the Company;
- iii. Disclosure of material information; and
- iv. Facts reported to internal reporting system and other matters.

Detrimental treatment of persons who make reports is prohibited in cases where a report is made by a Group company Director or employee directly to an Audit & Supervisory Board member of the Company. This information is distributed throughout the Group and is clearly stated within internal reporting system.

- i) Other systems to ensure that audits are conducted effectively by Audit & Supervisory Board members

In order to raise awareness and understanding of the importance and usefulness of audits by Audit & Supervisory Board members, Audit & Supervisory Board members hold periodic meetings for the exchange of opinions with the Representative Director and the outside Director. There are also systems that allow for close collaboration and mutual support among the Independent Auditor, Audit Office, and Audit & Supervisory Board members of affiliated companies so that Audit & Supervisory Board members can efficiently and effectively perform audit operations. When advice is sought from attorneys, certified public accountants, and other outside professionals or expenses are requested for outsourcing investigations, appraisals, or other administrative tasks so that the Audit & Supervisory Board or its members can perform audits, the Company may not refuse such requests except when the expenses relating to a request are deemed unnecessary for the performance of duties by the Audit & Supervisory Board or its members.

#### Overview of the Status of Implementation of Systems for Ensuring Proper Implementation of Business

The Company has established the Internal Control Committee that consists of Directors and executive officers, in order to build, maintain and improve the internal control systems. The Committee monitors the operational status of internal controls.

- The Board of Directors is positioned as the decision-making body regarding management policies and strategies, and it supervises the execution of operations. The Board of Directors met a total of 17 times this fiscal year. With regard to the performance of business in accordance with the decisions of the Board of Directors, business is efficiently executed in accordance with organizational operations rules and divisions of work responsibilities established under an executive officer system.

- The Group Management Committee consists of executive officers appointed by the Board of Directors and discusses important matters such as management strategies and investment projects. This Committee held 23 meetings this fiscal year.
- The Company has adopted Basic Compliance Policy, and conducts all business activities in accordance with the Nagase Group Compliance Code of Conduct. The Risk Management & Compliance Committee shares important compliance matters of the Group and discusses ways to handle issues. This Committee was held three times this fiscal year. In addition, the Risk Management & Compliance Committee Secretariat conducts various activities including the provision of support for establishing the Group's risk management system and legal compliance education in accordance with the policy indicated by the Risk Management & Compliance Committee. This Secretariat held 12 regular meetings. Furthermore, the Group is scheduled to build a structure enabling each section to handle individual risks and develop a system for prompt and appropriate communication and emergency procedures. Activity plans and activity details are reported to the Board of Directors.
- Regarding the handling of COVID-19, the Company has set up the COVID-19 Countermeasure Headquarters, dispatched information properly to Group personnel, and taken various measures, including infection prevention for employees and teleworking, in accordance with the Crisis Management Guidelines.
- Under its internal reporting system, the Company has set up a desk for handling direct reporting and consultation requests within Group companies in Japan and overseas, aiming to grasp behaviors in violation of law, etc., and prevent the occurrence of these behaviors. The Company has also set up the Compliance Hotline Rules, and will disseminate them within the Group so that those who report certain behaviors do not suffer detrimental treatment.
- The Company and its Group companies have established operational standards to ensure the proper implementation of business. Under these standards, decisions on certain matters that Group companies make are required to be approved by or reported to the Company, and the Company dispatches officers to Group companies in principle. The Audit Office of the Company conducts audits of the Company and its Group companies in accordance with the Internal Audit Rules.
- From the standpoint of reliability of financial reports, the status of company-wide internal controls and the process for preparing financial statements have been codified in light of the Financial Instruments and Exchange Act, and evaluation and improvement efforts are made on a consolidated basis.
- Audit & Supervisory Board members attend the Board of Directors meetings and other important meetings, and exchange opinions regularly with the Representative Director, outside Directors, and Independent Auditors. These members also exchange opinions, etc., with other management executives, the Audit Office, and Audit & Supervisory Board members of affiliated companies whenever necessary. The Company has established a system enabling Audit & Supervisory Board members to review requests for decisions, reports, etc., regarding the execution of duties by Directors at all times so that these members can understand the overall status of operations of the Company and its Group companies. Employees who assist Audit & Supervisory Board members in the execution of these members' duties are chosen by the Audit Office so that these employees' independence from Directors and the effectiveness of instructions from these members can be ensured in accordance with the basic policy. Regarding the expenses incurred in connection with audits conducted by Audit & Supervisory Board members or the Audit & Supervisory Board, the Audit & Supervisory Board prepares a budget in line with its audit plan so that these expenses are paid appropriately.

(2) Policy on decisions concerning distribution of surplus

The Company's basic policy on dividends is to continue paying higher dividends in line with its consolidated business performance and financial structure, while improving profitability and strengthening its management structure. To this end, the Company also takes consolidated cash flows and investment status into consideration.

The purchases of treasury stock will be considered flexibly in consideration of efficiency.

## Consolidated Financial Statements

### Consolidated Balance Sheet (As of March 31, 2021)

(Amounts of less than one million yen are rounded down.)

ASSETS	Amount
(Millions of yen)	
<b>Current assets</b>	<b>401,751</b>
Cash and time deposits	49,254
Notes and accounts receivable	242,558
Merchandise and finished goods	88,130
Work in process	1,654
Raw materials and supplies	7,457
Other	13,259
Less allowance for doubtful accounts	(563)
<b>Non-current assets</b>	<b>238,835</b>
Property, plant and equipment	70,896
Buildings and structures	24,905
Machinery, equipment and vehicles	16,993
Land	20,054
Other	8,943
Intangible fixed assets	64,598
Goodwill	30,216
Technology-based assets	7,488
Other	26,893
Investments and other assets	103,340
Investments in securities	93,719
Long-term loans receivable	211
Retirement benefit asset	2,929
Deferred tax assets	1,903
Other	4,689
Less allowance for doubtful accounts	(112)
<b>Total assets</b>	<b>640,587</b>

LIABILITIES AND NET ASSETS	Amount
LIABILITIES	(Millions of yen)
<b>Current liabilities</b>	<b>206,139</b>
Notes and accounts payable	119,941
Short-term loans	33,050
Current portion of long-term loans	12,025
Commercial paper	8,000
Accrued income taxes	3,565
Accrued bonuses for employees	6,042
Accrued bonuses for directors	203
Other	23,310
<b>Long-term liabilities</b>	<b>96,016</b>
Bonds	30,000
Long-term loans	34,514
Deferred tax liabilities	16,077
Retirement benefit liability	13,292
Other	2,131
<b>Total liabilities</b>	<b>302,155</b>
NET ASSETS	
<b>Shareholders' equity</b>	<b>284,763</b>
Common stock	9,699
Capital surplus	10,646
Retained earnings	265,920
Treasury stock, at cost	(1,503)
<b>Accumulated other comprehensive income (loss)</b>	<b>44,924</b>
Net unrealized holding gain on securities	43,576
Deferred gain on hedges	72
Translation adjustments	1,006
Remeasurements of defined benefit plans	268
<b>Non-controlling interests</b>	<b>8,743</b>
<b>Total net assets</b>	<b>338,431</b>
<b>Total liabilities and net assets</b>	<b>640,587</b>

Consolidated Statement of Income (April 1, 2020 – March 31, 2021)

(Amounts of less than one million yen are rounded down.)

		Amount	
		(Millions of yen)	(Millions of yen)
Net sales			830,240
Cost of sales			715,640
<b>Gross profit</b>			<b>114,600</b>
Selling, general and administrative expenses			92,683
<b>Operating income</b>			<b>21,916</b>
Non-operating income			
Interest income	149		
Dividend income	1,163		
Rent income	263		
Foreign exchange gains	417		
Other	766		2,759
Non-operating expenses			
Interest expense	1,064		
Equity in losses of affiliates	327		
Other	430		1,821
<b>Ordinary income</b>			<b>22,854</b>
Extraordinary gains			
Gain on sales of non-current assets	86		
Gain on sales of investments in securities	5,774		
Gain on sales of shares of subsidiaries and affiliates	2,657		
Subsidy income	163		
Other	51		8,733
Extraordinary losses			
Loss on sales of non-current assets	23		
Loss on disposal of non-current assets	92		
Impairment losses	1,824		
Loss on sales of investment securities	10		
Loss on valuation of investments in securities	155		
Loss on sales of shares of subsidiaries and affiliates	1		
Other	206		2,314
<b>Income before income taxes</b>			<b>29,272</b>
Income taxes - current	7,851		
Income taxes - deferred	1,775		9,626
<b>Net income</b>			<b>19,646</b>
Net income attributable to non-controlling interests			816
<b>Net income attributable to owners of the parent</b>			<b>18,829</b>

Consolidated Statement of Changes in Net Assets (April 1, 2020 – March 31, 2021)

(Amounts of less than one million yen are rounded down.)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at April 1, 2020	9,699	10,646	257,067	(5,071)	272,342
Changes					
Cash dividends			(5,456)		(5,456)
Net income attributable to owners of parent			18,829		18,829
Purchases of treasury stock				(952)	(952)
Disposal of treasury stock		0		0	0
Cancellation of treasury stock		(0)	(4,520)	4,520	-
Changes in parent's ownership interest due to transactions with non-controlling interests		(0)			(0)
Other changes					
Total changes	-	(0)	8,852	3,568	12,420
Balance at March 31, 2021	9,699	10,646	265,920	(1,503)	284,763

(Millions of yen)

	Accumulated other comprehensive income (loss)					Non-controlling interests	Total net assets
	Net unrealized holding gain on securities	Deferred gain (loss) on hedges	Translation adjustments	Retirement benefit liability adjustments	Total accumulated other comprehensive income		
Balance at April 1, 2020	32,618	3	1,051	(694)	32,979	7,921	313,243
Changes							
Cash dividends							(5,456)
Net income attributable to owners of parent							18,829
Purchases of treasury stock							(952)
Disposal of treasury stock							0
Cancellation of treasury stock							-
Changes in parent's ownership interest due to transactions with non-controlling interests							(0)
Other changes	10,957	69	(45)	963	11,944	822	12,767
Total changes	10,957	69	(45)	963	11,944	822	25,188
Balance at March 31, 2021	43,576	72	1,006	268	44,924	8,743	338,431

## Non-Consolidated Financial Statements

### Non-Consolidated Balance Sheet (As of March 31, 2021)

(Amounts of less than one million yen are rounded down.)

ASSETS	Amount
	(Millions of yen)
<b>Current assets</b>	<b>225,635</b>
Cash and time deposits	15,527
Notes receivable	3,539
Electronically recorded monetary claims - operating	11,482
Accounts receivable	142,028
Merchandise	21,780
Goods in transit	1,646
Short-term loans receivable from subsidiaries and affiliates	24,898
Other	6,969
Less allowance for doubtful accounts	(2,239)
<b>Non-current assets</b>	<b>224,408</b>
Property, plant and equipment	11,604
Buildings	3,292
Structures	61
Machinery and equipment	214
Tools, furniture and fixtures	1,236
Land	6,799
Other	0
Intangible fixed assets	924
Software	549
Other	375
Investments and other assets	211,879
Investments in securities	82,209
Shares of subsidiaries and affiliates	104,742
Investments in capital of subsidiaries and affiliates	4,563
Long-term loans receivable from subsidiaries and affiliates	23,432
Claims provable in bankruptcy, claims provable in rehabilitation and other	30
Prepaid pension cost	2,611
Other	579
Less allowance for doubtful accounts	(6,291)
<b>Total assets</b>	<b>450,043</b>

LIABILITIES AND NET ASSETS	Amount
LIABILITIES	(Millions of yen)
<b>Current liabilities</b>	<b>152,117</b>
Notes payable	4
Electronically recorded obligations - operating	808
Accounts payable	81,275
Short-term loans	4,284
Current portion of long-term loans	11,426
Commercial papers	8,000
Accounts payable - other	4,949
Accrued income taxes	1,640
Deposits received	36,264
Accrued bonuses for employees	1,474
Other	1,988
<b>Long-term liabilities</b>	<b>82,393</b>
Bonds	30,000
Long-term loans	29,177
Deferred tax liabilities	16,167
Retirement benefit liability	6,928
Other	119
<b>Total liabilities</b>	<b>234,510</b>
NET ASSETS	
<b>Shareholders' equity</b>	<b>172,594</b>
Common stock	9,699
Capital surplus	9,634
Legal capital surplus	9,634
Other capital surplus	0
Retained earnings	154,763
Legal retained earnings	2,424
Other	152,338
Reserve for reduction entry	2,259
General reserve	95,510
Retained earnings brought forward	54,569
Treasury stock, at cost	(1,503)
<b>Valuation and translation adjustments</b>	<b>42,937</b>
Net unrealized holding gain on securities	42,854
Deferred gain on hedges	83
<b>Total net assets</b>	<b>215,532</b>
<b>Liabilities and net assets</b>	<b>450,043</b>

Non-Consolidated Statements of Income (April 1, 2020 – March 31, 2021)

(Amounts of less than one million yen are rounded down.)

	Amount	
	(Millions of yen)	(Millions of yen)
Net sales		417,165
Cost of sales		386,733
<b>Gross profit</b>		<b>30,432</b>
Selling, general and administrative expenses		29,668
<b>Operating income</b>		<b>763</b>
Non-operating income		
Interest income	417	
Dividend income	8,250	
Rent income	745	
Foreign exchange gains	306	
Other	750	10,471
Non-operating expenses		
Interest expenses	375	
Cost of rent revenue	335	
Other	177	889
<b>Ordinary income</b>		<b>10,346</b>
Extraordinary gains		
Gain on sales of non-current assets	39	
Gain on sales of investments in securities	5,759	
Gain on sales of shares of subsidiaries and affiliates	1,819	
Reversal of allowance for doubtful accounts for subsidiaries	583	
Other	51	8,253
Extraordinary losses		
Loss on sales of non-current assets	7	
Loss on disposal of non-current assets	25	
Loss on sales of investments in capital of subsidiaries and affiliates	1	
Loss on valuation of investments in securities	157	
Loss on valuation of shares of a subsidiary	251	
Impairment losses	7	450
<b>Income before income taxes</b>		<b>18,149</b>
Income taxes - current	3,806	
Income taxes - deferred	(364)	3,441
<b>Net income</b>		<b>14,707</b>

Non-Consolidated Statement of Changes in Net Assets (April 1, 2020 – March 31, 2021)

(Amounts of less than one million yen are rounded down.)  
(Millions of yen)

	Shareholders' equity								
	Common stock	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
					Reserve for reduction entry	General reserve	Retained earnings brought forward		
Balance, at April 1, 2020	9,699	9,634	0	9,634	2,424	2,453	95,510	49,644	150,033
Changes									
Reversal of reserve for reduction entry						(194)		194	-
Cash dividends								(5,456)	(5,456)
Net income								14,707	14,707
Purchases of treasury stock									
Disposal of treasury stock			0	0					
Cancellation of treasury stock			(0)	(0)				(4,520)	(4,520)
Other changes									
Total changes	-	-	(0)	(0)	-	(194)	-	4,924	4,730
Balance, at March 31, 2021	9,699	9,634	0	9,634	2,424	2,259	95,510	54,569	154,763

(Millions of yen)

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding gain on securities	Deferred gain (loss) on hedges	Total valuation and translation adjustments	
Balance, at April 1, 2020	(5,071)	164,296	32,189	3	32,192	196,489
Changes						
Reversal of reserve for reduction entry		-				-
Cash dividends		(5,456)				(5,456)
Net income		14,707				14,707
Purchases of treasury stock	(952)	(952)				(952)
Disposal of treasury stock	0	0				0
Cancellation of treasury stock	4,520	-				-
Other changes			10,665	79	10,745	10,745
Total changes	3,568	8,298	10,665	79	10,745	19,043
Balance, at March 31, 2021	(1,503)	172,594	42,854	83	42,937	215,532