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February 7, 2024

## Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Under Japanese GAAP)

Company name: NOF CORPORATION  
 Listing: Tokyo Stock Exchange  
 Securities code: 4403  
 URL: <https://www.nof.co.jp/>  
 Representative: Koji Sawamura, President and Chief Executive Officer  
 Inquiries: Hideru Furukawa, Operating Officer, General Manager of Corporate Communications Dept.  
 Telephone: +81-3-5424-6651  
 Scheduled date to file quarterly securities report: February 14, 2024  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: None  
 Holding of quarterly financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
December 31, 2023	160,099	1.4	33,262	9.9	35,733	9.9	26,011	0.6
December 31, 2022	157,813	13.2	30,261	5.7	32,517	8.2	25,851	21.7

Note: Comprehensive income For the nine months ended December 31, 2023: ¥32,506 million [33.8%]  
 For the nine months ended December 31, 2022: ¥24,295 million [4.4%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2023	323.56	–
December 31, 2022	316.68	–

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2023	327,517	257,819	78.5
March 31, 2023	309,438	240,002	77.3

Reference: Equity

As of December 31, 2023: ¥256,950 million  
 As of March 31, 2023: ¥239,176 million

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	–	50.00	–	58.00	108.00
Fiscal year ending March 31, 2024	–	56.00			
Fiscal year ending March 31, 2024 (Forecast)			–	56.00	112.00

Note: Revisions to the forecast of cash dividends most recently announced: None

## 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2024	220,000	1.1	40,000	(1.5)	42,500	(1.6)	32,500	(4.3)	404.01

Note: Revisions to the earnings forecasts most recently announced: None

\* **Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
  - (ii) Changes in accounting policies due to other reasons: None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatement: None

(4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2023	80,841,376 shares
As of March 31, 2023	82,841,376 shares

- (ii) Number of treasury shares at the end of the period

As of December 31, 2023	894,909 shares
As of March 31, 2023	2,053,795 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2023	80,391,712 shares
Nine months ended December 31, 2022	81,631,592 shares

Note: Since the Company introduced “Board Benefit Trust (BBT)” in the fiscal year ended March 31, 2020, the shares of the Company held by the trust are included in the number of treasury shares at the end of the period, and the number of treasury shares excluded from the calculation of the average number of shares outstanding during the period.

- \* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

- \* Proper use of earnings forecasts, and other special matters

(Notes regarding forward-looking statements)

Forward-looking statements including financial results forecasts stated in this material were compiled based on information available to the Company and certain assumptions considered reasonable at the time this material was compiled, and are not meant as a guarantee of the Company achieving such results. Therefore, the actual results, etc., may differ due to various factors. For information on the assumptions of the forecast and notes on the use of the forecast, please refer to “1. Qualitative information on the current quarterly financial results, (3) Explanation on future forecast information including the forecast of consolidated financial results” on page 3 of the attached document.

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# 1. Qualitative information on the current quarterly financial results

## (1) Explanations on operating results

In the first nine months of the current fiscal year (from April 1 to December 31, 2023), the outlook for the global economy remained uncertain, particularly because of the prolonged crisis in Ukraine, US-China rivalry, the increasingly strained situation in the Middle East, elevated prices of raw materials and fuel, and the impacts of persistent global inflation, and monetary tightening. In Japan, the positioning of COVID-19 under the Act on the Prevention of Infectious Diseases and Medical Care for Patients with Infectious Diseases was downgraded to Class V Infectious Disease, and partly as a result of this, social and economic activity began to normalize and there were signs of a gradual recovery, mainly in consumer spending, capital investment, and production activity.

As for the business environment surrounding the Group, even though domestic economic conditions were gradually recovering, the impact of a downturn caused by the prolongation of the slump in the Chinese economy was a cause for concern.

In this business environment, under the three-year 2025 Mid-Term Management Plan that kicked off this fiscal year, and in keeping with the basic policy of “Practice and Breakthrough,” we have been working to address the following challenges: (1) expanding business by seizing market changes as opportunities, (2) accelerating development of new products and techniques, (3) improving productivity, (4) pursuing safety and security, and (5) promoting CSR. We have also made repeated management efforts to develop new markets, expand sales, and reduce production costs with a view to achieving sustainable growth.

As a result of such efforts, net sales for the first nine months of the current fiscal year were 160,099 million yen, up 1.4% year on year. Operating profit increased to 33,262 million yen, up 9.9% year on year, ordinary profit increased to 35,733 million yen, up 9.9% year on year, and profit attributable to owners of parent increased to 26,011 million yen, up 0.6% year on year.

An explanation of results by business segment is as follows.

From the current fiscal year, the name of the reportable segment that was previously shown as “Life Science” was changed to “Pharmaceuticals, Medicals and Health.” In addition, changes have been made to the naming of major products. “edible oils” has been renamed to “processed edible oils and functional food materials” and “functional foods (nutritional food products and health-related products)” has been renamed to “healthcare foods products.”

Also, the consolidated subsidiary NOF EUROPE GmbH was previously included in the Functional Chemicals segment, but owing to a review of the business management category for this subsidiary, it is now shown in the Pharmaceuticals, Medicals and Health segment.

In the year-on-year comparisons provided below, the comparisons are based on figures that were reclassified to reflect the changes to the reportable segments.

### (i) Functional Chemicals

Net sales of fatty acid derivatives decreased due to a decline in demand for environmental energy-related products in Asia.

Net sales of surfactants decreased as a result of a decline in demand for toiletries.

Net sales of ethylene oxide/propylene oxide derivatives decreased due to a decline in demand from overseas.

Net sales of organic peroxides increased due to firm demand in Asia.

Net sales of special anti-corrosion agents increased due to firm demand in the overseas automobile industry.

As a result, net sales of Functional Chemicals were 99,027 million yen, down 2.7% year on year, and operating profit was 16,937 million yen, down 6.8% year on year.

### (ii) Pharmaceuticals, Medicals and Health

Net sales of processed edible oil and functional food materials were flat year on year due to sales prices being revised in response to surging raw material and fuel prices, despite subdued demand for use in confectionery, bread, and processed foods.

Net sales of healthcare foods products rose by virtue of increased demand for health foods.

Net sales of biocompatible materials decreased due to a decline in demand for MPC (2-methacryloyloxyethyl phosphorylcholine) related products.

Net sales of raw materials for DDS (drug delivery system) drug formulations increased due to strong demand in the United States and Europe.

As a result, net sales of Pharmaceuticals, Medicals and Health were 41,675 million yen, up 9.2% year on year, and operating profit was 16,927 million yen, up 23.6% year on year.

(iii) Explosive & Propulsion

Net sales of industrial explosives rose.

Net sales of space-related products increased due to an increase in demand for rocket products.

Net sales of defense-related products increased.

Net sales of functional products were flat year on year.

As a result, net sales of Explosive & Propulsion were 18,942 million yen, up 8.5% year on year, and operating profit was 1,261 million yen (operating loss of 125 million yen for the same period in the previous fiscal year).

(iv) Others

Others consist of transportation and real estate. Net sales of others were 452 million yen, up 13.5% year on year, and operating profit was 184 million yen, down 10.0% year on year.

**(2) Explanation of financial position**

Total assets at the end of the third quarter of the current fiscal year were 327,517 million yen, an increase of 18,078 million yen from the end of the previous fiscal year.

The breakdown of major increases (decreases) in assets includes a decrease in cash and deposits of 9,299 million yen, an increase in inventories of 7,516 million yen, an increase in trade receivables of 5,155 million yen, an increase in property, plant and equipment of 7,585 million yen, and an increase in investment securities of 5,496 million yen.

Liabilities increased by 261 million yen to 69,697 million yen from the end of the previous fiscal year.

The breakdown of major increases (decreases) in liabilities includes an increase in trade payables of 2,730 million yen, an increase in interest-bearing debt of 573 million yen, a decrease of 4,618 million yen in income taxes payable due to payment of income taxes, a decrease of 1,671 million yen in provision for bonuses, and an increase in deferred tax liabilities of 2,081 million yen.

Net assets were 257,819 million yen, an increase of 17,817 million yen from the end of the previous fiscal year.

The breakdown of major increases (decreases) in net assets includes profit attributable to owners of parent of 26,011 million yen, an increase in foreign currency translation adjustment of 2,432 million yen, a decrease from dividends of surplus of 9,192 million yen, a decrease from the purchase of treasury shares of 5,521 million yen, and an increase in valuation difference on available-for-sale securities of 4,001 million yen.

**(3) Explanation on future forecast information including the forecast of consolidated financial results**

There is no change to the revised forecast of consolidated financial results for the full year announced on November 1, 2023 in the notice regarding revision of consolidated earnings forecasts for the fiscal year ending March 31, 2024.

The forecast is based on the information that is available to the Company as of the date of the announcement of this material. Actual results may differ from the forecast due to various factors in the future.

## 2. Quarterly consolidated financial statements and significant notes thereto

### (1) Quarterly consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	92,520	83,220
Notes and accounts receivable - trade, and contract assets	45,971	50,326
Electronically recorded monetary claims - operating	3,014	3,815
Merchandise and finished goods	30,079	32,398
Work in process	3,412	5,673
Raw materials and supplies	16,245	19,181
Other	2,706	3,797
Allowance for doubtful accounts	(199)	(188)
Total current assets	193,750	198,226
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,181	25,065
Land	20,790	20,876
Other, net	19,891	25,506
Total property, plant and equipment	63,863	71,448
Intangible assets		
Other	1,148	1,781
Total intangible assets	1,148	1,781
Investments and other assets		
Investment securities	44,719	50,215
Retirement benefit asset	3,071	3,100
Other	2,944	2,805
Allowance for doubtful accounts	(60)	(60)
Total investments and other assets	50,675	56,060
Total non-current assets	115,688	129,291
Total assets	309,438	327,517
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	18,496	21,189
Electronically recorded obligations - operating	1,230	1,268
Short-term borrowings	2,080	2,106
Current portion of long-term borrowings	150	—
Income taxes payable	8,626	4,008
Provision for bonuses	3,521	1,850
Other	17,492	19,156
Total current liabilities	51,598	49,578
Non-current liabilities		
Long-term borrowings	2,332	2,499
Retirement benefit liability	4,842	4,887
Other	10,662	12,731
Total non-current liabilities	17,837	20,118
Total liabilities	69,436	69,697

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Net assets		
Shareholders' equity		
Share capital	17,742	17,742
Capital surplus	15,052	15,052
Retained earnings	192,092	198,331
Treasury shares	(10,299)	(5,204)
Total shareholders' equity	214,588	225,921
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	21,725	25,726
Foreign currency translation adjustment	2,683	5,116
Remeasurements of defined benefit plans	180	185
Total accumulated other comprehensive income	24,588	31,028
Non-controlling interests	825	869
Total net assets	240,002	257,819
Total liabilities and net assets	309,438	327,517



**(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income**

**(Quarterly consolidated statements of income)**

**(For the nine months period)**

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	157,813	160,099
Cost of sales	101,609	99,669
Gross profit	56,203	60,429
Selling, general and administrative expenses	25,941	27,167
Operating profit	30,261	33,262
Non-operating income		
Interest income	116	222
Dividend income	1,155	1,115
Foreign exchange gains	759	837
Other	476	688
Total non-operating income	2,507	2,863
Non-operating expenses		
Interest expenses	50	92
Rental expenses on real estate	59	58
Expenses for disposal of fixed assets	61	134
Other	81	107
Total non-operating expenses	251	392
Ordinary profit	32,517	35,733
Extraordinary income		
Gain on sale of non-current assets	6	0
Gain on receipt of donated non-current assets	—	411
Gain on sale of investment securities	4,259	786
Gain on extinguishment of tie-in shares	34	—
Total extraordinary income	4,301	1,198
Extraordinary losses		
Loss on sale of non-current assets	0	—
Loss on retirement of non-current assets	15	24
Loss on sale of investment securities	0	7
Total extraordinary losses	16	31
Profit before income taxes	36,802	36,900
Income taxes	10,939	10,864
Profit	25,863	26,035
Profit attributable to non-controlling interests	12	24
Profit attributable to owners of parent	25,851	26,011

**(Quarterly consolidated statements of comprehensive income)**

**(For the nine months period)**

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	25,863	26,035
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,745)	4,003
Foreign currency translation adjustment	3,156	2,462
Remeasurements of defined benefit plans, net of tax	20	4
Total other comprehensive income	(1,568)	6,471
Comprehensive income	24,295	32,506
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	24,178	32,450
Comprehensive income attributable to non-controlling interests	116	56

**(3) Notes on quarterly consolidated financial statements**

**(Notes on going concern assumption)**

None applicable.

**(Notes on substantial changes in the amount of shareholders' equity)**

None applicable.

**(Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements)**

**(Calculation of tax expenses)**

As for tax expenses, the effective tax rate after the application of tax effect accounting to profit before income taxes is reasonably estimated for the consolidated fiscal year, which includes the third quarter of the current fiscal year, and the amount is calculated by multiplying quarterly profit before income taxes by the estimated effective tax rate.

However, for companies whose tax expenses are significantly less reasonable if calculated using the estimated effective tax rate, the amount calculated using the statutory tax rate is recorded.

**(Segment information, etc.)**

I For the nine months ended December 31, 2022 (from April 1, 2022, to December 31, 2022)

## 1. Information about the amounts of net sales and profit or loss by reportable segment

(Millions of yen)

	Reportable segment				Others (Notes) 1.	Total	Adjustment (Notes) 2.	The amount reported on the quarterly consolidated statements of income (Notes) 3.
	Functional Chemicals	Pharmaceuti- cals, Medicals and Health	Explosive & Propulsion	Total				
Net sales								
(1) Sales to external customers	101,783	38,174	17,455	157,414	399	157,813	–	157,813
(2) Intersegment sales or transfers	3,468	795	11	4,275	6,124	10,400	(10,400)	–
Total	105,252	38,970	17,467	161,689	6,523	168,213	(10,400)	157,813
Segment profit (loss)	18,175	13,699	(125)	31,750	204	31,955	(1,693)	30,261

(Notes) 1. The “Others” category consists of business that is not included in reportable segments. It includes transportation, real estate sales, and management services, etc.

2. An adjustment of negative 1,693 million yen in segment profit or loss includes negative 117 million yen eliminated for intersegment transactions, and negative 1,576 million yen for company-wide expenses that is not allocated for each reportable segment. Company-wide expenses mainly include general and administrative expenses that are not attributable to reportable segments.

3. Segment profit (loss) is adjusted with operating income in the quarterly consolidated statements of income.

II. For the nine months ended December 31, 2023 (from April 1, 2023, to December 31, 2023)

## 1. Information about the amounts of net sales and profit or loss by reportable segment

(Millions of yen)

	Reportable segment				Others (Notes) 1.	Total	Adjustment (Notes) 2.	The amount reported on the quarterly consolidated statements of income (Notes) 3.
	Functional Chemicals	Pharmaceuti- cals, Medicals and Health	Explosive & Propulsion	Total				
Net sales								
(1) Sales to external customers	99,027	41,675	18,942	159,646	452	160,099	–	160,099
(2) Intersegment sales or transfers	2,850	651	8	3,510	6,100	9,610	(9,610)	–
Total	101,877	42,327	18,951	163,156	6,553	169,709	(9,610)	160,099
Segment profit	16,937	16,927	1,261	35,125	184	35,310	(2,047)	33,262

(Notes) 1. The “Others” category consists of business that is not included in reportable segments. It includes transportation, real estate sales, and management services, etc.

2. An adjustment of negative 2,047 million yen in segment profit includes 45 million yen eliminated for intersegment transactions, and negative 2,092 million yen for company-wide expenses that is not allocated for each reportable segment. Company-wide expenses mainly include general and administrative expenses that are not attributable to reportable segments.

3. Segment profit is adjusted with operating income in the quarterly consolidated statements of income.

## 2. Matters related to changes to reportable segments, etc.

From the first quarter of the current fiscal year, the name of the reportable segment that was previously shown as “Life Science” was changed to “Pharmaceuticals, Medicals and Health.” Also, the consolidated subsidiary NOF EUROPE GmbH was previously included in the Functional Chemicals segment, but owing to a review of the business management category for this subsidiary, it is now shown in Pharmaceuticals, Medicals and Health. Segment information presented for the first nine months of the previous fiscal year has been prepared using the names and classification method after the changes.

## (Subsequent events)

### Purchase of treasury shares

The Company hereby announces that it has resolved the following matters pertaining to purchase of its treasury shares at its meeting of the Board of Directors held on February 7, 2024, pursuant to provisions of Article 156 of the Companies Act, applied by replacing terms pursuant to provisions of Article 165, paragraph (3) of said Act.

#### 1. Reasons for purchase of treasury shares

The Company recognizes the stable return of profits to its shareholders as an important managerial issue.

For the dividend policy set forth in the Mid-Term Management Plan “NOF VISION 2030 Stage II” (FY2023 to FY2025) that was announced in May 2023, the Company has established a basic policy of maintaining a stable return of profits and set a target level for the total payout ratio of around 50% for the final fiscal year of the current Mid-Term Management Plan (FY2025). Based on this basic policy, the Company has decided to purchase treasury shares.

#### 2. Details of the Board of Directors resolution regarding the purchase

- (1) Class of shares to be purchased: Common shares of the Company
- (2) Total number of shares to be purchased: 400,000 shares (maximum)
- (3) Total purchase price of shares: 2,000,000,000 yen (maximum)
- (4) Period of purchase: From February 8, 2024 through March 31, 2024
- (5) Method of purchase: Open-market purchase on the Tokyo Stock Exchange

### Share split and partial amendment to the Articles of Incorporation

The Company hereby announces that it has resolved to conduct a share split and partially amend the Articles of Incorporation in relation to the share split at its meeting of the Board of Directors held on February 7, 2024.

#### 1. Purpose of share split

Conducting a share split will lower the investment unit price of the Company’s shares, thereby providing a more accessible investment environment to investors. It will also expand the Company’s investor base and enhance the liquidity of the Company’s shares.

#### 2. Overview of share split

##### (1) Method

A 3-for-1 share split of common shares held by the shareholders recorded on the final list of shareholders as of the record date of Sunday, March 31, 2024 (effectively Friday, March 29, 2024 because the record date is a non-business day for the shareholder list manager).

##### (2) Increase in number of shares

Number of outstanding shares before the share split	80,841,376
Increase in number of shares from this share split	161,682,752
Total number of outstanding shares after the share split	242,524,128
Total number of authorized shares after the share split	970,000,000

##### (3) Schedule

Date of public notice on record date	Friday, March 15, 2024 (planned)
Record date	Sunday, March 31, 2024
Effective date	Monday, April 1, 2024

(4) Impact on per share information

Per share information is shown below, based on the assumption that the share split was carried out at the start of the previous fiscal year.

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Basic earnings per share (yen)	105.56	107.85

(Note) Diluted earnings per share is not shown in the table above, as there are no dilutive shares.

3. Partial Amendment to the Articles of Incorporation

(1) Reasons for the amendment

As a result of the share split, the total number of authorized shares stipulated in Article 5 of the Company's Articles of Incorporation will be amended, effective April 1, 2024, pursuant to the provisions of Article 184, paragraph (2) of the Companies Act.

(2) Details of the amendment

The details of the amendment are as follows.

(Amendments are underlined.)

Current Articles of Incorporation	Proposed Amendment
(Total number of authorized shares) Article 5. The total number of authorized shares of the Company is <u>347,000,000</u> .	(Total number of authorized shares) Article 5. The total number of authorized shares of the Company is <u>970,000,000</u> .

4. Other

There will be no change to the amount of the Company's share capital as a result of the share split.