

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/>)

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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 (-30.3%)

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

(Note) The Company plans to revise certain classifications between cost of sales and selling, general and administrative expenses for the Prinova Group from the beginning of the fiscal year ending March 31, 2026. We calculated percentage change based on figures for the same period of the previous year before reclassification, which do not reflect said reclassification. See *1. Business Performance (4) Future Outlook* for more information on reclassified results for the fiscal year ended March 31, 2025, and a comparison with forecasts for the fiscal year ending March 31, 2026.

* 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)

(Note) For details, please refer to *3. Consolidated Financial Statements and Notes, (5) Notes Related to Consolidated Financial Statements (Changes in the scope of consolidation and application of the equity method)*, on P.16 of this document.

- (2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

- Changes in accordance with revisions to accounting and other standards: Yes
- Changes in items other than (i) above: None
- Changes in accounting estimates: None
- Restatement of prior period financial statements after error corrections: None

(Note) For details, please refer to *3. Consolidated Financial Statements and Notes, (5) Notes Related to Consolidated Financial Statements (Changes in Accounting Policy)*, on P.16 of this document.

- (3) 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
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- 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
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- iii. Average number of shares during the period

March 31, 2025	110,774,626 shares	March 31, 2024	114,911,971 shares
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(Note) The number of treasury shares as of the fiscal period end includes Company shares held by the Stock-Granting Trust for Directors (28,400 shares as of March 31, 2025 and 288,500 shares as of March 31, 2024). Treasury shares deducted from the calculation of the average number of shares during the period includes Company shares held by the Stock-Granting Trust for Directors (284,746 shares as of March 31, 2025 and 289,923 shares as of March 31, 2024).

*** 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.

For matters related to earnings forecasts, please refer to *1. Business Performance, (4) Future Outlook*, on P.5 of this document.

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1. Business Performance

(1) Review of Business Performance

a. General Summary of Results

The global economy remained uncertain during the consolidated fiscal year amid heightened geopolitical risks, trends in monetary policies in major countries, concerns over a slowdown in the Chinese economy, and new trade and tariff policies implemented by the United States.

Looking at the regions where the NAGASE Group operates, in Greater China, supply and demand adjustments in the real estate market have been prolonged, and signs of economic recovery remain sluggish. In the Americas, while prices are showing a stable trend, high interest rates persist, and uncertainty remains regarding the economic outlook. In ASEAN, the economy remains firm, supported by robust domestic and inbound demand. In Japan, although corporate performance and employment remain stable, personal consumption is cautious due to the impact of rising prices, and the pace of economic recovery remains moderate. In all regions, uncertainty remains as U.S. trade and tariff policies may impact the international trade order and supply chains.

In this environment, earnings for the current consolidated fiscal year were as follows.

	(Millions of yen)			
	Prior Consolidated Fiscal Year (March 31, 2024)	Current Consolidated Fiscal Year (March 31, 2025)	Change	Change (%)
Net sales	900,149	944,961	44,811	5.0
Gross profit	164,719	181,291	16,572	10.1
Operating income	30,618	39,078	8,459	27.6
Ordinary income	30,591	38,832	7,791	25.5
Profit before income taxes	32,665	38,130	5,465	16.7
Profit attributable to owners of the parent	22,402	25,521	3,118	13.9

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

b. Segment Summary

The following describes performance by segment.

As of the first quarter of the current consolidated fiscal year, we changed the method of allocating corporate expenses to reflect the performance of reportable segments more appropriately.

*For the details of the business segmentation, please refer to (*Segment Information Etc.*) on P.16 of this document

Functional Materials

	(Millions of yen)			
	Prior Consolidated Fiscal Year (March 31, 2024)	Current Consolidated Fiscal Year (March 31, 2025)	Change	Change (%)
Net sales	146,804	153,746	6,941	4.7
Gross profit	28,123	32,511	4,388	15.6
Operating income	6,158	9,213	3,054	49.6

Gross profit increased mainly due to the following factors.

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

Advanced Materials & Processing

(Millions of yen)

	Prior Consolidated Fiscal Year (March 31, 2024)	Current Consolidated Fiscal Year (March 31, 2025)	Change	Change (%)
Net sales	198,543	210,627	12,084	6.1
Gross profit	23,614	26,179	2,565	10.9
Operating income	5,313	6,684	1,370	25.8

Gross profit increased mainly due to the following factors.

- Resin sales increased due to recovery in demand in the electrical and electronics industry, including office automation equipment
- Sales of industrial hoses and civil engineering pipes increased at Totaku Industries, Inc.

Operating income increased due to an increase in gross profit

Electronics & Energy

(Millions of yen)

	Prior Consolidated Fiscal Year (March 31, 2024)	Current Consolidated Fiscal Year (March 31, 2025)	Change	Change (%)
Net sales	144,758	161,315	16,557	11.4
Gross profit	34,226	40,050	5,824	17.0
Operating income	8,852	12,302	3,450	39.0

Gross profit increased mainly due to the following factors.

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

Operating income increased due to an increase in gross profit.

Mobility

(Millions of yen)

	Prior Consolidated Fiscal Year (March 31, 2024)	Current Consolidated Fiscal Year (March 31, 2025)	Change	Change (%)
Net sales	132,117	132,091	(26)	(0.0)
Gross profit	15,235	16,505	1,270	8.3
Operating income	3,614	4,238	624	17.3

Gross profit increased mainly due to the following factors.

- Resin sales, which account for about half of gross profit, increased due to yen depreciation and rising market prices, despite a decline in volume
- Sales increased for functional materials and functional components for interior and exterior fittings and electrification

Operating income increased due to an increase in gross profit.

Life & Healthcare

(Millions of yen)

	Prior Consolidated Fiscal Year (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)	Change	Change (%)
Net sales	277,779	287,079	9,299	3.3
Gross profit	63,436	66,099	2,662	4.2
Operating income	8,006	3,423	(4,582)	(57.2)

Gross profit increased mainly due to the following factors.

- Sales increased for pharmaceutical raw materials and intermediates
- Sales of Nagase Viita increased overall due to strong sales of food ingredients, despite lower sales of cosmetic materials stemming from sluggish sales overseas
- The Prinova Group saw an increase in food ingredient sales and an improvement in gross profit margin compared to the previous consolidated fiscal year, when market conditions were weak

Operating income decreased, despite an increase in gross profit, mainly due to higher selling, general and administrative expenses stemming from allowance for doubtful accounts and higher personnel expenses at the Prinova Group, which were recorded in the second quarter.

Others

No special matters to disclose.

(2) Review of Financial Position

(Millions of yen)

	Prior Consolidated Fiscal Year (March 31, 2024)	Current Consolidated Fiscal Year (March 31, 2025)	Change	Change (%)
Current assets	542,470	560,126	17,655	3.3
Non-current assets	249,865	248,017	(1,848)	(0.7)
Total assets	792,336	808,143	15,807	2.0
Liabilities	391,021	401,683	10,662	2.7
Net assets	401,315	406,459	5,144	1.3
Shareholders' equity ratio (%)	49.7	49.4	-0.3p	—

- Current assets increased due to an increase in inventories, despite a decrease in accounts receivable, etc.
- Non-current assets decreased due to a decrease in intangible fixed assets and sales of investments in securities despite an increase in property, plant and equipment
- Liabilities increased due to an increase in new long-term loans and new bond issuances despite a decrease due to the repayment of commercial paper and short-term loans
- Net assets increased mainly due to the recording of profit attributable to owners of the parent and an increase in translation adjustments, despite decreases from purchases of treasury stock and payments of dividends
- As a result, the Company recorded a shareholders' equity ratio of 49.4%, down 0.3 points compared to 49.7% from the end of the prior consolidated fiscal year

(3) Summary of Cash Flows

(Millions of yen)

	Prior Consolidated Fiscal Year (March 31, 2024)	Current Consolidated Fiscal Year (March 31, 2025)
Cash flows from operating activities	72,959	36,321
Cash flows from investing activities	(11,627)	(11,615)
Cash flows from financing activities	(48,046)	(18,212)

- Net cash provided by operating activities was mainly the result of ¥38.1 billion income before income taxes and ¥15.3 billion due to depreciation and amortization, offset in part by a ¥8.2 billion decrease in cash due to an increase in working capital, and ¥12.2 billion in income taxes paid
- Net cash used in investing activities was mainly the result of cash outlays of ¥12.5 billion for the purchase of property, plant and equipment and ¥2.6 billion for the purchase of intangible assets, offset in part by ¥3.3 billion in proceeds from the sales of investments in securities
- Net cash used in financing activities was mainly the result of ¥17.5 billion net decrease in commercial papers, cash outlays of ¥17.0 billion due to purchases of treasury stock and ¥10.0 billion due to redemption of bonds, and ¥9.5 billion in dividend payments, offset in part by proceeds from ¥32.0 billion of long-term loans and ¥20.0 billion of bond issuances.

	FYE March 2021	FYE March 2022	FYE March 2023	FYE March 2024	FYE March 2025
Shareholders' equity ratio	51.5%	46.5%	48.2%	49.7%	49.4%
Shareholders' equity ratio based on market value	33.3%	29.5%	31.3%	36.7%	35.6%
Interest-bearing debt to cash flow ratio (years)	5.8	-	19.1	2.3	4.8
Interest coverage ratio (times)	19.1	-	3.1	18.9	9.9

Shareholders' equity ratio: Equity capital/total assets

Shareholders' equity ratio based on market value: Market capitalization/total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt/operating cash flow

Interest coverage ratio: Operating cash flow/interest payments

(Note) 1. Indicators are calculated based on consolidated figures.

2. Market capitalization is calculated using the closing price at the end of the year multiplied by the number of outstanding shares at the end of the year (less treasury stock at cost).
3. Operating cash flow is net cash provided by operating activities as shown in the consolidated statements of cash flows. Interest-bearing debt is all liabilities in the consolidated balance sheets for which interest is payable. Interest payments are the amount of interest paid as presented in the consolidated statements of cash flows.
4. Interest-bearing debt to cash flow ratio or interest coverage ratio are not presented for the fiscal year ended March 31, 2022, as operating cash flow was negative.

(4) Future Outlook

a. Performance Forecast for the Fiscal Year Ending March 2026

The outlook for the business environment surrounding the NAGASE Group in the next fiscal year remains uncertain due to the anticipated impact of U.S. trade and tariff policies and their influence on the global economy, as well as repeated changes in such policies.

Global inflation remains elevated, and geopolitical risks also persist. These factors may adversely affect corporate earnings and personal consumption, raising concerns over the global economic outlook. Observers also expect supply chain restructuring, including a revision in the location of manufacturing bases in response to heightened geopolitical risks, to continue.

Given this environment, we expect many of the business sectors related to the NAGASE Group will perform steadily. We formulated our earnings forecast for the next fiscal year based on the following assumptions. The potential impact of U.S. trade and tariff policies is not included in these assumptions due to the difficulty of making a reasonable estimate.

In our food-related business, we expect recovery at the Prinova Group. Although the food ingredients market is showing no clear signs of bottoming out, we will continue to improve productivity in the Nutrition business (contract manufacturing of sports nutrition). Nagase Viita expects strong sales of food and cosmetic ingredients.

In the semiconductor-related business, sales of modified epoxy resin products by Nagase ChemteX for semiconductors used in AI servers are expected to continue to perform well. The automobile-related business and resin sales are expected to remain generally flat.

These forecasts have been developed based on foreign exchange rates of ¥143 to the U.S. dollar and ¥19 to the RMB.

Further, these forecasts were calculated based on information available at the time and on reasonable determinations of conditions. Actual results may vary significantly due to a variety of factors, including business conditions overseas and in Japan and exchange rate trends. Any issues that require disclosure in the future will be disclosed promptly if important developments relating to our forecasts for the fiscal year occur.

(Millions of yen)

	Net sales	Gross profit	Operating income	Ordinary income	Profit attributable to owners of the parent
FYE March 2026 Forecast	955,000	181,000	39,500	38,500	31,500
FYE March 2025 Actual (Before Reclassification)	944,961	181,291	39,078	38,382	25,521
FYE March 2025 Actual (After Reclassification (Estimate))	944,961	173,291	39,078	38,382	25,521
Change	+1.1%	+4.4%	+1.1%	+0.3%	+23.4%

(Note) The Company plans to revise certain classifications between cost of sales and selling, general and administrative expenses for the Prinova Group from the beginning of the fiscal year ending March 31, 2026. The percentage change reflects a comparison with the reclassified figures for the fiscal year ended March 31, 2025. The figures for the fiscal year ending March 31, 2025 (after reclassification), are estimates and may change in the future.

b. Operating Income Forecast by Segment

(Millions of yen)

	FYE March 2024 Actual	FYE March 2025 Forecast	Change
Functional Materials	9,213	8,800	(4.5%)
Advanced Materials & Processing	6,684	6,900	+3.2%
Electronics & Energy	12,302	12,900	4.9%
Mobility	4,238	4,200	(0.9%)
Life & Healthcare	3,423	7,300	+113.2%
Others	3,215	(600)	-
Total Operating Income	39,078	39,500	+1.1%

(5) Dividend Policy and Dividends for the Fiscal Years Ending March 2025 and 2026

At a meeting held May 8, 2024, the Company's board of directors resolved to revise the Company's shareholder return policy to a 100% total return ratio. This policy represents a limited measure for the two years through fiscal 2025, the final year of our Medium-Term Management Plan ACE 2.0, in order to achieve the ACE 2.0 quantitative ROE target of at least 8.0%.

The Company intends to pay dividends in the same manner as before, following a basic policy of continuing dividend increases in consideration of consolidated earnings and financial structure, while also considering consolidated cash flows and investment conditions. At the same time, the Company will strive to improve profitability and strengthen our corporate structure.

The Company capped the amount of share buybacks at the level of policy holding share sales during the course of ACE 2.0. However, based on the preceding policy, we intend to carry out share buybacks opportunistically and with an eye to efficiency.

The Company plans to pay a year-end dividend of ¥45 per share for the current fiscal year, resulting in an annual dividend of ¥90 per share including the interim dividend. This dividend represents an increase of ¥10 per share compared with the previous fiscal year.

After a comprehensive consideration of our stability and continuity of dividend payments, we forecast a full-year dividend of ¥95 per share for the next fiscal year. This dividend will consist of a ¥45 per share interim dividend and a ¥50 per share year-end dividend.

2. Basic Policy on the Selection of Accounting Standards

The NAGASE Group intends to use Japanese accounting standards for the time being to allow for inter-company comparability.

We have been studying the adoption of International Financial Reporting Standards (IFRS) for some time, and we plan to make the appropriate policy choice in the future, considering external trends and other factors.

3. Consolidated Financial Statements and Notes

(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
Loss on discontinued operations	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

(5) Notes Related to Consolidated Financial Statements

(Assumption for Going Concern)

No matters to report.

(Changes in the scope of consolidation and application of the equity method)

Major changes in the scope of consolidation

(Decrease)

- Nagase Specialty Materials NA LLC (dissolved in an absorption-type merger, in which consolidated subsidiary Nagase America LLC was the surviving company, on April 1, 2024)
- SOFIX LLC (liquidated on December 3, 2024)

Major changes in the scope of application of the equity method

(Decrease)

- Wuxi Chenghong Electronic Chemicals Co., LTD (Due to the partial sale of investment capital on December 11, 2024)

(Changes in Accounting Policy)

(Application of Accounting Standard for Current Income Taxes)

The Company adopted the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; "Revised Accounting Standard 2022") at the beginning of the current consolidated fiscal year.

We recorded revisions related to the classification of income taxes (taxes on other comprehensive income) in accordance with the transitional treatment provided in the proviso of Paragraph 20-3 of the Revised Accounting Standard 2022 and the proviso of Paragraph 65-2(2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; "Revised Guidance 2022"). This change in accounting policy has no impact on our consolidated financial statements.

At the start of the current consolidated fiscal year, the Company adopted Revised Guidance 2022 to revise the treatment in the consolidated financial statements when tax deferrals are applied for gains or losses on the sale of subsidiary company shares, etc., between consolidated companies. We applied this change in accounting policy retrospectively, and we prepared the consolidated financial statements for the previous year on a retrospective basis. Deferred tax assets or liabilities are recorded on the financial statements of the company selling shares of the subsidiary in question for temporary differences related to gains or losses on the sale in question when recording the tax effects in cases where the gain or loss on the sale of subsidiary company shares, etc., between consolidated companies is deferred for tax purposes. In this case, we decided to reverse the deferred tax assets or deferred tax liabilities related to the temporary difference in question, rather than the past treatment in which the amount of deferred tax assets or deferred tax liabilities related to the temporary difference in question was not adjusted in the consolidated financial statements. This change in accounting policy has no impact on our consolidated financial statements.

(Additional Information)

(Stock-Based Compensation Plan)

Effective as of fiscal year ending March 2023, the Company has adopted a stock-based compensation plan ("Plan") for directors (excluding outside directors) and executive officers (collectively, "Eligible Individuals"). The purpose of the Plan is to establish a clear link between compensation for Eligible Individuals and Company performance and share value, as well as for Eligible Individuals to share the benefits and risks associated with fluctuations in NAGASE share price with shareholders. In this way, the NAGASE Group intends to raise awareness about contributing to improved business performance and increased corporate value over the medium to long term.

(1) Overview

The Plan is a stock-based compensation plan under which a trust ("Trust") established by monetary contribution from the Company acquires Company shares. The Company grants points to each Eligible Individual, and the Trust delivers the number of Company shares equivalent to the points earned by each Eligible Individual. In principle, said delivery is made at the time of the retirement the Eligible Individual.

(2) Company shares remaining in the Trust

Company shares remaining in the Trust are recorded as treasury stock under net assets in the balance sheet based on the carrying value in the Trust (excluding incidental expenses). The carrying value and number of said treasury stock amounted to ¥612 million and 288,500 shares at the end of the previous fiscal year and ¥599 million and 282,400 shares at the end of the current consolidated fiscal year.

(Segment Information, etc.)

a. Segment Information

1. Reportable Segments

The Company's reportable segments are those units comprising the NAGASE Group for which separate financial information is available and for which the board of directors makes regular decisions regarding resource allocation and operating performance.

The Company classifies reportable segments according to the location of the business in the value chain and the market(s) targeted. Accordingly, the Company has defined five segment categories: Functional Materials (located at the top of the value chain), Advanced Materials & Processing (located in the next stage of the value chain), Electronics & Energy, Mobility, and Life & Healthcare (functioning in the value chain of their respective industries).

The following describes the major products and services handled by each reportable segment.

The Functional Materials segment is engaged in the sales of paints/inks, dyestuffs, pigments, additives, processed pigments, dispersing elements, functional pigments, thermal paper materials, toner and inkjet materials, materials for adhesives, urethane materials and auxiliary materials, plastic materials, plastic additives, industrial oil solutions, water processing raw materials, surfactant raw materials, fluorochemicals, encapsulant materials, 5G materials, silicone materials, environmental solutions and environment-related commercial products, sintered metal filters, conductive coatings, and more for the paints/inks, dye/additive, resins, urethane foam, organic synthesis, surfactants, electronics chemicals, digital print processing materials, communications equipment, water processing, metal processing, plastic and film processing, stationery, functional film and sheet, hygiene materials, and other industries.

The Advanced Materials & Processing segment is engaged in the sales of thermoplastic resins, thermosetting resins, plastics products, resin molding tools/dies, and more for the office equipment, home appliance, electrical equipment, mobile communications, games, packaging, cosmetics, construction materials, and other industries.

The Electronics & Energy segment is engaged in the sales of formulated epoxy resins, fluorine products, precision abrasives, semiconductor assembly materials and devices, adhesives and encapsulant materials, display panel components and devices, chemical management equipment for display manufacturing processes, low-temperature/vacuum equipment, liquid state analysis equipment, LEDs, 3D printing products, solar panels, and other products for the semiconductor, electronic component, AR/VR, environmental energy, 3D printing, heavy electrical and light electrical, HDD, automotive and aircraft, display, touch panel, housing, lighting, renewable energy, large-scale commercial facility, and other industries.

The Mobility segment is engaged in the sales of plastic products in general, materials for secondary batteries, interior and exterior materials, materials for functional components, products for electrification, sensor components, in-vehicle electronics products, in-vehicle display-related components, self-driving-related products, and other products for the overall mobility industry and related industries.

The Life & Healthcare segment is engaged in the sale of pharmaceutical materials, research products, diagnostics reagents, food ingredients, food additives, processing aids for enzymes, etc., sports nutrition products, nutrient premixes, cosmetic materials, additives for cosmetics, surfactants, and agricultural, fisheries, and livestock-related materials to the pharmaceutical, food and beverage, cosmetics, agricultural, toiletries, and health care, and other industries. The segment offers endotoxin removal and radiation measurement as its main services. In addition, this segment sells cosmetics, health foods, and beauty foods directly to consumers.

2. Net Sales, Income (Loss), Assets, Liabilities, and Other Items by Segment

Accounting treatment in each reportable segment follows the principles and procedures of the accounting treatments used to prepare the Company's consolidated financial statements.

Income in reportable segments is defined as operating income. Intersegment sales/transfers are based on actual market prices.

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

Non-current assets are not allocated to reportable segments. The allocation of related expenses to the relevant segments follows reasonable criteria.

3. Information Related to Net Sales, Income (Loss), Assets, Liabilities, and Other Items by Segment
Prior Consolidated Fiscal Year (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable Segments						Others (Note) 1	Total	Corporate (Note) 2	Adjustments (Note) 3	Consolidated (Note) 4
	Functional Materials	Advanced Materials & Processing	Electronics & Energy	Mobility	Life & Healthcare	Total					
Net sales											
Sales to customers	146,804	198,543	144,758	132,117	277,779	900,003	146	900,149	—	—	900,149
Intersegment sales/transfers	1,709	792	3,068	2,798	471	8,839	7,251	16,090	—	(16,090)	—
Total	148,513	199,335	147,826	134,915	278,251	908,842	7,398	916,240	—	(16,090)	900,149
Segment income (loss)	8,629	6,804	11,327	4,933	10,321	42,016	79	42,095	(12,007)	529	30,618
Segment assets	131,559	104,394	84,087	74,881	245,132	640,056	3,142	643,198	203,748	(54,610)	792,336
Other items											
Depreciation and amortization	916	725	1,803	388	7,291	11,126	18	11,145	2,853	—	13,998
Amortization of goodwill	143	—	54	—	2,429	2,627	—	2,627	—	—	2,627
Unamortized balance of goodwill	1,992	—	444	—	25,447	27,884	—	27,884	—	—	27,884
Investments in equity affiliates	2,649	1,128	2,994	1,332	3,351	11,456	111	11,567	—	(4)	11,563
Increase in property, plant, and equipment and intangible fixed assets	1,262	1,159	3,189	325	4,367	10,304	60	10,364	9,648	—	20,012

(Note) 1. “Others” is a business segment consisting of businesses not included in reportable segments, and includes information processing services and professional services.

2. Corporate segment income (loss) represents expenses not allocated to reportable segments or Others. Segment assets under Corporate are assets not allocable to reportable segments or Others. The reportable segments exclude depreciation and amortization expenses incurred within the Corporate segment. However, we combine depreciation and amortization expenses associated with segments other than Corporate with other expenses and allocate to the reportable segments.

3. Adjustments are eliminations of intersegment transactions.

4. The sum of Segment income (loss) Total, Corporate, and Adjustments is equivalent to operating profit as presented in “Consolidated”.

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

(Millions of yen)

	Reportable Segments						Others (Note) 1	Total	Corporate (Note) 2	Adjustments (Note) 3	Consolidated (Note) 4
	Functional Materials	Advanced Materials & Processing	Electronics & Energy	Mobility	Life & Healthcare	Total					
Net sales											
Sales to customers	153,746	210,627	161,315	132,091	287,079	944,860	101	944,961	—	—	944,961
Intersegment sales/transfers	1,215	783	2,221	2,028	491	6,740	7,046	13,787	—	(13,787)	—
Total	154,962	211,411	163,536	134,120	287,570	951,601	7,147	958,749	—	(13,787)	944,961
Segment income	9,213	6,684	12,302	4,238	3,423	35,862	239	36,102	2,443	533	39,078
Segment assets	123,699	110,117	84,961	68,727	262,916	650,422	3,824	654,246	211,926	(58,029)	808,143
Other items											
Depreciation and amortization	762	778	1,997	228	7,713	11,479	68	11,548	3,781	—	15,329
Amortization of goodwill	151	—	57	—	2,513	2,722	—	2,722	—	—	2,722
Unamortized balance of goodwill	1,819	—	382	—	23,198	25,400	—	25,400	—	—	25,400
Investments in equity affiliates	2,685	1,011	2,765	1,425	3,533	11,422	122	11,544	—	(3)	11,541
Increase in property, plant, and equipment and intangible fixed assets	1,269	1,291	2,811	677	3,987	10,037	439	10,476	5,733	—	16,209

(Note) 1. “Others” is a business segment consisting of businesses not included in reportable segments, and includes information processing services and professional services.

2. Corporate segment income (loss) represents expenses not allocated to reportable segments or Others. Segment assets under Corporate are assets not allocable to reportable segments or Others. The reportable segments exclude depreciation and amortization expenses incurred within the Corporate segment. However, we combine depreciation and amortization expenses associated with segments other than Corporate with other expenses and allocate to the reportable segments.

3. Adjustments are eliminations of intersegment transactions.

4. The sum of Segment income (loss) Total, Corporate, and Adjustments is equivalent to operating profit as presented in “Consolidated”.

b. Other Information

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

1. Products and Services

Omitted, as the same information has been disclosed under Segment Information.

2. Geographical Information

(1) Net sales

Group net sales consist primarily of revenues recognized from contracts with customers. The following provides detail of net sales for each reportable segment, broken down by geographic region.

(Millions of yen)

	Reportable Segments					Others (Note) 3	Total	Composition (%)
	Functional Materials	Advanced Materials & Processing	Electronics & Energy	Mobility	Life & Healthcare			
Japan	64,933	34,694	56,442	42,163	70,490	146	268,872	29.9
Greater China	17,881	96,356	59,803	31,724	3,866	-	209,632	23.3
ASEAN	34,198	60,586	7,403	37,665	6,200	-	146,053	16.2
Americas	22,847	4,509	8,880	18,716	123,756	-	178,710	19.9
Europe	5,899	1,133	4,021	1,562	73,068	-	85,685	9.5
Other	1,044	1,263	8,206	285	396	-	11,196	1.2
Revenues from contracts with customers	146,804	198,543	144,758	132,117	277,779	146	900,149	100.0
Net sales to customers	146,804	198,543	144,758	132,117	277,779	146	900,149	100.0

(Note) 1. Net sales are categorized by country or region, according to the location of the customer.

2. Major countries and regions in each category other than Japan

(1) Greater China..... China, Hong Kong, Taiwan

(2) ASEAN..... Thailand, Vietnam, Indonesia

(3) Americas..... U.S., Mexico

(4) Europe..... U.K., Germany

(5) Other..... Korea

3. "Others" is a business segment consisting of businesses not included in Reportable Segments, and includes information processing services, and professional service

(2) Property, plant and equipment

(Millions of yen)

Japan	Americas	Other	Total
58,943	21,458	6,990	87,392

3. Major Customers

Information not presented here, since no single customer accounts for 10% or more of consolidated net sales.

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

1. Products and Services

Omitted, as the same information has been disclosed under Segment Information.

2. Geographical Information

(1) Net sales

Group net sales consist primarily of revenues recognized from contracts with customers. The following provides detail of net sales for each reportable segment, broken down by geographic region.

(Millions of yen)

	Reportable Segments					Others (Note) 3	Total	Composition (%)
	Functional Materials	Advanced Materials & Processing	Electronics & Energy	Mobility	Life & Healthcare			
Japan	71,237	35,795	56,726	41,574	72,169	101	277,605	29.4
Greater China	19,665	94,774	69,579	28,937	4,561	-	217,517	23.0
ASEAN	31,598	72,465	10,428	38,842	7,257	-	160,593	17.0
Americas	22,767	4,427	10,190	20,910	128,606	-	186,902	19.8
Europe	7,427	1,281	5,351	1,540	74,077	-	89,678	9.5
Other	1,048	1,883	9,038	286	408	-	12,664	1.3
Revenues from contracts with customers	153,746	210,627	161,315	132,091	287,079	101	944,961	100.0
Net sales to customers	153,746	210,627	161,315	132,091	287,079	101	944,961	100.0

(Note) 1. Net sales are categorized by country or region, according to the location of the customer.

2. Major countries and regions in each category other than Japan

(1) Greater China..... China, Hong Kong, Taiwan

(2) ASEAN..... Thailand, Vietnam, Indonesia

(3) Americas..... U.S., Mexico

(4) Europe..... U.K., Germany

(5) Other..... Korea

3. "Others" is a business segment consisting of businesses not included in Reportable Segments, and includes information processing services, and professional service

(2) Property, plant and equipment

(Millions of yen)

Japan	Americas	Other	Total
62,858	21,072	7,740	91,671

3. Major Customers

Information not presented here, since no single customer accounts for 10% or more of consolidated net sales.

c. Impairment Losses of Non-Current Assets for Each Reportable Segment

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

(Millions of yen)

	Reportable Segments						Others	Corporate/ Elimination	Total
	Functional Materials	Advanced Materials & Processing	Electronics & Energy	Mobility	Life & Healthcare	Total			
Impairment loss	2,276	-	-	-	-	2,276	-	-	2,276

(Note) The Functional Materials segment recorded impairment losses of ¥2,276 million for business assets etc. related to color former manufacturing business due to declining profitability. The Company wrote down the book value of these assets to their recoverable amounts.

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

(Millions of yen)

	Reportable Segments						Others	Corporate/ Elimination	Total
	Functional Materials	Advanced Materials & Processing	Electronics & Energy	Mobility	Life & Healthcare	Total			
Impairment loss	-	-	-	-	1,173	1,173	-	-	1,173

(Note) The Life & Healthcare segment recorded impairment losses of ¥1,173 million for goodwill and other assets related to the pharmaceuticals and cosmetic ingredients sales business in the U.S., as the initially expected earnings are no longer deemed achievable. The Company wrote down the book value of these assets to their recoverable amounts.

d. Amortization and Unamortized Balance of Goodwill for Each Reportable Segment

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

Omitted, as the same information has been disclosed under Segment Information.

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

Omitted, as the same information has been disclosed under Segment Information.

e. Information About Gain on Negative Goodwill for Each Reportable Segment

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

No matters to report.

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

No matters to report.

(Per-Share Data)

	Prior Consolidated Fiscal Year (April 1, 2023 - March 31, 2024)	Current Consolidated Fiscal Year (April 1, 2024 - March 31, 2025)
Net assets per share	¥3,463.84	¥3,679.09
Earnings per share	¥194.96	¥230.39

- (Note) 1. Information for diluted earnings per share is not presented, as the Company does not issue any stock with dilutive effects.
2. Shares of the Company held by the Stock-Granting Trust for Directors are recorded as treasury stock under shareholders' equity. These shares are included in treasury stock subtracted from the total number of shares issued as of the end of the fiscal year for calculating net assets per share (288,500 shares in the previous consolidated fiscal year; 282,400 shares in the current consolidated fiscal year). In addition, the aforementioned shares are included in treasury stock subtracted from the calculation of average number of shares during the fiscal period used for calculating earnings per share (289,923 shares in the previous consolidated fiscal year; 284,746 shares in the current consolidated fiscal year).
3. Basic earnings per share calculations are as shown below.

	Prior Consolidated Fiscal Year (April 1, 2023 - March 31, 2024)	Current Consolidated Fiscal Year (April 1, 2024 - March 31, 2025)
Profit attributable to owners of the parent (millions of yen)	22,402	25,521
Profit attributable to common stock owners of the parent (millions of yen)	22,402	25,521
Average number of outstanding shares of common stock (shares)	114,911,971	110,774,626

(Significant Subsequent Events)

(Repurchase of Own Shares)

At a meeting held on May 8, 2025, the Company's board of directors resolved to repurchase its own shares based on the provisions of Article 156 of the Companies Act, applied mutatis mutandis to Article 165, Paragraph 3 of the same Act.

(1) Reasons for the repurchase of own shares

The Company's board of directors, at a meeting held on May 8, 2024, made a resolution to change Shareholder Returns Policy in Medium-Term Management Plan **ACE 2.0**. and to implement a total payout ratio of 100% as a limited measure for the two years until the final year of **ACE 2.0**. Pursuant to this policy, the Company will repurchase its own shares.

(2) Details of shares to be repurchased

a. Class of shares to be repurchased	Common shares
b. Total number of shares that may be repurchased	7,500,000 shares (maximum) (Equivalent to 6.90% of outstanding shares, excluding treasury shares)
c. Total value of shares that may be repurchased	12 billion yen (maximum)
d. Repurchase period	From May 9, 2025 to October 31, 2025
e. Repurchase method	Market purchases

(Cancellation of Own Shares)

At a meeting held May 8, 2025, the Company's board of directors resolved to cancel its own shares based on the provisions of Article 178 of the Companies Act.

a. Class of shares to be cancelled	Common shares
b. Total number of shares that may be cancelled	5,000,000 shares (Equivalent to 4.35% of outstanding shares, including treasury shares)
c. Effective date of the cancellation	May 30, 2025

Reference: Treasury shares held as of April 30, 2025

Total number of shares issued (excluding treasury shares) 108,747,429 shares

Total number of treasury shares 6,160,856 shares

(*) The number of treasury shares as of April 30, 2025 does not include 282,400 Company shares held by the Stock-Granting Trust for Directors.