

Consolidated Financial Statements for the Six Months Ended September 30, 2025 <Under Japanese GAAP>

November 6, 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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Filing of semi-annual securities report (scheduled): November 12, 2025

Start of distribution of dividends (scheduled): December 1, 2025

Supplementary documents of financial results: Yes

Holding of financial results briefing: Yes (for analysts and institutional investors)

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

1. Consolidated Results for the Six Months Ended September 30, 2025 (April 1, 2025 to September 30, 2025)

(1) Consolidated Operating Results

(% = year-on-year change)

	Net sales		Gross profit		Operating income		Ordinary income		Profit attributable to owners of the parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2025	479,734	-0.3	90,913	3.3	21,058	0.0	20,717	2.1	15,089	-5.6
September 30, 2024	480,976	6.8	87,993	—	21,054	45.4	20,297	42.5	15,977	55.9

(Note) 1. Comprehensive income

For the six months ended September 30, 2025: ¥12,825 million (48.5% decrease)

For the six months ended September 30, 2024: ¥24,888 million (20.5% decrease)

2. Due to a change in accounting policy, gross profit for the six months ended September 30, 2024, has been restated retrospectively.

Accordingly, the year-on-year percentage change for the six months is not presented.

	Earnings per share	Earnings per share (diluted)
Six months ended	Yen	Yen
September 30, 2025	141.42	—
September 30, 2024	142.08	—

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2025	812,939	402,045	48.5	3,779.65
March 31, 2025	808,143	406,459	49.4	3,679.09

(Reference) Equity capital

As of September 30, 2025: ¥394,651 million

As of March 31, 2025: ¥399,052 million

2. Dividends

	Annual Dividends per Share				
	1Q	2Q	3Q	Fiscal year end	Annual
For the year ended (or ending)	Yen	Yen	Yen	Yen	Yen
March 2025	—	45.00	—	45.00	90.00
March 2026	—	45.00	—	—	—
March 2026 (forecast)	—	—	—	50.00	95.00

(Notes) Revisions to the latest dividends forecast: No

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
Full fiscal year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	964,000	2.0	183,000	5.6	40,700	4.1	40,600	5.8	31,500	23.4	300.53

(Notes) 1. Revisions to the latest consolidated earnings forecast: Yes

2. Due to a change in accounting policy, the year-on-year percentage change in gross profit is calculated using the retrospectively adjusted figures for the corresponding period of the previous fiscal year.

* Notes

(1) Significant changes in the scope of consolidation during the period: Yes

New: 8 (Company names: APLIQUIMICA APLICACOES QUIMICAS ESPECIAIS LTDA

SACHEM Japan Holding GK

SACHEM Japan GK

SN Tech Corporation

SACHEM Wuxi Co., Ltd.

SACHEM Korea Ltd.

NAGASE WAHLEE INDIA PRIVATE LIMITED

Nagase Diagnostics Co., Ltd.)

Excluded: 1 (Company name: Nagase Abrasive Materials Co., Ltd.)

(2) Application of special accounting methods to the preparation of semi-annual financial statements: Yes

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

i. Changes in accordance with revisions to accounting and other standards: No

ii. Changes in items other than (i) above: Yes

iii. Changes in accounting estimates: Yes

iv. Restatement of prior period financial statements after error corrections: No

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

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

September 30, 2025	109,908,285 shares	March 31, 2025	114,908,285 shares
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ii. Number of treasury stock as of the fiscal period end

September 30, 2025	5,493,637 shares	March 31, 2025	6,443,222 shares
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iii. Average number of shares during the period

September 30, 2025	106,698,407 shares	September 30, 2024	112,455,860 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 (265,800 shares as of September 30, 2025 and 282,400 shares as of March 31, 2025). Treasury stock deducted from the calculation of the average number of shares during the period includes Company shares held by the Stock-Granting Trust for Directors (277,657 shares for the period ended September 30, 2025 and 286,757 shares for the period ended September 30, 2024).

*** Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.**

*** 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.

Semi-Annual Consolidated Financial Statements

(1) Semi-Annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
ASSETS		
Current assets		
Cash and time deposits	66,310	40,663
Notes and accounts receivable and contract assets	311,251	314,585
Merchandise and finished goods	146,834	146,181
Work in process	2,320	2,937
Raw materials and supplies	17,068	15,204
Other	17,387	15,937
Less allowance for doubtful accounts	(1,048)	(1,123)
Total current assets	560,126	534,386
Non-current assets		
Property, plant and equipment	91,671	109,037
Intangible fixed assets		
Goodwill	25,400	32,334
Technology-based assets	1,289	1,125
Other	39,121	36,289
Total intangible fixed assets	65,811	69,748
Investments and other assets		
Investments in securities	72,028	79,502
Long-term loans receivable	1,257	1,247
Retirement benefit asset	6,072	6,162
Deferred tax assets	5,700	5,560
Other	6,653	8,262
Less allowance for doubtful accounts	(1,179)	(969)
Total investments and other assets	90,534	99,766
Total non-current assets	248,017	278,552
Total assets	808,143	812,939

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
LIABILITIES		
Current liabilities		
Notes and accounts payable	151,269	143,249
Short-term loans	42,310	53,623
Current portion of long-term loans	6,039	63
Commercial paper	19,500	29,000
Accrued income taxes	3,753	6,063
Accrued bonuses for employees	8,518	7,817
Accrued bonuses for directors	394	225
Provision for directors' stock benefit	—	21
Provision for loss on business withdrawal	1,917	3,133
Other	35,874	33,467
Total current liabilities	269,576	276,664
Long-term liabilities		
Bonds	40,000	40,000
Long-term loans	53,454	53,419
Lease liabilities	11,471	10,043
Deferred tax liabilities	13,275	15,020
Retirement benefit liability	12,289	12,643
Provision for directors' stock benefit	111	218
Other	1,503	2,884
Total long-term liabilities	132,106	134,229
Total liabilities	401,683	410,893
NET ASSETS		
Shareholders' equity		
Common stock	9,699	9,699
Capital surplus	9,348	9,348
Retained earnings	312,244	307,036
Less treasury stock, at cost	(19,579)	(15,980)
Total shareholders' equity	311,712	310,103
Accumulated other comprehensive income		
Net unrealized holding gain on securities	30,665	35,181
Deferred gain on hedges	6	105
Translation adjustments	56,864	49,262
Remeasurements of defined benefit plans	(196)	(2)
Total accumulated other comprehensive income	87,340	84,547
Non-controlling interests	7,406	7,394
Total net assets	406,459	402,045
Total liabilities and net assets	808,143	812,939

(2) Semi-Annual Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(Semi-Annual Consolidated Statements of Income)

Six-month periods ended September 30, 2025 and 2024

(Millions of yen)

	Six-month period ended September 30, 2024 (April 1, 2024 - September 30, 2024)	Six-month period ended September 30, 2025 (April 1, 2025 - September 30, 2025)
Net sales	480,976	479,734
Cost of sales	392,983	388,821
Gross profit	87,993	90,913
Selling, general and administrative expenses	66,939	69,854
Operating income	21,054	21,058
Non-operating income		
Interest income	557	362
Dividend income	842	1,074
Rent income	162	70
Equity in earnings of affiliates	449	418
Other	121	279
Total non-operating income	2,133	2,205
Non-operating expenses		
Interest expenses	1,935	1,787
Foreign exchange losses	605	160
Other	347	599
Total non-operating expenses	2,889	2,546
Ordinary income	20,297	20,717
Extraordinary gains		
Gain on sales of non-current assets	281	16
Gain on sales of investment securities	2,790	851
Gain on bargain purchase	—	1,780
Subsidy income	257	179
Other	9	—
Total extraordinary gains	3,338	2,827
Extraordinary losses		
Loss on sales of non-current assets	12	12
Loss on disposal of non-current assets	342	64
Loss on sales of investment securities	18	0
Loss on valuation of investment securities	—	162
Loss on business withdrawal	229	1,688
Settlement payments	—	329
Other	29	54
Total extraordinary losses	632	2,312
Income before income taxes	23,004	21,232
Income taxes	6,642	5,781
Profit for the period	16,362	15,451
Profit attributable to non-controlling interests	384	361
Profit attributable to owners of the parent	15,977	15,089

(Semi-Annual Consolidated Statements of Comprehensive Income)

Six-month periods ended September 30, 2025 and 2024

(Millions of yen)

	Six-month period ended September 30, 2024 (April 1, 2024 - September 30, 2024)	Six-month period ended September 30, 2025 (April 1, 2025 - September 30, 2025)
Profit for the period	16,362	15,451
Other comprehensive income		
Net unrealized holding (loss) gain on securities	(4,081)	4,514
Deferred (loss) gain on hedges	(306)	100
Translation adjustments	14,109	(7,353)
Remeasurements of defined benefit plans	(1,233)	194
Share of other comprehensive income (loss) of affiliates accounted for by the equity method	38	(81)
Total other comprehensive income (loss)	8,526	(2,626)
Comprehensive income	24,888	12,825
Comprehensive income attributable to:		
Shareholders of the parent	24,658	12,296
Non-controlling interests	229	528

(3) Semi-Annual Consolidated Statements of Cash Flows

Six-month periods ended September 30, 2025 and 2024

(Millions of yen)

	Six-month period ended September 30, 2024 (April 1, 2024 - September 30, 2024)	Six-month period ended September 30, 2025 (April 1, 2025 - September 30, 2025)
Operating activities		
Income before income taxes	23,004	21,232
Depreciation and amortization other than amortization of goodwill	7,624	7,995
Amortization of goodwill	1,363	1,469
Subsidy income	(257)	(179)
Share of gain of entities accounted for using equity method	(449)	(418)
Loss on business withdrawal	229	1,688
Settlement payments	—	329
Gain on bargain purchase	—	(1,780)
(Decrease) increase in retirement benefit liability	(1,501)	322
(Increase) decrease in retirement benefit asset	(1,674)	74
Interest and dividend income	(1,399)	(1,436)
Interest expenses	1,935	1,787
Exchange loss, net	634	1,397
Gain on sales of investment securities	(2,771)	(850)
Loss on evaluation of investment securities	—	162
Decrease (increase) in notes and accounts receivable	5,459	(1,337)
(Increase) decrease in inventories	(6,003)	2,741
Decrease in notes and accounts payable	(8,328)	(9,288)
Other	940	(2,024)
Subtotal	18,805	21,884
Interest and dividends received	1,751	1,594
Interest paid	(2,009)	(1,745)
Proceeds from subsidy income	257	179
Income taxes paid	(6,841)	(5,635)
Net cash provided by operating activities	11,964	16,277
Investing activities		
Purchases of property, plant and equipment	(6,589)	(12,930)
Proceeds from sales of property, plant and equipment	639	161
Purchases of intangible fixed assets	(605)	(1,951)
Purchases of investments in securities	(451)	(860)
Proceeds from sales of investments in securities	3,279	1,277
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	—	(19,060)
Decrease in short-term loans receivable included in other current assets	229	189
(Increase) in time deposits, net	(6,242)	—
Other	(1,128)	(2,579)
Net cash used in investing activities	(10,869)	(35,754)
Financing activities		
Increase in short-term loans, net	2,240	10,861
(Decrease) increase in commercial paper, net	(3,000)	9,500
Proceeds from long-term loans	7,000	—
Repayments of long-term loans	(1,920)	(5,871)
Purchase of treasury stock	(9,481)	(11,861)
Cash dividends paid	(4,562)	(4,893)
Cash dividends paid to non-controlling interests	(474)	(540)
Other	(880)	(605)
Net cash used in financing activities	(11,077)	(3,410)

(Millions of yen)

	Six-month period ended September 30, 2024 (April 1, 2024 - September 30, 2024)	Six-month period ended September 30, 2025 (April 1, 2025 - September 30, 2025)
Effects of exchange rate changes on cash and cash equivalents	(972)	(2,777)
Net decrease in cash and cash equivalents	(10,955)	(25,664)
Cash and cash equivalents at beginning of the year	59,185	65,903
Cash and cash equivalents at end of the period	48,230	40,238