

Securities identification code: 8012

June 4, 2024

To our shareholders:

Hiroyuki Ueshima
Representative Director and President

NAGASE & CO., LTD.

1-1-17, Shinmachi, Nishi-ku,
Osaka City, Osaka, Japan
2-6-4, Otemachi, Chiyoda-ku,
Tokyo, Japan (Tokyo Head Office)

NOTICE OF THE 109TH ANNUAL SHAREHOLDERS' MEETING

You are cordially invited to attend the 109th Annual Shareholders' Meeting of NAGASE & CO., LTD. (the "Company"), which will be held as described below.

When convening this shareholders' meeting, the Company takes measures for providing information that constitutes the content of reference documents for the shareholders' meeting, etc. (items for which the measures for providing information in electronic format are taken) in electronic format, and posts this information on the Company's website on the Internet. Please access the Company's website mentioned below to review the information.

Company's website

<https://www.nagase.co.jp/ir/stock-information/stockholders-meetings/> (in Japanese)

In addition to posting the items for which the measures for providing information in electronic format are taken on the website above, the Company also posts this information on the website of Tokyo Stock Exchange, Inc. (TSE). Please access the TSE website (Listed Company Search) by using the Internet address shown below, enter the issue name (Nagase & Co.) or securities code (8012), and click "Search," and then click "Basic information" and select "Documents for public inspection/PR information" to review the information.

TSE website (Listed Company Search)

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

For this shareholders' meeting, we will deliver paper-based documents that contain the items for which the measures for providing information in electronic format are taken to all shareholders, regardless of whether or not they have requested the delivery of paper-based documents.

If you are unable to attend the meeting in person, you are kindly requested 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 Thursday, June 20, 2024 after considering the following Reference Documents for the Annual Shareholders' Meeting.

Meeting Details

1. **Date and time:** Friday, June 21, 2024 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 109th Term (from April 1, 2023 to March 31, 2024), 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 109th Term (from April 1, 2023 to March 31, 2024)

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. Instructions on exercising voting rights:

1. If you exercise your voting rights both in writing (by postal mail) and via the Internet, etc., your vote via the Internet, etc. will be treated as the valid vote. If you exercise your voting rights via the Internet, etc. multiple times, the last vote will be treated as the valid vote.
2. Any voting form returned without indicating approval or disapproval for a particular proposal will be counted as a vote for approval of the proposal.
3. If you exercise your voting rights by proxy, you may appoint as a proxy one of the shareholders holding voting rights at the shareholders' meeting. However, please note that a document verifying the proxy right of the person representing you must be submitted.

5. Other matters relating to this Notice:

Note regarding the shareholders' meeting:

Pursuant to laws and regulations and the provisions of the Articles of Incorporation, the following items among the items for which the measures for providing information in electronic format are taken are not included in this document.

Business Report: (1) Matters relating to share options for the Company's stock, (2) Independent Auditor, (3) Company systems and policies

Consolidated Financial Statements: (1) Consolidated Statement of Changes in Net Assets, (2) Notes to Consolidated Financial Statements

Non-Consolidated Financial Statements: (1) Non-Consolidated Statement of Changes in Net Assets, (2) Notes to Non-Consolidated Financial Statements

These items constitute part of the Consolidated Financial Statements and Non-Consolidated Financial Statements audited by the Independent Auditor in preparing an accounting audit report, and part of the Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements audited by Audit & Supervisory Board Members in preparing an audit report.

If any revisions are made to the items for which the measures for providing information in electronic format are taken, a statement to that effect as well as information before and after the revisions will be posted on the Company's website and TSE's website.

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 will pay dividends based on consolidated cash flow and investment status, with a basic policy of “continuously increasing dividends” in consideration of consolidated performance and financial structure, while improving profitability and strengthening the corporate structure. For this fiscal year, the Company proposes a year-end dividend of 40 yen per share, based on consideration of its consolidated results, financial conditions and other matters.

(1) Type of dividend property

Cash

(2) Allocation of dividend property and total amount thereof

40 yen per common shares of the Company

Total amount of dividends: 4,562,146,800 yen

(3) Effective date of distribution of dividends of surplus

June 24, 2024

[Reference]

Matters relating to shareholder returns

- (1) Shareholder returns policy under the Medium-term Management Plan **ACE 2.0** (from fiscal 2021 to fiscal 2025)

The Company resolved at the Board of Directors meeting held on May 8, 2024 to change its shareholder returns policy to “total return ratio of 100%” as a tentative measure for two years until fiscal 2025, which is the final year of **ACE 2.0**, to achieve ROE of 8.0% or higher, a quantitative target under **ACE 2.0**.

We will pay dividends based on consolidated cash flow and investment status, with a basic policy of “continuously increasing dividends” in consideration of consolidated performance and financial structure, while improving profitability and strengthening the corporate structure, as set out previously.

We previously set the amount of strategic cross-shareholdings sold during the period of **ACE 2.0** as the limitation on the amount of repurchases of treasury stock. However, under the policy above, we will repurchase treasury stock in a flexible manner, while keeping efficiency in mind.

- (2) Repurchases of treasury stock

The Company repurchased treasury stock as follows.

Total number of shares acquired	3,359,600 shares of common shares
Total value of acquisition value	7,999,897,300 yen
Acquisition period	From May 10, 2023 to December 22, 2023
Acquisition method	Purchased on the market

In addition, the Company decided on the repurchase and cancellation of treasury stock at the Board of Directors meeting held on May 8, 2024 as follows.

• Repurchase of treasury stock

Total number of shares to be acquired	5,500,000 shares (maximum) of common shares (4.82% of the total number of issued shares (excluding treasury stock))
Total value of shares to be acquired	10 billion yen (maximum)
Acquisition period	From May 9, 2024 to October 31, 2024
Acquisition method	Purchase from the market

• Cancellation of treasury stock

Number of shares to be canceled	3,000,000 shares of common shares (2.54% of the total number of issued shares (including treasury stock))
Date of cancellation	May 31, 2024

Proposal 2: Election of nine (9) Directors

The terms of office of all eight Directors will expire at the conclusion of this meeting. Accordingly, in order to further strengthen the Company's management structure, the proposal is for the election of nine Directors (including three Outside Directors), increasing the number of Directors by one.

<Reason for increasing the number of Directors by one>

In promoting the growth strategy of the **ACE 2.0** Medium-term Management Plan aimed at improvement of corporate value, it is necessary for the Company to strengthen Base Areas, led by the chemical industry field, and carry out research and development of distinctive proprietary products and technologies in Growth Areas. In order to realize them, we have added an individual who possesses high-level knowledge of and experience in research and development as well as businesses including the chemical industry field to the candidates. In addition, we reduced the number of Directors to eight Directors (including three Outside Directors) from nine Directors (including three Outside Directors) at the Annual Shareholders' Meeting held on June 20, 2023. Accordingly, the Company requests the election of nine Directors (including three Outside Directors) from the perspectives of promoting management policies and strategies and maintaining a governance system.

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	Gender	Position in the Company	Attendance of Board of Directors meetings (fiscal year ended March 31, 2024)	Number of other listed companies where concurrent positions are held
1	Kenji Asakura [Reelection] [Inside Director]	Male	Representative Director, Chairman	16 out of 16 (100%)	1
2	Hiroyuki Ueshima [Reelection] [Inside Director]	Male	Representative Director, President and CEO	16 out of 16 (100%)	0
3	Masaya Ikemoto [Reelection] [Inside Director]	Male	Representative Director, Senior Managing Executive Officer	16 out of 16 (100%)	0
4	Masatoshi Kamada [Reelection] [Inside Director]	Male	Director, Managing Executive Officer	16 out of 16 (100%)	0
5	Hiroshi Nagase [Reelection] [Inside Director]	Male	Director, Senior Advisor	16 out of 16 (100%)	0
6	Ritsuko Nonomiya [Reelection] [Outside Director] [Independent officer]	Female	Outside Director	16 out of 16 (100%)	1
7	Noriaki Horikiri [Reelection] [Outside Director] [Independent officer]	Male	Outside Director	16 out of 16 (100%)	1
8	Toshiaki Mikoshiba [Reelection] [Outside Director] [Independent officer]	Male	Outside Director	12 out of 12 (100%)	0
9	Tamotsu Isobe [New election] [Inside Director]	Male	Executive Officer	-	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 Toshiaki Mikoshiba are the number of meetings since he was elected as Director.
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
1	[Inside Director] [Reelection]  Kenji Asakura (December 11, 1955) Length of service: 11 years (as of conclusion of this meeting) Attendance of Board of Directors meetings: 16 out of 16 Board of Directors meetings (100%) Number of the Company's shares held: 31,741	April 1978 Joined the Company October 2006 General Manager of Automotive Solutions Dept. April 2009 Executive Officer and General Manager of Automotive Solutions Dept. June 2013 Director, Executive Officer April 2015 Representative Director, President and CEO April 2023 Representative Director, Chairman (present position)
		[Significant concurrent positions outside the Company]
		Outside Director of Japan Tobacco Inc.
		Reason for nomination as candidate for Director Kenji Asakura has worked mainly in the electronics & energy, mobility, and management planning fields since joining the Company and has a character suitable as a manager of the Company. In addition, he has served as President from 2015 to 2022. In light of his extensive experience in operations and his knowledge in overall management in the Company, Mr. Asakura is nominated as a candidate for Director.

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	
2	[Inside Director] [Reelection]	April 1988	Joined the Company
		April 2015	General Manager of Corporate Planning Div.
		April 2017	Executive Officer and General Manager of Corporate Planning Div.
		October 2017	Executive Officer and General Manager of Automotive Solutions Dept.
		June 2022	Director, Executive Officer
	Hiroyuki Ueshima (November 5, 1965)	April 2023	Representative Director, President and CEO (present position)
	Length of service: Two years (as of conclusion of this meeting)	[Significant concurrent positions outside the Company]	
	Attendance of Board of Directors meetings: 16 out of 16 Board of Directors meetings (100%)	None	
	Number of the Company's shares held: 24,879	Reason for nomination as candidate for Director Hiroyuki Ueshima has worked mainly in the functional materials, electronics & energy, mobility, and management planning fields since joining the Company, and has a personality suitable for being a part of the Company's management team. He was appointed as Representative Director and President in April 2023. Since then, he has promoted improvement of the corporate value of the Company. He is considered the most qualified person who can show leadership towards executing the ACE 2.0 Medium-term Management Plan, and achieving sustainable growth of the Group and further improvement of the corporate value because he has extensive experience in operations and knowledge of overall management. Accordingly, Mr. Ueshima is nominated as a candidate for Director.	

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company
3	[Inside Director] [Reelection]  Masaya Ikemoto (September 20, 1961) Length of service: Six years (as of conclusion of this meeting) Attendance of Board of Directors meetings: 16 out of 16 Board of Directors meetings (100%) Number of the Company's shares held: 13,174	April 1984 Joined the Company April 2013 General Manager of Automotive Solutions Dept. April 2015 Executive Officer and General Manager of Automotive Solutions Dept., Manager of Nagoya Branch June 2018 Director, Executive Officer April 2021 Representative Director, Managing Executive Officer April 2023 Representative Director, Senior Managing Executive Officer April 2024 Representative Director, Senior Managing Executive Officer, in charge of Corporate Administration (present position)
		[Significant concurrent positions outside the Company] None
		Reason for nomination as candidate for Director Masaya Ikemoto has worked mainly in the advanced materials & processing, electronics & energy, mobility, 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 promoted improvement of the corporate value of the Company as an officer mainly in charge of Corporate Administration. 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 ACE 2.0 Medium-term Management Plan.

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	
4	[Inside Director] [Reelection]  Masatoshi Kamada (August 6, 1961) Length of service: Three years (as of conclusion of this meeting) Attendance of Board of Directors meetings: 16 out of 16 Board of Directors meetings (100%) Number of the Company's shares held: 15,515	April 1985	Joined the Company
		April 2011	General Manager of Electronic Materials Dept.
		April 2013	Executive Officer and General Manager of Electronic Materials Dept.
		April 2018	Executive Officer and Greater China CEO
		June 2021	Director, Executive Officer
		April 2024	Director, Managing Executive Officer, in charge of Advanced Materials & Processing, Electronics & Energy, Mobility, and Asia (Greater China, ASEAN, India, and Korea) (present position)
		[Significant concurrent positions outside the Company]	
		None	
		Reason for nomination as candidate for Director Masatoshi Kamada has worked in the advanced materials & processing, electronics & energy, 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.	

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	
5	[Inside Director] [Reelection]  Hiroshi Nagase (July 18, 1949) Length of service: 35 years (as of conclusion of this meeting) Attendance of Board of Directors meetings: 16 out of 16 Board of Directors meetings (100%) Number of the Company's shares held: 2,060,832	April 1977	Joined the Company
		April 1988	General Manager of Plastics Dept. 2
		June 1989	Director
		June 1995	Managing Director
		June 1997	Representative Director, Senior Managing Director
		June 1999	Representative Director and President
		June 2001	Representative Director and President and CEO
		April 2015	Representative Director and Chairman
		April 2023	Director, Senior Advisor (present position)
		[Significant concurrent positions outside the Company]	
		None	
		Reason for nomination as candidate for Director Hiroshi Nagase has worked mainly in the advanced materials & processing, electronics & energy, and management planning fields since joining the Company and has the character suitable for being a part of the Company's management team. In addition, he has served as President and Chairman from 1999 to 2022. In light of his extensive experience in operations and his knowledge of overall management in the Company, Mr. Nagase is nominated as a candidate for Director.	

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company													
6	[Outside Director] [Reelection] [Independent officer]  Ritsuko Nonomiya (November 28, 1961) Length of service: Four years (as of conclusion of this meeting) Attendance of Board of Directors meetings: 16 out of 16 Board of Directors meetings (100%) Number of the Company's shares held: 2,344	September 1987 Joined Peat, Marwick, Mitchell & Company (currently KPMG LLP) April 1997 Partner of KPMG Corporate Finance K.K. November 2000 Joined UBS Warburg Japan (currently UBS Securities Japan Co., Ltd.) January 2005 M&A Advisor, Managing Director of UBS Warburg Japan July 2008 Senior Vice President and Business Development Leader of GE Capital Asia Pacific Ltd. April 2013 Senior Executive Officer and Business Development Leader of GE Capital Japan, GE Japan Inc. (currently General Electric Company) December 2013 Managing Director of GCA Savvian Corporation (currently GCA Corporation) March 2017 Director of GCA Corporation (present position) June 2020 Director of the Company (present position) February 2022 Representative Director and CEO of Houlihan Lokey Japan Co., Ltd. (present position)													
		[Significant concurrent positions outside the Company] Representative Director and CEO, Houlihan Lokey Japan Co., Ltd. External Audit & Supervisory Board Member, Shiseido Company, Limited													
		Reason for nomination as candidate for outside Director, and outline of expected roles Ritsuko Nonomiya has accumulated business experience, including auditing, in the KPMG Group and has engaged in M&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. Also, she has experience of global management in Houlihan Lokey Group, and 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, Nomination Committee, etc. from an objective and neutral standpoint.													
	Special notes concerning candidate for outside Director The Company has the following business relationships with the entity at which the candidate holds a concurrent position.														
		<table><tr><th>Company name</th><th>Position</th><th>Transac- tions</th><th>Seller</th><th>Purchaser</th><th>Ratio of transaction amount</th><th>Compared with</th></tr><tr><td>Shiseido Company, Limited</td><td>External Audit & Supervisory Board Member</td><td>Sale of goods</td><td>The Company</td><td>Shiseido Company, Limited</td><td>Below 0.5%</td><td>Net sales of the Company</td></tr></table>	Company name	Position	Transac- tions	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 0.5%
Company name	Position	Transac- tions	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 0.5%	Net sales of the Company									

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company																		
7	[Outside Director] [Reelection] [Independent officer]  Noriaki Horikiri (September 2, 1951) Length of service: Two years (as of conclusion of this meeting) Attendance of Board of Directors meetings: 16 out of 16 Board of Directors meetings (100%) Number of the Company’s shares held: 1,781	April 1974	Joined Kikkoman Shoyu Co., Ltd. (currently Kikkoman Corporation)																	
		June 2003	Corporate Officer																	
		June 2006	Executive Corporate Officer																	
		June 2008	Director and Executive Corporate Officer																	
		June 2011	Representative Director and Senior Executive Corporate Officer																	
		June 2013	Representative Director, President and Chief Executive Officer																	
		June 2021	Representative Director, Chairman and Chief Executive Officer																	
June 2022	Director of the Company (present position)																			
June 2023	Representative Director and Chairman of Kikkoman Corporation (present position)																			
		[Significant concurrent positions outside the Company]																		
		Representative Director and Chairman, Kikkoman Corporation																		
		Reason for nomination as candidate for outside Director, and outline of expected roles Noriaki Horikiri has been involved in management of Kikkoman 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 overseas development and manufacturing activities, and is expected to enhance the Group’s corporate governance. Accordingly, we request that Mr. Horikiri 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.																		
Special notes concerning candidate for outside Director The Company has the following business relationships with the entity at which the candidate holds a concurrent position.																				
<table><tr><th>Company name</th><th>Position</th><th>Transactions</th><th>Seller</th><th>Purchaser</th><th>Ratio of transaction amount</th><th>Compared with</th></tr><tr><td>Kikkoman Corporation</td><td>Representative Director and Chairman</td><td>Sale of goods</td><td>Kikkoman Corporation</td><td>The Company</td><td>Below 0.1%</td><td>Amount of purchases of the Company</td></tr></table>							Company name	Position	Transactions	Seller	Purchaser	Ratio of transaction amount	Compared with	Kikkoman Corporation	Representative Director and Chairman	Sale of goods	Kikkoman Corporation	The Company	Below 0.1%	Amount of purchases of the Company
Company name	Position	Transactions	Seller	Purchaser	Ratio of transaction amount	Compared with														
Kikkoman Corporation	Representative Director and Chairman	Sale of goods	Kikkoman Corporation	The Company	Below 0.1%	Amount of purchases of the Company														

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company					
8	[Outside Director] [Reelection] [Independent officer]  Toshiaki Mikoshiba (November 15, 1957) Length of service: One year (as of conclusion of this meeting) Attendance of Board of Directors meetings: 12 out of 12 Board of Directors meetings (100%) Number of the Company’s shares held: 325	April 1980	Joined Honda Motor Co., Ltd.				
		April 2008	Executive Officer and Director/Vice President of Honda Motor Europe Limited				
		April 2011	President, Guangqi Honda Automobile Co., Ltd.				
		April 2014	Managing Officer, Chief Officer for Regional Operations (Europe Region), Honda Motor Co., Ltd., and President and Director, Honda Motor Europe Limited				
		April 2015	Senior Managing Officer, Honda Motor Co., Ltd.				
		April 2016	Chief Officer for Regional Operations (North America), Honda Motor Co., Ltd., and President and CEO, Honda North America, Inc.				
		June 2017	Senior Managing Director, Honda Motor Co., Ltd.				
		April 2019	Chairman, Honda Motor Co., Ltd.				
		June 2023	Director of the Company (present position)				
		[Significant concurrent positions outside the Company]					
		None					
		Reason for nomination as candidate for outside Director, and outline of expected roles Toshiaki Mikoshiba has been involved in management of Honda Motor 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 including overseas development and sales domain, and is expected to enhance the Group’s corporate governance. Accordingly, we request that Mr. Mikoshiba 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.					
Special notes concerning candidate for outside Director Toshiaki Mikoshiba is former Chairman of Honda Motor Co. Ltd., and the Company has the following business relationships with the entity.							
	Company name	Position	Transactions	Seller	Purchaser	Ratio of transaction amount	Compared with
	Honda Motor Co. Ltd.	Former Chairman	Sale of goods	The Company	Honda Motor Co. Ltd.	Below 0.1%	Net sales of the Company

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company
9	[Inside Director] [New election]  Tamotsu Isobe (April 2, 1967) Number of the Company's shares held: 6,963	April 1992 Joined the Company April 2012 COO of Nagase (Malaysia) Sdn. Bhd. April 2017 General Manager of Performance Chemicals Dept. September 2021 General Manager of Performance Chemicals Dept. and General Manager of Nagase Application Workshop April 2023 Executive Officer and General Manager of Performance Chemicals Dept. April 2024 Executive Officer, in charge of Functional Materials, Life & Healthcare, Business Development, Europe and Americas, and Osaka Area
		[Significant concurrent positions outside the Company] None
		Reason for nomination as candidate for Director Tamotsu Isobe has worked in the functional materials, electronics & energy, 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 general manager of business department, Mr. Isobe is nominated as a candidate for Director.

Notes:

1. Ritsuko Nonomiya, Noriaki Horikiri, and Toshiaki Mikoshiba are candidates for outside Director specified in Article 2, item (15) of the Companies Act and are independent officers pursuant to the regulations of financial instruments exchanges.
2. There are no special interests between the candidates and the Company.
3. Agreement limiting liability
 Pursuant to the Articles of Incorporation, the Company has entered into an agreement with outside Directors Ritsuko Nonomiya, Noriaki Horikiri, and Toshiaki Mikoshiba, 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 numbers of Board of Directors meetings indicated with regard to attendance at meetings by Toshiaki Mikoshiba are the number of meetings since he was elected as Director.
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.

[Reference]

Matters relating to cross-shareholdings

(1) Policy regarding cross-shareholdings

The Company may hold securities as cross-shareholdings where it is considered necessary, when taking into consideration the maintenance and strengthening of trading relationships as well as its business strategies, among other things, in order to achieve sustainable improvement of corporate value of the Group.

With regards to the reasonableness of such holdings, relevant departments scrutinize whether the prospect of business expansion and synergies can be expected, or services essential to the corporate activities of the Group can be secured stably based on the income from related transactions and earning status and from dividends received. The results are confirmed by the Board of Directors each year. Where it is not found reasonable to hold securities, the Company has been working to sell securities in phases to reduce the holdings, while taking into considerable various factors.

(2) Reduction policy under the Medium-term Management Plan

Under our Medium-term Management Plan **ACE 2.0** (from fiscal 2021 to fiscal 2025), the Company intends to further reduce cross-shareholdings with the aim of improving capital efficiency and enhancing governance. We have set the target of reducing 30 billion yen during the period of **ACE 2.0**.

(3) Status of cross-shareholdings

		107th term Fiscal 2021	108th term Fiscal 2022	109th term Fiscal 2023
Number of securities (securities)	Listed	85	78	67
	Non-listed	52	54	53
	Total	137	132	120
Total amount on the balance sheet (million yen)	Listed	59,371	54,740	59,737
	Non-listed	3,863	2,194	2,024
	Total	63,235	56,935	61,761
Net assets (million yen)		355,092	378,388	401,315
Ratio of listed stock to net assets		16.7%	14.5%	14.9%
Ratio to net assets		17.8%	15.0%	15.4%

During fiscal 2023, the Company worked on reduction in accordance with the policy described in (2) above to sell 17 securities worth 7.1 billion yen.^(Note 1) The securities newly acquired as cross-shareholdings are one non-listed security worth 30 million yen.

Note 1: Including securities some of whose shares held have been sold.

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

The term of office of Nobuyuki Shirafuji, the Audit & Supervisory Board Member, will expire at the conclusion of this meeting, and he will retire from the Company. 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	
[Outside Audit & Supervisory Board Member] [New election] [Independent officer]  Masaya Ishida (January 10, 1970) Number of the Company's shares held: 0	April 1992	Joined Sumitomo Bank (currently Sumitomo Mitsui Banking Corporation ("SMBC"))
	April 2009	Head of Sales Promotion Group, Hibiya Corporate Banking No.2 Office
	April 2010	Group Head, Human Resources Dept.
	August 2011	Group Head, Americas Business No. 1 Dept.
	April 2014	Deputy General Manager, Americas Business No.1 Dept.
	April 2016	Deputy General Manager, Tokyo Corporate Banking No. 5 Dept.
	April 2018	General Manager, Fukuoka Corporate Banking No. 2 Office
	April 2020	General Manager, Hamamatsucho Corporate Banking Office
	April 2022	General Manager, Hiroshima Corporate Banking Office
	April 2024	Retired from SMBC
[Significant concurrent positions outside the Company] None		
Reason for nomination as candidate for outside Audit & Supervisory Board Member Masaya Ishida has never been directly involved in management, however he has considerable knowledge in finance and accounting based on his wide range of experience in Japan and overseas over many years at a financial institution. Accordingly, we expect Mr. Ishida to perform the duties of outside Audit & Supervisory Board Member appropriately and request his election.		
Special notes concerning candidate for outside Audit & Supervisory Board Member Masaya Ishida does not have any personal relationships, capital relationships, transactional relationships, or other interests with the Company. Mr. Ishida worked for Sumitomo Mitsui Banking Corporation, one of the Company's banks, but no longer works for the bank. As of the end of March 2024, the Group had an outstanding loan from the bank for 36,199 million yen (4.57% of consolidated total assets), but shareholders' equity ratio of the Company is high, its finances are sound, and its degree of dependence on loans from financial institutions is low, and accordingly, a determination was made that the loan is not significant enough to give rise to a special relationship. The Company believes that there is no likelihood of a conflict of interests between Mr. Ishida and general shareholders arising from his status as an outside Audit & Supervisory Board Member.		

Notes:

1. Masaya Ishida is a candidate for outside Audit & Supervisory Board Member specified in Article 2, item (16) of the Companies Act, and the Company plans to file notice as an independent officer pursuant to the regulations of financial instruments exchanges.
2. Agreement limiting liability

If Masaya Ishida, a candidate for new outside Audit & Supervisory Board Member, is elected, pursuant to the Articles of Incorporation, the Company plans to enter into an agreement with him, limiting liability to the Company for damage to a certain degree. A summary of the agreements is as follows:

If the Company incurs damage as a result of the failure of the outside Audit & Supervisory Board Member to perform his or her duties, as long as the outside Audit & Supervisory Board Member performed his or her 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 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.

[Reference]

Roles and expertise of Directors and Audit & Supervisory Board Members upon the approval of Proposals 2 and 3

Roles particularly expected of Directors and Audit & Supervisory Board Members are as below.

Some changes to the skill items were made in fiscal 2024 to further clarify strategic roles expected of Directors.

Position Name	Corporate management	Global business	Marketing/ Sales	R&D	Production/ Quality	Finance and accounting	Legal affairs/ Risk management	Human resource management	Sustainability	DX
Representative Director and Chairman Kenji Asakura	✓	✓	✓					✓	✓	
Representative Director and President Hiroyuki Ueshima	✓	✓	✓	✓	✓		✓	✓	✓	
Representative Director Masaya Ikemoto	✓	✓			✓	✓	✓	✓	✓	✓
Director Masatoshi Kamada	✓	✓	✓				✓	✓	✓	✓
Director Tamotsu Isobe	✓	✓	✓	✓				✓	✓	✓
Director, Senior Advisor Hiroshi Nagase	✓							✓	✓	
Outside Director Ritsuko Nonomiya	✓	✓				✓	✓	✓	✓	
Outside Director Noriaki Horikiri	✓	✓		✓	✓		✓	✓	✓	
Outside Director Toshiaki Mikoshiba	✓	✓	✓		✓		✓	✓	✓	
Audit & Supervisory Board Member Masanori Furukawa						✓	✓			
Audit & Supervisory Board Member Akira Takami						✓	✓			
Outside Audit & Supervisory Board Member Masaya Ishida						✓	✓			
Outside Audit & Supervisory Board Member Gan Matsui						✓	✓	✓		

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					
[Outside Audit & Supervisory Board Member] [Reelection] [Independent officer] Takao Muramatsu (October 1, 1953) Number of the Company’s shares held: 0	April 1979	Joined Tokyo Regional Taxation Bureau				
	April 1988	Primary Investigator, Special Investigative Squad, Tokyo District Public Prosecutors Office				
	July 1991	Investigator, Large Enterprise and Criminal Investigation Department, National Tax Agency				
	July 1998	Senior Investigator, Large Enterprise and Criminal Investigation Department, National Tax Agency				
	July 2003	District Director, Shibuya Tax Office				
	July 2005	Chief Investigator, Criminal Investigation Department, Tokyo Regional Taxation Bureau				
	July 2009	Chief Internal Inspector, Osaka Regional Taxation Bureau				
	July 2010	Chief Internal Inspector, National Tax Agency				
	July 2012	Assistant Regional Commissioner (Planning and Administration), Nagoya Regional Taxation Bureau				
	June 2013	Regional Commissioner, Takamatsu Regional Taxation Bureau				
	October 2014	Registered as certified tax accountant President, Muramatsu Tax Accountant Office (present position)				
	[Significant concurrent positions outside the Company]					
	Outside Director and Audit & Supervisory Board Member, BESTERRA CO., LTD.					
	Outside Audit & Supervisory Board Member, SERENDIP HOLDINGS CO., LTD.					
	Outside Director and Audit & Supervisory Board Member, GLOBERIDE, Inc.					
President, Muramatsu Tax Accountant Office						
Reason for nomination as candidate for substitute outside Audit & Supervisory Board Member Takao Muramatsu does not have direct managerial experience, but he has held a number of important posts in Regional Taxation Bureaus. Based on his high degree of specialization relating to taxes and corporate accounting and experience as Audit & Supervisory Board Member of other companies, we have determined that he will properly perform his duties as outside Audit & Supervisory Board Member, and we request his election.						
Special notes concerning candidate for substitute outside Audit & Supervisory Board Member The Company has the following business relationships with the entity at which the candidate holds a concurrent position.						
Company name	Position	Transactions	Seller	Purchaser	Ratio of transaction amount	Compared with
SERENDIP HOLDINGS CO., LTD.	Outside Audit & Supervisory Board Member	Sale of goods	The Company	SERENDIP HOLDINGS CO., LTD.	Below 0.1%	Net sales of the Company
GLOBERIDE, Inc.	Outside Director and Audit & Supervisory Board Member	Sale of goods	The Company	GLOBERIDE, Inc.	Below 0.1%	Net sales of the Company

Notes:

1. There are no special interests between Takao Muramatsu and the Company.
2. Takao Muramatsu 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.

3. 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.

4. 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.

1. NAGASE Group business conditions

(1) Development and results of business operations

The global economy during the current fiscal year faced concerns about economic slowdown due to factors including the prolonged conflicts in Ukraine and the Middle East, inflation in Europe and the U.S. and resulting continued monetary tightening, and the sluggish real estate market in China.

Among the regions where the NAGASE Group conducts business, the economy in Greater China slowed down with the stagnation in the real estate market pushing down private consumption. In the Americas, price increases continued, but at a slower pace, and economic recovery is expected to continue due to an expansion in private consumption and an increase in employment. In ASEAN, the economies have been on a solid trend, led by domestic and inbound demand. In Japan, continued economic recovery is expected due to an improvement in real wages, firm corporate capital investment, and continued inbound demand, despite downward pressures including sharp fluctuations in exchange rates due to higher interest rates resulting from the discontinuation of the negative interest rate policy and geopolitical risks, and increasingly budget-minded consumer spending.

In such environment, the Group's earnings during the current fiscal year were as below.

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Year on year	
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(%)
Gross profit	155,410	164,719	9,309	6.0%
Operating income	33,371	30,618	(2,753)	(8.2)%
Ordinary income	32,528	30,591	(1,937)	(6.0)%
Net income attributable to owners of the parent	23,625	22,402	(1,222)	(5.2)%

- In terms of performance in the current fiscal year, gross profit increased mainly due to a weaker yen.
- Operating income decreased due to an increase in selling, general and administrative expenses, despite an increase in gross profit. For details, see Overview by Segment.
- Net income attributable to owners of the parent amounted to 22.4 billion yen, down 1.2 billion yen, despite a decrease in loss on valuation of investments in securities.

Overview by Segment

The following describes performance by segment.

Note that as of October 1, 2023 of the current fiscal year under review, the categorizations for reportable segments have been partially amended. Year-on-year amounts and ratios for the previous fiscal year are calculated after rearranging reportable segment classifications to match those of the current fiscal year.

*For the details of the changes in business segmentation, please refer to (Segment Information Etc.) on page 16 of “Consolidated Financial Statements for the Fiscal Year Ended March 31, 2024” announced on May 8, 2024 (in Japanese).

<Functional Materials>

Gross profit

28.1 billion yen (down 5.9% from the previous fiscal year)

The major factors behind performance were as follows.

- Sales decreased for coating materials.
- Sales decreased for raw materials for the electronics industry, including semiconductor-related products
- Sales of digital print processing materials were lower, as was profitability in the manufacturing business
- Operating income decreased due to a decrease in gross profit

<Advanced Materials & Processing>

Gross profit

23.6 billion yen (down 2.6% from the previous fiscal year)

The major factors behind performance were as follows.

- Sales of resin declined due to lower demand in the office equipment, appliance, and video game device market and the impact of inventory adjustments by customers
- Operating income decreased due to a decrease in gross profit

<Electronics & Energy>

Gross profit

34.2 billion yen (up 11.2% from the previous fiscal year)

The major factors behind performance were as follows.

- Despite weakening semiconductor market conditions, sales of materials to the semiconductor industry increased due to product line expansion
- Sales increased due to higher demand for formulated epoxy resins, mainly for semiconductors for server applications and mobile device applications
- Sales increased for photolithography materials for display applications
- Operating income increased due to an increase in gross profit

<Mobility>

Gross profit

15.2 billion yen (up 5.6% from the previous fiscal year)

The major factors behind performance were as follows.

- Sales increased for resins, mainly due to boosted automobile production and expanded market share among existing customers.
- Sales increased for functional materials and functional components for interior and exterior fittings and electrification
- Operating income increased due to an increase in gross profit

<Life & Healthcare>

Gross profit

63.4 billion yen (up 13.5% from the previous fiscal year)

The major factors behind performance were as follows.

- Overall Prinova Group sales increased due to operations of the new plant in Utah
- Sales of Nagase Viita Co., Ltd. (changed its trade name from Hayashibara Co., Ltd. effective April 1, 2024) increased mainly in cosmetics materials
- Sales increased for pharmaceutical raw materials and intermediates
- Operating income decreased, despite higher gross profit, as personnel expense and other selling, general and administrative expenses increased at the Prinova Group and profit contribution from the new Utah plant was delayed

<Others>

No special matters to disclose.

(2) Status of capital investment, etc.

During the current fiscal year, the Group made capital investment of 20 billion yen (including intangible fixed assets), particularly in the Life & Healthcare segment.

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

Segment	Amount (Millions of yen)
Functional Materials	1,262
Advanced Materials & Processing	1,159
Electronics & Energy	3,189
Mobility	325
Life & Healthcare	4,367
Others, Company-wide (common)	9,708
Total	20,012

(3) Status of capital procurement

The Company has established commitment lines of 20 billion yen in total with financial institutions for fund-raising, preparing for unexpected situations.

(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

Medium-term Management Plan “**ACE 2.0**”

The NAGASE Group (hereinafter “NAGASE”) has prepared the Five-Year Medium-term Management Plan “**ACE 2.0**” to solve materiality (key issues) identified, by backcasting from the Ideal NAGASE in 2032 (200th anniversary of its foundation). Positioning **ACE 2.0** as “Pursue Quality,” NAGASE launched it in April 2021, and considers that the items listed in **ACE 2.0** are the issues to be addressed.

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

Quantitative Targets of **ACE 2.0** and Results

Quantitative targets of **ACE 2.0** and results are as shown in the table below.

Measures	Indicators	Targets	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023
Enhance capital efficiency	ROE	8.0%	5.9%	7.7%	6.6%	5.9%
Increase earnings power	Operating income	35.0 billion yen	21.9 billion yen	35.2 billion yen	33.3 billion yen	30.6 billion yen

In fiscal 2023, profitability in the resin sale business, which was affected by sluggish global demand, and in the digital print processing materials business, which faced a deterioration in the demand and supply balance, deteriorated due to lower sales volume and unit sales price. This, together with the Prinova Group suffering from a decline in the unit sales price due to the influx of inexpensive Chinese products and incurring personnel expenses, etc., exceeding revenues due to a delay in the installation of automation equipment at its Utah plant, resulted in a deterioration in profitability as a whole.

While the situation is improving, we face an external environment where increasing interest expenses and the rising trend in personnel expenses resulting from global increases in prices continue, thereby demanding further reform of our profit structure.

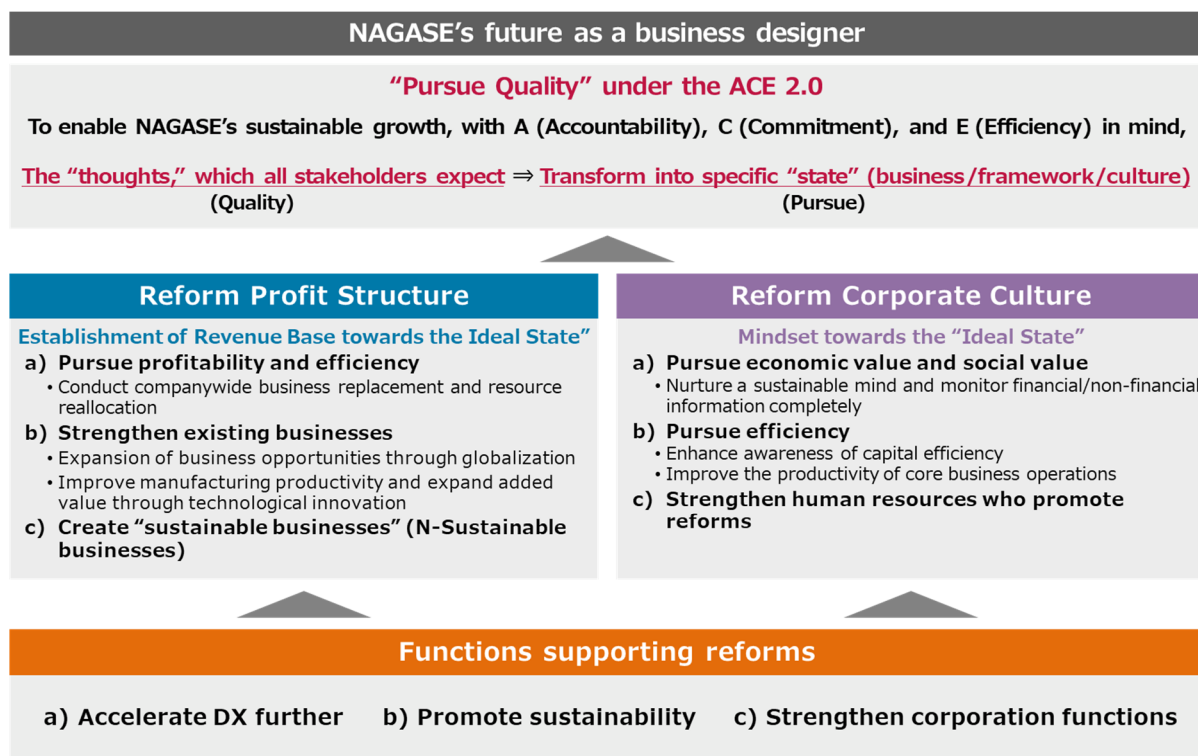
Against this backdrop, in November 2023, the full-year forecast for fiscal 2023 for operating income had been revised to 30.0 billion yen, and overall performance was in line with the forecast.

It was a year during which NAGASE made considerable achievements in “Pursue Quality,” including progress in initiatives in Focus Areas, and a reduction in losses in Improvement Areas, in addition to reducing inventory held strategically to cope with the unstable condition of the supply chain during the COVID-19 pandemic.

NAGASE will continue to promote **ACE 2.0** under the basic policy described below, with the aim to achieve the quantitative targets in fiscal 2025, the final year of the Medium-term Management Plan.

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 that creates a sustainable 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.

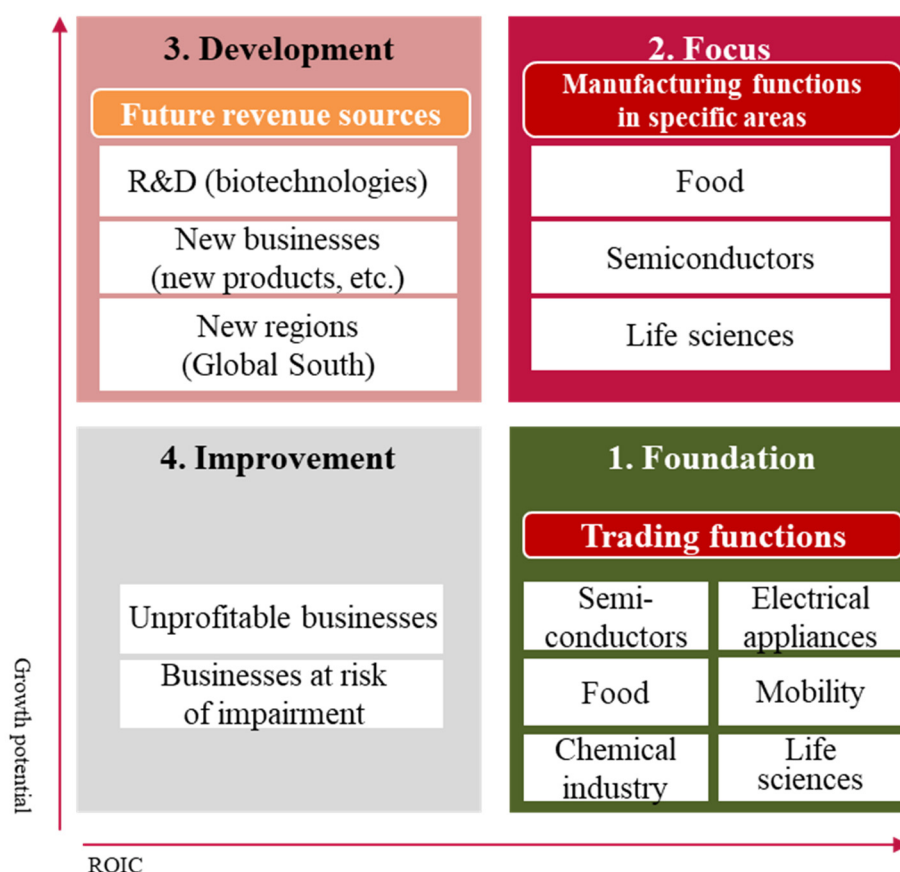


Reform Profit Structure - Establishment of Revenue Base towards the “Ideal NAGASE”

To maximize management resource efficiency, NAGASE secures and reinvests management resources. From the viewpoints of efficiency and growth, NAGASE classifies its businesses into four areas, “Base,” “Focus,” “Growth,” and “Improvement,” implements strategies for each area, and accelerates the shifting of resources.

NAGASE has manufacturing and R&D functions as well as trading company functions. We had been using a business axis for our four quadrants; however, we re-classified our business portfolio by use of a functional axis in fiscal 2023 to further ensure future growth, clarifying priority fields in respective areas.

(Approach to Business Portfolio)



[Reform Profit Structure - Initiatives]

(Base Areas)

We define our trading company functions as Base Areas in our business portfolio. Trading company functions are responsible for exploration and matching of issues by leveraging our global network and the ability of NAGASE Group’s talents to judge information. These functions focus on high-quality information for use in the business development of Growth Areas to play an essential role in creating new businesses and new materials.

As a result of our initiatives to make a proposal that combined a deep understanding of the supply chains in the semiconductor area, knowledge on technologies and our issue-solving capabilities, we were selected as a partner for arranging transportation for Rapidus Corporation, which aims to manufacture cutting-edge semiconductors in Japan. We will make contributions through the development and maintenance of supply chains aimed at realizing manufacturing of cutting-edge semiconductors.

Further, a reduction in inventory, which had been held strategically to maintain the supply chain under unstable conditions due to the COVID-19 pandemic, led to the right-sizing of capital.

(Focus Areas)

We define manufacturing functions in the food field centered on Prinova Group, the semiconductor field centered on Nagase ChemteX Corporation, and the life science field centered on Nagase Viita Co., Ltd. (whose name changed from Hayashibara Co., Ltd. in April 2024) as Focus Areas.

In the food field, the installation of automation equipment at the Utah plant of the Prinova Group has been completed, making it ready to start contributing to revenue. With the aim to expand a highly profitable manufacturing and processing business globally, we will make aggressive investments such as M&A.

In the semiconductor field, sales of liquid encapsulating materials for high-end servers by Nagase ChemteX Corporation have been strong and are expected to continue to grow. Nagase ChemteX Corporation is promoting a review to establish a new manufacturing base from the BCP perspective of chemical-related products such as release agents. In addition, there was progress in the initiatives to launch a business collecting and recycling chemicals used in the manufacturing process of semiconductors at SN Tech Corporation, a joint venture with our partner Sachem Inc. We will work to offer unique solutions to the semiconductor industry in the future.

In the life science field, we changed the corporate name of Hayashibara Co., Ltd., which manufactures cosmetic raw materials and pharmaceutical raw materials, to Nagase Viita Co., Ltd. The name represents its aim to “Respect life, and embrace the well-being of people and the planet.” In addition, Nagase Viita received the “Platinum” rating from EcoVadis, acquiring the highest rating evaluation by an external organization as a trusted supply chain partner. It is also promoting the review of expansion into new business areas and will accelerate growth through M&A and other means.

(Growth Areas)

We define research and development for new materials that will become a future pillar of revenue, incubation to create new businesses, and businesses in areas of high growth potential as Growth Areas.

Through our research and development functions we made progress in our initiatives toward the mass production of rare amino acid ergothioneine, making steady progress for future commercialization. In addition, we succeeded in creating an SAP (Super Absorbent Polymer) with higher absorbability despite starch being the primary material used, by combining our proprietary enzyme technologies and organic synthesis techniques, and initiated marketing activities. Further, we recently succeeded in developing a grade of super-absorbent polymer (SAP) with marine biodegradability. Testing by a third-party organization has confirmed it has the required biodegradability to be certified as marine biodegradable, broadening the possibility of using it in products including those used for soil water retention for greening or agricultural purposes that may flow out into ocean through rivers and rolling them out as environmentally friendly products.

With a view to enhancing our research and development functions in order to continue to contribute to solving social issues through the development of materials, we decided to integrate basic research functions of Nagase Bio-Innovation Center and Nagase Viita Co., Ltd. and establish a new bio research base (to be opened in April 2027 or later).

We formed CVC (Corporate Venture Capital) to promote the creation of new businesses in the future from a different perspective from existing businesses. We will promote investment in start-up companies to acquire a wide range of leading-edge technologies and knowledge and discover seeds for next-generation businesses.

In addition, we have defined the Global South (India, Brazil, Mexico, and Indonesia) as a field in which we expect further growth in the future and promoted initiatives, including the development of cross-divisional area strategies. We will continue to accelerate investment of resources.

(Improvement Areas)

We define loss-making businesses, unprofitable transactions, and businesses with concerns for future impairment losses of assets as Improvement Areas.

Unprofitable transactions and impairment losses have been reduced significantly from fiscal 2022 through comprehensive monitoring activities.

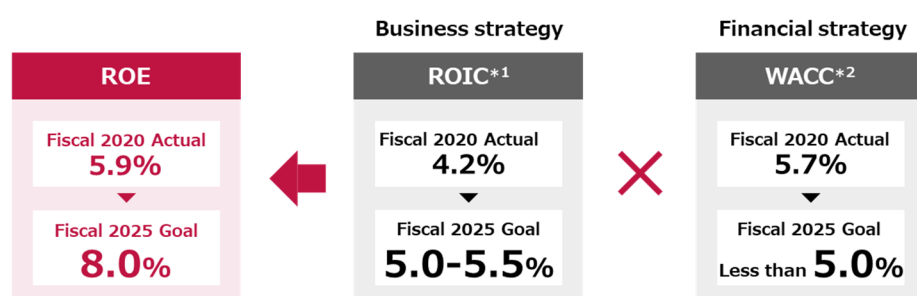
We initiated monitoring based on capital cost by business in fiscal 2023 to make our business portfolio management more advanced. We will continue to work on asset replacement by collecting capital from businesses that have been unsuccessful in delivering a sufficient rate of returns on invested capital relative to their capital cost, as well as promoting the investment of capital into businesses that realize value creation in excess of their respective assumed capital costs.

The review is underway into investment candidates worth approximately 80 billion yen in total, primarily in Focus and Growth Areas, for sustainable growth. We will make decisions after scrutinizing them to identify transactions that will lead to improvement in corporate value through an appropriate review process.

Reform Corporate Culture - Mindset towards the “Ideal NAGASE”

Considering that it is necessary to pursue economic value and social value as a pair of values for the realization of “Pursue Quality,” NAGASE conducts monitoring by setting financial and non-financial KPIs. Further, we will strive to improve productivity of core operations in the pursuit of efficiency, increase ROIC through the business strategy, and reduce WACC through the financial strategy, to improve ROIC spread. NAGASE will aim to improve corporate value by earning its ROIC above WACC at all times. In addition, we believe it is necessary to boost personnel to promote reforms and will work to enhance engagement of employees and the Company to achieve sustained growth and development for both.

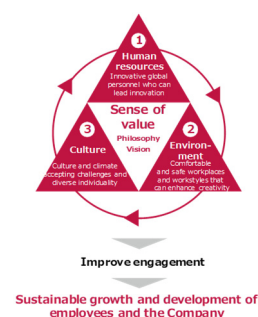
(Pursue Efficiency)



*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.

(Enhanced Engagement)



[Reform Corporate Culture - Initiatives]

ROIC in fiscal 2023 declined to 4.0% due to lower business profitability as described in Quantitative Targets of **ACE 2.0** and Results, despite the effect of progress in reducing inventory as initially expected.

WACC stood at 5.9%, partly due to the impact of a higher percentage of shareholders' equity in weighted average capital with a decline in the Net DE ratio to 0.27 times.

As an initiative to improve capital efficiency, we sold 17 securities valued at 7.1 billion yen of cross-shareholdings in fiscal 2023. While we have been striving to improve profitability through various measures, under the recognition that further improvement in capital efficiency is necessary to achieve ROE of 8.0% or higher, a quantitative target of **ACE 2.0**, we decided to change our shareholder returns policy to adopt total return ratio of 100%, in addition to the existing policy of continued dividend increase, as a tentative measure for two years up to the final year of **ACE 2.0**.

The revised shareholder returns policy will be reviewed upon the expiration of **ACE 2.0**.

(Policy and results of the sale of cross-shareholdings)

	Fiscal 2019	Fiscal 2020	Medium-term management plan ACE 2.0				Total	(from fiscal 2021 to fiscal 2025)
			Fiscal 2021	Fiscal 2022	Fiscal 2023			
Number of securities sold	7	5	49	13	17		79	Five years' cumulative total
Total sales price	10.4 billion yen	6.2 billion yen	7.8 billion yen	7.3 billion yen	7.1 billion yen		22.4 billion yen	Plan to sell shares worth 30 billion yen

(Changes to our shareholder returns policy)

	Conventional policy	New policy
Total return ratio	—	100%
Dividends	In principle, continued dividend increase	Same as on the left
Repurchase of treasury stock	Implement repurchase of treasury stock flexibly, with the maximum amount being the amount of strategic cross-shareholding sold	Implement repurchase of treasury stock flexibly

* A tentative measure until the expiration of **ACE 2.0** (fiscal 2025). It will be reviewed upon the expiration of **ACE 2.0**.

With respect to the enhancement of personnel to promote reforms, we revised the human resources system of the Company with the aim to clarify roles and professional duties and ensure their linkage to treatment, enable dynamic personnel assignment and promotion, and facilitate securing and promotion of diverse specialist personnel. We started operating the system on April 1, 2024. In addition, we assigned an HRBP (HR Business Partner) to each department to strengthen the system to promote human resources strategies linked to medium- to long-term business strategies. In addition to these initiatives, we have been promoting the reform of our work culture, etc., through the creation of learning opportunities by expanding elective training and hosting workshops aimed at the promotion of D&I (Diversity & Inclusion) for management and those in managerial posts. Through these initiatives, we will promote improved employee engagement and enhanced competitiveness.

In addition, we integrated 11 departments into 7 departments with a view to increasing the efficiency of organization management, expediting decision-making, enhancing the effectiveness of disposal of unprofitable businesses, reallocating human resources and others. Further, we worked to establish an efficient management base by promoting the delegation of authority to the business divisions as well as reviewing various committees to allow prompt decision-making in accordance with changes in the external environment.

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, “broad network,” “technical knowledge,” and “problem-solving capabilities & 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 NAGASE” based on the Sustainability Basic Policy, NAGASE will also make these functions available to the entire Group.

[Initiatives]

In relation to further acceleration of DX, preparation for rolling out a marketing platform aimed at strengthening and expanding the customer base through digital marketing has been partially completed, and we have shifted to a phase to utilize it and acquire revenue in each business division and region.

With respect to the promotion of sustainability, we gained deeper knowledge on solutions to deal with climate change in supply chains by, for example, collecting and coordinating primary data on GHG emissions in the supply chains under the PACT*2 hosted by the WBCSD*1 in cooperation with Zeroboard Inc. and Fujitsu Limited, our partners to provide decarbonation management solutions, to succeed in an initiative to calculate GHG emissions of final products.

*1 World Business Council for Sustainable Development

*2 Partnership for Carbon Transparency (partnership among companies to coordinate product carbon footprint information through the transparency of the exchange of primary data on GHG emissions across their supply chains)

Non-financial targets (KPIs) and results

Under **ACE 2.0** we have established employee engagement and reduction in GHG emissions toward carbon neutrality as non-financial targets (KPIs) to be evaluated quantitatively and monitored in our initiatives to address to solve materiality (key issues). The results for fiscal 2023 are as below.

Enhance employee engagement

Benchmarks	Fiscal 2021	Fiscal 2022	Fiscal 2023	Targets for Fiscal 2025
Group companies: Ratio of companies that carry out engagement surveys periodically	41%	81%	86%	100%
NAGASE & CO. LTD. (non-consolidated): Total score in the engagement survey	52.4	56.5	56.0	60 or higher
(Reference) NAGASE & CO. LTD. (non-consolidated): Response rate in the engagement survey	98%	96%	96%	

Reduction in GHG emissions

(Unit: t-CO₂)

	Item	Fiscal 2013	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Targets for Fiscal 2025
Consolidated	Scope 1	86,197	30,538	33,132	31,099	31,381	-
	Scope 2 (Market-based)		33,105	27,057	25,610	26,784	-
	Total		63,643	60,189	56,710	58,165	-
	Scope 1, 2 reduction rate (compared to 2013)	-	26%	30%	34%	33%	37% or higher
	Reduction due to power generation and purchase of renewable energy (cumulative)	-	-	10	523	7,488	35,000 or higher
NAGASE & CO. LTD. (non- consolidated)	Scope 2	-	-	2,514	2,014	1,810	Zero emission

* Included in the consolidated data are NAGASE & CO., LTD., Nagase ChemteX Corporation, and Nagase Viita Co., Ltd.

* Data for fiscal 2023 are tentative values before receiving third-party assurance.

(9) Changes in assets and profit/loss

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Gross profit (Unit: Million yen)	114,600	139,494	155,410	164,719
Ordinary income (Unit: Million yen)	22,854	36,497	32,528	30,591
Net income attributable to owners of the parent (Unit: Million yen)	18,829	25,939	23,625	22,402
Net income per share (Unit: yen)	151.91	213.46	199.54	194.96
Total asset (Unit: Million yen)	640,587	739,720	762,688	792,336
Net asset (Unit: Million yen)	338,431	355,092	378,388	401,315

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, 2024)

a) Status of parent company

No applicable information.

b) Status of main subsidiaries

Company name	Capital	Percentage of voting rights held	Main business
Prinova Group LLC	-	100.0% (100.0%)	Sales of food ingredients, processing, and contract manufacturing of finished products
Nagase Holdings America Corporation	(thousand) US\$ 1	100.0%	Regional management, investment and asset management, and provision of professional services
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
Shanghai Nagase Trading Co., Ltd.	(thousand) RMB 8,120	100.0% (100.0%)	Import/export, intermediate trade, market development, information collection
Nagase ChemteX Corporation	2,474 million yen	100.0%	Manufacture and sale of high-performance resins, such as formulated epoxy resins, photolithography materials, epichlorohydrin derivatives, acrylic polymer, electroconductive paints, and sterilization and antibacterial agents
Nagase (Hong Kong) Ltd.	(thousand) HK\$ 28,670	100.0%	Import/export, intermediate trade, market development, information collection
Nagase (China) Co., Ltd.	(thousand) RMB 134,687	100.0% (100.0%)	Investment, trade, import/export, processing, logistics, R&D, IT development, and various services
Nagase Chemical Co., Ltd.	310 million yen	100.0%	Sale of coating raw materials, dyestuffs, paper chemicals, industrial chemicals, plastics, and various machinery
Nagase (Thailand) Co., Ltd.	(thousand) BAHT 321,000	100.0%	Import/export, intermediate trade, market development, information collection
Shanghai Hua Chang Trading Co., Ltd.	(thousand) RMB 19,864	70.0% (53.8%)	Sale of plastics and related products

Notes:

- Figures in parentheses under percentage of voting rights held indicate indirect ownership (included in total equity holdings).
- 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.
- Hayashibara Co., Ltd. changed its trade name to Nagase Viita Co., Ltd. effective April 1, 2024.
- As of the end of the fiscal year, there were no specified wholly owned subsidiaries.

(11) Main business activities (As of March 31, 2024)

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 and ink, dyestuff, pigments, additives, processing pigments, dispersing element, functional dyes, material for thermal paper, materials for toner and ink-jet, 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, conductive paints, and others
Advanced Materials & Processing	Thermoplastic resins, thermosetting resins, plastic products, plastic moldings and molds, and others
Electronics & Energy	Modified epoxy resins, fluorine 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, equipment to analyze liquid state, LED, 3D printing-related commercial products, solar panels, 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, medical equipment, radiation measuring services, sleep monitoring service, cosmetics, health foods, beauty foods, and others
Others	Design and manufacture of rechargeable battery systems, proposals for energy management systems, battery assessment services, healthcare services, logistics services, information processing services, vocational services, and others

(12) Main offices and plants (As of March 31, 2024)

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 Bio-Innovation Center (Kobe, Hyogo), Nagase Application Workshop (Amagasaki, Hyogo)	
Subsidiaries	Domestic sales branch	Nagase Chemical Co., Ltd. (Chuo-ku, Tokyo), 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) and Fukuchiyama Plant (Fukuchiyama, Kyoto) Nagase ChemteX Corporation: Harima Plant, (Tatsuno, Hyogo), Sakai Factory (Sakai, Osaka), and others	
	Domestic R&D center	Hayashibara Co., Ltd.: R&D Center (Okayama, Okayama) and Fukuchiyama Plant (Fukuchiyama, Kyoto) Nagase ChemteX Corporation Harima Plant (Tatsuno, Hyogo), and others	
	Overseas sales branch	Prinova Group LLC, Nagase Holdings America Corporation, Shanghai Nagase Trading Co., Ltd., Nagase (Hong Kong) Ltd., Nagase (China) Co., Ltd., Nagase (Thailand) Co., Ltd., Shanghai Hua Chang Trading Co., Ltd., and others	

Note: Hayashibara Co., Ltd. changed its trade name to Nagase Viita Co., Ltd. effective April 1, 2024.

(13) Status of employees (As of March 31, 2024)

a) Status of the corporate group employees

Business Segment	Number of employees
Functional Materials	912
Advanced Materials & Processing	1,179
Electronics & Energy	1,511
Mobility	339
Life & Healthcare	2,408
Others	328
Company-wide (common)	851
Total	7,528

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
975	+32	41.8	15.7 years

Notes:

1. The number of employees indicates the number of persons employed.
2. The number of employees exclude employees who are seconded from the Company and include employees who are seconded to the Company, starting from the fiscal year under review.
3. The change from the end of the previous fiscal year shows the number of persons by re-classifying data for the previous fiscal year using the method as described for the fiscal year under review.

(14) Main lenders and loan amounts (As of March 31, 2024)

Lenders	Loan amounts
Sumitomo Mitsui Banking Corporation	36,199 million yen
MUFG Bank, Ltd.	21,600 million yen
Mizuho Bank, Ltd.	11,851 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, 2024)

(1) Total number of shares authorized 346,980,000

(2) Total number of shares issued 117,908,285

(3) Number of shareholders 28,730

(4) Principal shareholders (top 10)

Principal shareholders	Number of shares held (thousand shares)	Holdings percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	14,089	12.4
Custody Bank of Japan, Ltd. (Trust Account)	5,301	4.6
Sumitomo Mitsui Trust Bank, Limited	4,776	4.2
Sumitomo Mitsui Banking Corporation	4,377	3.8
NAGASE & CO., LTD. Own Share Investment Association	3,674	3.2
Nippon Life Insurance Company	3,589	3.1
Reiko Nagase	3,495	3.1
Nagase Shunzo Co., Ltd.	2,688	2.4
STATE STREET BANK AND TRUST COMPANY 505001	2,130	1.9
CGML PB CLIENT ACCOUNT/COLLATERAL	2,108	1.8

Notes:

1. The Company holds 3,854,615 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 May 8, 2024

- (i) Class of shares canceled Common shares of the Company
- (ii) Number of shares canceled 3,000,000 shares
(2.54% of the total number of issued shares before the cancellation)
- (iii) Date of the cancellation May 31, 2024

3. Matters relating to officers

(1) Status of the Company officers (As of March 31, 2024)

Position	Name	Areas of responsibility or profession	Significant concurrent positions outside the Company
Representative Director and Chairman	Kenji Asakura		Outside Director of Japan Tobacco Inc.
Representative Director and President	Hiroyuki Ueshima		
Representative Director	Masaya Ikemoto	In charge of Corporate Administration, Business Development, and Europe and Americas	
Director	Masatoshi Kamada	In charge of Sales & Marketing and Asia	
Director, Senior Advisor	Hiroshi Nagase		
Director	Ritsuko Nonomiya		Representative Director and CEO of Houlihan Lokey Japan Co., Ltd. External Director of Shiseido Company, Limited
Director	Noriaki Horikiri		Representative Director and Chairman of Kikkoman Corporation
Director	Toshiaki Mikoshiba		
Full-time Audit & Supervisory Board Member	Masanori Furukawa		
Full-time Audit & Supervisory Board Member	Nobuyuki Shirafuji		
Full-time Audit & Supervisory Board Member	Akira Takami		
Audit & Supervisory Board Member	Gan Matsui	Attorney	Outside Director and 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 Ritsuko Nonomiya, Noriaki Horikiri, and Toshiaki Mikoshiba 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 Masanori Furukawa and Akira Takami have many years of experience engaged in the finance and accounting departments of the Company and possess considerable knowledge regarding finance and accounting.
4. Full-time Audit & Supervisory Board Member Nobuyuki Shirafuji has many years of experience in financial institutions 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 Hiroyuki Ueshima, Masaya Ikemoto, and Masatoshi Kamada are also executive officers.
7. Changes in Directors and Audit & Supervisory Board Members during the fiscal year

(1) Appointments

At the 108th Annual Shareholders' Meeting held on June 20, 2023, Toshiaki Mikoshiba and Akira Takami were newly elected and appointed as Director and Audit & Supervisory Board Member, respectively.

(2) Retirements

Directors Reiji Nagase and Takahiko Ijichi and Audit & Supervisory Board Member Mitsuru Kanno retired from office due to the expiration of their terms of office effective as of the conclusion of the 108th Annual Shareholders' Meeting held on June 20, 2023.

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

Representative Directors and Directors with executive titles as of April 1, 2023 were as set forth below.

Name	New	Old
Kenji Asakura	Representative Director, Chairman	Representative Director, President and CEO
Hiroyuki Ueshima	Representative Director, President and CEO	Director
Hiroshi Nagase	Director, Senior Adviser	Representative Director, Chairman
Reiji Nagase	Director	Director, Vice Chairman

The areas of responsibility of Directors as of April 1, 2023 were as set forth below.

Position	Name	New	Old
Representative Director, President and CEO	Hiroyuki Ueshima		In charge of Business Development, Europe, Europe (CEO), and General Manager of New Value Creation Office
Representative Director	Masaya Ikemoto	In charge of Corporate Administration, Business Development, Europe and Americas, and Group Manufacturing Management Innovation Office	In charge of Corporate Administration, Group Affiliates, and Americas
Director	Masatoshi Kamada	In charge of Sales & Marketing, and Asia	In charge of Sales & Marketing, Asia, and Greater China (CEO)

The areas of responsibility of Directors as of July 1, 2023 were as set forth below.

Position	Name	New	Old
Representative Director	Masaya Ikemoto	In charge of Corporate Administration, Business Development, and Europe and Americas	In charge of Corporate Administration, Business Development, Europe and Americas, and Group Manufacturing Management Innovation Office

<Reference>

1. The areas of responsibility of Directors as of April 1, 2024 were as set forth below.

Position	Name	New	Old
Representative Director	Masaya Ikemoto	In charge of Corporate Administration	In charge of Corporate Administration, Business Development, and Europe and Americas
Director	Masatoshi Kamada	In charge of Advanced Materials & Processing, Electronics & Energy, Mobility, and Asia (Greater China, ASEAN, India, and Korea)	In charge of Sales & Marketing, and Asia

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

Executive Officers were elected on April 1, 2024, and their areas of responsibility were as set forth below.

Status	Name	Areas of responsibility
Managing Executive Officer	Naoki Yasuba	In charge of Nagase Viita Co., Ltd.
Managing Executive Officer	Takanori Yamauchi	In charge of Nagase Business Expert Co., Ltd.
Managing Executive Officer	Satoru Fujii	In charge of Nagase ChemteX Corporation
Managing Executive Officer	Donald K. Thorp	In charge of Prinova Group LLC and Food Business
Managing Executive Officer	Kusuo Ota	In charge of Group Companies and Greater China (CEO)
Executive Officer	Koichi Sagawa	General Manager of Corporate Planning Dept.
Executive Officer	Noriyoshi Yamaoka	Managing Director of Nagase Business Expert Co., Ltd. and Manager of Nagoya Branch Office
Executive Officer	Yoshihisa Shimizu	General Manager of Risk Management Dept. and General Manager of ICT Planning Div.
Executive Officer	Xiaoli Liu	General Manager of Nagase Bio-Innovation Center
Executive Officer	Eiroku Oki	India CEO
Executive Officer	Toru Araki	Director of Totaku Industries, Inc. and in charge of Risk Compliance
Executive Officer	Tamotsu Isobe	In charge of Functional Materials, Life & Healthcare, Business Development, Europe and Americas, and Osaka Area
Executive Officer	Kentaro Nagase	Europe (CEO)
Executive Officer	Kazuhiro Hanba	General Manager of Corporate Management Dept.
Executive Officer	Toshio Wakuda	General Manager of Human Resources & General Affairs Dept.

(2) Summary of limiting liability agreement

Pursuant to the Articles of Incorporation, the Company has entered into agreements with outside Directors Ritsuko Nonomiya, Noriaki Horikiri, and Toshiaki Mikoshiba 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	6	234	177	30	26
	Outside Director	4	36	36	-	-
	Total	10	271	214	30	26
Audit & Supervisory Board Member	Inside Audit & Supervisory Board Member	3	48	48	-	-
	Outside Audit & Supervisory Board Member	2	34	34	-	-
	Total	5	83	83	-	-

Notes:

1. Included in the above is 71 million yen in total compensation paid to the six outside Directors.
2. The total compensation paid to Directors indicated above includes 120 million yen which is reported as an expense of provisions during the fiscal year.
3. In addition to the above, 13 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 two Directors and one Audit & Supervisory Board Member who retired effective as of the conclusion of the 108th Annual Shareholders' Meeting held on June 20, 2023.

b) Matters relating to performance-linked compensation

As an index for performance-linked compensation, the Company has selected net income attributable to owners of the parent (i.e. final profit) to provide an incentive that can improve performance and ROE to provide an incentive that can enhance capital efficiency. Regarding calculation method of performance-linked compensation, the base amount of performance-linked compensation based on net income attributable to owners of the parent, 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 attributable to owners of the parent against the previous year's actual net income attributable to owners of the parent 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 attributable to owners of the parent was 22.4 billion yen. For the calculation of performance-linked 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. The ROE result for the fiscal year is 5.9%. To strengthen the link between sustainability-related initiatives and director compensation, we have added ESG-related indicators to performance-linked indicators since fiscal 2024.

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 600 million yen per year (60 million yen per year for outside Directors) by the resolution of the Annual Shareholders' Meeting held on June 20, 2022 (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 nine (including three outside Directors).

In addition, separately from the above, the introduction of a performance-linked, stock-based compensation system for Directors (excluding Outside Directors) with a trust period of four (4) years and maximum amount of monies contributed during the period of 280 million yen was resolved by the Annual Shareholders' Meeting held on June 20, 2022. The number of Directors (excluding Outside Directors) at the conclusion of this Shareholders' Meeting was six.

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 & Supervisory 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 a 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 (monetary component), performance-linked compensation (monetary) and performance-linked compensation (non-monetary) will be 50–70%, 25–40%, and 5–10% (when the performance targets are achieved 100%), 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 it 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 will be divided into 12 months and paid, while the monetary component of performance-linked compensation will be paid all at once at the end of June, as a basic policy. Further, the policy provides that, as non-monetary compensation which is paid under the performance-linked, stock-based compensation system, shares corresponding to the number of points granted in accordance with the position of each officer and the degree of achievement of the performance targets will be delivered upon retirement from office through a trust established by the Company.

- 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 Hiroyuki Ueshima, 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 performance-linked compensation (monetary) 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	Ritsuko Nonomiya	Representative Director and CEO of Houlihan Lokey Japan Co., Ltd.	The Company received outsourcing services in the past.
		External Director of Shiseido Company, Limited	The Company engages in transactions including sale of goods.
Outside Director	Noriaki Horikiri	Representative Director and Chairman of Kikkoman Corporation	The Company engages in transactions including sale of goods.
Outside Director	Toshiaki Mikoshiba		
Outside Audit & Supervisory Board Member	Nobuyuki Shirafuji		
Outside Audit & Supervisory Board Member	Gan Matsui	Outside Director and 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
Outside Director	Ritsuko Nonomiya	She attended 16 of 16 Board of Directors meetings held during the fiscal year (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.
	Noriaki Horikiri	He attended 16 of 16 Board of Directors meetings held during the fiscal year (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 overseas development and manufacturing activities from a perspective of familiarity with manufacturing industries.
	Toshiaki Mikoshiba	He attended 12 of 12 Board of Directors meetings held after he was appointed as Director on June 20, 2023 (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 overseas development and sales activities from a perspective of familiarity with manufacturing industries.
Outside Audit & Supervisory Board Member	Nobuyuki Shirafuji	Attended 16 of 16 Board of Directors meetings held during the fiscal year (attendance rate: 100%) and all 16 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 16 Board of Directors meetings held during the fiscal year (attendance rate: 100%) and all 16 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.

Consolidated Financial Statements

Consolidated Balance Sheet (As of March 31, 2024)

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

ASSETS	Amount
	(Millions of yen)
Current assets	542,470
Cash and time deposits	59,410
Notes and accounts receivable and contract assets	321,126
Merchandise and finished goods	131,137
Work in process	2,594
Raw materials and supplies	14,259
Other	14,881
Less allowance for doubtful accounts	(940)
Non-current assets	249,865
Property, plant and equipment	87,392
Buildings and structures	26,697
Machinery, equipment and vehicles	16,588
Land	20,221
Other	23,884
Intangible fixed assets	69,349
Goodwill	27,884
Technology-based assets	2,761
Other	38,703
Investments and other assets	93,123
Investments in securities	76,225
Long-term loans receivable	326
Retirement benefit asset	6,217
Deferred tax assets	4,596
Other	5,935
Less allowance for doubtful accounts	(177)
Total assets	792,336

LIABILITIES AND NET ASSETS	Amount
LIABILITIES	(Millions of yen)
Current liabilities	302,675
Notes and accounts payable	156,352
Short-term loans	50,731
Current portion of long-term loans	6,946
Commercial paper	37,000
Current portion of bonds	10,000
Accrued income taxes	5,195
Accrued bonuses for employees	7,569
Accrued bonuses for directors	251
Other	28,628
Long-term liabilities	88,345
Bonds	20,000
Long-term loans	27,533
Lease obligations	12,492
Deferred tax liabilities	13,567
Retirement benefit liability	12,345
Provision for share awards	60
Other	2,345
Total liabilities	391,021
NET ASSETS	
Shareholders' equity	312,832
Common stock	9,699
Capital surplus	9,348
Retained earnings	303,328
Treasury stock, at cost	(9,543)
Accumulated other comprehensive income (loss)	81,232
Net unrealized holding gain on securities	33,763
Deferred gain on hedges	119
Translation adjustments	44,846
Remeasurements of defined benefit plans	2,503
Non-controlling interests	7,250
Total net assets	401,315
Total liabilities and net assets	792,336

Consolidated Statement of Income (April 1, 2023 – March 31, 2024)

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

Amount		
	(Millions of yen)	(Millions of yen)
Net sales		900,149
Cost of sales		735,430
Gross profit		164,719
Selling, general and administrative expenses		134,100
Operating income		30,618
Non-operating income		
Interest income	610	
Dividend income	1,553	
Rent income	248	
Foreign exchange gains	635	
Equity in earnings of affiliates	568	
Other	705	4,321
Non-operating expenses		
Interest expense	3,744	
Other	604	4,348
Ordinary income		30,591
Extraordinary gains		
Gain on sales of non-current assets	83	
Gain on sales of investments in securities	5,591	
Subsidy income	512	
Other	46	6,234
Extraordinary losses		
Loss on sales of non-current assets	41	
Loss on disposal of non-current assets	1,422	
Impairment losses	2,276	
Loss on sales of investments in securities	21	
Loss on valuation of investments in securities	135	
Other	263	4,160
Income before income taxes		32,665
Income taxes - current	10,627	
Income taxes - deferred	(815)	9,812
Net income		22,853
Net income attributable to non-controlling interests		450
Net income attributable to owners of the parent		22,402

Non-Consolidated Financial Statements

Non-Consolidated Balance Sheet (As of March 31, 2024)

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

ASSETS	Amount
	(Millions of yen)
Current assets	294,507
Cash and time deposits	12,980
Notes receivable	1,678
Electronically recorded monetary claims - operating	19,993
Accounts receivable	172,635
Merchandise	26,063
Goods in transit	2,758
Short-term loans receivable from subsidiaries and affiliates	59,183
Other	6,708
Less allowance for doubtful accounts	(7,494)
Non-current assets	202,955
Property, plant and equipment	15,230
Buildings	3,336
Structures	37
Machinery and equipment	745
Tools, furniture and fixtures	1,202
Land	8,505
Other	1,403
Intangible fixed assets	7,576
Software	5,593
Other	1,983
Investments and other assets	180,147
Investments in securities	62,943
Shares of subsidiaries and affiliates	101,210
Investments in capital of subsidiaries and affiliates	3,901
Long-term loans receivable from subsidiaries and affiliates	7,966
Claims provable in bankruptcy, claims provable in rehabilitation and other	106
Prepaid pension cost	3,041
Other	2,212
Less allowance for doubtful accounts	(1,234)
Total assets	497,463

LIABILITIES AND NET ASSETS	Amount
LIABILITIES	(Millions of yen)
Current liabilities	242,681
Electronically recorded obligations - operating	1,628
Accounts payable	99,426
Short-term loans	34,809
Current portion of long-term loans	6,900
Commercial papers	37,000
Current portion of bonds	10,000
Accounts payable - other	4,235
Accrued income taxes	1,085
Deposits received	43,712
Accrued bonuses for employees	1,965
Other	1,918
Long-term liabilities	60,832
Bonds	20,000
Long-term loans	21,000
Deferred tax liabilities	12,024
Retirement benefit liability	6,719
Provision for loss on guarantees	592
Provision for share awards	60
Provision for loss on business of subsidiaries and affiliates	342
Other	92
Total liabilities	303,513
NET ASSETS	
Shareholders' equity	160,958
Common stock	9,699
Capital surplus	9,634
Legal capital surplus	9,634
Retained earnings	151,167
Legal retained earnings	2,424
Other	148,742
Reserve for reduction entry	2,045
General reserve	95,579
Retained earnings brought forward	51,118
Treasury stock, at cost	(9,543)
Valuation and translation adjustments	32,991
Net unrealized holding gain on securities	32,871
Deferred gain on hedges	119
Total net assets	193,949
Liabilities and net assets	497,463

Non-Consolidated Statements of Income (April 1, 2023 – March 31, 2024)

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

Amount	
	(Millions of yen)
Net sales	263,909
Cost of sales	224,986
Gross profit	38,923
Selling, general and administrative expenses	38,554
Operating income	368
Non-operating income	
Interest income	2,863
Dividend income	6,277
Rent income	668
Foreign exchange gains	546
Other	1,381
Non-operating expenses	
Interest expenses	3,186
Cost of rent revenue	420
Other	788
Ordinary income	7,711
Extraordinary gains	
Gain on sales of non-current assets	6
Gain on sales of investments in securities	5,591
Other	1
Extraordinary losses	
Loss on sales of non-current assets	0
Loss on disposal of non-current assets	1,147
Loss on sales of investments in securities	21
Loss on valuation of investments in securities	125
Provision of allowance for doubtful accounts for subsidiaries and affiliates	4,395
Provision for loss on business of subsidiaries and affiliates	342
Provision for loss on guarantees	101
Income before income taxes	7,178
Income taxes - current	1,989
Income taxes - deferred	45
Net income	5,143