Information Disclosure Based on the TCFD Recommendations

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Established: July 31, 2025
Revised: March 26, 2026

Ⅰ. Basic Approach to Climate Change

The effects of climate change are having a serious impact on the environment, society, people's lives, and corporate activities.

With the conclusion of the Paris Agreement in 2015 to promote the reduction of greenhouse gas (GHG) emissions worldwide, expectations for the role to be played by the private sector are increasing.

The NAGASE Group believes that it is important to respond to changes and expectations in the world and has set “Realize a Decarbonization” as one of our materiality. We also analyze the medium- to long-term risks and opportunities posed by climate change and their financial impact and develop business strategies required for a low-carbon society and a circular economy. In addition, we also identify the GHG emissions from our own business activities and the entire value chain and set medium- to long-term targets and activity plans for the reduction process.

The NAGASE Group endorsed the suggestions of the Task Force on Climate-related Financial Disclosures (TCFD) established by the Financial Stability Board (FSB) on January 25, 2022. And in line with the TCFD, information related to climate change is actively disclosed under the themes of Governance, Strategy, Risk Management, and Metrics and Targets.

Ⅱ. Information Disclosure Based on the TCFD Recommendations

1. Governance

- **Monitoring system of climate-related risks and opportunities by the Board of Directors**

  The NAGASE Group recognizes climate change as one of its important management issues and has established the Sustainability Committee and the Risk Management and Compliance Committee under the supervision of the Board of Directors to study and discuss policies and issues. Each committee reports regularly to the Board of Directors, so our actions on climate change are regularly and directly monitored by the Board of Directors.

- **Sustainability Committee, Risk Management & Compliance Committee**

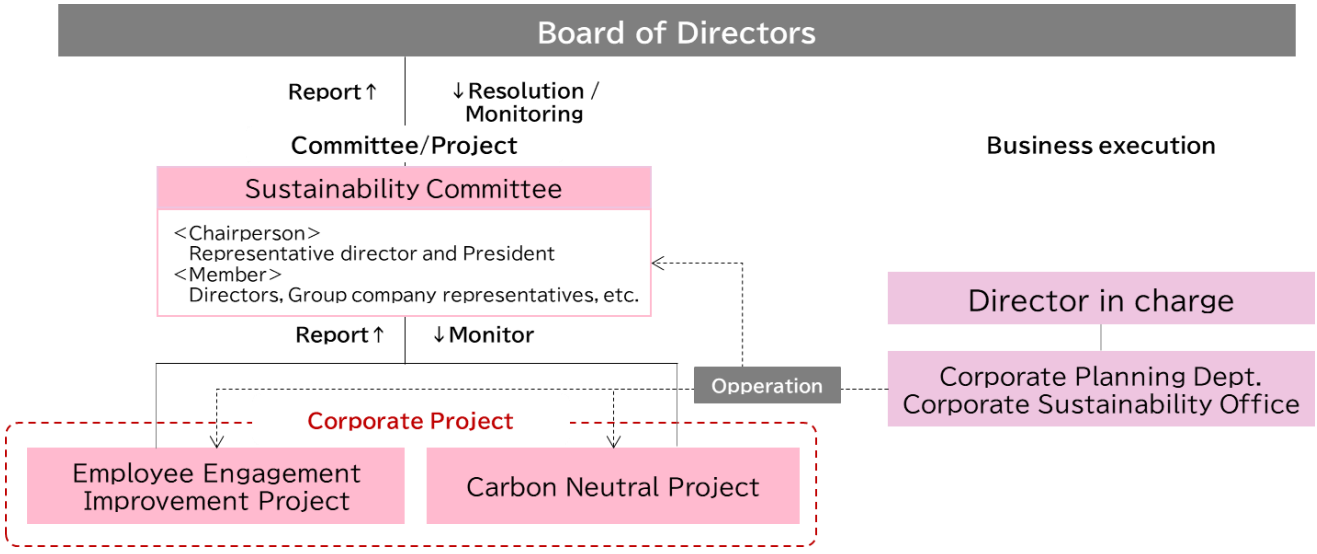
  Risks and business opportunities related to the environment, including climate change, and our policies on these issues are deliberated by the Sustainability Committee, and in particular, risks are also reported to the Risk Management & Compliance Committee as part of our overall company-wide risk management. The content of the deliberations, such as dealing with disasters that pose physical risks due to climate change, changes in regulations that pose climate risks, issuing new regulations, and risks related to market changes and reputation, are reflected in business activities through the Corporate Sustainability Office, which is the organization responsible for business execution.

In addition, the NAGASE Group has set up the Carbon Neutral Project as a subordinate organization of the Sustainability Committee. This project is an advisory body at the executive level, and specific policies and initiatives related to climate change are realized through discussions within the project.

Meeting committee structure	Frequency (FY2024)	Content of deliberation	Main topics for this year
Sustainability Committee (Chairperson: Director in Charge and Executive Officer)	9 times / year	Policy formulation for promoting group-wide sustainability, establishment and enhancement of promotion systems, monitoring of initiatives, and educational activities within the group.	・Incorporating risk and opportunity into business strategy ・Formation and monitoring of Carbon Neutral Project ・Revision of materiality, including climate change-related issues ・Setting and monitoring of KPIs for the Mid-term Management Plan ACE2.0, targets for carbon neutrality, etc.
Carbon Neutral Project	9 times / year	Executive-level advisory body on initiatives to achieve the "NAGASE Group Carbon Neutral Declaration"	・Discussion of measures to achieve the carbon neutral target in the Mid-term Management Plan ACE2.0. ・Considering obtaining SBT certification ・Discussion on the implementation of internal carbon pricing
Risk Management & Compliance Committee (Chairperson: Director in Charge and Executive Officer)	3 times / year	Establishment and enhancement of risk management and compliance systems for overall company risks (including risks related to environmental issues such as climate change)	・Update of company-wide risk management (including climate change-related risks)

※Only the content related to sustainability and climate change is excerpted for the Risk and Compliance Committee.

(Sustainability Promotion Structure)

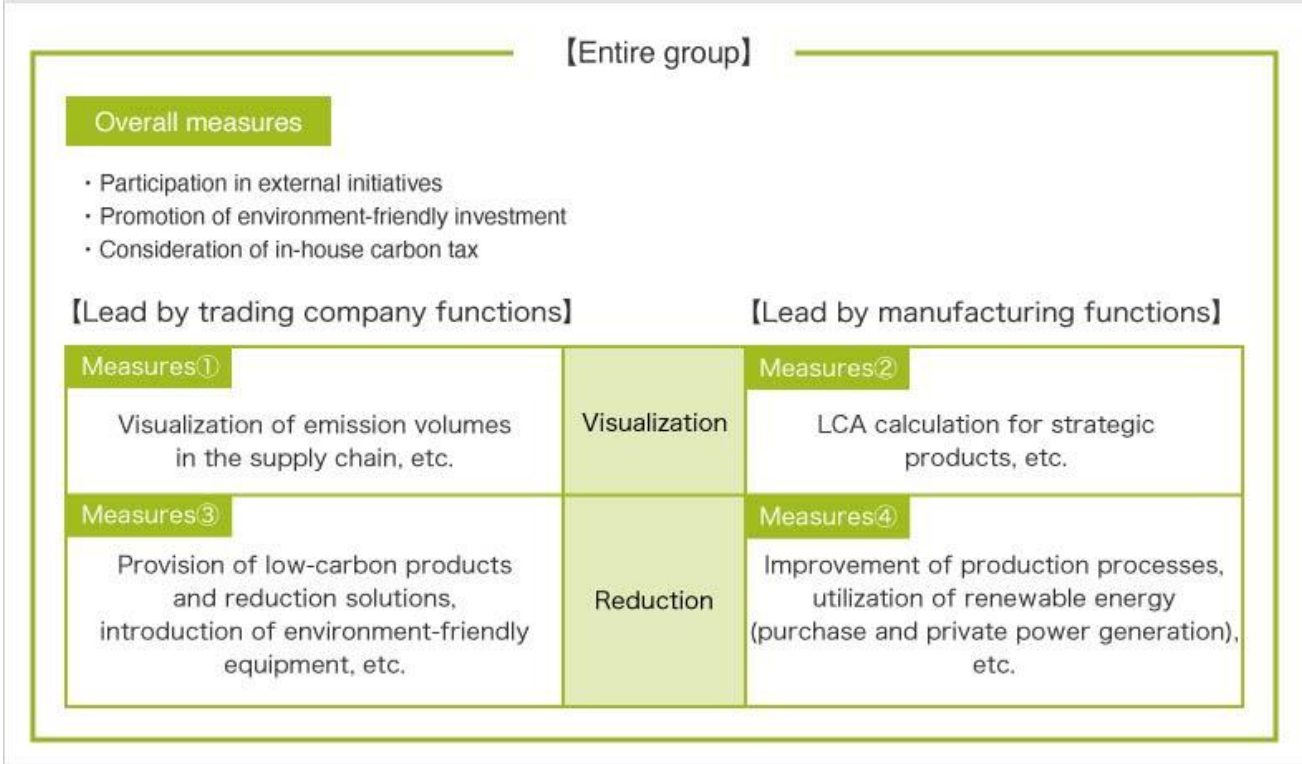


2. Strategy

Since the NAGASE Group has manufacturing and processing functions in addition to its trading company functions, we have categorized our activities into two axes and four quadrants, Trading/Manufacturing and Visualization/Reduction, and will work to achieve our goals under The NAGASE Group Carbon Neutral Declaration, which consists of overall measures and measures 1 through 4.

In addition, based on our Basic Approach to Climate Change, we analyze and identify the medium- to long-term risks and opportunities posed by climate change and their financial impact, in order to develop business strategies that will help create a low-carbon and/or circular economy.

(2×2 Matrix Strategy: Trading vs. Manufacturing / Visualization vs. Reduction)



■ NAGASE Group's Risks and Opportunities

NAGASE Group identifies and analyzes the medium- to long-term risks and opportunities posed by climate change and its financial impact in order to develop business strategies that contribute to a low-carbon and circular economy.

We have trading, manufacturing and R&D functions, and we are developing our business globally and in a variety of ways. Our group's business is currently divided into five segments: Functional Materials, Advanced Materials & Processing, Electronics & Energy, Mobility, and Life & Healthcare, and we provide a wide range of products, such as resins, plastics, electronics and semiconductor materials, and pharmaceuticals and cosmetics.

In addition, we have more than 110 bases around the world and have a very extensive value chain with about 18,000 global business partners.

In identifying climate change risks and opportunities, we assessed their significance as “Large,” “Medium,” or” Small” from the perspectives of “impact on business (qualitative and quantitative)” and “likelihood of occurrence,” taking into account these characteristics of our company. These evaluations take into account the impact on business and finance under the 1.5°C scenario and the 3-4°C scenario for FY2030 and FY2050, respectively. (Please refer to “Risk Management” for details on the specific method.)

As a result, for our company, a failure to meet the stricter regulations and social demands related to climate change, and changes in customer demand, was assessed as having a high level of importance as a transition risk due to climate change. On the other hand, we believe that if we can grasp these social, customer and market changes and provide appropriate materials, products and solutions to the society, it will lead to a great business opportunity.

As for physical risks, the impact of natural disasters and other incidents is a significant risk that needs to be considered not only for the company's own sites but also for sites in the supply chains. With our foundation in the trading business, we have set “Achieve a Sustainable Supply Chain” as a materiality, and we are committed to maintaining and ensuring a stable supply of our products through our network of approximately 18,000 global business partners.

Risks

Classification		Main items	Influenced functions	Influenced value chain	Evaluation Methodology	Level of Importance	
						1.5℃	3～4℃
Transition risk	Policies and Regulations	Stricter regulations on carbon taxes and emissions trading	Whole company	Upstream/Our Group	Qualitative / Quantitative	Large	Medium
		Stricter regulations on products that we handle	Whole company	Whole value chains	Qualitative	Medium	-
	Markets and Technology	Meeting the changing needs of clients	Whole company	Whole value chains	Qualitative	Large	-
		Calculation of LCA/CFP and meeting requests for environmental certification	Trading/Manufacturing	Upstream/Our Group	Qualitative / Quantitative	Medium	Medium
		Structural Transformation of the Chemical Industry and supply chains	Trading/Manufacturing	Whole value chains	Qualitative	Large	-
		Increase costs related to energy and logistics	Manufacturing	Upstream/Our Group	Qualitative / Quantitative	Medium	Medium
		Replacement with low-carbon technology, Impairment of current	Manufacturing	Our Group	Qualitative / Quantitative	Medium	-
	Reputation	Damage to our brand and reputation due to delays in decarbonization efforts	Whole company	Our Group	Qualitative / Quantitative	Medium	-
		Burden of complying with disclosure and reporting obligations related to climate change	Whole company	Our Group	Qualitative / Quantitative	Small	-
Physical risks	Acute	Impact on our company and supply chains due to natural disasters, etc.	Whole company	Whole value chains	Qualitative / Quantitative	-	Medium
		Increase costs and difficulty in joining insurances	Whole company	Our Group	Qualitative / Quantitative	-	Small
	Chronic	Impact on our sites due to rising sea levels, etc.	Manufacturing	Our Group	Qualitative / Quantitative	-	Medium
		Increase in market prices of natural materials	Manufacturing	Upstream/Our Group	Qualitative	-	Medium
		Impact on employee health and productivity due to climate change	Manufacturing	Our Group	Qualitative / Quantitative	-	Medium

Opportunities

Classification	Main items	Influenced functions	Influenced value chain	Evaluation Methodology	Level of Importance 1.5℃	Level of Importance 3～4℃
Products and services	Increase the demand for materials, products and services that contribute to a circular economy	Trading/Manufacturing	Whole value chains	Qualitative / Quantitative	Large	-
	Increase the demand for materials, products and services that contribute to reducing GHG emissions	Trading/Manufacturing	Whole value chains	Qualitative / Quantitative	Large	-
	Increased the demand for products that meet changes in lifestyle	Trading/Manufacturing	Whole value chains	Qualitative / Quantitative	-	Medium
	Increased the demand for LCA/CFP calculations and environmental certification.	Trading/Manufacturing	Whole value chains	Qualitative	Medium	-
	Increase the demand for products and services that contribute to infrastructure resilience	Manufacturing	Whole value chains	Qualitative / Quantitative	-	Medium
Market	Entering new markets and expanding markets due to changing needs	Whole company	Whole value chains	Qualitative	Medium	-
	Expansion of the renewable energies market (Increase the demand for power generation, storage batteries, etc.)	Manufacturing	Whole value chains	Qualitative / Quantitative	Medium	-
	Structural Transformation of the Chemical Industry and supply chains	Whole company	Whole value chains	Qualitative	Large	-
	Recruitment of talented people/Improving Employee Engagement	Whole company	Our Group	Qualitative	Medium	-
	Cost reduction through energy-saving and high-efficiency manufacturing processes	Manufacturing	Our Group	Qualitative	Small	Small

○Influences functions

・Especially affected functions among trading, manufacturing and R&D functions.

・The term “whole company” refers to the company-wide impact of all trading, manufacturing and R&D functions.

○Influenced value chain

・The stage of the value chain that is particularly affected, among “Upstream” “Downstream” and “Our Group”.

・“Upstream” mainly refers to the influence of procurement and logistics (transportation), and, ‘Downstream’ mainly refers to the influence of sales and logistics (transportation).

・“Whole value chains” refers to the impact on the entire value chain, including “Upstream“, “Downstream” and “Our Group”.

○Level of Importance

The quantitative assessment is based on the impact on the operating income.

Large: Approx. more than 10% in terms of operating income (more than 3.5 billion yen)

Mediumu: Approx. 2.5-10% in terms of operating income (0.9-3.5 billion yen)

Small: Approx. less than 2.5% in terms of operating income (less than 0.9 billion yen)

■ Scenario Analysis Methodology

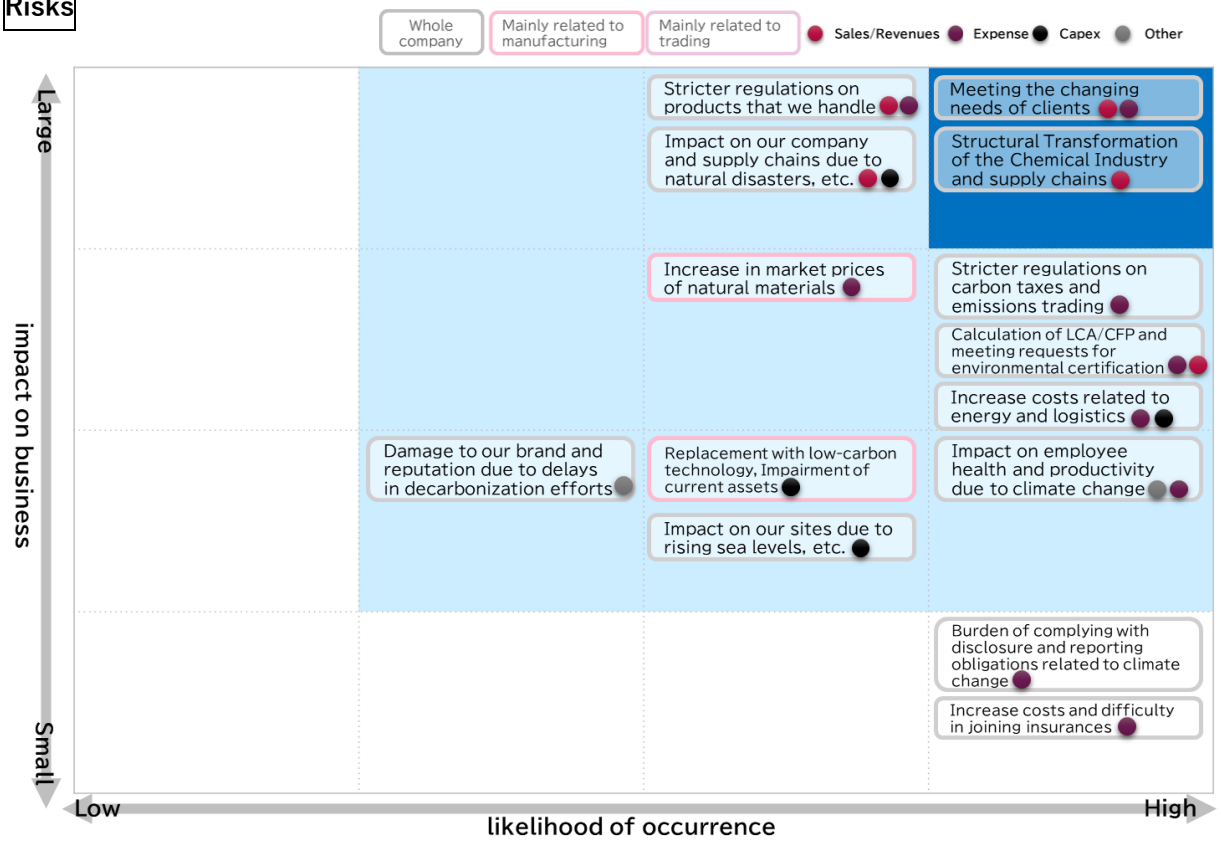
Reference scenario	【1.5℃ scenario】 ・IEA：Net Zero Emissions by 2050 Scenario(World Energy Outlook2024) ・IPCC：SSP1-1.9(AR6)
	【3-4℃ scenario】 ・IEA：Stated Policies Scenario (STEPS)(World Energy Outlook2024) ・IPCC：SSP5-8.5(AR6)
Boundary	All businesses of NAGASE Group (consolidated)
Method	Quantitative evaluation is implemented for items for which data is available and implementation is appropriate. (Only qualitative evaluation of items that are difficult to quantify)

Examples of impact assessment 1： Stricter regulations on carbon taxes and emissions trading	
Calculation method	✓ Calculated carbon taxes for Scope 1 and 2 for 2030 and 2050 based on carbon tax prices in the IEA (WEO 2024). ✓ Compare the BAU emissions with the emissions at the target achievement.
Assessment results	✓ Under the 1.5° C scenario for 2030, BAU emissions (Scope 1 and 2) are estimated to increase by approximately 2.3 billion yen, while emissions at the target level (Scope 1 and 2) are estimated to be reduced to an increase of approximately 0.9 billion yen. We aim to achieve the target through reduction measures such as the utilization of renewable energy and improvements in energy efficiency. ✓ Even when factoring in increased costs due to rising electricity usage and fluctuations in renewable energy prices, it is possible to reduce the cost impact by achieving Scope 1 and 2 emissions reduction targets. Therefore, we will advance reduction measures such as utilizing renewable energy and improving energy efficiency.

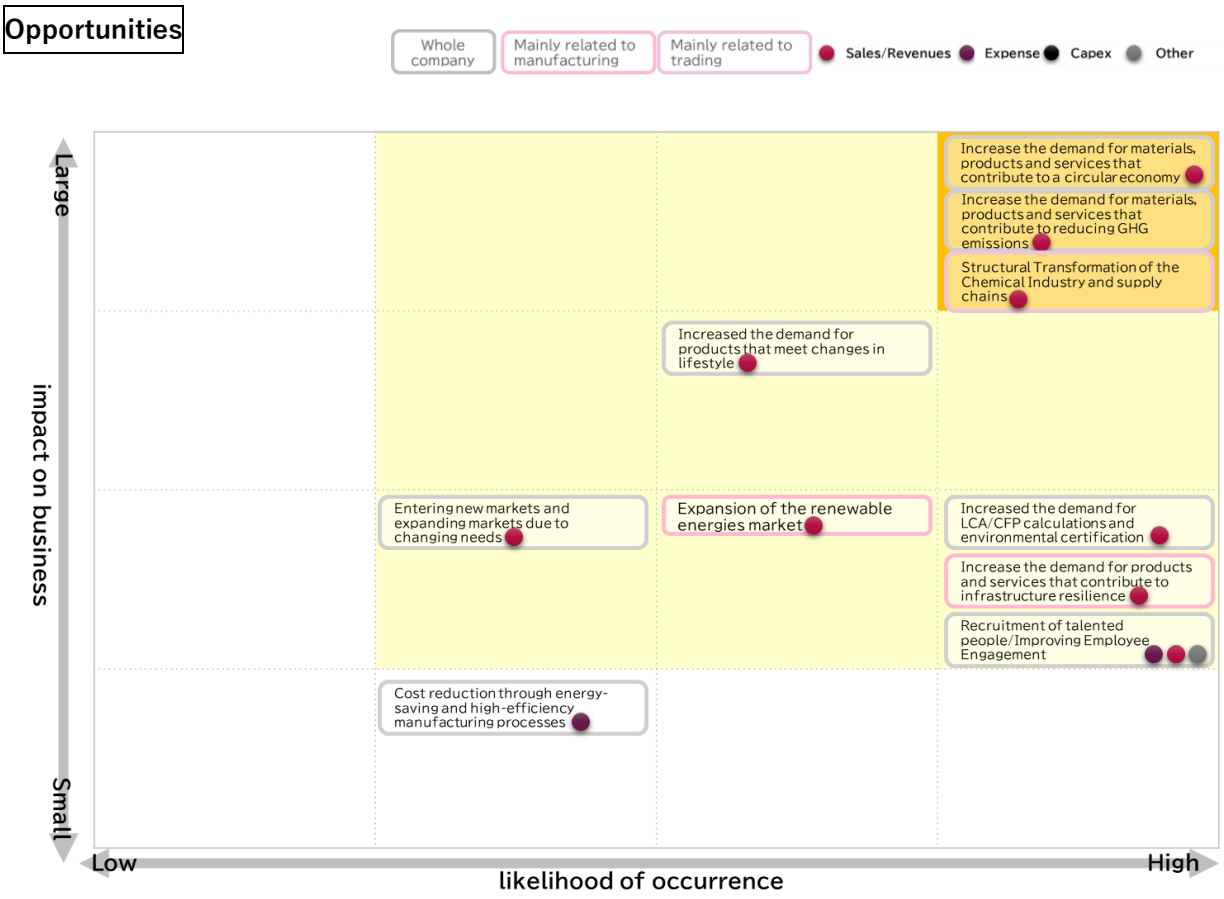
Examples of impact assessment 2： Impact on our company and supply chains due to natural disasters, etc.	
Calculation method	✓ Analyze the risk of flooding, landslides, and storm surges at manufacturing sites, company-owned sites, and warehouses in order to understand the risk of asset loss and business interruption, as well as the risk of warehouse shutdown and inventory damage. Assess the risk based on the asset value of high-risk sites and the inventory value of warehouses. ✓ Refer to the hazard map for locations in Japan and Aqueduct for overseas locations. (The maximum flood depth for each assumed maximum scale and planned scale is used.)
Assessment results	✓ Manufacturing sites and company-owned sites(domestic and overseas): Of the 30 sites surveyed, 9 sites are at risk of flooding. ✓ Warehouses (domestic, including leased warehouses; all assumed to be on the first floor): Of the 49 locations surveyed, 37 are at risk of flooding or landslides.

(Risk/Opportunity Impact Map)　　＊This is an overall evaluation for the 1.5℃ and 3-4℃ scenarios.

Risks



Opportunities

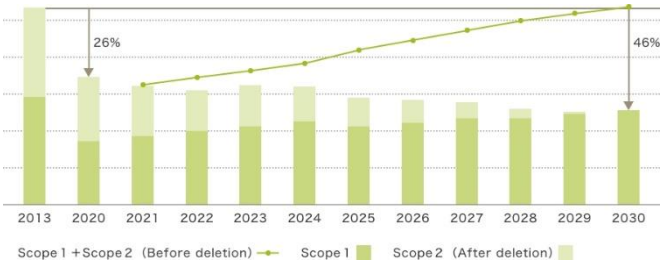


■ Response to Risks and Opportunities

The NAGASE Group is taking the following initiatives to minimize risks and maximize opportunities.

As a result of scenario analysis, we have determined that achieving our GHG emission reduction targets will have a lower financial impact than not achieving them. Therefore, we plan to steadily implement decarbonization measures such as utilizing renewable energy and improving energy efficiency.

Additionally, our company has assessed the inability to respond to strengthened climate-related regulations, societal demands, and changes in customer needs as a significant risk. We believe addressing these societal, customer, and market changes by providing the world with appropriate materials, products, and solutions could present a significant opportunity.

<table>
<tr><th>Classification</th><th>Initiatives</th><th>Details</th></tr>
<tr><td rowspan="2">Response to Risk</td><td>Purchase and generation of renewable energy</td><td>Renewable energy purchased generation and cost simulation to 2030
In FY2023, the NAGASE Group reduced emissions by 13,272t-Co2 through increased consumption of renewable energy (purchased and generated). In addition, a simulation of Scope 2 reduction by 2030 was conducted for companies participating in the Manufacturing Industry Collaboration Committee, which are large GHG emitters, and cost estimates of approximately 1 to 2 billion yen (cumulative total until 2030) were made.
(NAGASE Group Scope2 Deletion Image)
 

(Assumptions for estimation)
Graphs are for illustrative purposes only. Emissions up to FY2025 are based on the ACE2.0 plan, while sales and production growth rates for the ACE2.0 period are applied from FY2026 onward. In addition, the latest market standard values (FY2021) are applied for the CO2 emission coefficient for electricity. At our manufacturing sites, we are prioritizing reductions from Scope 2 and have set a target for Scope 1 that will allow for reductions even if production volume grows.</td></tr>
<tr><td>Energy Efficiency Improvements</td><td>Flow synthesis technology in chemical and pharmaceutical production.
The NAGASE Group proposes a method for manufacturing chemicals and pharmaceuticals of the future using the micro-flow synthesis method. Flow synthesis is a new chemical synthesis technology in which chemical reactions are carried out by pouring raw materials into microscopic flow channels without using the containers used in conventional chemical synthesis. Flow synthesis has been attracting attention in recent years because it has higher energy productivity and generates less waste than batch synthesis, which is a common method of producing chemical substances.</td></tr>
</table>

		Energy improvement measures at Nagase ChemteX Corp. In December 2022, Nagase ChemteX, a member of the Nagase Group, upgraded its boilers, improving its CO2 emissions intensity by approximately 4%.
	Utilization of waste heat recovery and cogeneration systems	**Waste Heat Reuse and Other Initiatives by Nagase Viita Co.** Nagase Viita Corporation, a member of the NAGASE Group, is promoting energy conservation (Waste heat reuse, renewal management of defective steam traps, optimization of manufacturing conditions, etc.) at each of its production plants.
	Purchase carbon credit	**Purchase carbon credit.** The NAGASE Group utilizes carbon credits as one means of achieving our carbon neutrality goals. In FY2023, we offset the amount of Scope 1 emissions for which we did not meet our voluntary target. In addition, the NAGASE Group has concluded an agreement with the town of Yusuhara in Kochi Prefecture to engage in a "Forest Credit Creation" demonstration project, and has been purchasing carbon credits (verified credits) generated by forest management in Yusuhara since fiscal 2022 (source company name: Yusuhara, destination company name: Nagase & Co. Ltd.) These credits are used to offset GHG emissions at shareholder meetings and internal events.
	Utilize carbon dioxide capture and storage (CSS) technology	**Capital and business alliance agreement signed to establish CCUS technology.** NAGASE & CO., LTD. and Atomis have entered into a capital and business alliance agreement to establish a CCUS (Carbon Dioxide Capture, Utilization and Storage) technology that will not only separate and capture CO2 but also convert the captured CO2 into useful chemicals onsite for utilization. Capture, Utilization, and Storage (CCUS) technology, and offer it to customers as a solution for reducing CO2 emissions, thereby contributing to the realization of a decarbonized society.
	Formulation of a business continuity plan (BCP)	Each NAGASE Group company has taken steps to mitigate such risks as those related to natural disasters that could impact the continuity of business activities as well as the safety and lives of employees. NAGASE has enacted measures for crisis prevention to protect human life and assets as well as business continuity plans (BCPs) to ensure steady operations. Crisis Prevention and Business Continuity Planning

Classification	Initiatives	Details
Response to Risk	Cleantech opportunity	Environmental risks, including climate change, are also opportunities for cleantech businesses. The NAGASE Group promotes its business by viewing cleantech as an opportunity through collaboration with its R&D function, which pursues commercialization from a variety of perspectives and R&D capabilities over the medium to long term. Cleantech opportunity
	Sustainability Solutions	The NAGASE Group provides a variety of sustainability solutions as a company that solves new issues related to sustainability, including climate change, through materials. NAGASE‘s Sustainability Solutions

	Contribution to LCA/CFP calculation and reduction	**Joint Development of Adult Disposable Diapers with Bio-based Super Absorbent Polymers** NAGASE & CO., LTD., NAGASE CHEMTEX, and Hayashibara (now NAGASE VIITA) have jointly succeeded in developing a highly bio-based superabsorbent polymer (SAP) with a higher proportion of bio-derived raw materials, while maintaining the same or better water absorption performance as conventional products. Through this joint development, we aim to enable the wastewater treatment of used sanitary products, and to contribute to the reduction of CO2 emissions from incineration and to the reduction of the labor burden at the time of disposal. Examples of initiatives
		Supply chain collaboration model for GHG emissions targeting actual supply chains. In order to meet the growing need to collect and connect CFP data on supply chains, we worked to provide support for decarbonization management on a wide scale. By collaborating with Fujitsu Ltd. and Zeroboard Inc., NAGASE participated in the PACT Implementation Program held by the World Business Council for Sustainable Development. We contributed to the success of this program by collecting primary data on GHG emissions from resin materials used in notebook computers and by supporting processing makers in the calculation of GHG emissions per part. Newsrelease (September 13, 2023)
	Acquisition environmental certification, Providing products with environmental certification	**Acquisition of ISCC PLUS certification** The NAGASE Group considers the promotion of biomass production related to climate change issues as an important challenge. NAGASE & CO., LTD. has obtained ISCC PLUS certification, one of the international certification systems for sustainable products. ISCC PLUS の取得
		Response to RSPO certification Palm oil has been linked to environmental destruction caused by plantation development in tropical regions and human rights abuses of plantation workers, etc. The NAGASE Group believes that it is important to eliminate deforestation, maintain and restore ecosystems, and protect workers' rights when procuring palm oil, and we will procure palm oil in a sustainable manner. Basic Approach to Sustainable Palm Oil Procurement
	Development and sales of products that contribute to infrastructure resilience	**High-strength Metal-Reinforced Plastic Pipe (Totaku Industries, Inc.)** Amidst the increasing number of natural disasters such as flooding caused by climate change, the NAGASE Group‘s Totaku Industries, Inc. manufactures and sells High-strength Metal-Reinforced Plastic Pipe as a new drainage pipe that can replace clay pipes. It has excellent pressure resistance and lightness and contributes to the creation of a disaster-resistant country. Product Information:High-strength Metal-Reinforced Plastic Pipe (Totaku Industries, Inc.)

3. Risk management

The NAGASE Group has identified the risks and opportunities that are important for our group, while there are various risks and opportunities related to climate change. The identified risks and opportunities are reported to the Group Management Committee, Board of Directors and other bodies by the Sustainability Committee and Risk Management & Compliance Committee. Then, we reflect them in our business activities while receiving necessary instructions and advice, and we are regularly and directly monitored by the Board of Directors through this process.

In addition, responses to identified risks and opportunities are reflected in business activities through the Corporate Sustainability Office, which is the organization responsible for business execution.

■ Monitoring by the Board of Directors

Responses and initiatives related to climate change are reported by the Sustainability Committee to the Group Management Committee, Board of Directors, and other bodies, and are discussed, decided, and implemented. In particular, the Risk Management & Compliance Committee reports on risks, including those related to climate change, to the Board of Directors and other bodies as part of the company's overall risk management.

When making decisions and taking action on climate change, we report progress to the Board of Directors and each committee, and receive necessary instructions and advice, etc., and are subject to monitoring.

■ Sustainability Committee

This committee continuously monitors “risks” and “opportunities” that are specific to sustainability issues. In addition, the Carbon Neutral Project has been established as a subordinate organization of the Sustainability Committee. This project is an advisory body at the executive level. Specific policies and measures related to climate change are discussed by this project and reported to the Sustainability Committee and other bodies for implementation.

■ Risk Management & Compliance Committee

This committee identifies, evaluates and manages overall company-wide risks. As part of this risk assessment, the risks that environmental issues such as climate change pose to our group's business are also considered and reflected in management. This risk assessment is evaluated and reviewed at least once a year.

▶ Risk assessment

In addition, we used “impact” and “likelihood of occurrence” as indicators in line with the company-wide risk assessment to evaluate the risks and opportunities associated with climate change on a 4-level scale. The results were then classified into “High”, “Medium” and “Small” categories according to their importance to our business.

■ **Environmental Management System (ISO14001)**

The NAGASE Group's main manufacturing sites have acquired ISO 14001 certification. Under this ongoing initiative, we are also evaluating risks and opportunities through environmental impact assessments and surveys of related regulations, and we have a system of internal and external audits.

▶ Environmental Management

(Risk Management System)

■ **Process for identifying risks and opportunities**

FY2021

When the NAGASE Group endorsed the TCFD in FY2021, we identified and assessed the significance of risks and opportunities related to climate change. We finally identified them through discussions at the Carbon Neutral Project and at the “Climate Change Workshop” involving the business division and group companies.

FY2024

We revised our risks and opportunities in light of changes in the external environment and social demands. The revision was carried out using the following process, and we ultimately identified our risks and opportunities.

① We analyzed the external environment and organized the value chain, and then comprehensively reassessed all the risks and opportunities related to our business.

② Through workshops and interviews, we discussed with the business division and group companies.

③ Assess the qualitative importance of the issue using the “impact on business” and “likelihood of occurrence” indicators.

④ Conducted financial impact assessments on items deemed important.

⑤ Determine importance based on the results of these scenario analyses.

⑥ Consider response measures and conduct resilience assessments.

⑦ Conduct interviews with business divisions and group companies, report to the Carbon Neutral Project, and complete the identification process.

4. Metrics and targets

The NAGASE Group has declared its commitment to achieving carbon neutrality by 2050, with the aim of reducing GHG emissions to zero (Scope 1 and 2).

In working toward carbon neutrality, we have set FY2030 targets and non-financial KPIs under our mid-term management plan as interim goals, and are promoting initiatives to achieve them.

Regarding our FY2030 targets, on February 20, 2026, we obtained SBT certification for our “near-term targets” from the Science Based Targets initiative (SBTi), an international climate change initiative, and have set the following targets:

・42.0% reduction in Scope 1 and 2 emissions (compared to FY2021)

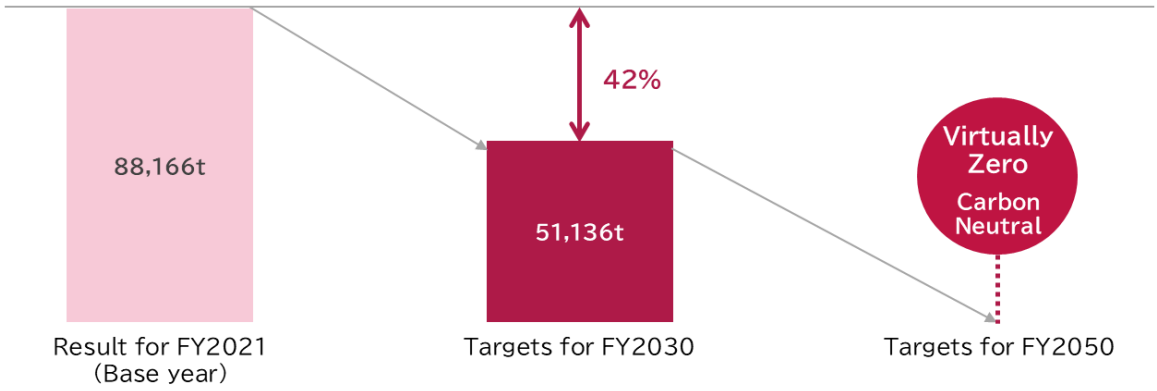
・25.0% reduction in Scope 3 emissions (compared to FY2023)

▶ NAGASE Obtained SBT Validated Targets and Revised NAGASE Group Carbon Neutral Declaration (March 26, 2026)

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

(NAGASE Group Carbon Neutral Declaration / Revision on March 26, 2026)



The NAGASE Group Carbon Neutral Declaration (Revision on March 26, 2026)		
2030	Scope1,2	42% reduction (Compared to FY2021 / 1.5℃ aligned)
	Scope3	25% reduction (Compared to FY2023 / WB2℃ aligned)
2050	Scope1,2	Carbon neutral

※1.5°C aligned：a science-based target standard defined by SBTi to limit the increase in the global average temperature to 1.5°C above pre-industrial levels.

WB2.0°C aligned：a science-based target standard defined by SBTi to limit the increase in the global average temperature to well below 2.0°C above pre-industrial levels.

For historical GHG emissions data, please refer to the Sustainability Data Sheet.