

May 10, 2022

To Whom It May Concern:

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### Notice Concerning Determination of Non-Financial Goals in Medium-Term Management Plan **ACE 2.0**

To achieve the *Ideal NAGASE* for 2032 (200th anniversary) as business designer that creates a sustainable future, formulated the Medium-Term Management Plan **ACE 2.0** (FY2021 to FY2025), backcasting from the year 2032. Under this plan, we will create both economic value and social value under a *pursuit of quality*.

The NAGASE & CO., LTD. board of directors established non-financial goals (KPIs) for the company to evaluate quantitatively and monitor efforts toward materialities identified for the company to achieve the *Ideal NAGASE*. The company today announced the following decisions regarding these non-financial goals.

#### 1. Determination of non-financial goals (KPIs)

Category	KPIs		
Improve employee engagement*	Target	Group companies	Percentage of companies conducting regular engagement surveys: 100%
		NAGASE (Non-Consolidated)	Total engagement survey score: 60 or better
Carbon neutrality	Target	Consolidated Group	Scope 1,2 reduction: 37% or greater (compared to 2013)
			Reduction through renewable energy generation and purchases: 35,000 tons or more (cumulative)
		NAGASE (Non-Consolidated)	Scope 2 zero emissions

\*Calculated for consolidated subsidiaries, treating the Prinova Group as a single company.

\*FY2021: 41% of group companies conducted a survey (24 companies, including companies conducting one survey only).  
 NAGASE (Non-Consolidated) engagement survey score: 52.4

#### 2. Background behind determination of KPIs

##### Improve employee engagement

The NAGASE Group recognizes that employee engagement is the most important factor in achieving sustainable growth. In this context, the company defines engagement as a relationship between company (organization) and employee built on mutual respect and mutual motivation.

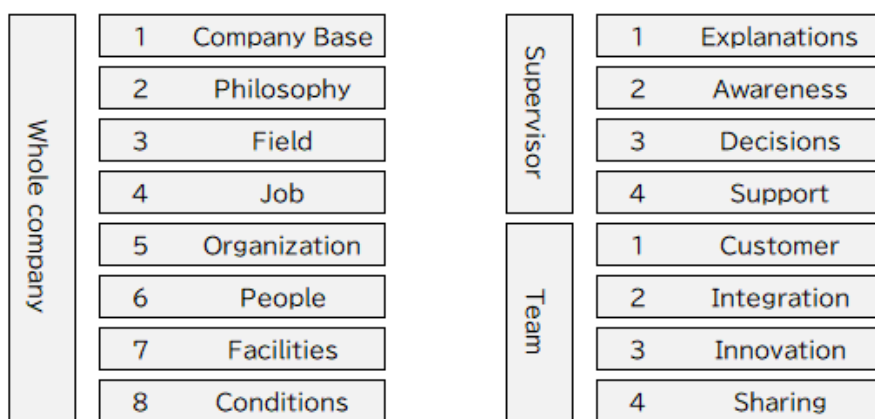
In September 2021, the first year of the Medium-Term Management Plan **ACE 2.0**, NAGASE & CO.,

LTD. conducted an engagement survey across 16 categories: Eight related to the company, four related to supervisors, and four related to the workplace. The survey was designed to identify the state of employee engagement serve as a basis for developing measures to improve engagement. The company established implementation guidelines, including the involvement of top management, independence, and transparency, and will implement these measures throughout the group in a steady and consistent manner.

Carbon neutrality

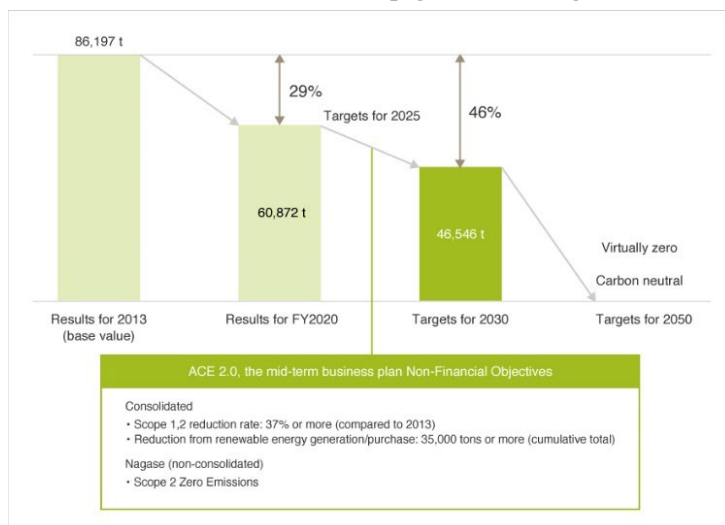
The NAGASE Group identified solving social/environmental issues and globalization as a materiality. The NAGASE Group recognizes that addressing climate change is an important issue, establishing a goal to achieve carbon neutrality (Scope 1 and 2)—meaning net zero GHG emissions by 2050. In addition to trading company functions, the NAGASE Group engages in manufacturing and processing. In this context, the group will endeavor to achieve carbon neutrality by categorizing operations into four quadrants along two axes: trading company/manufacturing and visualization/reduction.

(Reference 1: Employee engagement survey)











Source: Link and Motivation Inc.

(Reference 2: NAGASE Group greenhouse gas emissions (Scope 1 and Scope 2))



(Reference 3: NAGASE Group Value Propositions and Materialities)

To become the *Ideal NAGASE* as a *Business Designer that Creates a Sustainable Future*, the NAGASE Group identified important stakeholders, the value to deliver to each stakeholder, and materialities related to creating this value (see below).

	Delivered Values	Materiality	Related SDGs
<b>Employees</b>	<ul style="list-style-type: none"> <li>• <b>Provide a safe and friendly work environment.</b></li> <li>• <b>Provide a cheerful, happy, and engaging workplace.</b></li> <li>• Create a corporate Group that is a sense of pride for employees and their families.</li> </ul>	<p><b>[Use diverse human resources; offer a workplace environment and corporate culture]</b></p> <ul style="list-style-type: none"> <li>• Use advanced technologies to <b>improve productivity and leverage diverse human resources.</b></li> <li>• Provide a <b>workplace environment</b> and foster a <b>corporate culture</b> as a Group where employees with diverse backgrounds have mutual respect and motivate each other.</li> </ul>	 
<b>Business Partners</b>	<ul style="list-style-type: none"> <li>• <b>Establish a cooperative relationship</b> by <b>gaining deep understanding</b> of business partners, which enables pursuit of a wide range of possibilities.</li> <li>• <b>Provide solutions</b> to issues that need to be tackled throughout the value chain as well as <b>social issues.</b></li> </ul>	<p><b>[Use of state-of-the-art technology to create new value]</b></p> <ul style="list-style-type: none"> <li>• <b>Create new value</b> leveraging advanced technologies and a network of business partners.</li> <li>• <b>Provide a wide range of solutions</b> based on understanding the true causes of the increasingly complex problems of business partners.</li> </ul>	 
<b>Society and Consumers</b>	<ul style="list-style-type: none"> <li>• Contribute to the development of the local community through <b>legal compliance and ethical management.</b></li> <li>• <b>Consider</b> the rights, health and <b>comfort</b> of everyone involved in the supply chain.</li> <li>• Provide products and services towards <b>realization of a sustainable world.</b></li> </ul>	<p><b>[Solving Social and Environmental Issues, and Globalization]</b></p> <ul style="list-style-type: none"> <li>• Solve problems that threaten safety and security, e.g., <b>climate change</b> and food and water shortage.</li> <li>• Contribute to securing and improving <b>food safety</b> by utilizing biotech, AI and other advanced technologies.</li> <li>• Fulfill <b>health maintenance</b> demands due to increasingly aging societies in advanced countries.</li> <li>• Contribute to the acceleration of <b>globalization</b> and solve social issues in each region.</li> </ul>	   
<b>Share holders</b>	<ul style="list-style-type: none"> <li>• Foster trust and a sense of security through a <b>highly transparent management structure</b> and timely and reasonable information disclosure.</li> <li>• <b>Maximize enterprise value by increasing both economic and social value</b> and through continuous business creation.</li> </ul>	<p><b>[Corporate Governance]</b></p> <ul style="list-style-type: none"> <li>• Establish a highly transparent <b>corporate governance</b> system.</li> <li>• Make sustainable <b>improvement of enterprise value</b> by balancing economic value and social value.</li> </ul>	