

Securities identification code: 8012

June 3, 2025

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 110TH ANNUAL SHAREHOLDERS' MEETING**

You are cordially invited to attend the 110th 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 Tuesday, June 17, 2025 after considering the following Reference Documents for the Annual Shareholders' Meeting.

## Meeting Details

1. **Date and time:** Wednesday, June 18, 2025 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 110th Term (from April 1, 2024 to March 31, 2025), 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 110th Term (from April 1, 2024 to March 31, 2025)

### **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
- Proposal 5:** Revision of the Performance-Linked Share-Based Remuneration System for Directors
- Proposal 6:** Revision of Maximum Compensation Amount for Directors

### **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 45 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

45 yen per common shares of the Company

Total amount of dividends: 4,893,635,835 yen

(3) Effective date of distribution of dividends of surplus

June 19, 2025

## [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 and cancellation of treasury stock

The Company repurchased treasury stock as follows.

• Repurchase of treasury stock

|   |                                      |
|---|--------------------------------------|
| Total class and number of shares acquired | 3,217,700 shares of common shares    |
| Total value of acquisition value          | 9,999,842,400 yen                    |
| Acquisition period                        | From May 9, 2024 to October 25, 2024 |
| Acquisition method                        | Purchased on the market              |

|   |   |
|---|---|
| Total class and number of shares acquired | 2,088,300 shares of common shares   |
| Total value of acquisition value          | 6,999,981,600 yen   |
| Date of acquisition                       | November 13, 2024   |
| Acquisition method                        | Purchased through an off-auction share repurchase transaction (ToSTNeT-3) on the Tokyo Stock Exchange |

• Cancellation of treasury stock

|                                     |   |
|-------------------------------------|---|
| Class and number of shares canceled | 3,000,000 shares of common shares<br>(2.54% of the total number of issued shares<br>(including treasury stock)) |
| Date of cancellation                | May 31, 2024  |

In addition, the Company decided on the repurchase and cancellation of treasury stock at the Board of Directors meeting held on May 8, 2025 as follows.

• Repurchase of treasury stock

|   |  |
|---|--|
| Class and number of shares to be acquired | 7,500,000 shares (maximum)<br>(6.90% of the total number of issued shares<br>(excluding treasury stock)) |
| Total value of shares to be acquired      | 12 billion yen (maximum)   |
| Acquisition period                        | From May 9, 2025 to October 31, 2025   |
| Acquisition method                        | Purchase on the market   |

- Cancellation of treasury stock

|   |   |
|---|---|
| Class and number of shares to be canceled | 5,000,000 shares of common shares<br>(4.35% of the total number of issued shares<br>(including treasury stock)) |
| Date of cancellation                      | May 30, 2025  |

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

The terms of office of all Directors will expire at the conclusion of this meeting. Of these, Masaya Ikemoto will retire from office.

Accordingly, in order to increase diversity in the Board of Directors and further strengthen the Company's management structure, the proposal is for the election of nine Directors (including three Outside Directors).

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, 2025) | Number of other listed companies where concurrent positions are held |
|-----|---|--------|--|--|--|
| 1   | Kenji Asakura<br>[Reelection]<br>[Inside Director]                                | Male   | Representative Director, Chairman          | 17 out of 17 (100%)  | 1  |
| 2   | Hiroyuki Ueshima<br>[Reelection]<br>[Inside Director]                             | Male   | Representative Director, President and CEO | 17 out of 17 (100%)  | 0  |
| 3   | Masatoshi Kamada<br>[Reelection]<br>[Inside Director]                             | Male   | Director, Managing Executive Officer       | 17 out of 17 (100%)  | 0  |
| 4   | Tamotsu Isobe<br>[Reelection]<br>[Inside Director]                                | Male   | Director, Executive Officer                | 13 out of 13 (100%)  | 0  |
| 5   | Hiroshi Nagase<br>[Reelection]<br>[Inside Director]                               | Male   | Director, Senior Advisor                   | 17 out of 17 (100%)  | 0  |
| 6   | Ritsuko Nonomiya<br>[Reelection]<br>[Outside Director]<br>[Independent officer]   | Female | Outside Director                           | 17 out of 17 (100%)  | 1  |
| 7   | Noriaki Horikiri<br>[Reelection]<br>[Outside Director]<br>[Independent officer]   | Male   | Outside Director                           | 17 out of 17 (100%)  | 1  |
| 8   | Toshiaki Mikoshiba<br>[Reelection]<br>[Outside Director]<br>[Independent officer] | Male   | Outside Director                           | 17 out of 17 (100%)  | 0  |
| 9   | Yoshihisa Shimizu<br>[New election]<br>[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 Tamotsu Isobe 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<br>(Date of birth)   | Career summary, position, responsibilities and<br>significant concurrent positions outside the Company   |
|-----|---|--|
| 1   | <p>[Inside Director] [Reelection]</p>  <p><b>Kenji Asakura</b><br/>(December 11, 1955)</p> | <p>April 1978      Joined the Company</p> <p>October 2006    General Manager of Automotive Solutions Dept.</p> <p>April 2009      Executive Officer and General Manager of Automotive Solutions Dept.</p> <p>June 2013      Director, Executive Officer</p> <p>April 2015      Representative Director, President and CEO</p> <p>April 2023      Representative Director, Chairman (present position)</p>  |
|     | <p>Length of service: 12 years (as of conclusion of this meeting)</p>   | <p>[Significant concurrent positions outside the Company]</p> <p>Outside Director of Japan Tobacco Inc.</p>  |
|     | <p>Attendance of Board of Directors meetings: 17 out of 17 Board of Directors meetings (100%)</p> <p>Number of the Company's shares held: 33,843</p>                        | <p><b>Reason for nomination as candidate for Director</b></p> <p>Kenji Asakura has worked mainly in the electronics &amp; 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.</p> |

| No. | Name<br>(Date of birth)   | Career summary, position, responsibilities and significant concurrent positions outside the Company   |
|-----|---|---|
| 2   | <p data-bbox="304 259 563 286">[Inside Director] [Reelection]</p>  <p data-bbox="328 517 539 575"><b>Hiroyuki Ueshima</b><br/>(November 5, 1965)</p> <p data-bbox="276 591 595 640">Length of service: Three years (as of conclusion of this meeting)</p> <p data-bbox="292 656 579 728">Attendance of Board of Directors meetings: 17 out of 17 Board of Directors meetings (100%)</p> <p data-bbox="288 743 582 792">Number of the Company's shares held: 26,928</p> | <p data-bbox="611 266 719 293">April 1988</p> <p data-bbox="780 266 983 293">Joined the Company</p> <p data-bbox="611 311 719 338">April 2015</p> <p data-bbox="780 311 1219 338">General Manager of Corporate Planning Div.</p> <p data-bbox="611 353 719 380">April 2017</p> <p data-bbox="780 353 1393 412">Executive Officer and General Manager of Corporate Planning Div.</p> <p data-bbox="611 427 746 454">October 2017</p> <p data-bbox="780 427 1318 486">Executive Officer and General Manager of Automotive Solutions Dept.</p> <p data-bbox="611 501 715 528">June 2022</p> <p data-bbox="780 501 1046 528">Director, Executive Officer</p> <p data-bbox="611 544 719 571">April 2023</p> <p data-bbox="780 544 1386 571">Representative Director, President and CEO (present position)</p>  |
|     | <p data-bbox="611 636 1150 663">[Significant concurrent positions outside the Company]</p> <p data-bbox="611 678 667 705">None</p>  |   |
|     |   | <p data-bbox="611 725 1114 752"><b>Reason for nomination as candidate for Director</b></p> <p data-bbox="635 757 1398 1102">Hiroyuki Ueshima has worked mainly in the functional materials, electronics &amp; 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 <b>ACE 2.0</b> 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.</p> |

| No. | Name<br>(Date of birth)  | Career summary, position, responsibilities and significant concurrent positions outside the Company  |  |
|-----|--|--|--|
| 3   | <p data-bbox="304 259 564 286">[Inside Director] [Reelection]</p>  <p data-bbox="325 517 544 577"><b>Masatoshi Kamada</b><br/>(August 6, 1961)</p> <p data-bbox="280 591 588 640">Length of service: Four years (as of conclusion of this meeting)</p> <p data-bbox="288 656 580 728">Attendance of Board of Directors meetings: 17 out of 17 Board of Directors meetings (100%)</p> <p data-bbox="288 743 580 792">Number of the Company's shares held: 20,377</p> | <p data-bbox="612 264 719 291">April 1985</p> <p data-bbox="612 309 719 336">April 2011</p> <p data-bbox="612 353 719 380">April 2013</p> <p data-bbox="612 427 719 454">June 2021</p> <p data-bbox="612 472 719 499">April 2024</p> | <p data-bbox="775 264 983 291">Joined the Company</p> <p data-bbox="775 309 1238 336">General Manager of Electronic Materials Dept.</p> <p data-bbox="775 353 1398 414">Executive Officer and General Manager of Electronic Materials Dept.</p> <p data-bbox="775 427 1046 454">Director, Executive Officer</p> <p data-bbox="775 472 1382 600">Director, Managing Executive Officer, in charge of Advanced Materials &amp; Processing, Electronics &amp; Energy, Mobility, and Asia (Greater China, ASEAN, India, and Korea) (present position)</p> |
|     |  | [Significant concurrent positions outside the Company]   | None   |
|     |  | <b>Reason for nomination as candidate for Director</b>   | <p data-bbox="632 775 1398 965">Masatoshi Kamada has worked in the advanced materials &amp; processing, electronics &amp; 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.</p>   |

| No. | Name<br>(Date of birth)  | Career summary, position, responsibilities and significant concurrent positions outside the Company  |   |
|-----|--|--|---|
| 4   | <p data-bbox="304 259 564 288">[Inside Director] [Reelection]</p>  <p data-bbox="349 517 520 577">Tamotsu Isobe<br/>(April 2, 1967)</p> <p data-bbox="288 591 584 640">Length of service: One year (as of conclusion of this meeting)</p> <p data-bbox="288 656 584 728">Attendance of Board of Directors meetings: 13 out of 13 Board of Directors meetings (100%)</p> <p data-bbox="288 743 584 792">Number of the Company's shares held: 8,107</p> | <p data-bbox="612 266 719 295">April 1992</p> <p data-bbox="612 311 719 340">April 2017</p> <p data-bbox="612 356 719 385">April 2023</p> <p data-bbox="612 432 719 461">June 2024</p> <p data-bbox="612 477 719 506">April 2025</p> | <p data-bbox="791 266 991 295">Joined the Company</p> <p data-bbox="791 311 1283 340">General Manager of Performance Chemicals Dept.</p> <p data-bbox="791 356 1334 416">Executive Officer and General Manager of Performance Chemicals Dept.</p> <p data-bbox="791 432 1054 461">Director, Executive Officer</p> <p data-bbox="791 477 1394 568">Director, Executive Officer, in charge of Functional Materials, Life &amp; Healthcare, Business Development, Europe and Americas, and Corporate Planning Dept. (present position)</p> |
|     |  | [Significant concurrent positions outside the Company]   | None  |
|     |  | <b>Reason for nomination as candidate for Director</b>   | <p data-bbox="632 743 1394 931">Tamotsu Isobe has worked in the functional materials, electronics &amp; 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.</p>                             |

| No.  | Name<br>(Date of birth)  | Career summary, position, responsibilities and<br>significant concurrent positions outside the Company  |
|--|--|---|
| 5  | [Inside Director] [Reelection]   | April 1977      Joined the Company  |
|  |  <p data-bbox="341 517 528 577"><b>Hiroshi Nagase</b><br/>(July 18, 1949)</p> <p data-bbox="288 591 580 640">Length of service: 36 years (as of<br/>conclusion of this meeting)</p> <p data-bbox="288 654 580 728">Attendance of Board of Directors<br/>meetings: 17 out of 17 Board of<br/>Directors meetings (100%)</p> <p data-bbox="288 741 580 790">Number of the Company's shares<br/>held: 2,060,832</p> | 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)      | April 2023      Director, Senior Advisor (present position)  |   |
|  | [Significant concurrent positions outside the Company]   | None  |
|  | None   | <p data-bbox="612 633 1114 654"><b>Reason for nomination as candidate for Director</b></p> <p data-bbox="635 654 1391 1039">Hiroshi Nagase has worked mainly in the advanced materials &amp; processing, electronics &amp; 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.</p> |

| No.                            | Name<br>(Date of birth)   | Career summary, position, responsibilities and significant concurrent positions outside the Company  |                                |                           |                             |  |           |                             |               |                                |                                 |             |                                |             |            |  |                           |                   |               |             |                           |            |
|--------------------------------|---|--|--------------------------------|---------------------------|-----------------------------|--|-----------|-----------------------------|---------------|--------------------------------|---------------------------------|-------------|--------------------------------|-------------|------------|--|---------------------------|-------------------|---------------|-------------|---------------------------|------------|
| 6                              | <p>[Outside Director] [Reelection]<br/>[Independent officer]</p>  <p><b>Ritsuko Nonomiya</b><br/>(November 28, 1961)</p> <p>Length of service: Five years (as of conclusion of this meeting)</p> <p>Attendance of Board of Directors meetings: 17 out of 17 Board of Directors meetings (100%)</p> <p>Number of the Company's shares held: 2,792</p> | <p>September 1987 Joined Peat, Marwick, Mitchell &amp; Company (currently KPMG LLP)</p> <p>April 1997 Partner of KPMG Corporate Finance K.K.</p> <p>November 2000 Joined UBS Warburg Japan (currently UBS Securities Japan Co., Ltd.)</p> <p>January 2005 M&amp;A Advisor, Managing Director of UBS Warburg Japan</p> <p>July 2008 Senior Vice President and Business Development Leader of GE Capital Asia Pacific Ltd.</p> <p>April 2013 Senior Executive Officer and Business Development Leader of GE Capital Japan, GE Japan Inc. (currently GE Japan Inc.)</p> <p>December 2013 Managing Director of GCA Savvian Corporation (currently GCA Corporation)</p> <p>March 2017 Director of GCA Corporation</p> <p>June 2020 Director of the Company (present position)</p> <p>February 2022 Representative Director and CEO of Houlihan Lokey Japan Co., Ltd. (present position)</p> <p>March 2024 Executive Officer of GCA Corporation (present position)</p>   |                                |                           |                             |  |           |                             |               |                                |                                 |             |                                |             |            |  |                           |                   |               |             |                           |            |
|                                |   | <p>[Significant concurrent positions outside the Company]</p> <p>Representative Director and CEO, Houlihan Lokey Japan Co., Ltd.</p> <p>External Director, Shiseido Company, Limited</p>   |                                |                           |                             |  |           |                             |               |                                |                                 |             |                                |             |            |  |                           |                   |               |             |                           |            |
|                                |   | <p><b>Reason for nomination as candidate for outside Director, and outline of expected roles</b></p> <p>Ritsuko Nonomiya has accumulated business experience, including auditing, in the KPMG Group and has engaged in M&amp;A and business development in the UBS Group and the GE Group. Thus, she has advanced knowledge mainly in the fields of finance and accounting. 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.</p> |                                |                           |                             |  |           |                             |               |                                |                                 |             |                                |             |            |  |                           |                   |               |             |                           |            |
|                                |   | <p><b>Special notes concerning candidate for outside Director</b></p> <p>The Company has the following business relationships with the entity at which the candidate holds a concurrent position.</p> <table border="1"> <thead> <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> </thead> <tbody> <tr> <td>Houlihan Lokey Japan Co., Ltd.</td> <td>Representative Director and CEO</td> <td>Outsourcing</td> <td>Houlihan Lokey Japan Co., Ltd.</td> <td>The Company</td> <td>Below 0.1%</td> <td>Sum of cost of sales and selling, general and administrative expenses of the Company</td> </tr> <tr> <td>Shiseido Company, Limited</td> <td>External Director</td> <td>Sale of goods</td> <td>The Company</td> <td>Shiseido Company, Limited</td> <td>Below 0.4%</td> <td>Net sales of the Company</td> </tr> </tbody> </table>  | Company name                   | Position                  | Transactions                | Seller   | Purchaser | Ratio of transaction amount | Compared with | Houlihan Lokey Japan Co., Ltd. | Representative Director and CEO | Outsourcing | Houlihan Lokey Japan Co., Ltd. | The Company | Below 0.1% | Sum of cost of sales and selling, general and administrative expenses of the Company | Shiseido Company, Limited | External Director | Sale of goods | The Company | Shiseido Company, Limited | Below 0.4% |
| Company name                   | Position  | Transactions   | Seller                         | Purchaser                 | Ratio of transaction amount | Compared with  |           |                             |               |                                |                                 |             |                                |             |            |  |                           |                   |               |             |                           |            |
| Houlihan Lokey Japan Co., Ltd. | Representative Director and CEO   | Outsourcing  | Houlihan Lokey Japan Co., Ltd. | The Company               | Below 0.1%                  | Sum of cost of sales and selling, general and administrative expenses of the Company |           |                             |               |                                |                                 |             |                                |             |            |  |                           |                   |               |             |                           |            |
| Shiseido Company, Limited      | External Director   | Sale of goods  | The Company                    | Shiseido Company, Limited | Below 0.4%                  | Net sales of the Company   |           |                             |               |                                |                                 |             |                                |             |            |  |                           |                   |               |             |                           |            |

| No.  | Name<br>(Date of birth)  | Career summary, position, responsibilities and significant concurrent positions outside the Company |  |             |                             |                              |          |              |        |           |                             |               |                      |                                      |               |                      |             |            |                              |
|--|--|---|--|-------------|-----------------------------|------------------------------|----------|--------------|--------|-----------|-----------------------------|---------------|----------------------|--------------------------------------|---------------|----------------------|-------------|------------|------------------------------|
| 7  | <p data-bbox="300 259 571 309">[Outside Director] [Reelection]<br/>[Independent officer]</p>  <p data-bbox="341 542 528 600"><b>Noriaki Horikiri</b><br/>(September 2, 1951)</p> <p data-bbox="274 613 593 663">Length of service: Three years (as of conclusion of this meeting)</p> <p data-bbox="290 676 577 752">Attendance of Board of Directors meetings: 17 out of 17 Board of Directors meetings (100%)</p> <p data-bbox="290 766 577 815">Number of the Company's shares held: 2,615</p>   | 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   |   |  |             |                             |                              |          |              |        |           |                             |               |                      |                                      |               |                      |             |            |                              |
|  | <p data-bbox="609 887 1350 945"><b>Reason for nomination as candidate for outside Director, and outline of expected roles</b></p> <p data-bbox="632 949 1385 1263">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.</p> |   |  |             |                             |                              |          |              |        |           |                             |               |                      |                                      |               |                      |             |            |                              |
| <p data-bbox="268 1290 842 1317"><b>Special notes concerning candidate for outside Director</b></p> <p data-bbox="290 1321 1378 1375">The Company has the following business relationships with the entity at which the candidate holds a concurrent position.</p> <table border="1" data-bbox="268 1379 1398 1594"> <thead> <tr> <th data-bbox="268 1379 418 1487">Company name</th> <th data-bbox="418 1379 564 1487">Position</th> <th data-bbox="564 1379 715 1487">Transactions</th> <th data-bbox="715 1379 849 1487">Seller</th> <th data-bbox="849 1379 986 1487">Purchaser</th> <th data-bbox="986 1379 1120 1487">Ratio of transaction amount</th> <th data-bbox="1120 1379 1398 1487">Compared with</th> </tr> </thead> <tbody> <tr> <td data-bbox="268 1487 418 1594">Kikkoman Corporation</td> <td data-bbox="418 1487 564 1594">Representative Director and Chairman</td> <td data-bbox="564 1487 715 1594">Sale of goods</td> <td data-bbox="715 1487 849 1594">Kikkoman Corporation</td> <td data-bbox="849 1487 986 1594">The Company</td> <td data-bbox="986 1487 1120 1594">Below 0.1%</td> <td data-bbox="1120 1487 1398 1594">Cost of sales of the Company</td> </tr> </tbody> </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% | Cost of sales 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%                  | Cost of sales of the Company |          |              |        |           |                             |               |                      |                                      |               |                      |             |            |                              |

| No. | Name<br>(Date of birth)  | Career summary, position, responsibilities and significant concurrent positions outside the Company   |  |             |                       |                             |                          |
|-----|--|---|--|-------------|-----------------------|-----------------------------|--------------------------|
| 8   | <p>[Outside Director] [Reelection]<br/>[Independent officer]</p>  <p><b>Toshiaki Mikoshiba</b><br/>(November 15, 1957)</p> <p>Length of service: Two years (as of conclusion of this meeting)</p> <p>Attendance of Board of Directors meetings: 17 out of 17 Board of Directors meetings (100%)</p> <p>Number of the Company's shares held: 730</p> | 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  |  |             |                       |                             |                          |
|     |  | <p><b>Reason for nomination as candidate for outside Director, and outline of expected roles</b></p> <p>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.</p> |  |             |                       |                             |                          |
|     | <p><b>Special notes concerning candidate for outside Director</b></p> <p>Toshiaki Mikoshiba is former Chairman of Honda Motor Co., Ltd., and the Company has the following business relationships with the entity.</p>   |   |  |             |                       |                             |                          |
|     | 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<br>(Date of birth)  | Career summary, position, responsibilities and significant concurrent positions outside the Company  |
|-----|--|--|
| 9   | [Inside Director] [New election]<br><br>Yoshihisa Shimizu<br>(September 14, 1964)<br>Number of the Company's shares held: 5,007 | <p>April 1987      Joined the Company</p> <p>April 2012      In charge of Information Technology Div.</p> <p>April 2014      General Manager of Information Technology Div.</p> <p>April 2017      General Manager of Information Technology Div., and General Manager of Logistics Management Div.</p> <p>April 2019      General Manager of Information Technology Div., and President of Nagase Information Development, LTD.</p> <p>October 2019    In charge of ICT Planning Office, Corporate Planning Dept., and President of Nagase Information Development, LTD.</p> <p>April 2020      Executive Officer and General Manager of Finance &amp; Accounting Div.</p> <p>April 2021      Executive Officer and General Manager of Corporate Management Dept.</p> <p>April 2024      Executive Officer, General Manager of Risk Management Div., and General Manager of ICT Planning Div.</p> <p>April 2025      Executive Officer, deputy in charge of Corporate Administration (present position)</p> |
|     |  | [Significant concurrent positions outside the Company]<br>None   |
|     |  | <b>Reason for nomination as candidate for Director</b><br>Yoshihisa Shimizu has worked in the finance and accounting, information technology, and risk management fields since joining the Company, possesses superb knowledge of and experience in these fields in Japan and overseas, 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 Corporate Management Dept., Risk Management Div., and ICT Planning Div., Mr. Shimizu is nominated as a candidate for Director.  |

Notes:

1. Ritsuko Nonomiya, Noriaki Horikiri, and Toshiaki Mikoshiba are candidates for outside Director, 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, the Company pays all the insurance premiums, and the insured persons, effectively, pay no insurance premiums. 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, corporate 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 Tamotsu Isobe 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<br>Fiscal 2021 | 108th term<br>Fiscal 2022 | 109th term<br>Fiscal 2023 | 110th term<br>Fiscal 2024 |
|--|------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Number of securities (securities)                  | Listed     | 85                        | 78                        | 67                        | 67                        |
|  | Non-listed | 52                        | 54                        | 53                        | 60                        |
|  | Total      | 137                       | 132                       | 120                       | 127                       |
| Total amount on the balance sheet<br>(million yen) | Listed     | 59,371                    | 54,740                    | 59,736                    | 54,361                    |
|  | Non-listed | 3,863                     | 2,194                     | 2,024                     | 2,244                     |
|  | Total      | 63,235                    | 56,935                    | 61,761                    | 56,606                    |
| Net assets (million yen)                           |            | 355,092                   | 378,388                   | 401,315                   | 406,460                   |
| Ratio of listed stock to net assets                |            | 16.7%                     | 14.5%                     | 14.9%                     | 13.4%                     |
| Ratio to net assets                                |            | 17.8%                     | 15.0%                     | 15.4%                     | 13.9%                     |

During fiscal 2024, the Company worked on reduction in accordance with the policy described in (2) above to sell two securities worth 3.2 billion yen.<sup>(Note 1)</sup> The securities newly acquired as cross-shareholdings are seven non-listed securities worth 307 million yen.

The Company does not hold any shares that fall under the category of deemed shareholdings.

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

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

| Name<br>(Date of birth)  | Career summary, position and significant concurrent positions outside the Company |  |
|--|---|--|
| <p>[Inside Audit &amp; Supervisory Board Member] [New election]</p>  <p><b>Takanori Yamauchi</b><br/>(September 18, 1961)</p> <p>Number of the Company's shares held: 18,094</p>  | April 1984  | Joined the Company   |
|  | April 2008  | In charge of Corporate Management Office   |
|  | April 2013  | Executive Officer, General Manager of Corporate Planning Office, and General Manager of Information Technology Div.  |
|  | April 2014  | Executive Officer and General Manager of Human Resources & General Affairs Div.  |
|  | April 2015  | Executive Officer, General Manager of Human Resources & General Affairs Div., and General Manager of Logistics Management Div.   |
|  | June 2017   | Director, Executive Officer, President of NAGASE GENERAL SERVICE COMPANY, LTD. (currently, Nagase Business Expert Co., Ltd.), General Manager of Human Resources & General Affairs Div., General Manager of BPR & Administration Div., and in charge of Administration |
|  | June 2018   | Director, Executive Officer, President of Nagase Business Expert Co., Ltd., General Manager of BPR & Administration Div., General Manager of Legal Affairs Div., in charge of Information Technology Div., and in charge of Human Resources & General Affairs Div.     |
| June 2019  | Managing Executive Officer and President of Nagase Business Expert Co., Ltd.      |  |
| [Significant concurrent positions outside the Company]   |   |  |
| None   |   |  |
| <p><b>Reason for nomination as candidate for Audit &amp; Supervisory Board Member</b></p> <p>Takanori Yamauchi has worked in finance and accounting and human resources and general affairs fields since joining the Company, and possesses superb knowledge of and experience in these fields. In addition, he has extensive experience in operations and management that he has cultivated as President of Nagase Business Expert Co., Ltd. Consequently, we determined that he will properly perform his duties as Audit &amp; Supervisory Board Member, and we request his election.</p> |   |  |

Notes:

1. There are no special interests between Takanori Yamauchi and the Company.
  2. Shares of the Company held by Takanori Yamauchi include shares nominally held by NAGASE & CO., LTD. Own Share Investment Association.
  3. Directors and officers liability insurance contract
- The Company's Audit & Supervisory Board Members are covered by directors and officers liability insurance. Under this insurance policy, the Company pays all the insurance premiums, and the insured persons, effectively, pay no insurance premiums. 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, corporate 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 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.

These have been decided by a resolution of the Board of Directors after having proposed such for consideration at a meeting of the Nomination Committee.

| 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<br>Kenji Asakura     | ✓                    | ✓               | ✓               |     |                    |                        |                               | ✓                         | ✓              |    |
| Representative Director and President<br>Hiroyuki Ueshima | ✓                    | ✓               | ✓               | ✓   | ✓                  |                        | ✓                             | ✓                         | ✓              |    |
| Director<br>Masatoshi Kamada                              | ✓                    | ✓               | ✓               |     |                    |                        | ✓                             | ✓                         | ✓              | ✓  |
| Director<br>Tamotsu Isobe                                 | ✓                    | ✓               | ✓               | ✓   | ✓                  |                        |                               | ✓                         | ✓              | ✓  |
| Director<br>Yoshihisa Shimizu                             | ✓                    |                 |                 |     |                    | ✓                      | ✓                             | ✓                         | ✓              | ✓  |
| Director, Senior Advisor<br>Hiroschi Nagase               | ✓                    |                 |                 |     |                    |                        |                               | ✓                         | ✓              |    |
| Outside Director<br>Ritsuko Nonomiya                      | ✓                    | ✓               |                 |     |                    | ✓                      | ✓                             | ✓                         | ✓              |    |
| Outside Director<br>Noriaki Horikiri                      | ✓                    | ✓               |                 | ✓   | ✓                  |                        | ✓                             | ✓                         | ✓              |    |
| Outside Director<br>Toshiaki Mikoshiba                    | ✓                    | ✓               | ✓               |     | ✓                  |                        | ✓                             | ✓                         | ✓              |    |
| Outside Audit & Supervisory Board Member<br>Masaya Ishida |                      |                 |                 |     |                    | ✓                      | ✓                             |                           |                |    |
| Audit & Supervisory Board Member<br>Akira Takami          |                      |                 |                 |     |                    | ✓                      | ✓                             |                           |                |    |
| Audit & Supervisory Board Member<br>Takanori Yamauchi     |                      |                 |                 |     |                    | ✓                      | ✓                             |                           |                |    |
| Outside Audit & Supervisory Board Member<br>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<br>(Date of birth)  | Career summary, position and significant concurrent positions outside the Company  |  |             |                             |                             |                          |
|--|--|--|-------------|-----------------------------|-----------------------------|--------------------------|
| [Outside Audit & Supervisory Board Member] [Reelection]<br>[Independent officer]<br><br><b>Takao Muramatsu</b><br>(October 1, 1953)<br><br>Number of the Company's shares held: 0  | April 1979<br>April 1988<br>July 1991<br>July 1998<br>July 2003<br>July 2005<br>July 2009<br>July 2010<br>July 2012<br>June 2013<br>October 2014 | Joined Tokyo Regional Taxation Bureau<br>Primary Investigator, Special Investigative Squad, Tokyo District Public Prosecutors Office<br>Investigator, Large Enterprise and Criminal Investigation Department, National Tax Agency<br>Senior Investigator, Large Enterprise and Criminal Investigation Department, National Tax Agency<br>District Director, Shibuya Tax Office<br>Chief Investigator, Criminal Investigation Department, Tokyo Regional Taxation Bureau<br>Chief Internal Inspector, Osaka Regional Taxation Bureau<br>Chief Internal Inspector, National Tax Agency<br>Assistant Regional Commissioner (Planning and Administration), Nagoya Regional Taxation Bureau<br>Regional Commissioner, Takamatsu Regional Taxation Bureau<br>Registered as certified tax accountant<br>President, Muramatsu Tax Accountant Office (present position) |             |                             |                             |                          |
| [Significant concurrent positions outside the Company]<br>Outside Director and Audit & Supervisory Committee Member, BESTERRA CO., LTD.<br>Outside Director and Audit and Supervisory Committee Member, SERENDIP HOLDINGS CO., LTD.<br>Outside Director and Audit and Supervisory Committee Member, GLOBERIDE, Inc.<br>President, Muramatsu Tax Accountant Office  |  |  |             |                             |                             |                          |
| <p><b>Reason for nomination as candidate for substitute outside Audit &amp; Supervisory Board Member</b></p> <p>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 &amp; Supervisory Board Member of other companies, we have determined that he will properly perform his duties as outside Audit &amp; Supervisory Board Member, and we request his election.</p> |  |  |             |                             |                             |                          |
| <p><b>Special notes concerning candidate for substitute outside Audit &amp; Supervisory Board Member</b></p> <p>The Company has the following business relationships with the entity at which the candidate holds a concurrent position.</p>   |  |  |             |                             |                             |                          |
| Company name   | Position   | Transactions   | Seller      | Purchaser                   | Ratio of transaction amount | Compared with            |
| SERENDIP HOLDINGS CO., LTD.  | Outside Director and Audit and Supervisory Committee Member  | Sale of goods  | The Company | SERENDIP HOLDINGS CO., LTD. | Below 0.1%                  | Net sales of the Company |
| GLOBERIDE, Inc.  | Outside Director and Audit and Supervisory Committee 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, the Company pays all the insurance premiums, and the insured persons, effectively, pay no insurance premiums. If the candidate is elected as 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, corporate lawsuits, etc. In addition, the maximum total amount of insurance has been set, and officers responsible for an insurance event are required to individually pay for a certain portion of the damage incurred so that the appropriateness of job execution can be maintained. When renewing this insurance, the Company will choose similar policy provisions.

## **Proposal 5: Revision of the Performance-Linked Share-Based Remuneration System for Directors**

### **1. Reasons for the Proposal and the rationale why the relevant compensation system is deemed reasonable**

The compensation of Directors consists of “fixed compensation (monetary component),” “performance-linked compensation (monetary),” and “performance-linked compensation (non-monetary).” Of these, “performance-linked compensation (non-monetary)” was introduced as a stock-based compensation system (hereinafter, the “System”) using a trust upon approval (this resolution of approval is hereinafter referred to as the “Previous Resolution”) of shareholders at the 107th Annual Shareholders’ Meeting held on June 20, 2022 and has been in operation to the present day. However, the Company seeks approval for this Proposal to change the content of the System.

It is requested that a decision on the details be delegated to the Board of Directors within the limits set below.

The Company introduced the System with the aim of enhancing awareness of contributions to improved medium- and long-term business performance and increased corporate value, by more clearly linking the Directors’ remuneration with the Company’s business performance and share value, while having the Directors share the benefits and risks of share price fluctuations with shareholders, and has operated the System since then. Specifically, under the Previous Resolution, common shares of the company (“Company Shares”) are to be delivered at the time of retirement as remuneration under the System. In contrast, if the Proposal is approved as proposed,] delivery under the revised System is to be made while the Directors are still in office (as described in 2 below, each time points are granted by the Company) and, by imposing transfer restrictions on said Company Shares for three years or until retirement, this will provide an incentive to continuously improve corporate value even after the delivery of shares.

The compensation for the System will be separate from the upper limit for Directors, including Outside Directors, approval for which is being sought in Proposal 6 “Revision of Maximum Compensation Amount for Directors” (up to 800 million yen per year (80 million yen per year for outside Directors); however, this does not include employee salaries).

The Company’s policy regarding the determination of the details of compensation for individual Directors is as stated in Business Report 3. Matters relating to officers (4) Compensation to Directors and Audit & Supervisory Board Members for the fiscal year d), but the Board of Directors resolved at the meeting held on May 8, 2025 to amend the policy as stated in [Reference] at the end of Proposal No. 6, subject to the approval of this Proposal. The Company has determined that the content of this Proposal is appropriate, as it is necessary and reasonable for achieving the revised policy and the purpose of introducing the stock-based compensation system.

If Proposal No. 2, “Election of nine (9) Directors,” is approved as proposed, the number of Directors (excluding Outside Directors and Directors, Senior Advisors; the same applies hereinafter) who are eligible for the System will be five (5).

\* If this Proposal is approved as proposed, the Company also plans to make similar revision to the performance-linked stock-based remuneration system introduced for executive officers who have entered into a delegation agreement with the Company (the “Executive Officers”).

### **2. Amount and Details, etc., of Compensation, etc., under the System**

The amount and details of compensation under the system after the changes are as follows.

#### **(1) Overview of the System**

The System is a stock-based compensation system where a trust established by the Company’s contributing monies (already established at the time the system was introduced in 2022; the “Trust” hereinafter) acquires the Company Shares and the number of the Company Shares corresponding to the points granted to each Director by the Company will be delivered to each Director through the Trust.

There are two types of points granted under the System: (i) “fixed points” and (ii) “performance-linked points.”

(i) Fixed Points

Fixed points are points granted for the Director’s execution of duties in each fiscal year (the “Fixed Points Period”) from April 1, 2025 onward, in accordance with their position, etc. in that period, and will be granted, in principle, on the day of the Company’s annual general meeting of shareholders (the “Fixed Points Grant Date”) held after the end of each Fixed Points Period. If the Proposal is approved at the General Meeting, the Company Shares to be delivered to the Directors pursuant to (3)(ii) below corresponding to the fixed points granted pursuant to (3)(i) below on or after the conclusion of the General Meeting shall be delivered within a period on or after the Fixed Points Grant Date (in principle, within the same fiscal year as that of the Fixed Points Grant Date), and transfer restrictions shall be imposed by entry in the transfer restriction agreement between the Company and each Director with respect to said shares as outlined in 3. below.

(ii) Performance-linked Points

Performance-linked points are points granted for the Director’s execution of duties in each period of three consecutive fiscal years (the “Performance-linked Points Period.” Note 1) from April 1, 2025 onward, in accordance with their position, tenure, and achievement of performance targets, etc. in that period, and will be granted, in principle, on the day of the Company’s annual general meeting of shareholders (the “Performance-Linked Points Grant Date”) held after the end of each Performance-linked Points Period. If the Proposal is approved at the General Meeting, the Company Shares to be delivered to the Directors pursuant to (3)(ii) below corresponding to the performance-linked points granted pursuant to (3)(i) below on or after the conclusion of the General Meeting shall be delivered within a period on or after the Performance-Linked Points Grant Date (in principle, within the same fiscal year as that of the Performance-Linked Points Grant Date), and the shares delivered shall be subject to a three-year transfer restriction (however, if the Director resigns before that period ends, the transfer restriction will be lifted when the Director resigns).

Note 1: However, the first Performance-linked Points Period shall be the fiscal year from April 1, 2025 to the final day of March 2026, not three fiscal years.

The second Performance-linked Points Period shall be three fiscal years from April 1, 2026 to the final day of March 2029, the third Performance-linked Points Period shall be three fiscal years from April 1, 2027 to the final day of March 2030, and the same shall apply thereafter.

|   |  |
|---|--|
| 1) Persons eligible for the System  | Directors (excluding Outside Directors and Director, Senior Advisors) of the Company   |
| 2) Eligible Period  | (i) Fixed Points Period: each fiscal year from April 1, 2025 onward<br>(ii) Performance-linked Points Period: each period of three consecutive fiscal years from April 1, 2025 onward (Note 1)   |
| 3) Upper limit on money that may be contributed by the Company as funds for the acquisition of Company Shares as necessary for delivery to the eligible persons in 1) | (i) For the acquisition of Company Shares corresponding to the fixed points granted for execution of duties in a single Fixed Points Period: 80 million yen (Note 2)<br>(ii) For the acquisition of Company Shares corresponding to the performance-linked points granted for execution of duties in a single Performance-linked Points Period: 120 million yen (Note 2) |
| 4) Method of acquiring the Company Shares   | Through the disposal of treasury stock or through exchange markets (including off-auction transactions)  |
| 5) Upper limit on total number of points that may be granted to the eligible persons in 1)  | (i) Upper limit on total number of fixed points that may be granted for the execution of duties in a single Fixed Points Period: 46,000 points<br>(ii) Upper limit on total number of performance-linked points that may be granted for the execution of duties in a single Performance-linked Points Period: 69,000 points  |
| 6) Criteria for granting points   | (i) Fixed points: Points are granted in accordance with position, etc.<br>(ii) Performance-linked points: Points are granted in accordance with position and degree of achievement of performance targets, etc.  |
| 7) Timing of delivery of Company Shares to the eligible persons in 1)   | (i) Within a period on or after each Fixed Points Grant Date (in principle, in the same fiscal year as that of the Fixed Points Grant Date)<br>(ii) Within a period on or after each Performance-linked Points Grant Date (in principle, in the same fiscal year as that of the Performance-linked Points Grant Date)  |
| 8) Transfer restrictions on Company Shares to be delivered  | (i) Yes (in principle, from the day on which Company Shares are delivered to the day on which the Director retires (ceases to hold either the position of Director or Executive Officer; the same applies hereinafter))<br>(ii) Yes (a three-year period; however, if the Director has retired, the transfer restrictions will be lifted.)                               |

Note 2: Based on the Previous Resolution, the Company has already contributed (entrusted to the Trust) up to 280 million yen as funds for the acquisition of the Company Shares to be delivered to Directors in office during the four fiscal years from April 1, 2022 to the final day of March 2026, based on the System prior to its revision by the Proposal. Based on this, the total of the following amounts shall not exceed 200 million yen.

- Amount of money to be contributed by the Company as funds for the acquisition of Company Shares corresponding to the fixed points granted for the execution of duties in the first Fixed Points Period.
- Amount of money to be contributed by the Company as funds for the acquisition of Company Shares corresponding to the performance-linked points granted for the execution of duties in the first Performance-linked Points Period.
- Amount already contributed as funds for the acquisition of Company Shares corresponding to the points granted based on the System prior to its revision, for the execution of duties in the fiscal year from April 1, 2025 to the final day of March 2026.

(2) Maximum amount of monies contributed by the Company

The Company will extend the trust period for the Trust (which has already been established) and will contribute to the Trust (additional contribution to the Trust) an amount within the upper limit set forth in (1) above as funds for the additional acquisition of the Company Shares necessary to be issued to Directors under the System.

The Trust will, using the monies within the Trust (which includes not only the additional funds entrusted by the Company, but also the funds remaining in the Trust prior to the additional entrustment) as the source of funds, additionally acquire the Company Shares by means of disposal of the Company's treasury shares or by means of acquisition from the stock market (including off-auction trading) (Note 3).

Note 3: The actual amount of money that the Company will entrust to the Trust will be the total of the above-mentioned acquisition funds for the Company Shares plus the estimated amount of necessary expenses such as trust fees and trust administrator fees. Additionally, the Company may also entrust funds necessary for acquiring the Company Shares to be delivered to the Company's Executive Officers under a similar share-based remuneration system.

(3) Method of calculation and upper limit on the number of Company Shares to be delivered to Directors

(i) Method of granting points to the Directors

The Company will grant each Director (i) fixed points and (ii) performance-linked points as described in (1) above, on the Fixed Points Grant Date and Performance-linked Points Grant Date specified in the share delivery rules during the trust period, based on the share delivery rules established by the Board of Directors (Note 4).

Note 4: Regarding performance-linked points, the number of points to be granted will be determined by multiplying a number that will be set according to the Director's position, etc. by a performance-linked coefficient that will vary according to the actual values of performance-linked indicators. The performance-linked indicators and the range of the performance-linked coefficient will be decided by the Company's Board of Directors; however, for the first Performance-linked Points Period, the performance-linked indicators are planned to be "ROE," "Sustainability-related indicators," etc., and the range of the performance-linked coefficient is planned to be from 50% to 150%.

However, the total number of points to be granted to Directors by the Company will have an upper limit of (i) 46,000 points as fixed points granted for a single Fixed Points Period, and (ii) 69,000 points as performance-linked points granted for a single Performance-linked Points Period, respectively.

Even if the Proposal is approved as proposed, the Company may grant points to Directors within the scope of the Previous Resolution based on the System prior to its revision by the Proposal, as remuneration for duties executed in the period prior to the conclusion of the General Meeting.

(ii) Delivery of Company Shares corresponding to the number of points granted

Directors will receive delivery of Company Shares corresponding to the number of points granted under item (i) above, in accordance with the procedure set forth in item (iii) below. However, if a Director resigns for personal reasons, etc., any points granted up to then will be extinguished, in whole or in part, and Company Shares corresponding to the points extinguished will not be delivered.

One point will correspond to one Company Share. However, if circumstances arise with respect to the Company Shares in which it may be reasonable to adjust the number of Company Shares per point, such as stock split or reverse stock split, etc. then the number of Company Shares per point will be adjusted according to the split ratio, reverse stock split ratio, etc.

#### (iii) Delivery of Company Shares to the Directors

After the end of each Fixed Points Period and each Performance-linked Points Period, each Director will, each time points are granted, in principle, conduct prescribed procedures to acquire beneficial rights in the Trust and, as a beneficiary of the Trust, receive delivery of Company Shares corresponding to each point granted (Note 5).

Note 5: However, in cases where a Director retires during a Fixed Points Period or Performance-linked Points Period, or in other prescribed cases, fixed points or performance-linked points may be granted before the end of the relevant period, and the corresponding Company Shares may be delivered from the Trust to that Director.

However, with respect to a certain portion of the Company Shares to be delivered as performance-linked points, the Trust may sell and convert them to cash for the purpose of the Company making deductions at source for tax payments, such as withholding income tax, etc., and, in such cases, delivery may be made in cash instead of Company Shares.

With respect to Company Shares corresponding to points granted as remuneration for the execution of duties during the period prior to and including the date of the General Meeting based on the System prior to its revision by the Proposal, in accordance with the Previous Resolution, each Director shall, in principle, conduct the prescribed procedures at the time of retirement to acquire beneficial rights in the Trust and receive delivery from the Trust.

Furthermore, if the Company Shares held in the Trust are converted into cash, such as in the case of a tender offer where there is settlement of Company Shares held in the Trust, delivery may be made in cash (said conversion amount) instead of Company Shares.

#### (4) Exercise of voting rights

Based on the instructions of the trust administrator, who will be independent of the Company and its officers, none of the voting rights of the Company Shares held in the Trust may be exercised. The purpose of this is to ensure the neutrality of the Trust from the Company's management regarding the exercise of voting rights in the Company Shares held in the Trust.

#### (5) Handling of dividends

Dividends on the Company Shares held in the Trust will be received by the Trust, and will be applied to the acquisition price of Company Shares, as well as trust fees payable to the trustee in connection with the Trust, etc.

### 3. Transfer Restriction Agreement regarding Company Shares to be delivered to Directors corresponding to Fixed Points

If the Proposal is approved as proposed, a transfer restriction agreement (the "Transfer Restriction Agreement") including the following content will be entered into between the Company and the Director regarding Company Shares to be delivered corresponding to fixed points granted in accordance with 2.(3)(i)

above after approval (each Director shall receive delivery of Company Shares on the condition that they enter into this Transfer Restriction Agreement).

However, Company Shares (common shares) to be delivered after the date of retirement (if any) shall not be subject to transfer restrictions. Also, with respect to a certain portion of the Company Shares, the Trust may sell and convert them to cash for the purpose of the Company making deductions at source for tax payments, such as withholding income tax, etc., and, in such cases, delivery may be made in cash instead of Company Shares.

#### (1) Transfer Restriction Period

Directors may not transfer, create security interests in, or otherwise dispose of the shares (the “Granted Shares” hereinafter) in exchange for fixed points under the System from the date of issuance (or the date of each issuance if the shares are issued multiple times) until the date of retirement (the “Transfer Restriction Period” hereinafter).

During the Transfer Restriction Period, Directors shall manage the Granted Shares in an account at a securities company designated by the Company, for the purpose of managing them separately from the shares they already hold.

#### (2) Free Acquisition of the Granted Shares

- (i) If a Director attempts to transfer, pledge, or otherwise dispose of all or part of the Granted Shares in violation of (1) above, the Company will automatically acquire all of the Granted Shares free of charge.
- (ii) If a Director falls under any of the following items during the Transfer Restriction Period, the Company will automatically acquire all of the Granted Shares free of charge from the time the Director falls under the relevant item.
  - (a) When a Director is subject to a prescribed criminal penalty
  - (b) When a petition for the commencement of bankruptcy proceedings, civil rehabilitation proceedings, or other similar proceedings is filed against a Director
  - (c) When a Director resigns due to the expiration of the term of office, retirement age, death, or reasons other than a legitimate reason
- (iii) If a Director falls under any of the following items during the Transfer Restriction Period, the Company will notify the Director in writing of its intention to acquire the Granted Shares free of charge, and will automatically acquire all of the Granted Shares free of charge at the time such notice is received.
  - (a) If the Company’s Board of Directors determines that a Director is engaged in business that competes with the Company or the Group’s business, or has assumed the position of an officer or employee of a competing corporation or other organization (unless the Company’s prior written consent has been obtained).
  - (b) If the Board of Directors of the Company determines that a Director has violated laws and regulations, the internal regulations of the Company or the Group, or this Agreement in a material respect, or if the Board of Directors of the Company otherwise determines that it is appropriate for the Company to acquire the Granted Shares free of charge.
  - (c) If the Board of Directors of the Company determines that the Director’s conduct has damaged the reputation of the Company or the Group or caused significant damage to the Company or the Group.

(3) Treatment in the event of organizational restructuring, etc.

If, during the Transfer Restriction Period, any of the matters set forth in the following items are approved at the Company's General Meeting of Shareholders (or, in cases where approval at the Annual Shareholders' Meeting is not required, then at the Company's Board of Directors meeting) (provided, however, that this applies only if the date set forth in the following items (the "Effective Date of Organizational Restructuring" hereinafter) arrives before the expiration of the Transfer Restriction Period), notwithstanding (1) above, the Transfer Restrictions on the Granted Shares will be lifted immediately before the business day preceding the Effective Date of Organizational Restructuring.

- (a) A merger agreement in which the Company is the merged company: The effective date of the merger
- (b) An absorption-type division agreement or incorporation-type division plan in which the Company is the dividing company (only if the Company delivers to its shareholders all or part of the division consideration to be delivered as a result of the division on the effective date of the division): The effective date of the division
- (c) A share exchange agreement or share transfer plan under which the Company will become a wholly owned subsidiary: The effective date of the share exchange or share transfer
- (d) A share consolidation (only if the share consolidation results in the number of Delivered Shares held by Directors being less than one share): The effective date of the share consolidation
- (e) An acquisition of all of the Company's common shares by attaching a full acquisition clause under Article 108, Paragraph 1, Item 7 of the Companies Act to the Company's common shares: The acquisition date stipulated in Article 171, Paragraph 1, Item 3 of the Companies Act.
- (f) A demand for the sale of shares for the Company's common shares (meaning a demand for the sale of shares as stipulated in Article 179, Paragraph 2 of the Companies Act): The acquisition date stipulated in Article 179-2, Paragraph 1, Item 5 of the Companies Act.

(4) Other matters to be determined by the Board of Directors

In addition to the above, the contents of this Transfer Restriction Agreement shall include the method of expressing intent and notifying the parties under the Transfer Restriction Agreement, the method of amending the Transfer Restriction Agreement, and other matters to be determined by the Board of Directors.

4. Transfer Restriction Period for Company Shares to be delivered to Directors corresponding to Performance-linked Points

If the Proposal is approved as proposed, Company Shares to be delivered corresponding to performance-linked points granted in accordance with 2.(3)(i) above after approval shall be subject to transfer restrictions (prohibition on transfer, creation of security interest, or other disposition) for a period of three years from the time of delivery in accordance with the share delivery rules established by the Company's Board of Directors (however, the transfer restrictions will be lifted if the Director retires).

**Proposal 6: Revision of Maximum Compensation Amount for Directors**

Compensation paid to the Company's Directors in the amount of no more than 600 million yen annually (including no more than 60 million yen annually for Outside Directors) was approved at the Annual Shareholders' Meeting held on June 20, 2022. Moreover, the amount of compensation does not include employee salaries paid to Directors who also serve as employees. As of the conclusion of the said Annual Shareholders' Meeting, the number of Directors is nine (of which three (3) are Outside Directors).

As described in the [Reference] section at the end of this proposal, we are revising the compensation system for the purposes of promoting shareholder value linkage, increasing the incentive effect for improving business performance and corporate value in both the short and medium term, achieving a compensation level that is externally competitive, and making the system and compensation decision process more transparent and objective. Accordingly, we would like to ask for your approval to increase the amount of compensation, etc., as stated above, and revise the compensation limit for Directors in the amount of no more than 800 million yen annually (including no more than 80 million yen annually for Outside Directors). Please note that this amount of compensation does not include employee salaries paid to Directors who also serve as employees.

Furthermore, as stated in Proposal 5, "Amendment to the performance-linked, stock-based compensation paid to Directors," the stock-based compensation system for which approval is sought in that proposal will be separate from the compensation, etc., for which approval is sought in this proposal.

This proposal has been decided following deliberation at a Board of Directors meeting following consultation with the Compensation Committee, the majority of whom are Independent Outside Directors. Accordingly, the Company has judged that the details of the Proposal are reasonable.

If Proposal 2 is approved as originally proposed, the number of Directors will be nine (9) (including three (3) Outside Directors).

The effectiveness of this proposal is conditional on Proposal 5 being approved as originally proposed.

## [Reference]

The policy for determining the compensation of Directors (excluding Outside Directors and Auditors; the same applies hereinafter) in the case that Proposal 5 and Proposal 6 are approved as proposed is as follows.

### 1. Method for determining the policy for determining the compensation of individual Directors

The Company determines the policy for determining the amount of compensation of Directors and the calculation method thereof through consultation with the Compensation Committee, the majority of which is made up of Outside Directors, and deliberation at the Board of Directors. The basic policy is to promote linkage with shareholder value, increase the incentive effect for improving business performance and corporate value in both the short and medium term, achieve a compensation level that is externally competitive, and have a more transparent and objective system and compensation decision-making process. In addition, the compensation of Outside Directors and Auditors is limited to basic compensation, which is fixed compensation, in consideration of the nature of their duties.

### 2. Summary of the policy for determining the compensation of individual Directors

<Basic principles of the Compensation System>

The NAGASE Group is committed to solving manufacturing issues through materials, building on the relationships of trust with stakeholders fostered through activities conducted with the highest standards of integrity. The Group aims to contribute to business not only in the short term but also over the medium to long term, pursuing the realization of a sustainable world where people live with peace of mind in an era where economic value and social value are increasingly intertwined. NAGASE newly established the following policy regarding the compensation of internal Directors and executive officers, who serve as the driving force behind achieving these goals. Based on this policy, the Company designed a specific compensation system.

| Earnings and corporate value enhancement   | Recruitment and retention of skilled human capital  | Ensuring accountability   |
|--|---|---|
| <ul style="list-style-type: none"><li>● Offer compensation system that drives the achievement of the following strategies and supports sustainable corporate value creation<ul style="list-style-type: none"><li>- Linking compensation to shareholder value</li><li>- Pursing short-term and medium- to long-term growth and efficiency</li><li>- Balancing economic and social value</li></ul></li></ul> | <ul style="list-style-type: none"><li>● Offer competitive compensation system and compensation levels to attract and retain diverse, skilled human capital capable of accelerating business transformation</li><li>● Offer compensation levels that encourage the growth and development of the next generation of management leaders</li></ul> | <ul style="list-style-type: none"><li>● Maintain a transparent and objective compensation system and compensation-determining process</li></ul> |

<Compensation level and compensation structure>

The Company uses objective external compensation data to benchmark NAGASE against competitive domestic companies in both business operations and talent acquisition. NAGASE sets its compensation levels at or above the market median of such data, taking into account business conditions and other relevant factors. In doing so, NAGASE aims to attract and retain diverse, skilled human capital capable of accelerating business transformation and to foster the growth ambition of the next generation of management leaders.

| Type of compensation (approximate ratio)    |                                       | Purpose   | Performance metrics  | Evaluation period | Details   |
|---|---------------------------------------|---|--|-------------------|---|
| Basic compensation (33%-59%)                |                                       | Fixed   | Basic compensation for execution of duties   | —                 | Monthly payment, determined by the Board of Directors in accordance with roles and responsibilities.  |
| Annual bonus (27%-33%)                      |                                       | Variable  | Incentivize improvement in annual business performance   | 1 year            | Determined by a formula resolved by the Board of Directors following deliberation by the Officer Remuneration Committee, based on consolidated operating income and business division operating income for the fiscal year.<br>Paid in a lump sum in June.  |
|   |                                       |   | Individual performance evaluations   |                   | The president, delegated by the Board of Directors, evaluates individual officer performance and determines individual payment amounts (the President is not subject to individual evaluation).<br>Paid in a lump sum in June.  |
| Stock-based compensation (Note 1) (13%-33%) | Performance-linked stock compensation | Incentivize sustainable growth in corporate value | <ul style="list-style-type: none"> <li>ROE</li> <li>Sustainability-related indicators</li> </ul> | 3 years (Note 2)  | Stock grant points granted annually based on achievement of medium-term KPIs over three consecutive fiscal years and determined by a formula resolved by the Board of Directors following deliberation by the Officer Remuneration Committee (with a three-year transfer restriction after grant. (Note 3)) |
|   | Restricted stock compensation         | Align interest with shareholder value             | —  | —                 | Restricted stock granted annually based on a standard amount resolved by the Board of Directors according to role and responsibility, with transfer restrictions lifted upon resignation.   |

The indicated ratios show the proportion of each compensation type, assuming 100% achievement of performance targets based on the standard value. Director, senior adviser not eligible for stock-based compensation are excluded.

(Notes) 1. Stock-based compensation will be provided in a trust format as stated in Proposal 5.

2. However, the Company will evaluate fiscal 2025, the final year of the current medium-term management plan, based on a single fiscal year.

3. Transfer restrictions are lifted upon resignation in the event that an officer retires during the three-year period.

3. Matters relating to the entrustment of determination of the details of compensation, etc., paid to each Director

The Company determines policies on Director compensation amounts and calculation methods based on discussions by the Officer Remuneration Committee, composed primarily of outside Directors, and deliberations by the Board of Directors.

The Board of Directors delegates authority over individual Director compensation to Hiroyuki Ueshima, Representative Director and President, based on the Officer Remuneration Committee review of compensation system and level appropriateness. The authority delegated to Mr. Ueshima includes individual assessments of performance-linked compensation based on the performance of each Director's assigned business division. The Board of Directors determined that delegating this authority to the Representative Director and President is appropriate, as he is best positioned to assess divisional performance while overseeing overall Company performance. The Board of Directors consulted the Officer Remuneration Committee, received recommendations, and confirmed that the delegated authority is exercised appropriately and decisions align with established policies. Compensation paid to each Audit & Supervisory Board member is determined through discussions held by the Audit & Supervisory Board members.

Business Report (April 1, 2024 to March 31, 2025)

## 1. NAGASE Group business conditions

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

The global economy during the current fiscal year remained uncertain due to rising geopolitical risks, trends in monetary policy in major countries, concerns about a slowdown in the Chinese economy, and new trade and tariff policies by the U.S.

Among the regions where the NAGASE Group conducts business, the economy in Greater China, adjustments were prolonged in supply and demand in the real estate market, and the economic recovery remains sluggish. In the Americas, prices are trending toward stability, but high interest rates persist, and the future of the economy remains uncertain. In ASEAN, the economies have been on a solid trend, led by domestic and inbound demand. In Japan, corporate performance and employment are stable, but personal consumption is cautious due to the impact of rising prices, and the pace of economic recovery is slow. In all regions, the future is uncertain, as the trade and tariff policies of the U.S. may affect the international trade order and supply chains.

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

|   | Fiscal year ended<br>March 31, 2024 | Fiscal year ended<br>March 31, 2025 | Year on year      |       |
|---|-------------------------------------|-------------------------------------|-------------------|-------|
|   | (Millions of yen)                   | (Millions of yen)                   | (Millions of yen) | (%)   |
| Gross profit                                | 164,719                             | 181,291                             | 16,572            | 10.1% |
| Operating income                            | 30,618                              | 39,078                              | 8,459             | 27.6% |
| Ordinary income                             | 30,591                              | 38,382                              | 7,791             | 25.5% |
| Profit attributable to owners of the parent | 22,402                              | 25,521                              | 3,118             | 13.9% |

- In terms of performance in the current fiscal year, all profit stages increased mainly due to a weaker yen.
- Operating income increased due to an increase in gross profit. For details, see Overview by Segment.
- Profit attributable to owners of the parent increased by ¥3.1 billion to ¥25.5 billion despite recording a loss on discontinued operations related to the exit from the glass substrate thinning business in China, which was decided in fiscal year 2020, as well as a loss on valuation of investment securities. This increase was mainly due to higher operating income.

## Overview by Segment

The following describes performance by segment.

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

### <Functional Materials>

Gross profit

32.5 billion yen (up 15.6% from the previous fiscal year)

The major factors behind performance were as follows.

- Coating materials sales increased due to higher market prices, despite flat demand in automotive and architectural applications
- Sales increased for raw materials for semiconductor materials
- Losses narrowed in the color former business due to the suspension of production in the U.S. and the review of unprofitable transactions and streamlining of manufacturing bases in Japan
- Operating income increased due to an increase in gross profit

### <Advanced Materials & Processing>

Gross profit

26.1 billion yen (up 10.9% from the previous fiscal year)

The major factors behind performance were as follows.

- Resin sales increased due to recovery in demand in the electrical and electronics industry, including office automation equipment
- Sales of industrial hoses and civil engineering pipes increased at TOTAKU INDUSTRIES, INC.
- Operating income increased due to an increase in gross profit

### <Electronics & Energy>

Gross profit

40.0 billion yen (up 17.0% from the previous fiscal year)

The major factors behind performance were as follows.

- Sales of materials for high-end smartphones, tablets, and other electronic devices increased due to a recovery in demand
- Sales of materials for the semiconductors increased due to a moderate market recovery
- Sales of formulated epoxy resins of Nagase ChemteX increased due to strong demand for semiconductors used in AI servers
- Operating income increased due to an increase in gross profit

### <Mobility>

Gross profit

16.5 billion yen (up 8.3% from the previous fiscal year)

The major factors behind performance were as follows.

- Resin sales, which account for about half of gross profit, increased due to yen depreciation and rising market prices, despite a decline in automobile production volume
- 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

66.0 billion yen (up 4.2% from the previous fiscal year)

The major factors behind performance were as follows.

- Sales increased for pharmaceutical raw materials and intermediates
- Sales of Nagase Viita increased overall due to strong sales of food ingredients, despite lower sales of cosmetic materials stemming from sluggish sales overseas
- The Prinova Group saw an increase in food ingredient sales and an improvement in gross profit margin compared to the same period last year, when market conditions were weak
- Operating income decreased, despite an increase in gross profit, mainly due to higher selling, general and administrative expenses stemming from allowance for doubtful accounts and higher personnel expenses at the Prinova Group, which were recorded in the second quarter

<Others>

No special matters to disclose.

(2) Status of capital investment, etc.

During the current fiscal year, the Group made capital investment of 16.2 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            | 1,269                    |
| Advanced Materials & Processing | 1,291                    |
| Electronics & Energy            | 2,811                    |
| Mobility                        | 677                      |
| Life & Healthcare               | 3,987                    |
| Others, Company-wide (common)   | 6,172                    |
| Total                           | 16,209                   |

(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   | Fiscal 2024   |
|----------------------------|------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Enhance capital efficiency | ROE              | 8.0%          | 5.9%          | 7.7%          | 6.6%          | 5.9%          | 6.4%          |
| Increase earnings power    | Operating income | ¥35.0 billion | ¥21.9 billion | ¥35.2 billion | ¥33.3 billion | ¥30.6 billion | ¥39.0 billion |

In fiscal 2024, both operating income and ROE exceeded the level of the previous fiscal year. The semiconductor-related business, which is operated in the Electronics & Energy segment, and the Functional Materials segment, performed steadily. In particular, formulated epoxy resins for advanced semiconductors for AI servers at Nagase ChemteX Corporation sold well, and we enhanced the production capacity to meet increasing demand. The color former business operated in the Functional Materials segment returned to profitability thanks to revision of unprofitable transactions and streamlining at Fukui Yamada Chemical Co., Ltd., which is our manufacturing base in Japan, in addition to withdrawal from business at SOFIX LLC in the U.S. Furthermore, Fukui Yamada Chemical Co., Ltd. was integrated with the functional dyes business of Nagase Viita Co., Ltd. into Nagase ChemteX Corporation on April 1, 2025 with the aim to strengthen our development capability and enhance production efficiency through technologic synergies, promote business continuity planning (BCP) measures as part of our strategy to develop our network of business locations, and make talent cultivation more efficient by promoting the flow of human talent between business locations. By concentrating chemical resources within the Nagase Group to Nagase ChemteX Corporation, we will maximize and optimize the use of our core management resources. The Life & Healthcare segment was sluggish due to weak contract manufacturing for sports nutrition and the impact of lower demand for cosmetic materials in the Chinese market on Nagase Viita Co., Ltd., despite strong food ingredient sales in the Prinova Group.

As a result, operating income was ¥39 billion, 128% compared with the previous fiscal year, and ROE was 6.4%, exceeding the level of the previous fiscal year. These are partly due to better capital efficiency resulting from the changed shareholder return policy, which was decided in May 2024 (providing a total shareholder return ratio of 100% as a limited measure for two years until 2025), as well as increased profit attributable to owners of the parent.

Toward the final year of **ACE 2.0**, we implemented important investments and measures in fiscal 2024 for our future growth.

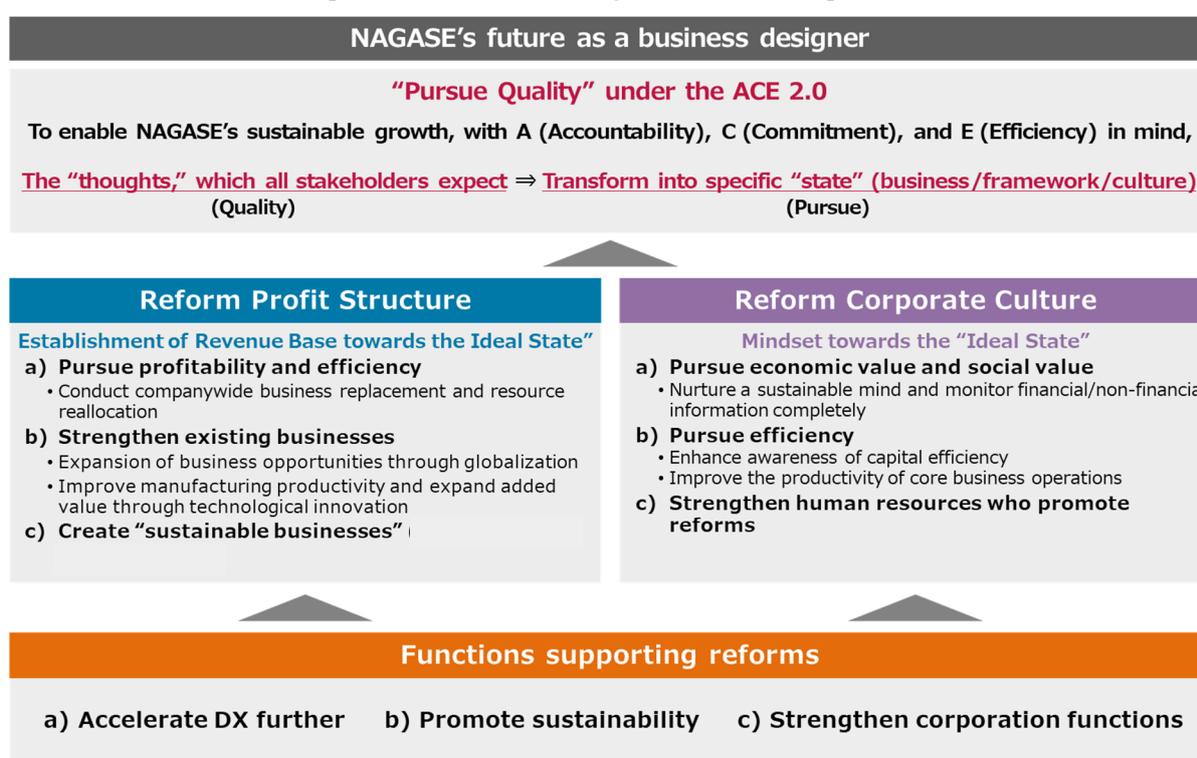
For the manufacturing function, we made efforts to realize growth in the Focus Areas of food, semiconductors, and life sciences. In the food area, we reorganized the Prinova Group’s management system, and we established a restoration system to improve profitability, particularly in the manufacturing business. In the semiconductor area, we strengthened the production capacity for formulated epoxy resins to meet increasing demand at Nagase ChemteX Corporation, decided to acquire the Asia business of SACHEM, Inc. (hereinafter referred to as SACHEM) in the U.S., and newly launched a new factory to expand the recovery and recycling business for tetramethyl ammonium hydroxide (hereinafter referred to as TMAH). In the life science area, we decided to acquire Asahi Kasei Pharma’s diagnostic operations.

In the trading function, we made efforts to deepen ROIC management and to enhance profitability by improving profitability in low-margin transactions and optimizing inventory levels. These efforts are being made steadily at bases both in Japan and overseas, and ROIC improved by 0.4 ppt from the previous fiscal year to 4.4% in fiscal 2024.

In fiscal 2025, which is the final year of the Medium-Term Management Plan **ACE 2.0**, we will promote efforts to achieve ROE and operating income, which are our quantitative targets, and sustainable growth from fiscal 2026 onward.

### 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.

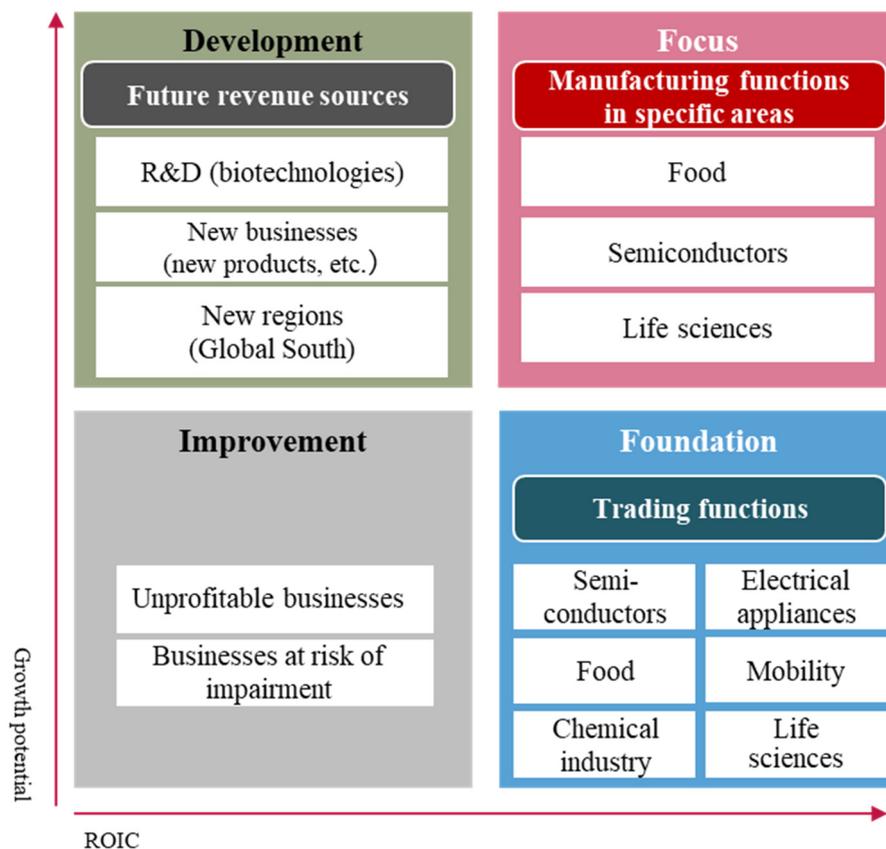


Reform Profit Structure - Establishment of Revenue Base towards the “Ideal NAGASE”

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 have defined the trading function and the manufacturing function in other than specific areas as the Base Areas in the business portfolio. The trading function is responsible for exploring issues faced by society and customers, and matching them with solutions, by taking advantage of our global network and NAGASE human resources' ability to extract perceptive insights from information. The trading function is indispensable to the creation of future new businesses and materials by utilizing cash and high-quality information obtained through those activities in developing businesses in the Focus and Develop Areas.

In each business, we further deepened ROIC management and focused on increasing margins and reducing inventory. Specifically, we worked to improve profitability by making corrections to transactions with relatively low profitability and, when conditions were not favorable, even considering giving up commercial rights. We also improved the efficiency of working capital by optimizing levels of inventory held. These efforts have been implemented at all our bases both in Japan and overseas, and their results have become evident.

In the food area, we acquired Apliquimica Aplicacoes Quimicas Especiais Ltda (hereinafter referred to as "Aplinova"), which engages in wholesale, manufacturing, and sale of food ingredients in Brazil (April 2025). Aplinova sells and processes premix, flavors, and food colors, and has a track record of transactions with over 1,000 food manufacturers in Brazil. Through this acquisition, we will fully develop business in the South American markets, and expand sales of amino acid, sweeteners, and vitamins, which are handled by the Prinova Group.

### (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. as Focus Areas.

In the food area, we appointed a new CEO of the Prinova Group and reorganized its management system. We further expanded the trading business through our global customer base and ability to make proposals, while we proceeded with restoration of the manufacturing business for better profitability. In this way, we will aim for sustainable growth and better corporate value throughout the Group.

In the semiconductor area, sales of formulated epoxy resin for advanced semiconductors for AI servers at Nagase ChemteX Corporation were strong. We strengthened the production capacity to meet increasing demand, and we plan to further enhance it in fiscal 2025. We also decided to acquire the Asia business of Sachem in the U.S. The manufacturing and sales functions for high-purity chemicals for semiconductors will be integrated into the Group. In addition, we are working on the recovery and recycling business of TMAH, which is a chemical used in semiconductor manufacturing processes, and we launched a new factory. We aim to start mass production in fiscal 2025.

In the Life Sciences field, we have decided to acquire the diagnostics business of Asahi Kasei Pharma Corporation, and plan to add the company to our group on July 1, 2025. This deal aims to expand businesses in the biotechnology area utilizing the research & development function, which is our Develop Area, in addition to strengthening the manufacturing function in the life science area, which is our Focus Area.

#### (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.

For the research & development function, we signed a joint development agreement with LiveDo Corporation in the current fiscal year for the use of bio-derived and biodegradable superabsorbent polymer in adult diapers and urine care products. With the aim of commercializing the products from 2027 onwards, we consider their market deployment as sustainable sanitary products.

In addition, we started efforts for Corporate Venture Capital (CVC) in fiscal 2023 to obtain information and entry opportunities regarding new areas and new technologies, and we established a 100% subsidiary, Nagase Future Investments Co., Ltd., as an organization with our own system dedicated to investment business with the aim for more speedy decision-making and acquisition of optimal human resources. Through investments in startups that have state-of-the-art technology or knowledge, we will accelerate efforts to capture the buds of new businesses.

Furthermore, we have defined regions expected to see continuous growth moving forward as the Global South (India, Brazil, Mexico, and Indonesia), and begun efforts such as area strategy planning across business divisions. In India, we established a joint venture, JAE ELECTRONICS INDIA PRIVATE LIMITED, with Japan Aviation Electronics Industry, Ltd. to sell connectors for motorcycle/automobile vehicles. In Mexico, we established a joint venture, ATECS INSERT MOLDING MEXICO S.A. DE C.V., with Atex Co., Ltd. to manufacture electrification-related components for xEV. We will build a manufacturing system to start mass production in or after 2026.

#### (Improvement Areas)

Areas for improvement are defined as affiliates that are experiencing operating losses, unprofitable transactions, and businesses where there is concern about future loss on impairment of fixed assets.

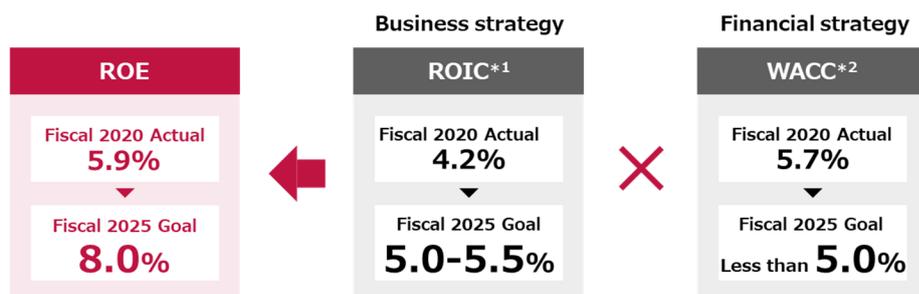
In the relevant Color Former business, in addition to withdrawing from SOFIX LLC in the U.S., we have improved efficiency at Fukui Yamada Chemical Co., Ltd., our manufacturing base in Japan, and have achieved a turnaround to profitability. For unprofitable transactions, we made efforts to improve and enhance profitability by returning rights for businesses if conditions are not met.

In fiscal 2025, which is the final year of the Medium-Term Management Plan **ACE 2.0**, we will reduce unprofitable transactions and loss on impairment of fixed assets to achieve losses of ¥1 billion or less.

Reform Corporate Culture - Mindset towards the “Ideal NAGASE”

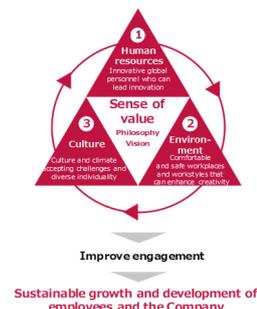
Considering that it is necessary to pursue economic value and social value as a pair of values for the realization of “Pursue Quality,” NAGASE conducts monitoring by setting financial and non-financial KPIs. Further, we will strive to improve productivity of core operations in the pursuit of efficiency, 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: Profit 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]

In fiscal 2024, ROIC rose by 0.4 ppt from the previous fiscal year to 4.4% due to an increase in profit attributable to owners of the parent resulting from strong business performance.

Although the cost of debt increased due to rising interest rates, the WACC remained unchanged from the previous fiscal year at 5.9% due to the fact that we managed to curb capital accumulation by achieving a total return ratio of 100%, and the cost of shareholders' equity decreased due to factors such as a decline in the beta value.

As an initiative to improve capital efficiency, we sold two securities valued at 3.2 billion yen of cross-shareholdings in fiscal 2024. 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**, in May 2024, 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 fiscal 2025, 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 <b>ACE 2.0</b> |              |              |              |               | Total   | (from fiscal 2021 to fiscal 2025) |
|---------------------------|---------------|--------------|--|--------------|--------------|--------------|---------------|---|-----------------------------------|
|                           |               |              | Fiscal 2021                                | Fiscal 2022  | Fiscal 2023  | Fiscal 2024  |               |   |                                   |
| Number of securities sold | 7             | 5            | 49   | 13           | 17           | 2            | 81            | <u>Five years' cumulative total Plan to sell shares worth</u><br><u>¥30 billion</u> |                                   |
| Total sales price         | ¥10.4 billion | ¥6.2 billion | ¥7.8 billion                               | ¥7.3 billion | ¥7.1 billion | ¥3.2 billion | ¥25.6 billion |   |                                   |

(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 assign 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, hosting workshops aimed at the promotion of D&I (Diversity & Inclusion) for management and those in managerial posts, and further expanding support for balancing childcare, nursing care, and work responsibilities. Through these initiatives, we will promote improved employee engagement and sustained growth and development for employees and the Company.

### 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]

Results of the further acceleration of DX in fiscal 2024 include the transition to the full operational phase of the digital marketing infrastructure built in the previous fiscal year and its wide utilization to expand customer contacts in business divisions.

We have held digital exhibitions dedicated to specific customers and periodically distributed information using marketing automation tools to understand the viewing status of each customer and implement sales activities based on it, which have enabled us to strengthen relationships with existing customers and approach new customer bases with which we have had no connection. In addition, accumulated information on the approaching status by each customer and the progress of projects have contributed to creation of new business opportunities.

For the promotion of sustainability, we revised our materiality in September 2024 in light of changes in the external environment. With more awareness of solving social issues through our business, we defined six materiality items in total by newly adding “Extend a healthy life expectancy,” “Achieve a sustainable supply chain,” and “Driving a circular economy” to the existing three materiality items: “Employee engagement improvement,” “Realize decarbonization,” and “Transparency in corporate governance.” Under these materiality items, we will make more efforts to promote sustainability as a company that solves issues through materials.

For strengthening the corporate function, we will revise the compensation system for inside directors and executive officers from fiscal 2025 onward, subject to the approval of the proposal for the revision of the upper limit of Director compensation, with the aim to further strengthen the earnings and corporate value enhancement, Recruitment and retention of skilled human capital, and the ensuring accountability. For details about the new compensation system, please see pages 31 to 33.

| Earnings and corporate value enhancement  | Recruitment and retention of skilled human capital  | Ensuring accountability   |
|---|---|---|
| <ul style="list-style-type: none"><li>● Offer compensation system that drives the achievement of the following strategies and supports sustainable corporate value creation<ul style="list-style-type: none"><li>- Linking compensation to shareholder value</li><li>- Pursuing short-term and medium- to long-term growth and efficiency</li><li>- Balancing economic and social value</li></ul></li></ul> | <ul style="list-style-type: none"><li>● Offer competitive compensation system and compensation levels to attract and retain diverse, skilled human capital capable of accelerating business transformation</li><li>● Offer compensation levels that encourage the growth and development of the next generation of management leaders</li></ul> | <ul style="list-style-type: none"><li>● Maintain a transparent and objective compensation system and compensation-determining process</li></ul> |

## 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 2024 are as below.

### Enhance employee engagement

| Benchmarks  | Fiscal 2021 | Fiscal 2022 | Fiscal 2023 | Fiscal 2024 | Targets for Fiscal 2025 |
|---|-------------|-------------|-------------|-------------|-------------------------|
| Group companies:<br>Ratio of companies that carry out engagement surveys periodically* <sup>1</sup> | 41%         | 81%         | 86%         | 100%        | 100%                    |
| NAGASE & CO., LTD. (non-consolidated):<br>Total score in the engagement survey* <sup>2</sup>        | 52.4        | 56.5        | 56.0        | 58.3        | 60 or higher            |
| (Reference) NAGASE & CO., LTD. (non-consolidated):<br>Response rate in the engagement survey        | 98%         | 96%         | 96%         | 98%         | -                       |

\*1 This applies to consolidated subsidiaries under legal accounting. Companies that became consolidated subsidiaries during the **ACE 2.0** period are not included.

\*2 The engagement survey total score of “60” is a standard deviation calculated by Link and Motivation Inc. (total data of more than 10,000 companies), and the organizational state is defined as “mutual trust.” Our Company has set a survey total score of “60” as the goal of our medium-term management plan **ACE 2.0** in order to aim for a condition in which the Company (organization) and employees understand each other well as equal partners and look in the same direction, in other words, a state of mutual trust.

### Reduction in GHG emissions

(Unit: t-CO<sub>2</sub>)

|                                       | Item  | Fiscal 2013 | Fiscal 2020 | Fiscal 2021 | Fiscal 2022 | Fiscal 2023 | Fiscal 2024 | Targets for Fiscal 2025 |
|---------------------------------------|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------------------|
| Consolidated                          | Scope 1   |             | 30,538      | 33,132      | 31,099      | 28,260      | 30,229      | -                       |
|                                       | Scope 2 (Market-based)  | 86,197      | 33,105      | 27,057      | 25,611      | 26,737      | 18,751      | -                       |
|                                       | Total   |             | 63,643      | 60,189      | 56,710      | 54,997      | 48,980      | -                       |
|                                       | Scope 1, 2 reduction rate (compared to 2013)                                    | -           | 26%         | 30%         | 34%         | 36%         | 43%         | 37% or higher           |
|                                       | Reduction due to power generation and purchase of renewable energy (cumulative) | -           | -           | 10          | 523         | 7,478       | 13,272      | 35,000 or higher        |
| NAGASE & CO., LTD. (non-consolidated) | Scope 2   | -           | -           | 2,514       | 2,014       | 1,803       | 1,893       | Zero emission           |

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

\* Data for fiscal 2024 are tentative values before receiving third-party assurance.

(9) Changes in assets and profit/loss

|  | Fiscal year<br>ended March<br>31, 2022 | Fiscal year<br>ended March<br>31, 2023 | Fiscal year<br>ended March<br>31, 2024 | Fiscal year<br>ended March<br>31, 2025 |
|--|--|--|--|--|
| Gross profit (Unit: Million yen)                                   | 139,494                                | 155,410                                | 164,719                                | 181,291                                |
| Ordinary income (Unit: Million yen)                                | 36,497                                 | 32,528                                 | 30,591                                 | 38,382                                 |
| Profit attributable to owners of the parent<br>(Unit: Million yen) | 25,939                                 | 23,625                                 | 22,402                                 | 25,521                                 |
| Earnings per share (Unit: yen)                                     | 213.46                                 | 199.54                                 | 194.96                                 | 230.39                                 |
| Total asset (Unit: Million yen)                                    | 739,720                                | 762,688                                | 792,336                                | 808,143                                |
| Net asset (Unit: Million yen)                                      | 355,092                                | 378,388                                | 401,315                                | 406,459                                |

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, 2025)

## 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%<br>(100.0%)               | Sales of food ingredients, processing, and contract manufacturing of finished products   |
| Nagase Holdings America Corporation  | (thousand)<br>US\$ 1       | 100.0%                           | Regional management, investment and asset management, and provision of professional services   |
| Nagase Viita 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)<br>RMB 8,120    | 100.0%<br>(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)<br>HK\$ 28,670  | 100.0%                           | Import/export, intermediate trade, market development, information collection  |
| Nagase (China) Co., Ltd.             | (thousand)<br>RMB 134,687  | 100.0%<br>(100.0%)               | Investment, trade, import/export, processing, logistics, R&D, IT development, and various services   |
| Shanghai Hua Chang Trading Co., Ltd. | (thousand)<br>RMB 19,864   | 70.0%<br>(53.8%)                 | Sale of plastics and related products  |
| 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)<br>BAHT 321,000 | 100.0%                           | Import/export, intermediate trade, market development, information collection  |

## 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.
- As of the end of the fiscal year, there were no specified wholly owned subsidiaries.

(11) Main business activities (As of March 31, 2025)

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            | Formulated 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 raw materials, research reagents, diagnostics, food extracts, food additives, enzymes and other processing aids, sports nutrition, premix, raw materials for cosmetics, cosmetics additives, surfactants, materials for agriculture (including livestock raising) and fisheries, endotoxin removal services, radiation measuring services, 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, 2025)

|                    |                              |   |  |
|--------------------|------------------------------|---|--|
| 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 | Nagase Viita Co., Ltd.: Okayama Plant I, Plant II, Okayama Functional Saccharide Plant, Fujita Plant and Fujita Formulation Plant (Okayama, Okayama) and Fukuchiyama Plant (Fukuchiyama, Kyoto)<br>Nagase ChemteX Corporation: Harima Plant, (Tatsuno, Hyogo), Sakai Factory (Sakai, Osaka), and others |  |
|                    | Domestic R&D center          | Nagase Viita Co., Ltd.: Fujisaki Institute (Okayama, Okayama) and Fukuchiyama Plant (Fukuchiyama, Kyoto)<br>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   |  |

Notes:

1. Nagase ChemteX Corporation Sakai Factory was closed effective March 31, 2025.
2. Nagase Viita Co., Ltd. Fujita Plant became Nagase ChemteX Corporation Okayama Plant effective April 1, 2025.

## (13) Status of employees (As of March 31, 2025)

## a) Status of the corporate group employees

| Business Segment                | Number of employees |
|---------------------------------|---------------------|
| Functional Materials            | 904                 |
| Advanced Materials & Processing | 1,151               |
| Electronics & Energy            | 1,514               |
| Mobility                        | 335                 |
| Life & Healthcare               | 2,423               |
| Others                          | 339                 |
| Company-wide (common)           | 818                 |
| Total                           | 7,484               |

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 |
|---------------------|---|-------------|---------------------------|
| 948                 | -27   | 41.3        | 14.8 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.

(14) Main lenders and loan amounts (As of March 31, 2025)

| Lenders                             | Loan amounts       |
|-------------------------------------|--------------------|
| Sumitomo Mitsui Banking Corporation | 31,913 million yen |
| MUFG Bank, Ltd.                     | 18,477 million yen |
| Mizuho Bank, Ltd.                   | 10,748 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, 2025)

- (1) Total number of shares authorized 346,980,000
- (2) Total number of shares issued 114,908,285
- (3) Number of shareholders 32,696

(4) Principal shareholders (top 10)

| Principal shareholders                               | Number of shares held<br>(thousand shares) | Holdings percentage<br>(%) |
|--|--|----------------------------|
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 13,682                                     | 12.6                       |
| Custody Bank of Japan, Ltd. (Trust Account)          | 6,964                                      | 6.4                        |
| NAGASE & CO., LTD. Own Share Investment Association  | 3,847                                      | 3.5                        |
| Nippon Life Insurance Company                        | 3,589                                      | 3.3                        |
| Sumitomo Mitsui Trust Bank, Limited                  | 3,350                                      | 3.1                        |
| Reiko Nagase   | 3,281                                      | 3.0                        |
| Sumitomo Mitsui Banking Corporation                  | 2,918                                      | 2.7                        |
| Nagase Shunzo Co., Ltd.                              | 2,688                                      | 2.5                        |
| STATE STREET BANK AND TRUST COMPANY 505001           | 2,528                                      | 2.3                        |
| CGML PB CLIENT ACCOUNT/COLLATERAL                    | 2,223                                      | 2.0                        |

Notes:

- The Company holds 6,160,822 shares of treasury stock, and holdings percentages are calculated with the treasury stock excluded.
- 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 and number of shares canceled 3,000,000 shares of common shares of the Company (2.54% of the total number of issued shares before the cancellation)
- (ii) Date of the cancellation May 31, 2024

In addition, the Company decided on the cancellation of treasury stock at the Board of Directors meeting held on May 8, 2025 as follows.

- (i) Class and number of shares to be canceled 5,000,000 shares of common shares of the Company (4.35% of the total number of issued shares before the cancellation)
- (ii) Date of the cancellation May 30, 2025

### 3. Matters relating to officers

#### (1) Status of the Company officers (As of March 31, 2025)

| 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   |   |
| Director                                   | Masatoshi Kamada   | In charge of Advanced Materials & Processing, Electronics & Energy, Mobility, and Asia (Greater China, ASEAN, India, and Korea) |   |
| Director                                   | Tamotsu Isobe      | In charge of Functional Materials, Life & Healthcare, Business Development, Europe and Americas, and Osaka Area                 |   |
| Director, Senior Advisor                   | Hiroshi Nagase     |   |   |
| Director                                   | Ritsuko Nonomiya   |   | Representative Director and CEO of Houlihan Lokey Japan Co., Ltd.<br>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 | Akira Takami       |   |   |
| Full-time Audit & Supervisory Board Member | Masaya Ishida      |   |   |
| Audit & Supervisory Board Member           | Gan Matsui         | Attorney  | External Director and Audit and Supervisory Committee Member of Orient Corporation<br>Outside Audit & Supervisory Board Member of TOTETSU KOGYO CO., LTD.<br>Outside Director and Audit and Supervisory Committee Member of GLOBERIDE, Inc.<br>Outside Director of Dentsu Group Inc.<br>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 Masaya Ishida 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 Masaya Ishida 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, Masatoshi Kamada, and Tamotsu Isobe are also executive officers.
7. Changes in Directors and Audit & Supervisory Board Members during the fiscal year

(1) Appointments

At the 109th Annual Shareholders' Meeting held on June 21, 2024, Tamotsu Isobe and Masaya Ishida were newly elected and appointed as Director and Audit & Supervisory Board Member, respectively.

(2) Retirements

Audit & Supervisory Board Member Nobuyuki Shirafuji retired from office due to the expiration of his term of office effective as of the conclusion of the 109th Annual Shareholders' Meeting held on June 21, 2024.

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

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   |

<Reference>

1. The areas of responsibility of Directors as of April 1, 2025 were as set forth below.

| Position | Name          | New   | Old   |
|----------|---------------|---|---|
| Director | Tamotsu Isobe | In charge of Functional Materials, Life & Healthcare, Business Development, Europe and Americas, and Corporate Planning Dept. | In charge of Functional Materials, Life & Healthcare, Business Development, Europe and Americas, and Osaka Area |

Directors with executive titles as of April 1, 2025 were as set forth below.

| Name           | New   | Old  |
|----------------|---|--|
| Masaya Ikemoto | Representative Director, Executive Vice President | Representative Director, Senior Managing Executive Officer |

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

Executive Officers were elected on April 1, 2025, and their areas of responsibility were as set forth below.

| Status            | Name              | Areas of responsibility   |
|-------------------|-------------------|---|
| Executive Officer | Koichi Sagawa     | Greater China CEO   |
| Executive Officer | Noriyoshi Yamaoka | In charge of Nagase Business Expert Co., Ltd. and Manager of Nagoya Branch Office |
| Executive Officer | Yoshihisa Shimizu | In charge of Corporate Administration   |
| Executive Officer | Xiaoli Liu        | General Manager of Nagase Bio-Innovation Center                                   |
| 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.                        |
| Executive Officer | Natsuki Imamura   | General Manager of Risk Management Dept. and General Manager of ICT Planning Div. |
| Executive Officer | Hironao Makise    | In charge of New Company in Diagnostics Business                                  |
| Executive Officer | Ryuhei Tashima    | General Manager of Advanced Functional Materials Dept.                            |
| Executive Officer | Kenji Okino       | General Manager of Life & Healthcare Products Dept.                               |
| Executive Officer | Kenichi Kurimoto  | General Manager of Speciality Chemicals Dept. and in charge of Osaka Area         |
| Executive Officer | Daiji Matsuoka    | General Manager of Mobility Solutions 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 Masaya Ishida 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, the Company pays all the insurance premiums, and the insured persons, effectively, pay no insurance premiums. Covered insurance events are third-party lawsuits, shareholder lawsuits, corporate 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                            | 440                | 180                                   | 229  | 30 |
|                                  | Outside Director                         | 3                            | 40                 | 40                                    | -  | -  |
|                                  | Total                                    | 9                            | 481                | 221                                   | 229  | 30 |
| Audit & Supervisory Board Member | Inside Audit & Supervisory Board Member  | 2                            | 50                 | 50                                    | -  | -  |
|                                  | Outside Audit & Supervisory Board Member | 3                            | 34                 | 34                                    | -  | -  |
|                                  | Total                                    | 5                            | 84                 | 84                                    | -  | -  |

Notes:

1. Included in the above is 75 million yen in total compensation paid to the six outside officers.
2. The total compensation paid to Directors indicated above includes 249 million yen which is reported as an expense of provisions during the fiscal year.
3. In addition to the above, 25 million yen in employee salaries was paid to Directors who also serve as employees.
4. The amount of compensation indicated above includes compensation paid to one Audit & Supervisory Board Member who retired effective as of the conclusion of the 109th Annual Shareholders' Meeting held on June 21, 2024.

b) Matters relating to performance-linked compensation

As an index for performance-linked compensation, the Company has selected profit 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 profit 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 profit attributable to owners of the parent against the previous year's actual profit 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 profit attributable to owners of the parent was 25.5 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 6.4%. To strengthen the link between sustainability-related initiatives and director compensation, we have added sustainability-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 receives outsourcing services.            |
|  |                    | External Director of Shiseido Company, Limited                                     | The Company sells products.                           |
| Outside Director                         | Noriaki Horikiri   | Representative Director and Chairman of Kikkoman Corporation                       | The Company sells products.                           |
| Outside Director                         | Toshiaki Mikoshiba |  |   |
| Outside Audit & Supervisory Board Member | Masaya Ishida      |  |   |
| Outside Audit & Supervisory Board Member | Gan Matsui         | External Director and Audit and Supervisory Committee Member of Orient Corporation | No special relationship                               |
|  |                    | Outside Audit & Supervisory Board Member of TOTETSU KOGYO CO., LTD.                | No special relationship                               |
|  |                    | Outside Director and 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 17 of 17 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 17 of 17 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 17 of 17 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 sales activities from a perspective of familiarity with manufacturing industries.  |
| Outside Audit & Supervisory Board Member | Masaya Ishida      | He attended 13 of 13 Board of Directors meetings held after he was appointed as Audit & Supervisory Board Member on June 21, 2024 (attendance rate: 100%), all 13 meetings of the Audit & Supervisory Board held after he was appointed as Audit & Supervisory Board Member on June 21, 2024 (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         | He attended 17 of 17 Board of Directors meetings held during the fiscal year (attendance rate: 100%) and all 17 meetings of the Audit & Supervisory Board held during the fiscal year (attendance rate: 100%) and presented opinions, gave advice, and made other statements as appropriate 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, 2025)

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

| ASSETS  | Amount         |
|---|----------------|
| (Millions of yen)                                 |                |
| <b>Current assets</b>                             | <b>560,126</b> |
| Cash and time deposits                            | 66,310         |
| Notes and accounts receivable and contract assets | 311,251        |
| Merchandise and finished goods                    | 146,834        |
| Work in process                                   | 2,320          |
| Raw materials and supplies                        | 17,068         |
| Other   | 17,387         |
| Less allowance for doubtful accounts              | (1,048)        |
| <b>Non-current assets</b>                         | <b>248,017</b> |
| Property, plant and equipment                     | 91,671         |
| Buildings and structures                          | 26,757         |
| Machinery, equipment and vehicles                 | 17,770         |
| Land  | 20,114         |
| Other   | 27,028         |
| Intangible fixed assets                           | 65,811         |
| Goodwill  | 25,400         |
| Technology-based assets                           | 1,289          |
| Other   | 39,121         |
| Investments and other assets                      | 90,534         |
| Investments in securities                         | 72,028         |
| Long-term loans receivable                        | 1,257          |
| Retirement benefit asset                          | 6,072          |
| Deferred tax assets                               | 5,700          |
| Other   | 6,653          |
| Less allowance for doubtful accounts              | (1,179)        |
| <b>Total assets</b>                               | <b>808,143</b> |

| LIABILITIES AND NET ASSETS                    | Amount            |
|---|-------------------|
| LIABILITIES                                   | (Millions of yen) |
| <b>Current liabilities</b>                    | <b>269,576</b>    |
| Notes and accounts payable                    | 151,269           |
| Short-term loans                              | 42,310            |
| Current portion of long-term loans            | 6,039             |
| Commercial paper                              | 19,500            |
| Income taxes payable                          | 3,753             |
| Accrued bonuses for employees                 | 8,518             |
| Accrued bonuses for directors                 | 394               |
| Other   | 37,791            |
| <b>Long-term liabilities</b>                  | <b>132,106</b>    |
| Bonds   | 40,000            |
| Long-term loans                               | 53,454            |
| Lease liabilities                             | 11,471            |
| Long-term income taxes payable                | 22                |
| Deferred tax liabilities                      | 13,275            |
| Retirement benefit liability                  | 12,289            |
| Provision for directors' stock benefit        | 111               |
| Other   | 1,481             |
| <b>Total liabilities</b>                      | <b>401,683</b>    |
| NET ASSETS                                    |                   |
| <b>Shareholders' equity</b>                   | <b>311,712</b>    |
| Common stock                                  | 9,699             |
| Capital surplus                               | 9,348             |
| Retained earnings                             | 312,244           |
| Less treasury stock, at cost                  | (19,579)          |
| <b>Accumulated other comprehensive income</b> | <b>87,340</b>     |
| Net unrealized holding gain on securities     | 30,665            |
| Deferred gain on hedges                       | 6                 |
| Translation adjustments                       | 56,864            |
| Remeasurements of defined benefit plans       | (196)             |
| <b>Non-controlling interests</b>              | <b>7,406</b>      |
| <b>Total net assets</b>                       | <b>406,459</b>    |
| <b>Total liabilities and net assets</b>       | <b>808,143</b>    |

Consolidated Statement of Income (April 1, 2024 – March 31, 2025)

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

|  |                   | Amount |                   |
|--|-------------------|--------|-------------------|
|  | (Millions of yen) |        | (Millions of yen) |
| Net sales  |                   |        | 944,961           |
| Cost of sales  |                   |        | 763,670           |
| <b>Gross profit</b>  |                   |        | <b>181,291</b>    |
| Selling, general and administrative expenses                           |                   |        | 142,212           |
| <b>Operating income</b>  |                   |        | <b>39,078</b>     |
| Non-operating income   |                   |        |                   |
| Interest income  | 1,047             |        |                   |
| Dividend income  | 1,941             |        |                   |
| Rent income  | 311               |        |                   |
| Equity in earnings of affiliates                                       | 979               |        |                   |
| Other  | 489               |        | 4,770             |
| Non-operating expenses   |                   |        |                   |
| Interest expenses  | 3,734             |        |                   |
| Foreign exchange losses  | 492               |        |                   |
| Other  | 1,239             |        | 5,465             |
| <b>Ordinary income</b>   |                   |        | <b>38,382</b>     |
| Extraordinary gains  |                   |        |                   |
| Gain on sales of non-current assets                                    | 2,159             |        |                   |
| Gain on sales of investment securities                                 | 2,792             |        |                   |
| Gain on liquidation of subsidiaries and affiliates                     | 74                |        |                   |
| Subsidy income   | 258               |        |                   |
| Other  | 8                 |        | 5,294             |
| Extraordinary losses   |                   |        |                   |
| Loss on sales of non-current assets                                    | 388               |        |                   |
| Loss on disposal of non-current assets                                 | 575               |        |                   |
| Loss on impairment of fixed assets                                     | 1,173             |        |                   |
| Loss on sales of investment securities                                 | 19                |        |                   |
| Loss on valuation of investment securities                             | 1,234             |        |                   |
| Loss on sales of investments in capital of subsidiaries and affiliates | 108               |        |                   |
| Loss on discontinued operations  | 2,048             |        | 5,547             |
| <b>Income before income taxes</b>                                      |                   |        | <b>38,130</b>     |
| Income taxes - current   | 10,958            |        |                   |
| Income taxes - deferred  | 901               |        | 11,859            |
| <b>Profit for the period</b>   |                   |        | <b>26,270</b>     |
| Profit attributable to non-controlling interests                       |                   |        | 748               |
| <b>Profit attributable to owners of the parent</b>                     |                   |        | <b>25,521</b>     |

## Non-Consolidated Financial Statements

### Non-Consolidated Balance Sheet (As of March 31, 2025)

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

| ASSETS   | Amount            |
|--|-------------------|
|  | (Millions of yen) |
| <b>Current assets</b>  | <b>285,312</b>    |
| Cash and time deposits   | 16,323            |
| Notes receivable   | 1,220             |
| Electronically recorded monetary claims - operating                        | 17,461            |
| Accounts receivable  | 166,153           |
| Merchandise  | 27,013            |
| Goods in transit   | 3,303             |
| Short-term loans receivable from subsidiaries and affiliates               | 51,611            |
| Other  | 9,322             |
| Less allowance for doubtful accounts                                       | (7,096)           |
| <b>Non-current assets</b>  | <b>207,968</b>    |
| Property, plant and equipment  | 18,978            |
| Buildings  | 3,729             |
| Structures   | 26                |
| Machinery and equipment  | 841               |
| Tools, furniture and fixtures  | 1,744             |
| Land   | 8,466             |
| Other  | 4,169             |
| Intangible fixed assets  | 5,771             |
| Software   | 5,425             |
| Other  | 346               |
| Investments and other assets   | 183,218           |
| Investments in securities  | 58,017            |
| Shares of subsidiaries and affiliates                                      | 101,372           |
| Investments in capital of subsidiaries and affiliates                      | 3,794             |
| Long-term loans receivable from subsidiaries and affiliates                | 12,585            |
| Claims provable in bankruptcy, claims provable in rehabilitation and other | 100               |
| Prepaid pension cost   | 6,388             |
| Other  | 2,593             |
| Less allowance for doubtful accounts                                       | (1,633)           |
| <b>Total assets</b>  | <b>493,281</b>    |

| LIABILITIES AND NET ASSETS                                    | Amount            |
|---|-------------------|
| LIABILITIES   | (Millions of yen) |
| <b>Current liabilities</b>                                    | <b>199,728</b>    |
| Electronically recorded obligations - operating               | 805               |
| Accounts payable  | 87,373            |
| Short-term loans  | 30,279            |
| Commercial papers   | 19,500            |
| Accounts payable - other                                      | 5,468             |
| Income taxes payable  | 108               |
| Deposits received   | 51,464            |
| Accrued bonuses for employees                                 | 2,230             |
| Other   | 2,497             |
| <b>Long-term liabilities</b>                                  | <b>115,023</b>    |
| Bonds   | 40,000            |
| Long-term loans   | 53,000            |
| Long-term income taxes payable                                | 22                |
| Deferred tax liabilities                                      | 12,692            |
| Retirement benefit liability                                  | 6,256             |
| Provision for loss on guarantees                              | 647               |
| Provision for directors' stock benefit                        | 111               |
| Provision for loss on business of subsidiaries and affiliates | 2,201             |
| Other   | 92                |
| <b>Total liabilities</b>                                      | <b>314,751</b>    |
| NET ASSETS  |                   |
| <b>Shareholders' equity</b>                                   | <b>148,650</b>    |
| Common stock  | 9,699             |
| Capital surplus   | 9,634             |
| Legal capital surplus   | 9,634             |
| Retained earnings   | 148,895           |
| Legal retained earnings                                       | 2,424             |
| Other   | 146,470           |
| Reserve for reduction entry                                   | 2,590             |
| Reserve for purchase of specific shares                       | 68                |
| General reserve   | 95,510            |
| Retained earnings brought forward                             | 48,301            |
| Less treasury stock, at cost                                  | (19,579)          |
| <b>Valuation and translation adjustments</b>                  | <b>29,879</b>     |
| Net unrealized holding gain on securities                     | 29,875            |
| Deferred gain on hedges                                       | 4                 |
| <b>Total net assets</b>                                       | <b>178,529</b>    |
| <b>Liabilities and net assets</b>                             | <b>493,281</b>    |

Non-Consolidated Statements of Income (April 1, 2024 – March 31, 2025)

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

|  |                   | Amount |                   |
|--|-------------------|--------|-------------------|
|  | (Millions of yen) |        | (Millions of yen) |
| Net sales  |                   |        | 289,571           |
| Cost of sales  |                   |        | 247,097           |
| <b>Gross profit</b>  |                   |        | <b>42,474</b>     |
| Selling, general and administrative expenses                                 |                   |        | 37,225            |
| <b>Operating income</b>  |                   |        | <b>5,249</b>      |
| Non-operating income   |                   |        |                   |
| Interest income  | 2,848             |        |                   |
| Dividend income  | 11,624            |        |                   |
| Rent income  | 694               |        |                   |
| Foreign exchange gains   | 502               |        |                   |
| Other  | 1,697             |        | 17,367            |
| Non-operating expenses   |                   |        |                   |
| Interest expenses  | 3,464             |        |                   |
| Amortization of bond issuance costs  | 104               |        |                   |
| Cost of rent revenue   | 419               |        |                   |
| Other  | 1,115             |        | 5,104             |
| <b>Ordinary income</b>   |                   |        | <b>17,512</b>     |
| Extraordinary gains  |                   |        |                   |
| Gain on sales of non-current assets  | 1,828             |        |                   |
| Gain on sales of investment securities                                       | 2,790             |        |                   |
| Gain on sales of investments in capital of subsidiaries and affiliates       | 18                |        | 4,637             |
| Extraordinary losses   |                   |        |                   |
| Loss on sales of non-current assets  | 146               |        |                   |
| Loss on disposal of non-current assets                                       | 345               |        |                   |
| Loss on sales of investment securities                                       | 18                |        |                   |
| Loss on valuation of investment securities                                   | 1,227             |        |                   |
| Loss on sales of shares of subsidiaries and affiliates                       | 0                 |        |                   |
| Provision of allowance for doubtful accounts for subsidiaries and affiliates | 736               |        |                   |
| Provision for loss on business of subsidiaries and affiliates                | 1,859             |        |                   |
| Provision for loss on guarantees   | 55                |        | 4,387             |
| <b>Income before income taxes</b>  |                   |        | <b>17,762</b>     |
| Income taxes - current   | 1,953             |        |                   |
| Income taxes - deferred  | 1,572             |        | 3,526             |
| <b>Profit for the period</b>   |                   |        | <b>14,236</b>     |