
# FY2025
# First Quarter Financial Briefing

**NAGASE&CO.,LTD.**

Stock exchange listing : Tokyo (Prime Market)
Code number : 8012

**August 5, 2025**

NAGASE
Delivering next.

Shimizu, Director and Executive Officer, will now present.

I am Yoshihisa Shimizu, Director and Executive Officer of NAGASE & CO., LTD.

I would like to explain our Q1 financial results.

# Executive Summary

| FY2025 First Quarter Results | |
|---|---|
| | The trading business reported a decrease in profit, despite strong performance in the Electronics & Energy and Life & Healthcare segments, mainly due to weaker results in automobile-related business under Functional Materials and Mobility |
| | Performance overall was strong in the Prinova Group. While the Prinova's trading business remained sluggish due to a decline in the food ingredients market prices, despite an overall increase in volume; the manufacturing business supported the trend toward a recovery, mainly through an improved product mix in the Solutions business and efficiency improvements in the Nutrition business |
| | Sales were strong for Nagase ChemteX formulated epoxy resins used in semiconductors for AI servers |
| | Nagase Viita is performing well, driven by an expansion of adoptions in its domestic sales of food ingredients |
| | ● Improved profitability through ROIC management improving gross profit margin by 0.2 percentage points |
| | ● The impact of U.S. tariff policies on NAGASE Group earnings has been minimal |

| FY2025 Earnings Projections | |
|---|---|
| | The Prinova Group Nutrition business is expected narrower losses through efficiency improvements, and is now working to increase top line sales in tandem with said efficiency |
| | We expect sales of formulated epoxy resins for semiconductors used in AI servers to remain strong, and we plan to increase production capacity within the fiscal year as projected at the beginning of the period (four times increase compared with fiscal 2023 levels) |
| | ● While each business is likely to experience own favorable or unfavorable trends, these trends are generally within the range of our projections, and we have not revised earlier forecasts |
| | ● We currently expect that the impact of U.S. tariff policies will have a negligible effect on NAGASE Group earnings |





First is the executive summary.
Here, the overall feel of the financial results of Q1, as well as the projection for the full fiscal year, is summarized. The red arrows indicate items that were worse than expected, and the blue arrows show those that performed better than expected.
Let's start from the top.
This was worse than expected. The trading business performed poorly in the segments of functional materials and mobility, especially in the automobile-related business, while the electronics-and-energy and life-and-healthcare segments performed well. This led to a decrease in profit.
Next is the Prinova Group. The trading business within the Prinova Group experienced a slightly low performance due to the drop in the market prices of food ingredients, although the volume itself increased.
On the other hand, the manufacturing portion of the Prinova Group is performing well overall, thanks to the improved product mix, particularly in the solutions business, and a recovery in efficiency promotion in the nutrition business.
As for Nagase ChemteX, the formulated epoxy resins that they produce for semiconductors for AI servers have performed strongly.
Nagase Viita has performed well, mainly due to expanded adoption of food ingredients in domestic sales.
As indicated in the next point, we are pursuing ROIC management, which has improved our profitability, and the gross profit margin went up by 0.2 percentage points. The overall impact of the US tariff policy was minor in Q1.
I'm now moving on to the bottom rows.
I would like to explain our outlook for the full FY2025. First, the Prinova Group is making good progress in promoting efficiency in the nutrition business, which has resulted in a smaller deficit, and they are making very smooth progress toward increasing the top line in line with this efficiency drive.
Formulated epoxy resins for AI server semiconductors by Nagase ChemteX are expected to continue performing well. The production capacity is planned to be increased up to four times compared to the level of FY2023 by the end of the fiscal year.
Of course, each business area has its own ups and downs, but since the current performance is generally within the expected range, we have not revised our forecast and are proceeding with the current figures.
To reiterate, with regard to the US tariff policy, we are making the forecast of the full FY2025 on the assumption that the impact on the Group as a whole will be very light at this point.

# Contents



* The Prinova Group revised part of its classification between cost of goods manufactured and selling, general and administrative expenses during the current fiscal year. We used estimates of post-revision figures for fiscal 2024 results in the fiscal 2024 financial statements. Estimates have now been replaced with finalized figures.
* Manufacturing figures represent the aggregate totals of manufacturing subsidiaries.
* Trading figures include the aggregate totals of NAGASE and our sales subsidiaries, as well as Corporate & Others and eliminations

# Consolidated Statements Income

- Gross profit increased due to efforts toward improving profit margin
- Operating income decreased due to M&A-related expenses and an increase in selling, general and administrative expenses, which was caused by an increase in retirement benefit expenses related to the amortization of actuarial differences
- Profit attributable to owners of the parent increased due to lower tax expenses

100 millions of yen

| | FY2024 1Q | FY2025 1Q | Change | Vs.PY | Forecast | Achievement |
|---|---|---|---|---|---|---|
| Sales | 2,392 | 2,373 | (18) | 99% | 9,550 | 25% |
| Gross profit | 437 | 443 | 5 | 101% | 1,810 | 24% |
| <GP ratio> | 18.3% | 18.7% | 0.4ppt | – | 19.0% | – |
| SG&A expenses | 330 | 340 | 10 | 103% | 1,415 | 24% |
| Operating income | 107 | 102 | (4) | 95% | 395 | 26% |
| <OP ratio> | 4.5% | 4.3% | (0.2ppt) | – | 4.1% | – |
| (excluding the effect of actuarial gains and losses) | 98 | 103 | 4 | 105% | 398 | 26% |
| Ordinary income | 109 | 106 | (2) | 97% | 385 | 28% |
| Profit Attributable to owners of the parent | 74 | 75 | 0 | 101% | 315 | 24% |
| US$ Exchange rate (period average) | @ 155.9 | @ 144.6 | @ 11.3 | Strong yen | @ 143.0 | |
| RMB Exchange rate (period average) | @ 21.5 | @ 20.0 | @ 1.5 | Strong yen | @ 19.0 | |

* Impact from foreign exchange: Gross profit, -¥0.7 billion; Operating income, -¥0. 2 billion
* The Prinova Group revised part of its classification between cost of goods manufactured and selling, general and administrative expenses during the current fiscal year. See the Contents page for details.





Next are the consolidated statements of income.
First, sales were JPY237.3 billion, or 99% YoY. The gross profit was JPY44.3 billion, or 100% YoY. However, if you look at the gross profit margin, as I mentioned earlier, it is 18.7%, an improvement of 0.2 percentage points.

Operating income was JPY10.2 billion, 95% YoY, due to an increase in M&A-related and retirement benefit expenses. However, if you look at the right side of this table, to the right of the operating income, the progress rate is 26%, which is going well.

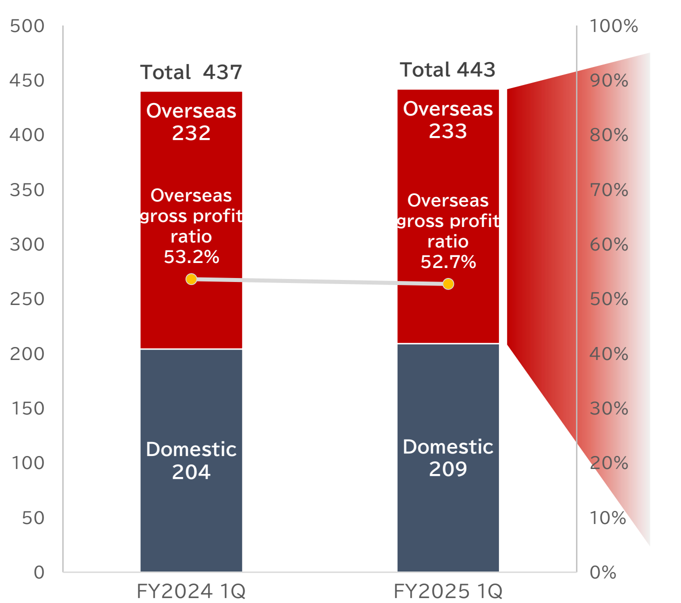
Regarding the impact of exchange rates, the average USD exchange rate was JPY144.6 in Q1. This represents an appreciation of the yen by JPY11.3 compared to the previous year. The yuan also shifted toward a stronger yen by JPY1.5. As you can see in the fine print at the bottom, foreign exchange had a negative impact of JPY700 million on gross profit and JPY200 million on operating income.

Despite the impact of the stronger yen and increased expenses among others, operating income is generally progressing in accordance with the projection.

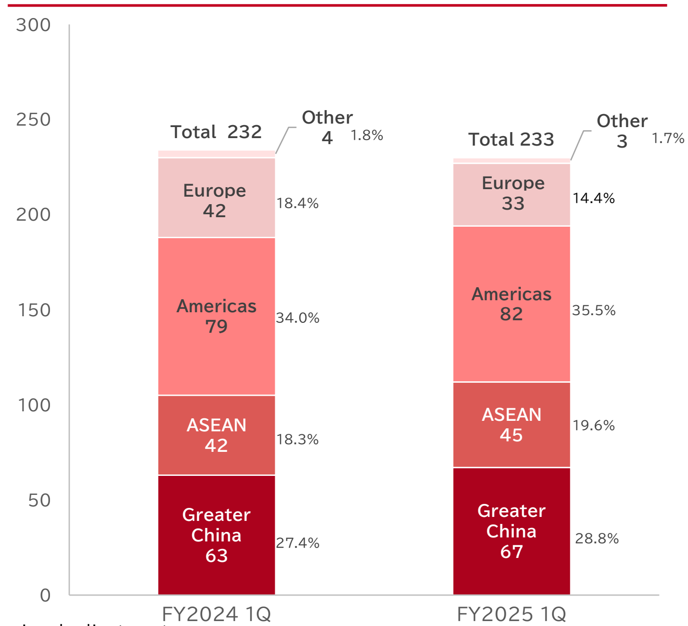
# Gross Profit by Region

- Higher domestic profit stemming from an increase in domestic sales, mainly due to higher sales of food ingredients at Nagase Viita and formulated epoxy resins at Nagase ChemteX (including exports)
- Overseas profit declined, even as Greater China and ASEAN reported strong semiconductor-related performance, as profit fell in Europe due to weak sales of food ingredients by the Prinova Group and the impact of the stronger yen, among other factors

Domestic & Overseas Gross profit(100 millions of yen)




Overseas gross profit By Region(100 millions of yen)




* Domestic figures under Domestic & Overseas Gross Profit include inter-regional adjustments
* The Prinova Group revised part of its classification between cost of goods manufactured and selling, general and administrative expenses during the current fiscal year. See the Contents page for details.





Next is gross profit by region.

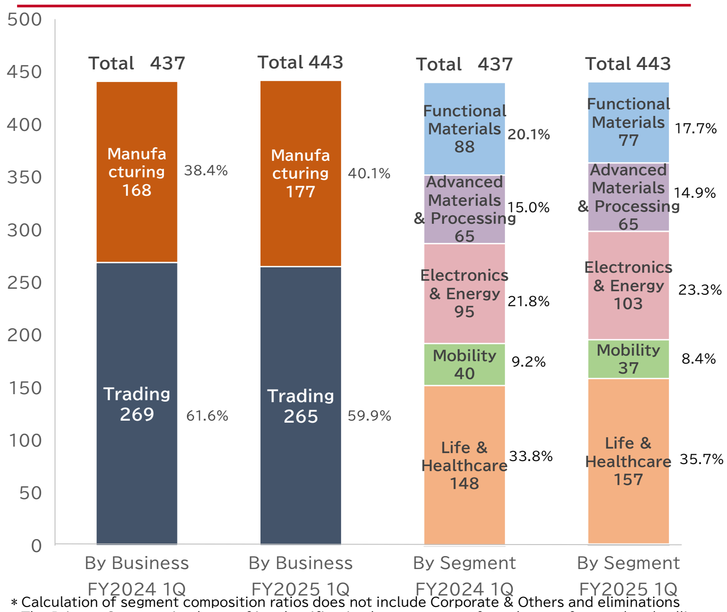
Overall, the big picture has not changed, with a slight increase in Japan and a slight decrease overseas.

The overseas breakdown is shown on the right. While the semiconductor-related business fared well in ASEAN and Greater China, the Prinova Group’s food ingredient business in Europe experienced a decrease in profit due to the stronger yen and the business’s weak performance, although this was mainly due to falling market prices.

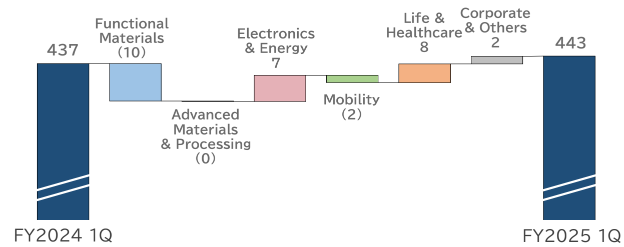
# Gross Profit by Business & Segment

- Trading business reported a decrease in profit of roughly ¥0.4 billion, despite strong performance in the Electronics & Energy and Life & Healthcare segments, as the automobile-related business under Functional Materials and Mobility experienced weaker results
- Manufacturing business profits increased roughly ¥0.5 billion, mainly due to increased sales of food ingredients at Nagase Viita and formulated epoxy resins at Nagase ChemteX under the Electronics & Energy segment
- Functional Materials experienced a significant decrease, while the Electronics & Energy and Life & Healthcare segments saw growth during the period (see Segment Overview for more details)

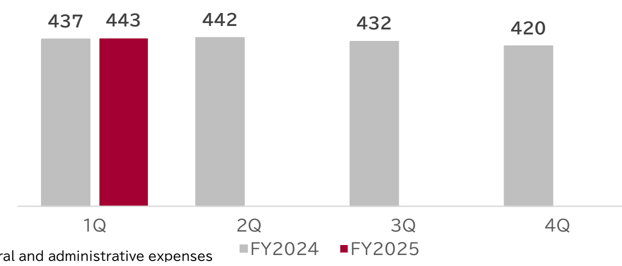
Gross Profit By Business & Segment (100 millions of yen)




Change in Gross Profit By Segment (100 millions of yen)




History of Gross Profit (100 millions of yen)




* Calculation of segment composition ratios does not include Corporate & Others and eliminations
* The Prinova Group revised part of its classification between cost of goods manufactured and selling, general and administrative expenses during the current fiscal year. See the Contents page for details.

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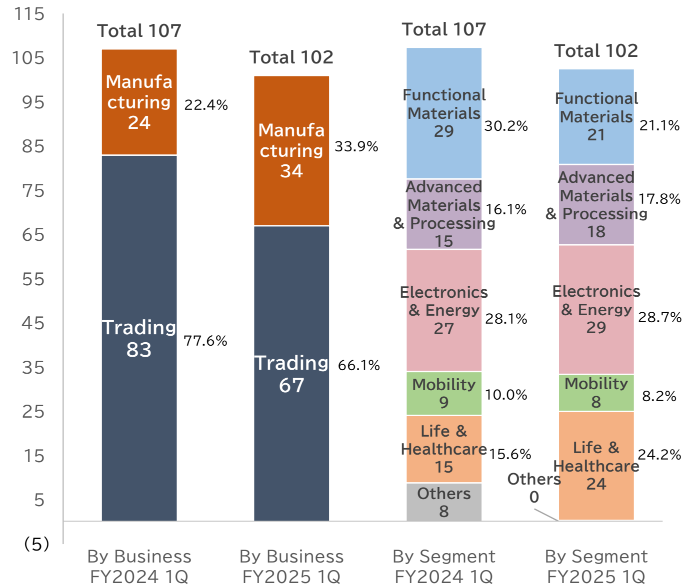
Next is gross profit by business type and segment. Comparison between two periods is shown here.

Since the following page provides a comparison of operating income, I will use this page to explain.

# Operating Income by Business & Segment

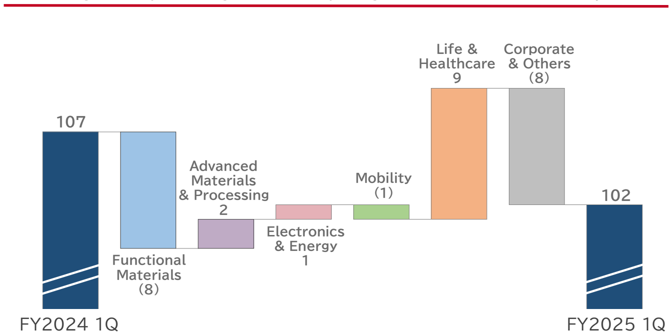
- Trading business profit decreased approximately ¥1.5 billion due to a decrease in gross profit, posting M&A related expenses and the impact of an increase in retirement benefit expenses related to the amortization of actuarial differences
- Manufacturing business profit increased by about ¥1.0 billion overall, mainly due to strong sales of food ingredients at Nagase Viita, the completion of amortization for certain intangible assets, and increased efficiencies in the Prinova Group Nutrition business
- Profit under Corporate & Others decreased, mainly due to the impact of an increase in retirement benefit expenses related to the amortization of actuarial differences
  (Retirement benefit actuarial differences: Approximately ¥3.5 billion gain in fiscal 2024 and approximately ¥0.3 billion loss in fiscal 2025 equally prorated and recorded on a quarterly basis)

Operating Income by Business & Segment (100 millions of yen)

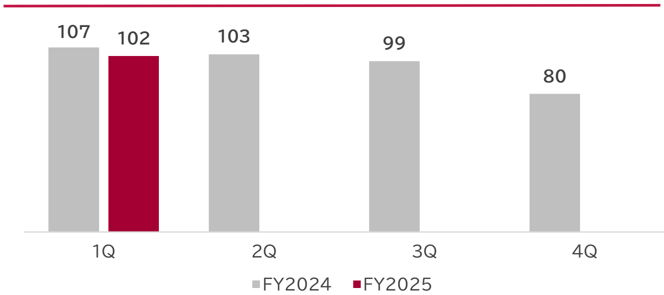



＊Calculation of segment composition ratios does not include Corporate & Others and eliminations

Change in Operating Income By Segment (100 millions of yen)




History of Operating Income (100 millions of yen)

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This is the comparison of operating income between two quarters.

First, let’s take a look by business category. The bar graph on the left indicates that the trading business’s profit decreased by approximately JPY1.5 billion due to a decline in gross profit as well as an increase in M&A and retirement benefit expenses.

On the other hand, the operating income in the manufacturing segment increased by approximately JPY1 billion due to the combination of the strong performance of Nagase Viita’s food ingredients, Prinova Group’s progress in streamlining its nutrition business, and the partial completion of amortization of Nagase Viita’s intangible assets.

By segment, the functional materials segment didn’t perform well, while the life-and-healthcare segment was in good form. The negative figure of the corporate-and-others segment includes the increase in retirement benefit expenses.

I will explain now how each segment has done.

# Segment Overview: Functional Materials

- Gross profit decreased primarily for the following reasons
  - Coating materials sales were lower due to weak demand automotive and architectural applications
  - Sales of raw materials for semiconductor materials decreased
- Operating income decreased due to weaker gross profit

100 millions of yen

| Quarterly results | | 1Q | 2Q | 3Q | 4Q | YTD | FY2025 Forecast / FY2024 Actual | Achievement |
|---|---|---|---|---|---|---|---|---|
| Sales | FY2025 | 380 | | | | 380 | 1,570 | 24% |
| | FY2024 | 405 | 388 | 372 | 370 | 405 | 1,537 | |
| | YoY% | (6.1%) | | | | (6.1%) | 2.1% | |
| Gross profit | FY2025 | 77 | | | | 77 | 328 | 24% |
| | FY2024 | 88 | 81 | 79 | 75 | 88 | 325 | |
| | YoY% | (11.7%) | | | | (11.7%) | 0.9% | |
| <profit ratio> | FY2025 | 20.5% | | | | 20.5% | 20.9% | |
| | FY2024 | 21.8% | 21.1% | 21.3% | 20.3% | 21.8% | 21.1% | |
| Manufacturing | FY2025 | 5 | | | | 5 | | |
| | FY2024 | 6 | 6 | 4 | 4 | 6 | 22 | |
| Trading | FY2025 | 72 | | | | 72 | | |
| | FY2024 | 82 | 75 | 74 | 70 | 82 | 302 | |
| Operating income | FY2025 | 21 | | | | 21 | 88 | 25% |
| | FY2024 | 29 | 24 | 20 | 17 | 29 | 92 | |
| | YoY% | (27.4%) | | | | (27.4%) | (4.5%) | |
| <profit ratio> | FY2025 | 5.7% | | | | 5.7% | 5.6% | |
| | FY2024 | 7.3% | 6.3% | 5.5% | 4.7% | 7.3% | 6.0% | |
| Manufacturing | FY2025 | 1 | | | | 1 | | |
| | FY2024 | 2 | 3 | 0 | 1 | 2 | 7 | |
| Trading | FY2025 | 19 | | | | 19 | | |
| | FY2024 | 27 | 21 | 20 | 15 | 27 | 84 | |

**[Key Measures]**

**Performance Chemicals Dept.**

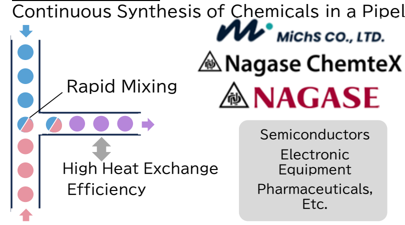
- Capture business opportunities in the etrochemical industry and in response to market changes by leveraging our global procurement capabilities
- Propose sustainable materials and solutions (biodegradable bio-SAPs, chemical joint logistics matching, Mixing Concierges™, etc.)

**Speciality Chemicals Dept.**

- Business expansion through contributions to the supply chain in upstream segment of the semiconductor
- Creating businesses with utilizing unique technologies such as flow synthesis, metal-organic frameworks (MOFs), etc.

**Flow Synthesis**

Continuous Synthesis of Chemicals in a Pipeline




Invested in MiChS, a company with many years of experience and knowledge in this field





First is the functional materials segment.

On the gross profit level, sales of coating materials declined due to lower demand for automotive and architectural applications. Furthermore, sales of raw materials for semiconductor materials have also declined. This was, in particular, because of the poor sales of upstream raw materials. The total decline in profit was approximately JPY1.1 billion.

On the other hand, the operating income also recorded a decrease of JPY800 million due to the impact of a decline in gross profit. However, as you can see in the table, the progress rate of operating income is 25%. Therefore, this is more or less in line with what we are projecting for the full fiscal year.

# Segment Overview: Advanced Materials & Processing

- Gross profits flat, primarily for the following reasons
  - Sales of resins decreased due to lower volume for office equipment and other applications in the electrical appliances and electronic industries; however, planned product mix improvements resulted in improved profit margin
  - Sales of industrial hoses and civil engineering pipes increased at TOTAKU INDUSTRIES, Inc.
- Operating income increased due to a decrease in general and administrative expenses

100 millions of yen

| Quarterly results | | 1Q | 2Q | 3Q | 4Q | YTD | FY2025 Forecast / FY2024 Actual | Achievement |
|---|---|---|---|---|---|---|---|---|
| Sales | FY2025 | 502 | | | | 502 | 2,110 | 24% |
| | FY2024 | 535 | 546 | 528 | 495 | 535 | 2,106 | |
| | YoY% | (6.0%) | | | | (6.0%) | 0.2% | |
| Gross profit | FY2025 | 65 | | | | 65 | 270 | 24% |
| | FY2024 | 65 | 65 | 67 | 63 | 65 | 261 | |
| | YoY% | (0.1%) | | | | (0.1%) | 3.1% | |
| <profit ratio> | FY2025 | 13.1% | | | | 13.1% | 12.8% | |
| | FY2024 | 12.3% | 11.9% | 12.8% | 12.8% | 12.3% | 12.4% | |
| Manufacturing | FY2025 | 14 | | | | 14 | | |
| | FY2024 | 12 | 12 | 15 | 12 | 12 | 53 | |
| Trading | FY2025 | 51 | | | | 51 | | |
| | FY2024 | 53 | 52 | 52 | 50 | 53 | 208 | |
| Operating income | FY2025 | 18 | | | | 18 | 69 | 26% |
| | FY2024 | 15 | 19 | 19 | 12 | 15 | 66 | |
| | YoY% | 14.5% | | | | 14.5% | 3.2% | |
| <profit ratio> | FY2025 | 3.6% | | | | 3.6% | 3.3% | |
| | FY2024 | 3.0% | 3.6% | 3.6% | 2.5% | 3.0% | 3.2% | |
| Manufacturing | FY2025 | 3 | | | | 3 | | |
| | FY2024 | 2 | 2 | 4 | 1 | 2 | 10 | |
| Trading | FY2025 | 14 | | | | 14 | | |
| | FY2024 | 13 | 17 | 14 | 10 | 13 | 55 | |

**[Key Measures]**

**Polymer Global Account Dept.**

- Shift resources to priority (e.g., Mexico and India) in line with the transition in global brand owner production bases
- Expand transactions in environmental materials (NAGASE products and products from other companies)
- Improve efficiency of global business operations and optimize organizational structure

Manufacturing Subsidiary: TOTAKU INDUSTRIES, Inc. will change its company name effective November 1

**Nagase RooTAC**

ナガセルータック株式会社

Root(根)+TAC

Name symbolizing the technology and craftsmanship in the DNA of TOTAKU


TOTAKU INDUSTRIES, INC. square-shape pipes
Promotion of pole-less utilities





Next is the segment of advanced materials and processing.

This segment is mainly resin sales. Although the performance was weak due to lower volumes for the electrical appliances and electronic industries such as OA, the product mix has improved. We are adopting a measure to shift it more toward high value-added products. This has led to a significant improvement in profit margins.

Also, as noted on the right, TOTAKU INDUSTRIES, INC., will change its name to Nagase RooTAC Industries, Inc. on November 1, and the sales of industrial hoses and civil engineering pipes they deal with are increasing very steadily. At the operating income level, the increase was about JPY300 million, including a decrease in general and administrative expenses.

# Segment Overview: Electronics & Energy

- Gross profit increased primarily for the following reasons
  - Sales of semiconductor materials increased
  - Despite weakness in sales for mobile device applications, sales of Nagase ChemteX formulated epoxy resins increased with strong performance for resins used in semiconductors for AI servers
- Operating income increased due to improved gross profit, despite posting M&A related expenses

100 millions of yen

| Quarterly results | | 1Q | 2Q | 3Q | 4Q | YTD | FY2025 Forecast / FY2024 Actual | Achievement |
|---|---|---|---|---|---|---|---|---|
| Sales | FY2025 | 415 | | | | 415 | 1,670 | 25% |
| | FY2024 | 400 | 398 | 413 | 400 | 400 | 1,613 | |
| | YoY% | 3.6% | | | | 3.6% | 3.5% | |
| Gross profit | FY2025 | 103 | | | | 103 | 434 | 24% |
| | FY2024 | 95 | 97 | 99 | 107 | 95 | 400 | |
| | YoY% | 7.9% | | | | 7.9% | 8.4% | |
| <profit ratio> | FY2025 | 24.8% | | | | 24.8% | 26.0% | |
| | FY2024 | 23.8% | 24.5% | 24.0% | 26.9% | 23.8% | 24.8% | |
| Manufacturing | FY2025 | 35 | | | | 35 | | |
| | FY2024 | 33 | 35 | 34 | 48 | 33 | 150 | |
| Trading | FY2025 | 67 | | | | 67 | | |
| | FY2024 | 62 | 62 | 65 | 59 | 62 | 249 | |
| Operating income | FY2025 | 29 | | | | 29 | 129 | 23% |
| | FY2024 | 27 | 32 | 28 | 34 | 27 | 123 | |
| | YoY% | 5.8% | | | | 5.8% | 4.9% | |
| <profit ratio> | FY2025 | 7.1% | | | | 7.1% | 7.7% | |
| | FY2024 | 6.9% | 8.1% | 7.0% | 8.6% | 6.9% | 7.6% | |
| Manufacturing | FY2025 | 9 | | | | 9 | | |
| | FY2024 | 7 | 9 | 7 | 19 | 7 | 45 | |
| Trading | FY2025 | 19 | | | | 19 | | |
| | FY2024 | 19 | 22 | 20 | 14 | 19 | 77 | |

**[Key Measures]**

**Electronics Dept.**

- Expansion of commercial products in the semiconductor market
  - Expand business based on expansion of domestic production
  - Expand business in Europe, the U.S., India, etc.
- Develop business for cutting-edge electronic devices

**Advanced Functional Materials Dept.**

- Expand sales of Nagase ChemteX products for advanced semiconductors(LMC holds the dominant market share for molding compounds for advanced semiconductors)
- a-SMC aims to become the de facto standard for molding compounds for next-generation semiconductors
- Expand the recovery and recycling business of developer solution for semiconductors

LMC: Liquid Molding Compound

a-SMC: Advanced Sheet Molding Compound





Next is electronics and energy segment.

At the gross profit level, sales of semiconductor materials increased in China. In addition, the sales of Nagase ChemteX’s formulated epoxy resins used in semiconductors for AI server applications showed very strong performance, although sales for molding applications of SAW filters for mobile devices, especially smartphones, were sluggish.

This impact resulted in an increase of approximately JPY800 million in profit. On the other hand, operating income increased only by JPY200 million, partly due to the recording of M&A expenses of around JPY400 million.

# Segment Overview: Mobility

- Gross profit decreased primarily for the following reasons
  - Despite a rise in volume, resin sales, which account for about half of gross profit, were flat, mainly due to the strengthening yen
  - Sales decreased for functional materials and functional components related to interior and exterior fittings and electrification
- Operating income decreased due to weaker gross profit

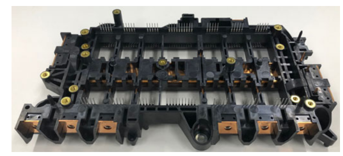
100 millions of yen

| Quarterly results | | 1Q | 2Q | 3Q | 4Q | YTD | FY2025 Forecast / FY2024 Actual | Achievement |
|---|---|---|---|---|---|---|---|---|
| Sales | FY2025 | 305 | | | | 305 | 1,300 | 23% |
| | FY2024 | 321 | 338 | 343 | 317 | 321 | 1,320 | |
| | YoY% | (5.0%) | | | | (5.0%) | (1.6%) | |
| Gross profit | FY2025 | 37 | | | | 37 | 164 | 23% |
| | FY2024 | 40 | 43 | 43 | 37 | 40 | 165 | |
| | YoY% | (7.3%) | | | | (7.3%) | (0.6%) | |
| <profit ratio> | FY2025 | 12.2% | | | | 12.2% | 12.6% | |
| | FY2024 | 12.5% | 12.9% | 12.7% | 11.8% | 12.5% | 12.5% | |
| Manufacturing | FY2025 | — | | | | — | | |
| | FY2024 | — | — | — | — | — | — | |
| Trading | FY2025 | 37 | | | | 37 | | |
| | FY2024 | 40 | 43 | 43 | 37 | 40 | 165 | |
| Operating income | FY2025 | 8 | | | | 8 | 42 | 20% |
| | FY2024 | 9 | 12 | 12 | 7 | 9 | 42 | |
| | YoY% | (15.1%) | | | | (15.1%) | (0.9%) | |
| <profit ratio> | FY2025 | 2.7% | | | | 2.7% | 3.2% | |
| | FY2024 | 3.1% | 3.8% | 3.6% | 2.3% | 3.1% | 3.2% | |
| Manufacturing | FY2025 | — | | | | — | | |
| | FY2024 | — | — | — | — | — | — | |
| Trading | FY2025 | 8 | | | | 8 | | |
| | FY2024 | 9 | 12 | 12 | 7 | 9 | 42 | |

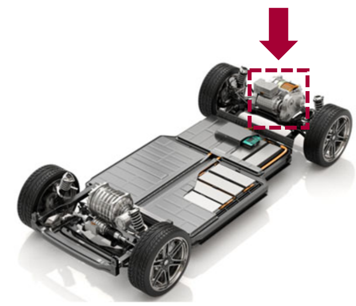
**[Key Measures]**

**Mobility Solutions Dept.**

- Expand electrification-related materials and components further
- Invest resources in growth markets (e.g., North America and India)



Metal insert mold parts for automotive inverters







Next is the mobility segment.

Around half of the gross profit is accounted for by the resin business, and although the volume has increased, it has remained flat due to the stronger yen. In addition, there was a decline in sales of functional materials and components for interior and exterior fitting as well as electrification applications. These have led to the lower gross profit.

At the operating income level as well, we experienced a decline due to the decreased gross profit.

# Segment Overview: Life & Healthcare

- Gross profit increased primarily for the following reasons
  - Increased sales of intermediates and pharmaceutical raw materials
  - Nagase Viita posted increased sales, mainly for food ingredients and cosmetic materials
  - While the volume of food ingredient sales increased, the Prinova Group's profits decreased due to a downturn in market prices
- Operating income increased, despite M&A-related expenses, due to the completion of amortization for certain intangible assets at Nagase Viita and the efficiency improvements at the Prinova Group

100 millions of yen

| Quarterly results | | 1Q | 2Q | 3Q | 4Q | YTD | FY2025 Forecast / FY2024 Actual | Achievement |
|---|---|---|---|---|---|---|---|---|
| Sales | FY2025 | 768 | | | | 768 | 2,899 | 27% |
| | FY2024 | 728 | 744 | 712 | 685 | 728 | 2,870 | |
| | YoY% | 5.5% | | | | 5.5% | 1.0% | |
| Gross profit | FY2025 | 157 | | | | 157 | 612 | 26% |
| | FY2024 | 148 | 152 | 142 | 137 | 148 | 581 | |
| | YoY% | 6.0% | | | | 6.0% | 5.3% | |
| <profit ratio> | FY2025 | 20.5% | | | | 20.5% | 21.1% | |
| | FY2024 | 20.4% | 20.4% | 20.0% | 20.1% | 20.4% | 20.2% | |
| Manufacturing | FY2025 | 121 | | | | 121 | | |
| | FY2024 | 116 | 120 | 107 | 99 | 116 | 443 | |
| Trading | FY2025 | 35 | | | | 35 | | |
| | FY2024 | 32 | 31 | 35 | 37 | 32 | 137 | |
| Operating income | FY2025 | 24 | | | | 24 | 73 | 34% |
| | FY2024 | 15 | 4 | 11 | 3 | 15 | 34 | |
| | YoY% | 61.5% | | | | 61.5% | 113.2% | |
| <profit ratio> | FY2025 | 3.2% | | | | 3.2% | 2.5% | |
| | FY2024 | 2.1% | 0.6% | 1.6% | 0.5% | 2.1% | 1.2% | |
| Manufacturing | FY2025 | 19 | | | | 19 | | |
| | FY2024 | 11 | 2 | 6 | (1) | 11 | 18 | |
| Trading | FY2025 | 4 | | | | 4 | | |
| | FY2024 | 4 | 1 | 4 | 4 | 4 | 15 | |

* The Prinova Group revised part of its classification between cost of goods manufactured and selling, general and administrative expenses during the current fiscal year. See the Contents page for details.

**[Key Measures]**

## Life & Healthcare Products Dept.

- Focus on expanding sales of in-house products in Japan and overseas
- Expand cross-sales through stronger collaboration among overseas group bases and offices
- Expand bio-materials

(Creation of NVI*1, NBIC*2 bio-derived materials; e.g., ergothioneine mass produced using fermentation technology)

- Expand the Prinova Group manufacturing

*1 Nagase Viita
*2 Nagase Bio-Innovation Center

Diagnostics Business, Other
Joined the NAGASE Group on July 1, 2025

**Nagase Diagnostics**
ナガセダイアグノスティックス株式会社

Nagase Diagnostics Co., Ltd. Ohito Plant





Next is the life-and-healthcare segment.

In terms of the gross profit of the life-and-healthcare segment, medicine-related sales performed well, and the sales of food ingredients and cosmetic materials at Nagase Viita went up. On the other hand, the sales of food ingredients at Prinova Group decreased due to a slowdown in the market prices, although the volumes have increased.

Overall, the profit increased by around JPY500 million. At the operating income level, the life-and-healthcare segment has also recorded M&A-related expenses. However, the operating income has increased by JPY900 million due to the completion of amortization of a portion of Nagase Viita's intangible assets, as well as sufficient progress in efficiency measures at Prinova Group.

I would like to explain more about Prinova Group in detail later when I cover the main manufacturing subsidiaries.

# Overview of Major Manufacturing Subsidiaries: Nagase ChemteX

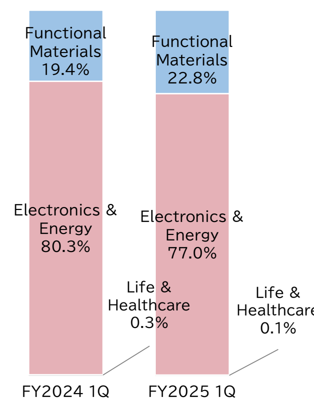
- Gross profit increased primarily for the following reasons
  - Despite weakness in sales for mobile device applications, sales of formulated epoxy resins increased with strong performance for resins used in semiconductors for AI servers
  - Sales decreased for photolithography materials for use in displays
- Operating income decreased, despite higher gross profit, due to increases in R&D expenses and other selling, general and administrative expenses

＊Functional dyes business transferred from Nagase Viita on of April 1, 2025

100 millions of yen

| Quarterly results | | 1Q | 2Q | 3Q | 4Q | YTD | FY2025 Forecast / FY2024 Actual | Achievement |
|---|---|---|---|---|---|---|---|---|
| Sales | FY2025 | 66 | | | | 66 | 292 | 23% |
| | FY2024 | 66 | 64 | 66 | 61 | 66 | 258 | |
| | YoY% | (0.1%) | | | | (0.1%) | 13.3% | |
| Gross profit | FY2025 | 23 | | | | 23 | 103 | 22% |
| | FY2024 | 20 | 20 | 22 | 21 | 20 | 84 | |
| | YoY% | 10.0% | | | | 10.0% | 21.7% | |
| <profit ratio> | FY2025 | 34.8% | | | | 34.8% | 35.3% | |
| | FY2024 | 31.6% | 31.5% | 33.9% | 34.4% | 31.6% | 32.8% | |
| Operating income | FY2025 | 7 | | | | 7 | 36 | 20% |
| | FY2024 | 7 | 6 | 7 | 5 | 7 | 27 | |
| | YoY% | (2.6%) | | | | (2.6%) | 33.1% | |
| <profit ratio> | FY2025 | 11.2% | | | | 11.2% | 12.5% | |
| | FY2024 | 11.5% | 9.4% | 12.0% | 9.6% | 11.5% | 10.6% | |

Ratio of Consolidated Gross Profit by Segment




＊The sales functions of Nagase ChemteX are handled by our company and its sales subsidiaries, and profits from Nagase ChemteX's business are also recognized under the trading business





Three companies are listed as our major manufacturing subsidiaries from the next page onwards.

First is Nagase ChemteX. At the gross profit level, our photolithography materials for displays have decreased due to the withdrawal from manufacturing and sales of products for Sakai Display Products Corporation in August of last year.

As for sales of formulated epoxy resins, to repeat, sales for molding applications for SAW filters used in mobile devices and smartphones were sluggish, but sales for AI server semiconductors were strong, resulting in an overall profit increase of JPY300 million.

The operating income remained almost flat, however, due to system replacements and increased R&D expenses for advanced semiconductors.

# Overview of Major Manufacturing Subsidiaries: Nagase Viita

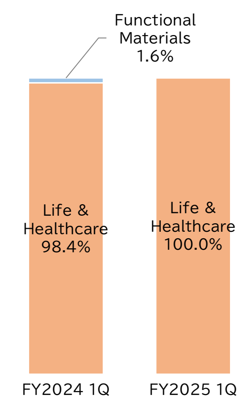
- Gross profit increased primarily for the following reasons
  - Sales of food ingredients increased due to wider adoption, mainly in Japan
  - Sales of cosmetic materials increased due to strong performance in Japan
- Operating income increased due to an increase in gross profit, despite an increase in amortization expense associated with the replacement of the company's accounting system
- Amortization of goodwill, etc., decreased due to the completion of amortization of certain intangible assets (Full-year impact: Approximately ¥1.1 billion yen lower year on year)

＊Functional dyes business transferred to Nagase ChemteX on April 1, 2025

100 millions of yen

| Quarterly results | | 1Q | 2Q | 3Q | 4Q | YTD | FY2025 Forecast / FY2024 Actual | Achievement |
|---|---|---|---|---|---|---|---|---|
| Sales | FY2025 | 86 | | | | 86 | 365 | 24% |
| | FY2024 | 86 | 87 | 92 | 83 | 86 | 350 | |
| | YoY% | (0.3%) | | | | (0.3%) | 4.3% | |
| Gross profit | FY2025 | 35 | | | | 35 | 141 | 25% |
| | FY2024 | 33 | 32 | 34 | 30 | 33 | 129 | |
| | YoY% | 7.6% | | | | 7.6% | 9.5% | |
| <profit ratio> | FY2025 | 41.2% | | | | 41.2% | 38.8% | |
| | FY2024 | 38.2% | 36.9% | 36.8% | 36.1% | 38.2% | 37.0% | |
| Operating income | FY2025 | 15 | | | | 15 | 53 | 29% |
| | FY2024 | 13 | 12 | 13 | 11 | 13 | 50 | |
| | YoY% | 16.0% | | | | 16.0% | 5.1% | |
| <profit ratio> | FY2025 | 17.8% | | | | 17.8% | 14.5% | |
| | FY2024 | 15.3% | 14.0% | 14.8% | 13.5% | 15.3% | 14.4% | |
| Amortisation of goodwill, etc. | FY2025 | 4 | | | | 4 | 18 | |
| | FY2024 | 7 | 7 | 7 | 6 | 7 | 29 | |
| | YoY% | (40.5%) | | | | (40.5%) | (38.4%) | |
| Operating income after amortised expenses | FY2025 | 10 | | | | 10 | 34 | 31% |
| | FY2024 | 5 | 4 | 6 | 4 | 5 | 20 | |
| | YoY% | 94.5% | | | | 94.5% | 67.8% | |

Ratio of Consolidated Gross Profit by Segment




＊The sales functions of Nagase Viita are handled by our company and its sales subsidiaries, and profits from Nagase Viita's business are also recognized under the trading business





Next is Nagase Viita.

At the gross profit level, sales of food ingredients were strong both in Japan and overseas. The strong performance of cosmetic materials in Japan offset the poor performance overseas, resulting in an overall increase of approximately JPY200 million in profit.

At the operating income level, Nagase Viita also replaced its systems, but the increase in such expenses was offset by the partial completion of amortization of intangible assets and an increase in gross profit, resulting in an increased income.

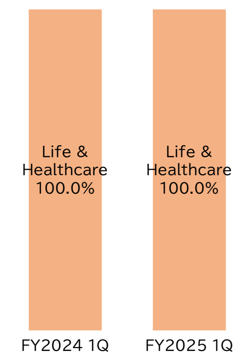
# Overview of Major Manufacturing Subsidiaries: Prinova Group

- Gross profit decreased primarily for the following reasons
  - While the volume of food ingredients increased, sales were lower and the gross margin decreased due to a downturn in market prices
  - The manufacturing business is on the path to recovery with improving product mix, particularly in the Solutions business
- Operating income increased, despite lower gross profit, mainly due to decreases in selling, general and administrative expenses in connection with efficiencies in the Nutrition business

100 millions of yen

| Quarterly results | | 1Q | 2Q | 3Q | 4Q | YTD | FY2025 Forecast / FY2024 Actual | Achievement |
|---|---|---|---|---|---|---|---|---|
| Sales | FY2025 | 539 | | | | 539 | 1,997 | 27% |
| | FY2024 | 504 | 537 | 488 | 466 | 504 | 1,996 | |
| | YoY% | 6.9% | | | | 6.9% | 0.1% | |
| Gross profit | FY2025 | 82 | | | | 82 | 320 | 26% |
| | FY2024 | 79 | 79 | 72 | 65 | 79 | 295 | |
| | YoY% | 3.6% | | | | 3.6% | 8.3% | |
| <profit ratio> | FY2025 | 15.2% | | | | 15.2% | 16.0% | |
| | FY2024 | 15.7% | 14.8% | 14.8% | 14.0% | 15.7% | 14.8% | |
| Operating income | FY2025 | 16 | | | | 16 | 49 | 34% |
| | FY2024 | 13 | 0 | 10 | 1 | 13 | 25 | |
| | YoY% | 26.3% | | | | 26.3% | 89.9% | |
| <profit ratio> | FY2025 | 3.1% | | | | 3.1% | 2.5% | |
| | FY2024 | 2.7% | 0.1% | 2.1% | 0.4% | 2.7% | 1.3% | |
| Amortisation of goodwill, etc. | FY2025 | 6 | | | | 6 | 26 | |
| | FY2024 | 6 | 7 | 6 | 6 | 6 | 27 | |
| | YoY% | 2.6% | | | | 2.6% | (5.7%) | |
| Operating income after amortised expenses | FY2025 | 9 | | | | 9 | 22 | 43% |
| | FY2024 | 6 | (6) | 3 | (5) | 6 | (1) | |
| | YoY% | 50.7% | | | | 50.7% | - | |

Ratio of Consolidated Gross Profit by Segment




* The Prinova Group revised part of its classification between cost of goods manufactured and selling, general and administrative expenses during the current fiscal year. See the Contents page for details.





Next is the Prinova Group. I know I’ve been repeating some things many times, but I’d like to cover these a little carefully.

First, at the gross profit level, the sales of food ingredients in the trading business of the Prinova Group increased in terms of volume. I could probably say this is a continuous trend from last year, in which the volume has increased steadily. However, the gross profit has declined, mainly due to the lower gross profit margin affected by declining market prices.

On the other hand, with regard to the manufacturing industry, the product mix has also improved, including the new acquisition of highly profitable business in the solutions business.

Although these have contributed to a recovery trend, the trading portion of the business has had an impact, resulting in a decrease in the gross profit overall.
However, while the nutrition business is still operating at a loss, we are making very good progress in streamlining cost reductions, which includes a review of several hundred employees, at the operating income level. In other words, the situation allows me to say that it is improving and progressing at a faster pace than planned. This kind of reduction in general and administrative expenses has also contributed to an increase of approximately JPY300 million in operating income.

In the nutrition business, we will continue to review costs, but we are also simultaneously improving the top line.

# Consolidated Balance Sheets

- Effective use of NAGASE Group funds for investments in growth and working capital
- Use of interest-bearing debt for the acquisition of the SACHEM business in Asia

100 millions of yen

| | 2025/03 | 2025/06 | Change | Details |
|---|---|---|---|---|
| Total Current Assets | 5,601 | 5,483 | (117) | |
| (Cash&deposits) | 663 | 498 | (164) | |
| (Trade account receivbable) | 3,112 | 3,116 | 3 | |
| (Inventories) | 1,662 | 1,684 | 22 | |
| Total non-current assets | 2,480 | 2,632 | 151 | SACHEM business in Asia+125 |
| (Investments in security) | 720 | 744 | 23 | |
| Total assets | 8,081 | 8,115 | 34 | |
| Current Liab. | 2,695 | 2,794 | 99 | Short-term Loan Pay.+120 |
| (Trade account payable) | 1,512 | 1,520 | 7 | |
| Non-current Liab. | 1,321 | 1,334 | 12 | |
| Total Liab. | 4,016 | 4,128 | 111 | |
| Shareholders' equity | 3,117 | 3,097 | (20) | |
| Accum. Other Comprehensive Income | 873 | 814 | (58) | Translation Adjustment -71 |
| Non-controlling interest | 74 | 75 | 1 | |
| Total net assets | 4,064 | 3,987 | (77) | |

| | 2025/03 | 2025/06 | Change |
|---|---|---|---|
| Working capital | 3,262 | 3,280 | 18 |
| Shareholders' equity ratio | 49.4% | 48.2% | (1.2ppt) |
| Interest-bearing debt | 1,753 | 1,896 | 142 |
| NET D/E ratio | 0.27 | 0.36 | 0.08 |





Next are the consolidated balance sheets.

First, the decrease in cash and deposits is due to the effective use of the Group' s internal funds, which are used for growth investments and working capital in other countries.

The increase in total non-current assets was due to the acquisition of SACHEM' s business in Asia, as we have already announced. We are covering this funding through short-term borrowings and cash on hand for the time being, but we are considering changing this to long-term funds in the near future.

As a result, the equity ratio is now 48.2%, and the NET D/E ratio increased to 0.36 from 0.27.

# Consolidated Cash Flows

- Total of ¥6.1 billion provided from financing CF in using interest-bearing debt for the acquisition of the SACHEM business in Asia; total of ¥18.9 billion used in investing CF
- Cash and cash equivalents decreased ¥16.4 billion due to the effective use of internal group funds and partial allocation to investment CF

100 millions of yen

| | FY2024 1Q | FY2025 1Q |
|---|---|---|
| Operating CF | (30) | 7 |
| (Income before income taxes) | 107 | 105 |
| (Depreciation and amortization) | 44 | 43 |
| (Change in working capital) | (45) | (36) |
| (Other) | (137) | (104) |
| Investing CF | (82) | (189) |
| (Fixed asset investment) | (41) | (194) |
| (Other) | (40) | 5 |
| Free CF | (112) | (182) |
| Financing CF | 33 | 61 |
| (Share buybacks) | (33) | (46) |
| (Dividends paid) | (45) | (48) |
| (Change in loans and bonds) | 115 | 163 |
| (Other) | (2) | (6) |
| Effects of exchange rate | 40 | (43) |
| Net increase / decrease in cash and cash equivalents | (38) | (164) |





Next are consolidated cash flows.

Similar to the previous explanation, the acquisition of SACHEM’s business in Asia is included as a negative figure in investment activity’s cash flow. Please note that an increase in debt and a decrease in cash and deposits are used to finance this, including shareholder returns.

# FY2025 Earnings Projection(No Change)

- Record-high profits expected at all profit measures
- Semiconductor-related businesses likely to perform well, driven by a moderate recovery in market conditions and higher demand for AI server semiconductors
- Resin sales shift to more profitable products as demand remained flat generally
- Food-related businesses likely to see narrower loss in the Prinova Group Nutrition business and recovery in Nagase Viita cosmetics materials
- Selling, general and administrative expenses increased overall due to higher retirement benefit expenses resulting from the amortization of actuarial differences, as well as business expansion
  (retirement benefit actuarial differences: Approximately ¥3.5 billion gain in fiscal 2024 and approximately ¥0.3 billion loss in fiscal 2025)

100 milions of yen

| | FY2024 Actual | FY2025 Forecast | Change | Vs.PY |
|---|---|---|---|---|
| Sales | 9,449 | 9,550 | 100 | 101% |
| Gross profit | 1,733 | 1,810 | 76 | 104% |
| <GP ratio> | 18.3% | 19.0% | 0.6ppt | - |
| SG&A expenses | 1,342 | 1,415 | 72 | 105% |
| Operating income | 390 | 395 | 4 | 101% |
| <OP ratio> | 4.1% | 4.1% | 0.0ppt | - |
| (excluding the effect of actuarial gains and losses) | 355 | 398 | 43 | 112% |
| Ordinary income | 383 | 385 | 1 | 100% |
| Profit attributable to owners of the parent | 255 | 315 | 59 | 123% |
| US$ Exchange rate (period average) | @ 152.6 | @ 143.0 | @ 9.6 | Strong yen |
| RMB Exchange rate (period average) | @ 21.1 | @ 19.0 | @ 2.1 | Strong yen |

* The Prinova Group revised part of its classification between cost of goods manufactured and selling, general and administrative expenses during the current fiscal year. See the Contents page for details.





So far, we have covered the results for Q1 of FY2025.

Now, I'll move on to our forecast for the full FY2025.

As I have mentioned so far in the breakdown by business category and segment, as well as our main manufacturing subsidiaries and the overview, the progress rate in Q1 was approximately 25%.

Accordingly, the outlook remains unchanged at this moment. Of course, there is the fact that the yen is weakening, having recently reached JPY150 against the forecast of JPY143 per US dollar.

Also, as for the impact of Trump's tariffs, although we are estimating that the direct impact on our business will be very limited, we cannot deny the possibility of being affected indirectly if there is an economic slowdown, etc., due to the impact of the tariffs in other countries. Of course, we will watch these external environments and take necessary measures.

Based on these, we are not revising our full-year forecast and expect a record high in each stage of profit.

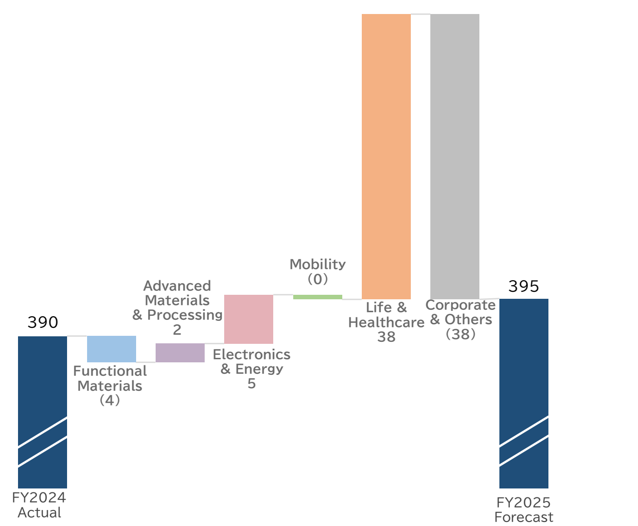
# FY2025 Earnings Projection By Segment(No Change)

- Gross profit to increase in Functional Materials due to higher sales of raw materials for coating materials and semiconductor materials, while higher general and administrative expenses to reduce operating income
- Advanced Materials & Processing expects higher profit as resin sales remain mostly flat while profitability improves
- Electronics & Energy expects to post higher profit, supported by strong semiconductor material sales and solid performance in Nagase ChemteX formulated epoxy resins for AI server semiconductors
- Mobility expects to post flat profits due to sluggish automobile production growth and the impact of a stronger yen
- Life & Healthcare expects higher profits due to strong performance in the manufacturing business and the allowance for doubtful accounts (-¥1.3 billion) recorded in the previous fiscal year in the Prinova Group

100 millions of yen

| | | FY2024 Actual | FY2025 Forecast | Change | Vs.PY |
|---|---|---|---|---|---|
| Functional Materials | Sales | 1,537 | 1,570 | 32 | 102% |
| | Gross profit | 325 | 328 | 2 | 101% |
| | <profit ratio> | 21.1% | 20.9% | (0.3ppt) | ― |
| | Operating income | 92 | 88 | (4) | 96% |
| | <profit ratio> | 6.0% | 5.6% | (0.4ppt) | ― |
| Advanced Materials & Processing | Sales | 2,106 | 2,110 | 3 | 100% |
| | Gross profit | 261 | 270 | 8 | 103% |
| | <profit ratio> | 12.4% | 12.8% | 0.4ppt | ― |
| | Operating income | 66 | 69 | 2 | 103% |
| | <profit ratio> | 3.2% | 3.3% | 0.1ppt | ― |
| Electronics & Energy | Sales | 1,613 | 1,670 | 56 | 104% |
| | Gross profit | 400 | 434 | 33 | 108% |
| | <profit ratio> | 24.8% | 26.0% | 1.2ppt | ― |
| | Operating income | 123 | 129 | 5 | 105% |
| | <profit ratio> | 7.6% | 7.7% | 0.1ppt | ― |
| Mobility | Sales | 1,320 | 1,300 | (20) | 98% |
| | Gross profit | 165 | 164 | (1) | 99% |
| | <profit ratio> | 12.5% | 12.6% | 0.1ppt | ― |
| | Operating income | 42 | 42 | (0) | 99% |
| | <profit ratio> | 3.2% | 3.2% | 0.0ppt | ― |
| Life & Healthcare | Sales | 2,870 | 2,899 | 28 | 101% |
| | Gross profit | 581 | 612 | 30 | 105% |
| | <profit ratio> | 20.2% | 21.1% | 0.9ppt | ― |
| | Operating income | 34 | 73 | 38 | 213% |
| | <profit ratio> | 1.2% | 2.5% | 1.3ppt | ― |
| Corporate & Others | Sales | 1 | 1 | (0) | 99% |
| | Gross profit | (0) | 2 | 2 | ― |
| | Operating income | 32 | (6) | (38) | ― |
| Total | Sales | 9,449 | 9,550 | 100 | 101% |
| | Gross profit | 1,733 | 1,810 | 76 | 104% |
| | <profit ratio> | 18.3% | 19.0% | 0.6ppt | ― |
| | Operating income | 390 | 395 | 4 | 101% |
| | <profit ratio> | 4.1% | 4.1% | 0.0ppt | ― |

Change in Operating Income Forecast By Segment (100 millions of yen)

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Next is the financial performance projection by segment.

We also do not believe it is necessary to revise our outlook for each segment at this moment, although there is both strong and weak performance in each business area within the segments.

# FY2025 Earnings Projections by Major Manufacturing Subsidiaries(No Change)

- Nagase ChemteX: Higher gross profit due to continued strong sales of formulated epoxy resins for AI server semiconductors, following previous year performance. Operating income to increase due to improved gross profit
- Nagase Viita: Higher gross profit due to strong sales of food ingredients and cosmetic materials
  Operating income to increase due to improved gross profit and a decrease in amortization of goodwill and other intangible assets (increase of approximately 1.1 billion yen due to the partial completion of amortization of intangible assets).
- Prinova Group: Higher gross profit, mainly due to recovery in the Nutrition business
  Operating income is expected to increase, partly due to the absence of the ¥1.3 billion allowance for doubtful accounts recorded in the previous fiscal year

100 millions of yen

| | | FY2024 Actual | FY2025 Forecast | Change | Vs.PY |
|---|---|---|---|---|---|
| Nagase ChemteX Corporation | Sales | 258 | 292 | 34 | 113% |
| | Gross profit | 84 | 103 | 18 | 122% |
| | <profit ratio> | 32.8% | 35.3% | 2.4ppt | — |
| | Operating income | 27 | 36 | 9 | 133% |
| | <profit ratio> | 10.6% | 12.5% | 1.9ppt | — |
| Nagase Viita Co., Ltd. | Sales | 350 | 365 | 15 | 104% |
| | Gross profit | 129 | 141 | 12 | 109% |
| | <profit ratio> | 37.0% | 38.8% | 1.8ppt | — |
| | Operating income | 50 | 53 | 2 | 105% |
| | <profit ratio> | 14.4% | 14.5% | 0.1ppt | — |
| | Goodwill amortization etc. | 29 | 18 | (11) | 62% |
| | Operating income after amortization burden | 20 | 34 | 14 | 168% |
| Prinova Group | Sales | 1,996 | 1,997 | 1 | 100% |
| | Gross profit | 295 | 320 | 24 | 108% |
| | <profit ratio> | 14.8% | 16.0% | 1.2ppt | — |
| | Operating income | 25 | 49 | 23 | 190% |
| | <profit ratio> | 1.3% | 2.5% | 1.2ppt | — |
| | Goodwill amortization etc. | 27 | 26 | (1) | 94% |
| | Operating income after amortization burden | (1) | 22 | 24 | — |

* The Prinova Group revised part of its classification between cost of goods manufactured and selling, general and administrative expenses during the current fiscal year. See the Contents page for details.



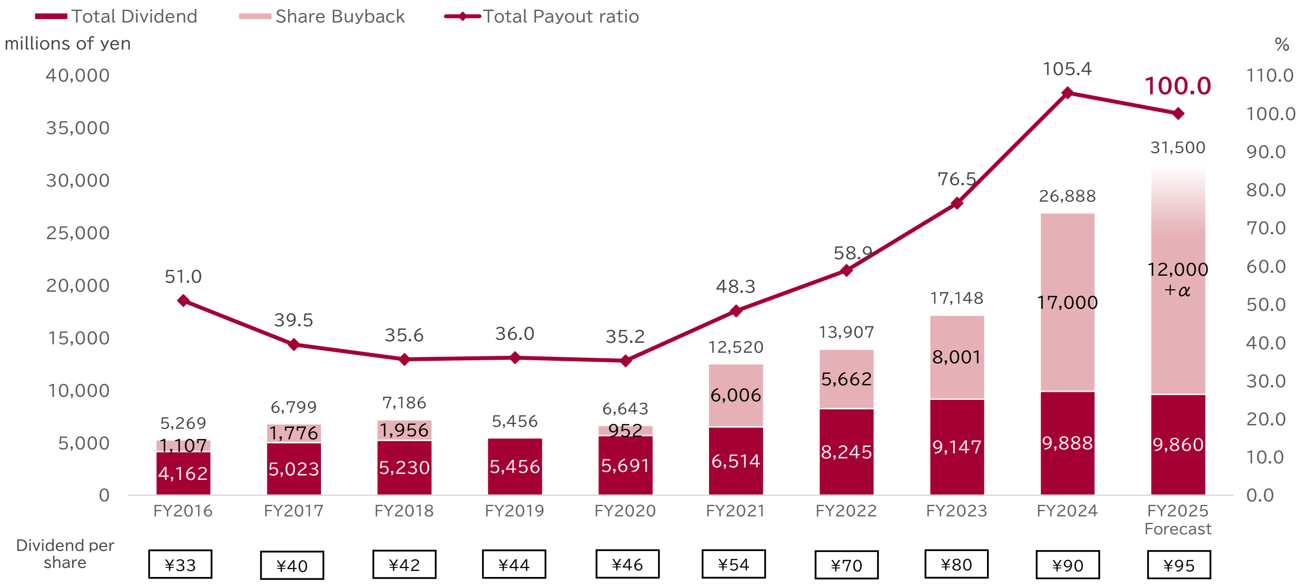


Next are our three major manufacturing subsidiaries.

Nagase ChemteX’s progress of 20% may have looked a little slow. However, sales for AI servers have been strong. Since we also expect a recovery in molding applications for SAW filters, there is no change in our forecast at this point, including Nagase ChemteX.

# Shareholder Returns

- We plan to pay ¥95 per share for the full year, consisting of an interim dividend of ¥45 per share and a year-end dividend of ¥50 per share (forecasting a 16th consecutive year of dividend increases)
- No changes to the **100% total return ratio** policy in fiscal 2025, continuing from fiscal 2024
- Based on the policy above, the ¥12 billion in share buybacks approved in May 2025 are progressing as planned; total of ¥4.6 billion in share buybacks as of June 30
  (Purchase period: Scheduled for May 2025 to October 2025) ＊Additional returns after November will be approved under a separate resolution




＊FY2025 year-end dividend to be submitted for approval to the 111th general meeting of shareholders scheduled for June 2026.





Finally, I'd like to explain the state of shareholder returns.

There is no change in our policy of a 100% total return ratio for the current fiscal year following FY2024. For the current fiscal year, we plan to pay an interim dividend of JPY45 and a year-end dividend of JPY50. The annual dividend is planned to be JPY95. This is the 16th consecutive fiscal year of dividend increases.

Based on the policy of a 100% total return ratio, the Company resolved in May to carry out share buybacks of JPY12 billion. This is progressing as planned, with cumulative acquisitions as of the end of June totaling JPY4.6 billion.

The future additional returns are to be determined as a resolution separately.

This was a brief explanation of our financial results for Q1 of FY2025. Thank you all for your kind attention.

■IR Materials for the first meeting: **NEW**

https://www.nagase.co.jp/english/ir/library/pdf/factbooks/20250804-1.pdf

■NAGASE Group Investor Relations Website:

https://www.nagase.co.jp/english/ir/

■Inquiries:

https://www.nagase.co.jp/english/contact/ir/

These presentation materials contain projections based on forward-looking assumptions, forecasts, and plans as of August 5, 2025
Actual earnings may differ from projections due to risks and uncertainties in the future global economy, competitive landscape, currency exchange rates, etc.

Review

# Management Conscious of Capital Costs and Share Prices

We continue to implement initiatives in the final year of the current medium-term management plan

## Policies to Enhance Corporate Value

Execute growth, financial, and capital strategies set forth in the Medium-Term Management Plan ACE 2.0

## Current Issue Recognition

- PBR has been below 1x since FY2007
- Cost of equity is more than 8.0% based on dialogue with investors (as needed through the use of CAPM and interviews with investors)
- Continued high level of strategic cross-shareholdings; 13.9% of net assets

## Matters to be Addressed

| | |
|---|---|
| Profitability and Efficiency | • Permeation of ROIC management: Improve gross profit margin and capital turnover<br>• Reduce unprofitable businesses and unprofitable transactions in business targeted for improvement<br>• Reduce strategic cross-shareholdings in phases |
| Capital Costs | • Increase in Shareholder Returns: limited 100% total return ratio for two years<br>• Leverage debt in growth investments |
| IR Activities | • Make active disclosures of and expand dialogue with investors |

Review

# Business Environment Surrounding NAGASE Segments

| Industry | FY2024 Trends | | FY2025 Trends | | Segment |
|---|---|---|---|---|---|
| Coatings | Growth in both automotive and construction applications was sluggish, remaining generally flat overall | | Automotive applications to grow slightly; construction applications unlikely to recover; overall performance expected to remain generally flat | | Functional Materials |
| Semiconductors | Recovery remained gradual and uneven across categories, with strong performance in AI-related demand and China-based manufacturing | | Strong year-on-year growth driven by rising AI-related demand and solid production of smartphones, PCs, and other devices | | Functional Materials / Electronics & Energy |
| Smartphones | Mid-range and low-end shipments increased, partly supported by policy measures in China, while high-end shipments rose slightly | | High-end sales to remain steady, while mid-range and low-end sales rise slightly due to growing adoption of low-priced smartphones | | Advanced Materials |
| OA and Games (Electrical and Electronic Equipment) | Overall demand and resin market conditions made a moderate recovery | | Roughly in line with the previous fiscal year | | Advanced Materials |
| Automobiles | Automobile production did not recover fully in the second half, remaining flat overall due to regional polarization | | Roughly in line with the previous fiscal year | | Mobility |
| Medical | Demand was strong for additives, APIs and intermediates | | Roughly in line with the previous fiscal year | | Life & Healthcare |
| Cosmetics | Weak performance due to sluggish consumer demand in China, a key end market | | Recovery anticipated as growing end markets drive expansion into new sales regions | | Life & Healthcare |
| Food | Domestic food ingredient sales performed well;food ingredient sales in Europe and the U.S. remained flat, while nutrition sales continued to grow despite intensified competition | | Flat market growth in Japan year on year, with moderate growth expected in food ingredients and nutrition in Europe and the U.S. | | Life & Healthcare |

・Display and color former businesses excluded due to limited impact on fiscal 2025 performance

・May not always be consistent with industry trends

*Impact of U.S. tariff policies not included

# Sales, Gross Profit and Operating Income by Quarter

100 millions of yen

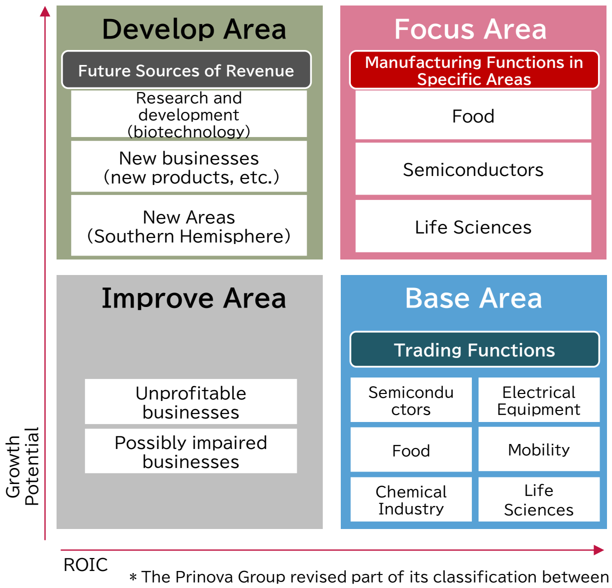
| Quarterly results | | | 1Q | 2Q | 3Q | 4Q | YTD | FY2025 Forecast / FY2024 Actual | Achievement |
|---|---|---|---|---|---|---|---|---|---|
| Sales | | FY2025 | 2,373 | | | | 2,373 | 9,550 | 25% |
| | | FY2024 | 2,392 | 2,417 | 2,370 | 2,269 | 2,392 | 9,449 | |
| | | YoY% | (0.8%) | | | | (0.8%) | 1.1% | |
| Gross profit | | FY2025 | 443 | | | | 443 | 1,810 | 24% |
| | | FY2024 | 437 | 442 | 432 | 420 | 437 | 1,733 | |
| | | YoY% | 1.3% | | | | 1.3% | 4.4% | |
| | <profit ratio> | FY2025 | 18.7% | | | | 18.7% | 19.0% | |
| | | FY2024 | 18.3% | 18.3% | 18.2% | 18.5% | 18.3% | 18.3% | |
| | Manufacturing | FY2025 | 177 | | | | 177 | | |
| | | FY2024 | 168 | 174 | 161 | 165 | 168 | 670 | |
| | Trading | FY2025 | 265 | | | | 265 | | |
| | | FY2024 | 269 | 267 | 270 | 255 | 269 | 1,062 | |
| Operating income | | FY2025 | 102 | | | | 102 | 395 | 26% |
| | | FY2024 | 107 | 103 | 99 | 80 | 107 | 390 | |
| | | YoY% | (4.5%) | | | | (4.5%) | 1.1% | |
| | <profit ratio> | FY2025 | 4.3% | | | | 4.3% | 4.1% | |
| | | FY2024 | 4.5% | 4.3% | 4.2% | 3.6% | 4.5% | 4.1% | |
| | Manufacturing | FY2025 | 34 | | | | 34 | | |
| | | FY2024 | 24 | 16 | 19 | 21 | 24 | 81 | |
| | Trading | FY2025 | 67 | | | | 67 | | |
| | | FY2024 | 83 | 86 | 80 | 59 | 83 | 309 | |

＊Manufacturing figures represent the aggregate totals of manufacturing subsidiaries.
＊Trading figures include the aggregate totals of NAGASE and our sales subsidiaries, as well as Corporate & Others and eliminations
＊The Prinova Group revised part of its classification between cost of goods manufactured and selling, general and administrative expenses during the current fiscal year. See the Contents page for details.

# Growth Strategies for the Future

Make proactive investments in Focus Area of manufacturing (across the three areas of food, semiconductors, and life sciences) to expand profit scale and profit margin over the medium to long term

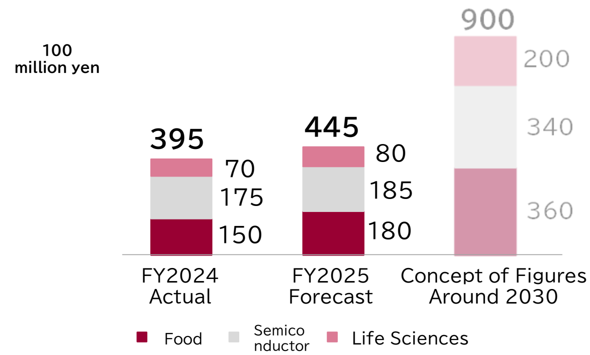
**Potential investments in Focus Area and Develop Area
Approx. 80 billion yen
(M&A and Capital investment)**




**Base Area** Obtain cash and high-value-added information to enhance Focus and Develop Areas

**Develop Area** Take on new challenges in areas that will become future sources of revenue

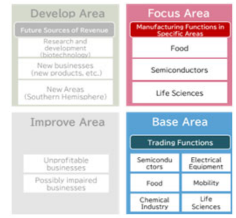
**Focus Area** Nearly double gross profit in focus areas




**Improve Area** Narrowing losses

* The Prinova Group revised part of its classification between cost of goods manufactured and selling, general and administrative expenses during the current fiscal year. See the Contents page for details.

# Efforts in the Food Area -Prinova Group Status-




The growth trend in the sports nutrition market remains unchanged We are proactively advancing efforts to establish a profit-contributing structure at the Utah plant

## Manufacturing

- Work to acquire new customers with our newly expanded product lineup, although it will take time to contribute to profits due to major customers losing market shares
- Develop new categories such as health-conscious consumers

### Product Lines Promoting New Efforts

**Pea Protein**
Soy allergy products

**Beauty**
Health maintenance beauty and wellness

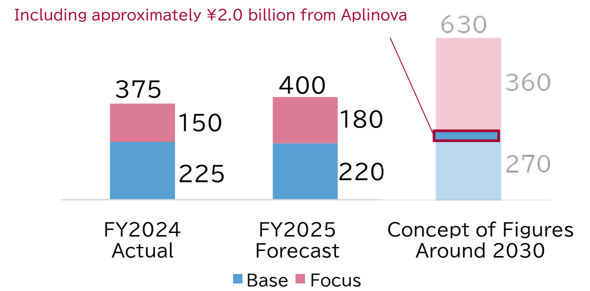
**GREENS**
Vitamins and other nutrients

## Trading

- Expand business in South America and Asia, building on our success in North America and Europe, by leveraging our unique food ingredient procurement capabilities

### NAGASE:Food Gross Profit

(100 million yen)

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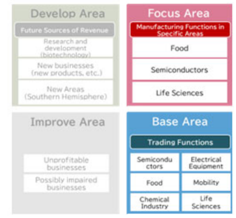
# Efforts in the Semiconductor Area




<u>The Focus Area works to establish a de facto standard in molding compounds for advanced semiconductors, while the Base Area expands commercial rights</u>

## Focus Area

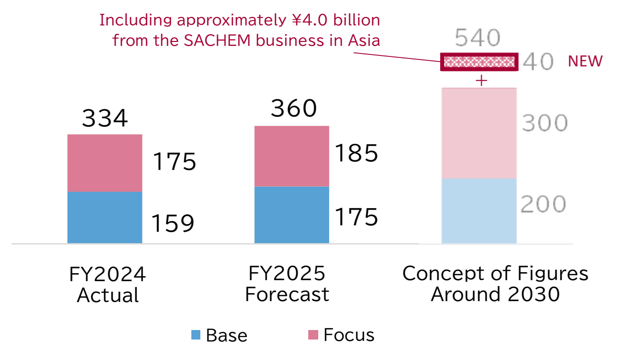
- Establish position as the de facto standard in molding compounds (LMC/a-SMC) for advanced semiconductors
- Promote and expand environmentally friendly proposals with a system that recovers and recycles developers

## Base Area

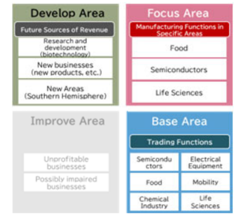
- By serving as a coordinator for Rapidus Corporation, enhance business rights further and leverage them for global expansion
- Strengthen our expertise in chemical handling (transportation, storage, imports and exports) and supply chain management

NAGASE：Semiconductor Gross Profit

(100 million yen)



# Efforts in the Life Science Area




## Decided to add diagnostics business through M&A, Aim to expand business by developing new materials in the Develop Area

### Focus Area

・Expand business in the pharmaceutical and cosmetic fields with Nagase Viita and Nagase ChemteX materials and technologies (e.g., AA2G™, Pullulan, Trehalose SG, and Hesperidin)

### Base Area

・Establish a system to comply with laws and regulations in each country and expand our global network

### Develop Area

・Began mass production of ergothioneine using fermentation technologies

### Acquire Diagnostics and Other Businesses From Asahi Kasei Pharma Corporation

**Focus** Acquire enzyme production business at Ohito Pharmaceutical Plant

**Base** Aim to grow business through overseas sales by expanding product lineup and developing the Asahi Kasei pharma products in Brazil, ASEAN, and India

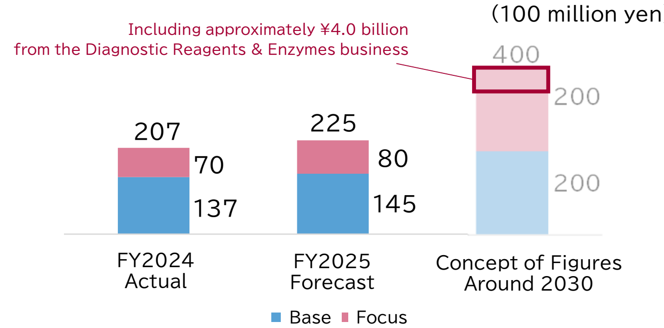
＋

**Develop** Consolidate Nagase Group pharmaceutical-related businesses

Aim for gross profit of ¥4 billion around 2030

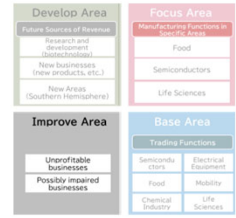
### NAGASE:Life Sciences Gross Profit

(100 million yen)



Review

# Improvement Areas FY2024 Progress

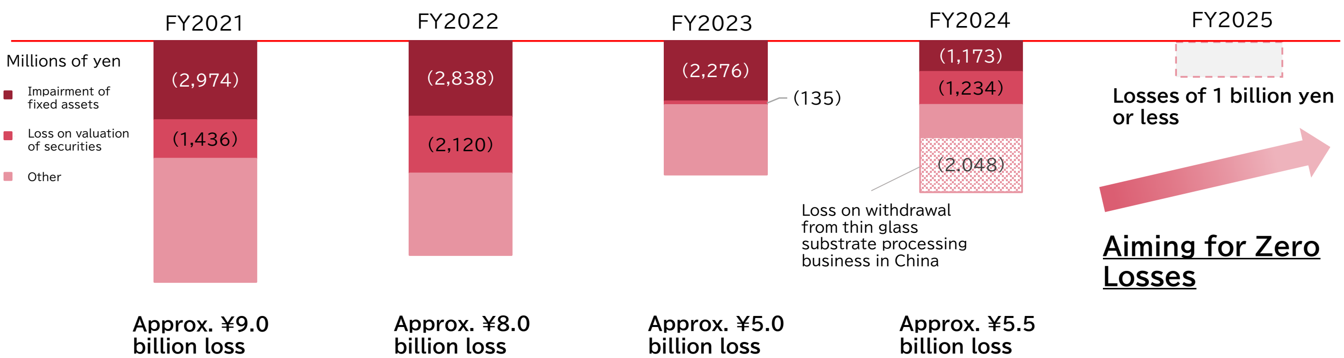



<u>Improved profit margin in FY2024, with operations aimed at achieving zero losses in FY2025 and beyond</u>

## Improvement targets and initiatives

| | |
|---|---|
| 1. Operating loss among subsidiaries and equity in losses of affiliates<br>2. Assets at risk for impairment loss | Develop and implement improvement plans as early as possible.<br>Study withdrawing from businesses not expected to improve. |
| 3. Unprofitable transactions | List and monitor all cases; return rights for businesses not expected to improve |

**【Operating Loss, Loss in Equity, Impairment Loss, and Unprofitable Transactions With Operating Subsidiaries】**



Review

# Cash Allocation in FY2025

Leverage interest-bearing debt to pursue growth investments and shareholder returns

## Cash In

**Asset Replacement**
- Reduce strategic cross-shareholdings, etc.
- Utilize cash and cash equivalents through group-wide cash management

**Expanding Interest-Bearing Debt Financing**
- Obtain financing within a range that allows us to maintain credit ratings


## Cash Out

**Growth Investments**
- Execute announced M&A
- Consider M&A deals in the range of several tens of billions of yen on an ongoing basis
- Strengthen specific functions in the three fields of the Focus areas and acquire missing parts
- Invest in CVC and the Global South in the Develop Area

**Shareholder Returns**
- Continue Increasing Dividends and Achieve a 100% Total Return Ratio
- Control net assets at around ¥400 billion

* Growth investments do not include working capital, DX・R&D expenses etc.

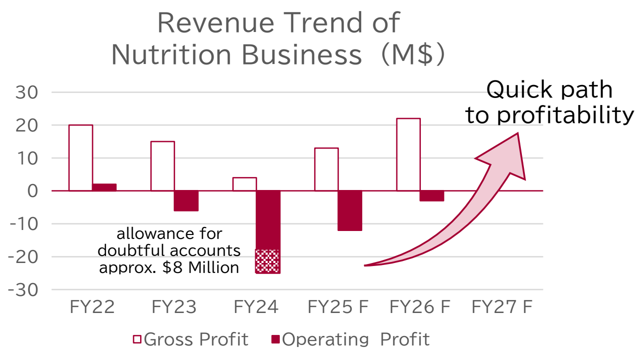
# Prinova Group Business Overview

| | Trading | | Manufacturing･Processing | | |
|---|---|---|---|---|---|
| | Aromas | Ingredients | Solutions | Nutrition | Flavors |
| Value Proposition | Reliable supply of aromas and essential oils to the food and nutrition markets | Distribution of more than 2,000 food ingredients to the food and nutrition market, offering reliable supply, quality and price | Production of premixes, combining a wide range of ingredients to provide solutions that meet customer needs | One-stop-solutions from product planning to manufacturing finished products | Reliable flavors developed by certified flavorists (added-value for Prinova's manufacturing capabilities) |
| Applications, Main Business Major Products | 【Major Products】 Aromas and essential oils | 【Major Products】 Vitamins, amino acids, acidulants, food extracts, sweeteners, umami seasoning, polysaccharides, nutrient enhancers, phosphates | 【Main Business】 Customized powder premixes (amino acid, vitamins and minerals) and liquid premixes | 【Main Business】 Sports nutrition products in the finished form(powder and capsule) with quality assurance and regulatory compliance | 【Examples of Applications】 Confectionery (e.g., gummies, chocolates, candies), beverages (e.g., soft drinks), dairy products (e.g., ice cream, yogurt), baking (enriched flour) |

# TOPICS: Turnaround of Prinova Nutrition*

- Cost reduction through efficiency improvements and top-line growth to drive early profitability in the Nutrition business (Utah and Tennessee factories)
- Recover Operating Profit of Prinova Group to a growth trajectory and reaccelerate profit contribution

*Nutrition business (former Armada business)...Contract manufacturing of sports nutrition products. The company also engages in other manufacturing businesses, including solutions production

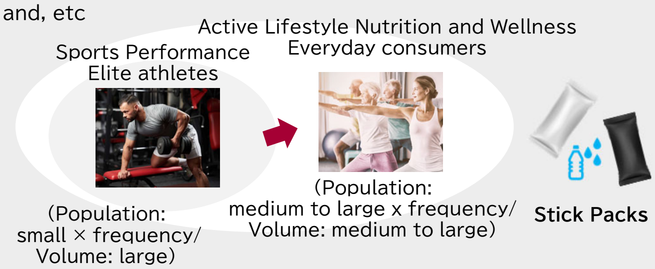



M$

| | FY22 | FY23 | FY24 | (FY25) | (FY26) |
|---|---|---|---|---|---|
| Gross Profit | 20 | 15 | 4 | 13 | 22 |
| Operating Profit | 2 | -6 | -25 | -12 | -3 |

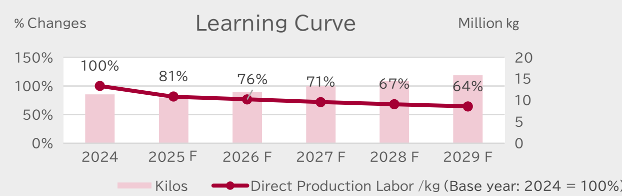
## Top Line Growth

- Revitalize the sales organization under new CEO leadership with rigorous opportunity pipeline management
- Use customer segmentation to prioritize sales priorities, resources and qualify
- Expand target markets to include Active Lifestyle Nutrition and Wellness, in addition to the Sports Performance industry
- Expanded product format offerings, including Stick Packs and, etc




## Cost reduction through efficiency improvements

- Improved production efficiency through Advanced Process Control and full-scale operation of automation equipment introduced in FY2024
- Reduce costs through increased efficiencies




*The Prinova Group revised part of its classification between cost of goods manufactured and selling, general and administrative expenses in in fiscal 2025. Figures reflect this reclassification

Review

# Major Cash Inflows and Outflows for FY2021-FY2024

100 millions of yen

| Cash In | FY2021 | FY2022 | FY2023 | FY2024 | 4-years Cumulative Total | Cash Out | FY2021 | FY2022 | FY2023 | FY2024 | 4-years Cumulative Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Operating CF after adjustments* | 525 | 363 | 476 | 515 | 1,879 | Dividends and share buybacks | 124 | 139 | 178 | 270 | 713 |
| Proceeds from sales of strategic cross-shareholdings, etc. | 92 | 96 | 71 | 35 | 296 | Investment in DX, R&D, etc | 71 | 68 | 78 | 69 | 288 |
| Decrease in working capital | — | — | 330 | — | 330 | Increase in working capital | 631 | 200 | — | 82 | 913 |
| Proceeds from change in interest-bearing debt | 401 | — | — | 96 | 498 | Expenses from change in interest-bearing debt | — | 25 | 234 | — | 260 |
| Other income | 7 | 9 | 9 | 30 | 57 | Other growth investments, etc | 156 | 173 | 188 | 161 | 679 |
| | | | | | | Other expenditures | 25 | 20 | 76 | 29 | 150 |
| Total | 1,026 | 469 | 888 | 678 | 3,062 | Total | 1,008 | 628 | 756 | 613 | 3,005 |

* Operating CF excluding the impact of changes in working capital, DX and R&D costs recorded as expenses, etc.