Consolidated Financial Statements for the Fiscal Year Ended March 31, 2025
<Under Japanese GAAP>

May 8, 2025

These financial statements have been prepared for reference only in accordance with accounting principles and practices generally accepted in Japan.

NAGASE & CO., LTD. Stock exchange listing: Tokyo (Prime Market)
Code number: 8012 URL (https://www.nagase.co.jp/english/)
Representative: Hiroyuki Ueshima, Representative Director and President
Contact: Kazuhiro Hanba, Executive Officer, General Manager, Corporate Management Department
TEL: +81-3-3665-3103
Annual general meeting of stockholders: June 18, 2025
Start of distribution of dividends (scheduled): June 19, 2025
Securities report filing (scheduled): June 17, 2025
Supplementary documents: Yes
Investors' meeting: Yes (for analysts and institutional investors)

(Note: Amounts have been rounded down to the nearest million yen.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Consolidated Operating Results (% = year-on-year change)

	Net sales		Gross profit		Operating income		Ordinary income		Profit attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FYE March 2025	944,961	5.0	181,291	10.1	39,078	27.6	38,382	25.5	25,521	13.9
FYE March 2024	900,149	(1.4)	164,719	6.0	30,618	(8.2)	30,591	(6.0)	22,402	(5.2)

(Note) Comprehensive income FYE March 2025: ¥32,299 million (-30.30%)
FYE March 2024: ¥46,335 million (22.0%)

	Earnings per share	Earnings per share (diluted)	Return on equity	Ordinary income/ total assets	Operating income/net sales
	Yen	Yen	%	%	%
FYE March 2025	230.39	–	6.4	4.8	4.1
FYE March 2024	194.96	–	5.9	3.9	3.4

(Reference)Equity in earnings of affiliates FYE March 2025: ¥979 million
FYE March 2024: ¥568 million

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FYE March 2025	808,143	406,459	49.4	3,679.09
FYE March 2024	792,336	401,315	49.7	3,463.84

(Reference) Equity capital FYE March 2025: ¥399,052 million
FYE March 2024: ¥394,064 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents, end of the year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FYE March 2025	36,321	(11,615)	(18,212)	65,903
FYE March 2024	72,959	(11,627)	(48,046)	59,185

2. Dividends

	Annual Dividends per Share					Total dividends paid (full fiscal year)	Payout ratio (consolidated)	Dividends/ net assets (consolidated)
	1Q	2Q	3Q	Fiscal year end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FYE March 2024	–	40.00	—	40.00	80.00	9,147	40.8	2.4
FYE March 2025	–	45.00	—	45.00	90.00	9,888	38.7	2.5
FYE March 2026 (forecast)	–	45.00	—	50.00	95.00		30.5	

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(% = year-on-year change)

	Net sales		Gross profit		Operating income		Ordinary income		Profit attributable to owners of the parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full fiscal year	955,000	1.1	181,000	(0.2)	39,500	1.1	38,500	0.3	31,500	23.4	300.99

* Notes

(1) Changes in major subsidiaries during the period (changes in specified subsidiaries accompanying changes in the scope of consolidation): Yes
New: — (Company name:)
Excluded: 2 (Company name: Nagase Specialty Materials NA LLC, SOFIX LLC)

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections
- i. Changes in accordance with revisions to accounting and other standards: Yes
- ii. Changes in items other than (i) above: None
- iii. Changes in accounting estimates: None
- iv. Restatement of prior period financial statements after error corrections: None

(4) Number of shares issued and outstanding (common stock)

i. Number of shares issued and outstanding as of the fiscal period end (including treasury stock)

March 31, 2025	114,908,285 shares	March 31, 2024	117,908,285 shares

ii. Number of treasury stock as of the fiscal period end

March 31, 2025	6,443,222 shares	March 31, 2024	4,143,115 shares

iii. Average number of shares during the period

March 31, 2025	110,774,626 shares	March 31, 2024	114,911,971 shares

*** These consolidated financial statements are not subject to audit by an independent audit corporation**

*** Cautionary Statement with Respect to Forecasts of Consolidated Business Results**

The earnings forecasts presented in this document are based upon currently available information and assumptions deemed rational. A variety of factors could cause actual results to differ materially from forecasts.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	Prior Consolidated Fiscal Year (March 31, 2024)	Current Consolidated Fiscal Year (March 31, 2025)
ASSETS		
Current assets		
Cash and time deposits	59,410	66,310
Notes and accounts receivable and contract assets	321,126	311,251
Merchandise and finished goods	131,137	146,834
Work in process	2,594	2,320
Raw materials and supplies	14,259	17,068
Other	14,881	17,387
Less allowance for doubtful accounts	(940)	(1,048)
Total current assets	542,470	560,126
Non-current assets		
Property, plant and equipment		
Buildings and structures	63,432	59,437
Accumulated depreciation	(36,734)	(32,679)
Buildings and structures (net)	26,697	26,757
Machinery, equipment and vehicles	67,471	64,625
Accumulated depreciation	(50,883)	(46,855)
Machinery, equipment and vehicles (net)	16,588	17,770
Land	20,221	20,114
Other	50,107	54,425
Accumulated depreciation	(26,222)	(27,396)
Other (net)	23,884	27,028
Total property, plant and equipment	87,392	91,671
Intangible fixed assets		
Goodwill	27,884	25,400
Technology-based assets	2,761	1,289
Other	38,703	39,121
Total intangible fixed assets	69,349	65,811
Investments and other assets		
Investments in securities	76,225	72,028
Long-term loans receivable	326	1,257
Retirement benefit asset	6,217	6,072
Deferred tax assets	4,596	5,700
Other	5,935	6,653
Less allowance for doubtful accounts	(177)	(1,179)
Total investments and other assets	93,123	90,534
Total non-current assets	249,865	248,017
Total assets	792,336	808,143

(Millions of yen)

	Prior Consolidated Fiscal Year (March 31, 2024)	Current Consolidated Fiscal Year (March 31, 2025)
LIABILITIES		
Current liabilities		
Notes and accounts payable	156,352	151,269
Short-term loans	50,731	42,310
Current portion of long-term loans	6,946	6,039
Commercial paper	37,000	19,500
Current portion of bonds	10,000	—
Income taxes payable	5,195	3,753
Accrued bonuses for employees	7,569	8,518
Accrued bonuses for directors	251	394
Other	28,628	37,791
Total current liabilities	302,675	269,576
Long-term liabilities		
Bonds	20,000	40,000
Long-term loans	27,533	53,454
Lease liabilities	12,492	11,471
Long-term income taxes payable	—	22
Deferred tax liabilities	13,567	13,275
Retirement benefit liability	12,345	12,289
Provision for directors' stock benefit	60	111
Other	2,345	1,481
Total long-term liabilities	88,345	132,106
Total liabilities	391,021	401,683
NET ASSETS		
Shareholders' equity		
Common stock	9,699	9,699
Capital surplus	9,348	9,348
Retained earnings	303,328	312,244
Less treasury stock, at cost	(9,543)	(19,579)
Total shareholders' equity	312,832	311,712
Accumulated other comprehensive income		
Net unrealized holding gain on securities	33,763	30,665
Deferred gain on hedges	119	6
Translation adjustments	44,846	56,864
Remeasurements of defined benefit plans	2,503	(196)
Total accumulated other comprehensive income	81,232	87,340
Non-controlling interests	7,250	7,406
Total net assets	401,315	406,459
Total liabilities and net assets	792,336	808,143

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(Consolidated Statements of Income)

(Millions of yen)

	Prior Consolidated Fiscal Year (April 1, 2023 - March 31, 2024)	Current Consolidated Fiscal Year (April 1, 2024 - March 31, 2025)
Net sales	900,149	944,961
Cost of sales	735,430	763,670
Gross profit	164,719	181,291
Selling, general and administrative expenses		
Selling expenses	22,433	24,410
Employee salaries and allowances	43,704	47,238
Provision for accrued bonuses for employees	4,447	5,247
Provision for accrued bonuses for directors	270	404
Depreciation and amortization other than amortization of goodwill	9,231	10,644
Retirement benefit expenses	2,275	(2,115)
Allowance for doubtful accounts	282	1,340
Amortization of goodwill	2,627	2,722
Other	48,827	52,318
Total selling, general and administrative expenses	134,100	142,212
Operating income	30,618	39,078
Non-operating income		
Interest income	610	1,047
Dividend income	1,553	1,941
Rent income	248	311
Foreign exchange gains	635	—
Equity in earnings of affiliates	568	979
Other	705	489
Total non-operating income	4,321	4,770
Non-operating expenses		
Interest expenses	3,744	3,734
Foreign exchange losses	—	492
Other	604	1,239
Total non-operating expenses	4,348	5,465
Ordinary income	30,591	38,382
Extraordinary gains		
Gain on sales of non-current assets	83	2,159
Gain on sales of investment securities	5,591	2,792
Gain on liquidation of subsidiaries and affiliates	—	74
Subsidy income	512	258
Other	46	8
Total extraordinary gains	6,234	5,294
Extraordinary losses		
Loss on sales of non-current assets	41	388
Loss on disposal of non-current assets	1,422	575
Loss on impairment of fixed assets	2,276	1,173
Loss on sales of investment securities	21	19
Loss on valuation of investment securities	135	1,234
Loss on sales of investments in capital of subsidiaries and affiliates	—	108
Other	263	2,048
Total extraordinary losses	4,160	5,547
Income before income taxes	32,665	38,130
Income taxes - current	10,627	10,958
Income taxes - deferred	(815)	901
Total income taxes	9,812	11,859
Profit for the period	22,853	26,270
Profit attributable to non-controlling interests	450	748
Profit attributable to owners of the parent	22,402	25,521

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Prior Consolidated Fiscal Year (April 1, 2023 - March 31, 2024)	Current Consolidated Fiscal Year (April 1, 2024 - March 31, 2025)
Profit for the period	22,853	26,270
Other comprehensive income		
Net unrealized holding gain (loss) on securities	4,827	(3,091)
Deferred gain (loss) on hedges	126	(113)
Translation adjustments	14,738	11,824
Remeasurements of defined benefit plans	3,229	(2,699)
Share of other comprehensive income of affiliates accounted for by the equity method	560	109
Total other comprehensive income	23,482	6,028
Comprehensive income	46,335	32,299
Comprehensive income attributable to:		
Shareholders of the parent	45,024	31,668
Non-controlling interests	1,310	630

(3) Consolidated Statements of Changes in Shareholders' Equity

Prior Consolidated Fiscal Year (April 1, 2023 - March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Less treasury stock, at cost	Total shareholders' equity
Balance, beginning of period	9,699	10,636	290,279	(1,550)	309,064
Cumulative effects of changes in accounting policies			(72)		(72)
Restated balance	9,699	10,636	290,207	(1,550)	308,992
Changes					
Cash dividends			(9,281)		(9,281)
Profit attributable to owners of the parent			22,402		22,402
Purchase of treasury stock				(8,001)	(8,001)
Disposition of treasury stock				7	7
Equity transactions with non-controlling interests		(1,287)			(1,287)
Changes other than shareholders' equity accounts (net)					
Total changes	-	(1,287)	13,121	(7,993)	3,840
Balance, end of period	9,699	9,348	303,328	(9,543)	312,832

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Net unrealized holding gain on securities	Deferred gain on hedges	Translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance, beginning of period	28,928	(7)	30,414	(726)	58,610	10,713	378,388
Cumulative effects of changes in accounting policies							(72)
Restated balance	28,928	(7)	30,414	(726)	58,610	10,713	378,315
Changes							
Cash dividends							(9,281)
Profit attributable to owners of the parent							22,402
Purchase of treasury stock							(8,001)
Disposition of treasury stock							7
Equity transactions with non-controlling interests							(1,287)
Changes other than shareholders' equity accounts (net)	4,834	126	14,431	3,229	22,622	(3,462)	19,159
Total changes	4,834	126	14,431	3,229	22,622	(3,462)	22,999
Balance, end of period	33,763	119	44,846	2,503	81,232	7,250	401,315

Current Consolidated Fiscal Year (April 1, 2024 - March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Less treasury stock, at cost	Total shareholders' equity
Balance, beginning of period	9,699	9,348	303,328	(9,543)	312,832
Changes					
Cash dividends			(9,557)		(9,557)
Profit attributable to owners of the parent			25,521		25,521
Purchase of treasury stock				(17,000)	(17,000)
Disposition of treasury stock				12	12
Cancellation of treasury stock			(6,951)	6,951	-
Changes in scope of equity method			(96)		(96)
Changes other than shareholders' equity accounts (net)					
Total changes	-	-	8,916	(10,036)	(1,120)
Balance, end of period	9,699	9,348	312,244	(19,579)	311,712

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Net unrealized holding gain on securities	Deferred gain on hedges	Translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance, beginning of period	33,763	119	44,846	2,503	81,232	7,250	401,315
Changes							
Cash dividends							(9,557)
Profit attributable to owners of the parent							25,521
Purchase of treasury stock							(17,000)
Disposition of treasury stock							12
Cancellation of treasury stock							-
Changes in scope of equity method							(96)
Changes other than shareholders' equity accounts (net)	(3,097)	(113)	12,018	(2,699)	6,107	156	6,264
Total changes	(3,097)	(113)	12,018	(2,699)	6,107	156	5,144
Balance, end of period	30,665	6	56,864	(196)	87,340	7,406	406,459

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Prior Consolidated Fiscal Year (April 1, 2023 - March 31, 2024)	Current Consolidated Fiscal Year (April 1, 2024 - March 31, 2025)
Operating Activities		
Income before income taxes	32,665	38,130
Depreciation and amortization other than amortization of goodwill	13,998	15,329
Loss on impairment of fixed assets	2,276	1,173
Amortization of goodwill	2,627	2,722
Subsidy income	(512)	(258)
Share of gain of entities accounted for using equity method	(568)	(979)
Loss on discontinued operations	263	2,048
Increase (decrease) in retirement benefit liability	3,775	(798)
Decrease (increase) in retirement benefit asset	495	(3,347)
Interest and dividend income	(2,164)	(2,989)
Interest expenses	3,744	3,734
Exchange gain, net	(1,652)	(689)
Gain on sales of property, plant and equipment, net	(42)	(1,771)
Gain on sales of investment securities, investments in capital, shares of subsidiaries and affiliates, and investments in capital of subsidiaries and affiliates, net	(5,570)	(2,773)
Loss on valuation of investment securities, investments in capital, shares of subsidiaries and affiliates, and investments in capital of subsidiaries and affiliates, net	135	1,234
(Increase) decrease in notes and accounts receivable	(7,373)	11,502
Decrease (increase) in inventories	31,626	(13,093)
Increase (decrease) in notes and accounts payable	8,844	(6,617)
Other	(32)	5,700
Subtotal	82,537	48,259
Interest and dividends received	2,589	3,708
Interest paid	(3,865)	(3,676)
Proceeds from subsidy income	512	258
Income taxes paid	(8,814)	(12,228)
Net cash provided by operating activities	72,959	36,321
Investing activities		
Purchases of property, plant and equipment	(14,019)	(12,554)
Proceeds from sales of property, plant and equipment	585	2,623
Purchases of intangible fixed assets included in other assets	(3,735)	(2,630)
Purchases of investments in securities	(623)	(953)
Proceeds from sales of investments in securities	7,154	3,315
Purchases of investments in capital	(205)	—
Proceeds from sales of investments in capital	—	256
Purchases of shares of subsidiaries resulting in change in scope of consolidation	(244)	—
(Increase) decrease in short-term loans receivable included in other current assets, net	(316)	403
Decrease (increase) in time deposits, net	378	(219)
Other	(601)	(1,856)
Net cash used in investing activities	(11,627)	(11,615)

(Millions of yen)

	Prior Consolidated Fiscal Year (April 1, 2023 - March 31, 2024)	Current Consolidated Fiscal Year (April 1, 2024 - March 31, 2025)
Financing activities		
Decrease in short-term loans, net	(22,408)	(7,909)
Decrease in commercial paper, net	(1,000)	(17,500)
Proceeds from long-term loans	1,000	32,036
Repayments of long-term loans	(1,055)	(6,941)
Proceeds from issuance of bonds	―	20,000
Redemption of bonds	―	(10,000)
Purchase of treasury stock	(8,001)	(17,018)
Cash dividends paid	(9,281)	(9,557)
Cash dividends paid to non-controlling interests	(603)	(474)
Payments for purchases of shares of subsidiaries not resulting in change in scope of consolidation	(6,025)	―
Other	(670)	(847)
Net cash used in financing activities	(48,046)	(18,212)
Effects of exchange rate changes on cash and cash equivalents	5,569	223
Net increase in cash and cash equivalents	18,854	6,717
Cash and cash equivalents at beginning of the year	40,331	59,185
Cash and cash equivalents, at end of the period	59,185	65,903