



NOF Group

(Millions of yen)

	91th fiscal year March 2014	92th fiscal year March 2015	93th fiscal year March 2016	94th fiscal year March 2017	95th fiscal year March 2018	96th fiscal year March 2019	97th fiscal year March 2020	98th fiscal year March 2021	99th fiscal year March 2022	100th fiscal year March 2023
Net sales	160,963	167,697	170,460	174,057	179,935	189,152	180,917	172,645	192,642	217,709
Ordinary profit	17,582	18,983	20,161	25,001	27,430	30,099	28,830	28,870	37,624	43,183
Profit attributable to owners of parent	9,737	11,703	13,589	17,586	19,913	22,034	21,140	23,302	26,690	33,973
Comprehensive income	13,905	21,851	10,193	24,126	25,364	19,226	11,810	31,606	28,922	33,389
Net assets	112,622	131,313	135,636	152,564	169,572	178,285	178,716	203,516	221,706	240,002
Total assets	176,700	196,865	196,293	217,127	235,874	244,533	235,248	271,536	289,630	309,438
Net assets per share (Yen)	610.54	724.46	761.25	1,753.44	1,980.14	2,108.77	2,140.98	2,448.60	2,690.65	2,960.56
Basic earnings per share (Yen)	53.10	64.74	76.41	202.27	230.96	259.29	251.72	280.49	323.77	417.02
Diluted earnings per share (Yen)	—	—	—	—	—	—	—	—	—	—
Equity-to-asset ratio (%)	63.32	66.30	68.69	69.90	71.56	72.59	75.64	74.68	76.28	77.29
Rate of return on equity (%)	9.06	9.66	10.24	12.27	12.42	12.73	11.90	12.24	12.60	14.77
Price-earnings ratio (Times)	14.07	13.78	10.44	11.69	13.62	14.54	13.63	20.64	15.50	14.80
Cash flows from operating activities	15,692	14,230	16,906	24,024	20,211	19,864	27,837	30,726	27,393	23,333
Cash flows from investing activities	△8,056	△7,894	△5,408	△5,831	△4,881	△5,540	△4,838	1,894	△8,755	△709
Cash flows from financing activities	△4,292	△4,846	△6,478	△7,512	△8,490	△10,814	△11,287	△8,042	△15,312	△16,170
Cash and cash equivalents	11,788	14,640	18,930	29,215	36,465	39,357	50,684	76,596	81,431	89,081
Number of employees (Number of persons)	3,857	3,791	3,779	3,712	3,721	3,725	3,718	3,755	3,787	3,818

* Diluted earnings per share for the fiscal year have been omitted because there were no potentially dilutive common shares.

* The Company conducted a consolidation of common stock at the ratio of 2 shares to 1 share effective October 1, 2017. Net assets per share and basic earnings per share are calculated based on the assumption that the consolidation was implemented at the beginning of the 94th fiscal year.

* The Company has adopted the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) from the beginning of the 96th fiscal year. Figures regarding the business performance indicators for the 95th fiscal year have been adjusted based on the retrospective adoption of the above standards.

* The Company has introduced the Board Benefit Trust (BBT) in the 97th fiscal year. The Company's shares held by the BBT are included in treasury shares in the consolidated financial statements. Accordingly, in the calculation of the net assets per share, the Company's shares held by the BBT are included in the treasury shares deducted from the total number of shares issued at the end of the fiscal year. In addition, for the calculation of basic earnings per share, the Company shares held by the BBT are included in the treasury shares deducted in the calculation of the average number of common shares during the fiscal year.

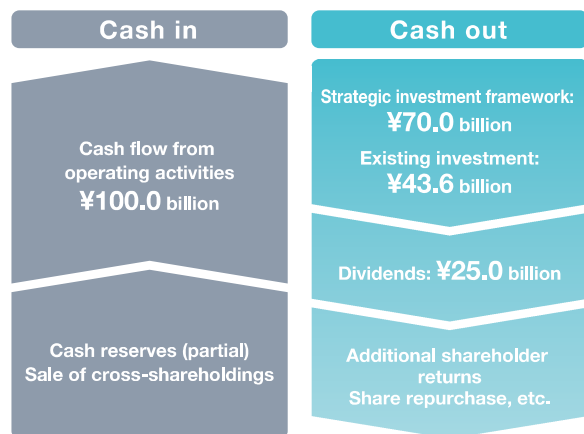
* The Company has adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) from the beginning of the 99th fiscal year.



Cash allocation plan (total from FY2023 to FY2025)

We plan to make strategic investments and existing investments within the limits of our cumulative cash flows from operating activities during the period of the 2025 Mid-term Management Plan as well as our cash reserves, including funds from the sale of cross-shareholdings. We will also distribute profits appropriately while taking into consideration financial soundness and improvement of asset

Cash allocation plan



- Ratio of cross-shareholdings to net assets: 15% or below
- Investments in growing areas and new businesses (production, environment, R&D, human investment)
- Replacement of production facilities of existing businesses, R&D
- Improve profit returns with the total return ratio of 50% as the target level

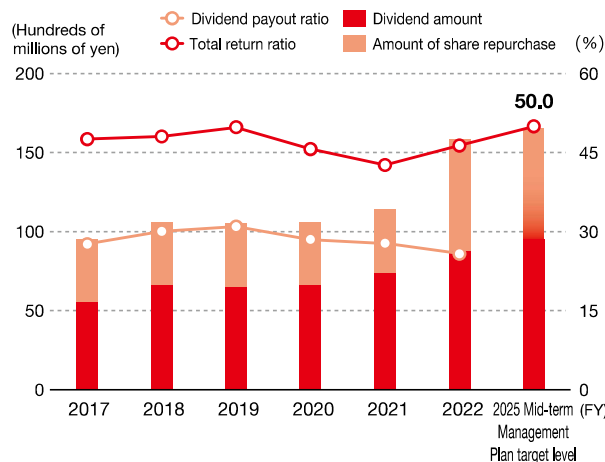
efficiency. We will advance sale of cross-shareholdings with the goal of achieving a ratio of cross-shareholdings to net assets of 15% or less.

Policy on shareholder returns

NOF recognizes that the stable return of profits to shareholders is an important management issue.



Dividend amount / Amount of share repurchase / Dividend payout ratio / Total return ratio



Category	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Annual dividend amount per share (Yen)	64	78	78	80	90	108

We will strive to maintain and improve shareholder returns while maintaining a balance with strategic investments, with an awareness of improving capital efficiency.

We have set the target level for total return ratio at about 50% in our 2025 Mid-term Management Plan, and will pay dividends based on the maintenance of stable profit returns. We will also purchase and retire treasury stock as necessary.

Shareholder dividends for the fiscal year ended March 31, 2023

The year-end dividend for the fiscal year ended March 31, 2023 was ¥58 per share. This, together with the interim dividend, brings the annual dividend for the fiscal year to ¥108 per share.

For the fiscal year ending March 31, 2024, we plan to pay an annual dividend of ¥108 per share (an interim dividend of ¥54 per share and a year-end dividend of ¥54 per share).



The environmental accounting*1 of the Domestic Group in fiscal 2022 is stated below. The period covered is from April 1, 2022 through March 31, 2023.

Environmental expenses		Domestic Group	(Unit: millions of yen)	
Category	Major activities	Investment	Expenses	
(1) Business area expenses	1 Pollution prevention	Strengthening of wastewater treatment/water pollution prevention and air pollution control facilities	458	995
	2 Global environmental protection	Upgrade of equipment with energy-saving measures, replacement of fluorescent lights with LEDs	662	565
	3 Resource recycling	Exhaust heat utilization equipment, industrial waste treatment and recycling expenses	20	984
(2) Upstream/downstream expenses	Reduction in containers and packaging materials	0	2	
(3) Management activity expenses	Environmental audits/improvements/personnel	0	375	
(4) R&D expenses	R&D to curb environmental impact	0	517	
(5) Community activity expenses	Support for regional environmental activities	0	10	
(6) Environmental damage response expenses	—	0	0	
Total**2		1,140	3,448	

Environmental results		NOF Group		
Category	Topic	FY2022	vs. FY2021	
(1) Environmental results from resources used in business activities	Total energy input (thousand GJ)	3,110	-267	
	Total substance input (thousand tons)	236	-25	
	Water resource input (thousand m ³)	8,498	78	
(2) Environmental results from environmental impact and waste materials of business sites	Greenhouse gas emissions (thousand tons of CO ₂)	185	-13	
	Production activities: Energy-related	149	-36	
	Production activities: Other	27	9	
	Transportation-related	10	1	
	Emissions of PRTR Act-controlled substances (tons)	143	-12	
	Plant emission volumes (tons)	25,157	-4,007	
	Final disposal of waste by landfill (tons)	1,095	145	
	Wastewater volume (thousand m ³)	6,421	-221	
	COD emission volumes (tons)	148	-6	
	NOx emission volumes (tons)	55	0	
SOx emission volumes (tons)	7	2		

Real economic effects		Domestic Group	(Unit: millions of yen)	
	Particulars of effects	Amount		
1) Profits	Business income from recycling of waste from main business or recycling of used products, etc.	403		
	Other business income	0		
2) Costs saved	Reduction in energy cost by energy saving	37		
	Reduction in waste disposal ensuing from materials saving or recycling	16		
	Other reductions	7		
Total**2		463		

Changes from the past						
Category	Topic	FY2018	FY2019	FY2020	FY2021	FY2022
Environmental expenses	Investment (million yen)	593	686	1,203	1,300	1,140
	Expenses (million yen)	2,741	2,657	3,136	3,155	3,448
Environmental results from resources used in business activities	Total energy input (thousand GJ)	3,477	3,330	3,247	3,377	3,110
	Total substance input (thousand tons)	273	253	231	261	236
Environmental results from environmental impact and waste materials of business sites	Water resource input (thousand m ³)	8,061	8,232	8,319	8,420	8,498
	Greenhouse gas emissions (thousand tons of CO ₂)	214	205	195	198	185
	Production activities: Energy-related	182	173	167	172	149
	Production activities: Other	23	23	20	18	27
	Transportation-related	9	9	8	9	10
	Emissions of PRTR Act-controlled substances (tons)	177	158	147	155	143
	Plant emission volumes (tons)	30,161	28,446	28,955	29,164	25,157
	Final disposal of waste by landfill (tons)	1,046	1,302	1,588	950	1,095
	Wastewater volume (thousand m ³)	5,954	6,424	6,552	6,642	6,421
	COD emission volumes (tons)	302	441	219	154	148
NOx emission volumes (tons)	64	55	57	55	55	
SOx emission volumes (tons)	7	6	4	5	7	

*1 In business activities, Environmental Accounting is a procedure necessary for communicating quantitatively the results based on costs and effects for the environmental conservation activities by the monetary unit or material quantity. The purpose of this is to efficiently and effectively promote the initiatives for environment conservation, while keeping a good relationship with society.

*2 Rounding of fractions may sometimes make the total inconsistent with individual figures.