

Presentation Material

Financial Results

For the Second Quarter Ended September 30, 2021

November 17, 2021

 **NOF CORPORATION**

Agenda

1. Financial Results for the Second Quarter Ended September 30, 2021
2. Full Year Forecast for the Fiscal Year Ending March 31, 2022

Comparative Income Statement(Consolidated)

[¥100 million]

	FY2020-2Q	FY2021-2Q	Increase(Decrease)	
	Apr-Sep	Apr-Sep	Amount	%
Net sales	760	901	141	18.5%
Gross profit	247	346	98	39.7%
% of Net Sales	32.5%	38.4%		
SG&A ^{*1}	150	161	11	
Operating income	98	185	87	89.4%
% of Net Sales	12.9%	20.5%		
Non-operating income/loss	8	7	(1)	
Ordinary income	106	193	87	81.8%
Extraordinary income/loss	(0)	0	0	
Net income before taxes and other adjustments	106	193	87	82.2%
Taxes and other adjustments	37	59	22	
Net income ^{*2}	69	133	65	94.6%

*1 SG&A=Selling, general and administrative expenses

*2 Net income=Net income attributable to owners of parent

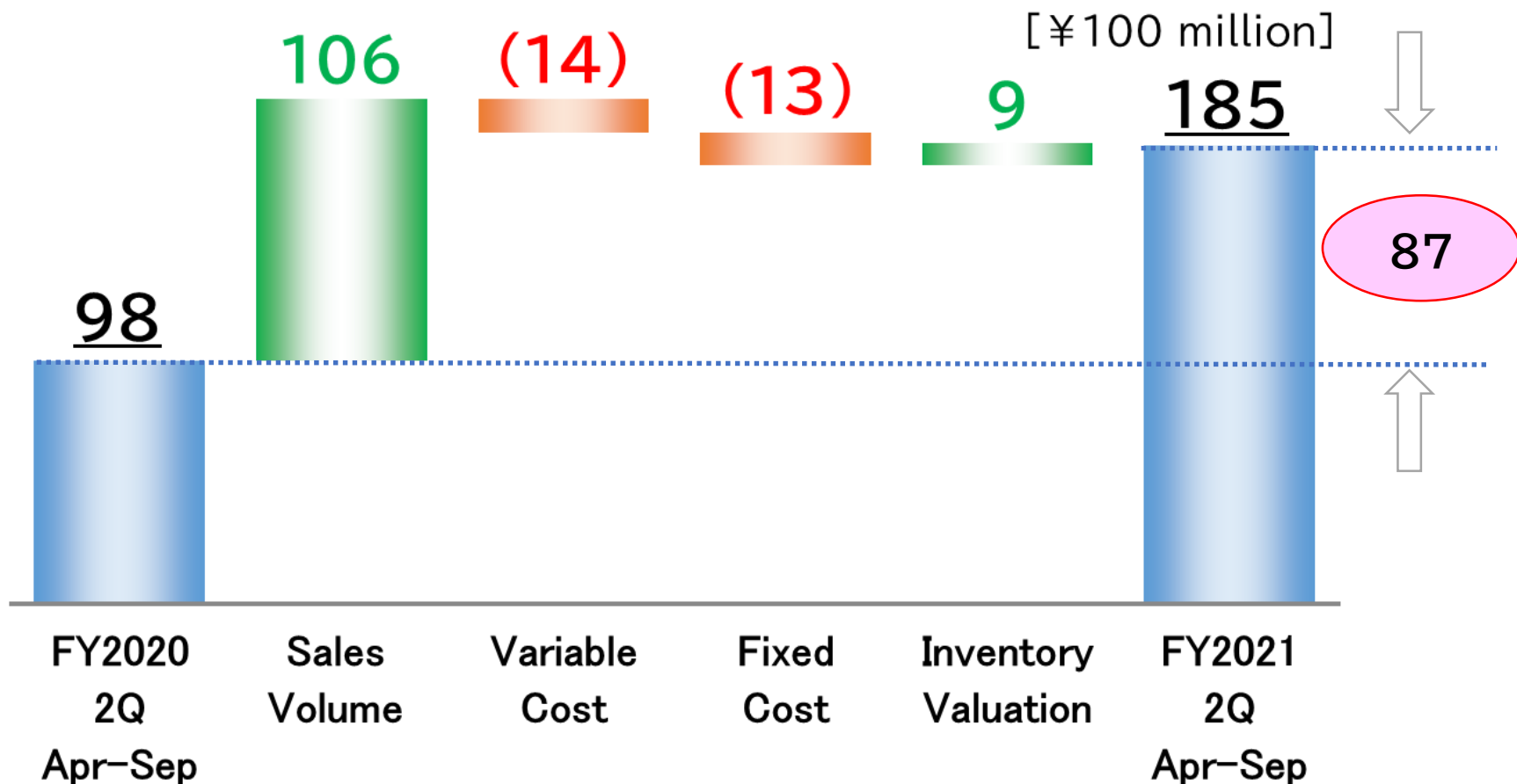
Financial Results by Segment(Consolidated)

[¥100 million]

		FY2020-2Q	FY2021-2Q	Increase(Decrease)	
		Apr-Sep	Apr-Sep	Amount	%
Functional Chemicals	Net sales	496	621	125	25.2%
	Op.income*	61	111	50	82.8%
Life Science	Net sales	146	171	26	17.6%
	Op.income*	41	82	41	98.8%
Explosives & Propulsion	Net sales	111	106	(5)	(4.1%)
	Op.income*	3	(0)	(3)	—
Others	Net sales	7	2	(5)	(67.7%)
	Op.income*	(7)	(8)	(1)	—
Total	Net sales	760	901	141	18.5%
	Op.income*	98	185	87	89.4%

* Op.income=Operating income

Changes in operating income (2Q FY2021 Actual vs. 2Q FY2020 Actual)



Changes in operating income by Segment (2Q FY2021 Actual vs. 2Q FY2020 Actual)

[¥100 million]

	FY2020 -2Q Apr-Sep	Changes				Total	FY2021 -2Q Apr-Sep
		Sales Volume	Variable Cost	Fixed Cost	Inventory Valuation		
Functional Chemicals	61	59	(9)	(8)	8	50	111
Life Science	41	51	(6)	(3)	(2)	41	82
Explosives & Propulsion	3	(5)	(0)	(0)	2	(3)	(0)
Others	(7)	1	—	(1)	—	(1)	(8)
Total	98	106	(14)	(13)	9	87	185

Comparative Balance Sheets(Consolidated)

[¥100 million]

	Mar. 31 2021	Sep. 30 2021	Increase (Decrease)		Mar. 31 2021	Sep. 30 2021	Increase (Decrease)
Cash and time deposits	787	824	37	Notes and accounts payable	179	172	(7)
Notes and accounts receivable	420	368	(52)	Interest-bearing debt	99	99	(1)
Inventories	323	390	67	Deferred tax liabilities	106	114	8
Other current assets	22	24	2	Other liabilities	295	270	(25)
Property, plant and equipment and Intangible assets	632	634	2	Total Liabilities	680	655	(25)
Investments securities	477	501	24	Total shareholder's equity	1,797	1,873	76
Other long-term assets	54	55	0	Accumulated other comprehensive income	231	259	28
				Non-controlling interests	7	7	0
				Total Net Assets	2,035	2,140	105
Total Assets	2,715	2,795	80	Total Liabilities and Total Net Assets	2,715	2,795	80

Statements of Cash Flows(Consolidated)

[¥100 million]

	FY2020-2Q Apr-Sep	FY2021-2Q Apr-Sep
1. Cash flows from operating activities	124	132
2. Cash flows from investing activities	(33)	(45)
3. Cash flows from financing activities	(33)	(59)
Increase(Decrease) in borrowing	1	(1)
Purchase of treasury stock	—	(24)
Cash dividends paid	(32)	(34)
others	(1)	(0)
4. Others	10	8
Total of 1~4	69	36
5. Cash and cash equivalents at end of period	575	802
Free Cash Flow	91	88

Financial indicators

		FY2020-2Q Apr-Sep	FY2021-2Q Apr-Sep	Increase (Decrease)
Ratio of operating income to net sales	[%]	12.9	20.5	7.6
Ratio of ordinary income to net sales	[%]	13.9	21.4	7.5
Debt to Equity ratio	[X]	0.05	0.05	(0.00)
Net income attributable to owners of parent per share	[¥]	82.5	161.6	79.1
Net assets per share	[¥]	2,264.9	2,587.7	322.8
Closing stock price (Year ended Sep 30,2021)	[¥]	4,140	6,320	
cf. Nikkei stock average		23,185	29,453	
Price book-value ratio	[X]	1.83	2.44	0.61

Expected business environment in FY2021

- ◆ Normalization of global economic activity by the spread of vaccination
- ◆ Risk factors
 - Rising raw material and fuel prices
 - Insufficient supply of semiconductors

		FY2020 Actual	FY2021 Forecast May.12	FY2021 Forecast Nov.4
Palm oil (FOB Malaysia)	USD/MT	617	820	1,020
Domestically produced naphtha	JPY/KL	31,300	44,000	50,000
Exchange rates	JPY/USD	106	105	110
	JPY/EUR	123	125	130

Full Year Revised Forecast for FY2021

[¥100 million]

	FY2020 Actual	FY2021 Forecast May.12	FY2021 Forecast Nov.4	Increase(Decrease)	
				Amount	%
Net sales	1,726	1,750	1,870	120	6.9%
Operating income	266	265	335	70	26.4%
% of Net Sales	15.4%	15.1%	17.9%		
Ordinary income	289	270	345	75	27.8%
Net income*	233	194	231	37	19.1%
Net income per share	¥280.5	¥235.8	¥280.1	¥44.3	

* Net income = Net income attributable to owners of parent

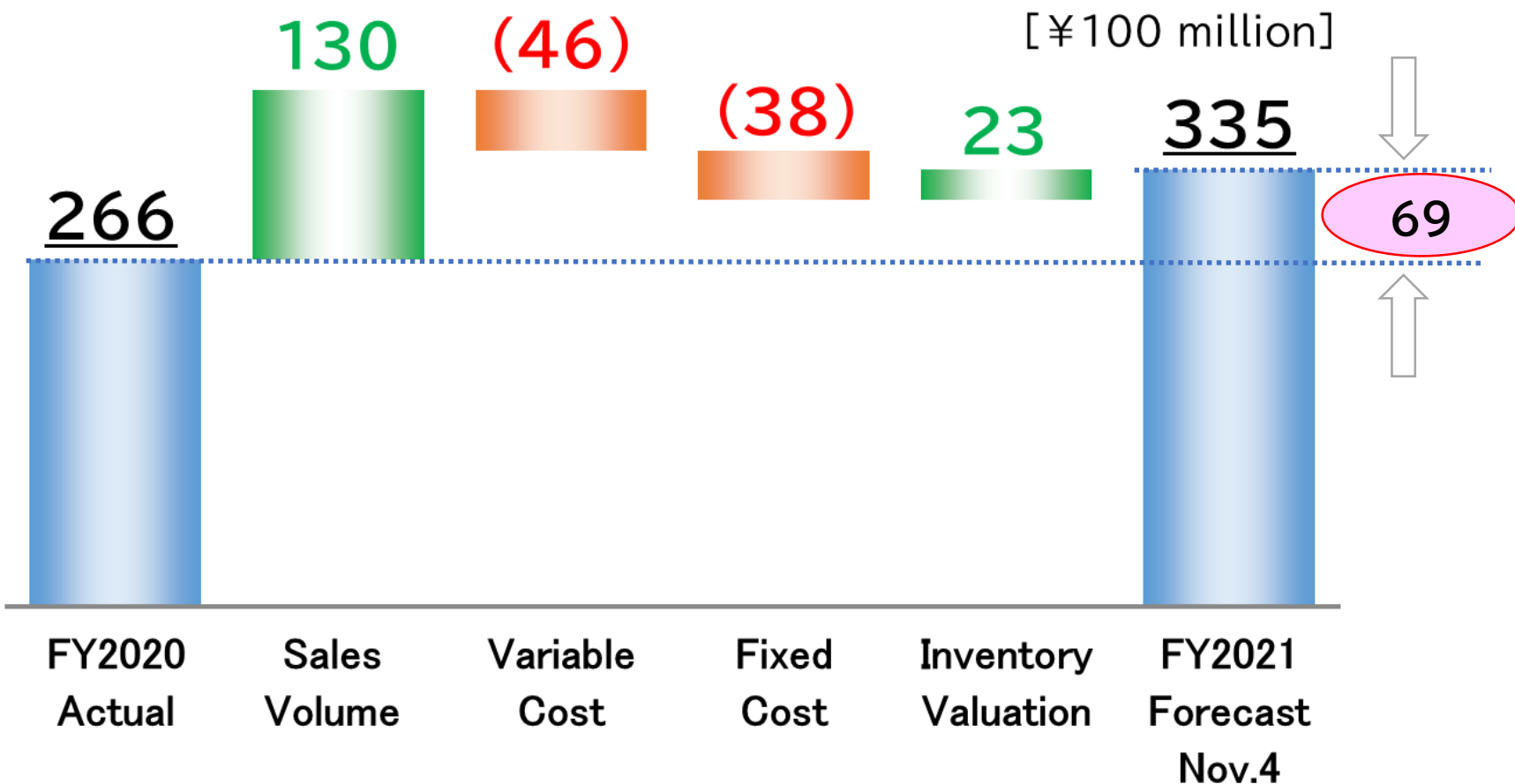
Revised Forecast by Segment(Consolidated)

[¥100 million]

		FY2020 Actual	FY2021 Forecast May.12	FY2021 Forecast Nov.4	Increase(Decrease)	
					Amount	%
Functional Chemicals	Net sales	1,098	1,126	1,227	101	9.0%
	Op.income*	157	171	195	24	14.0%
Life Science	Net sales	312	314	340	26	8.3%
	Op.income*	103	99	144	45	45.5%
Explosives & Propulsion	Net sales	301	306	299	(7)	(2.3%)
	Op.income*	20	14	15	1	7.1%
Others	Net sales	15	4	4	0	0.0%
	Op.income*	(14)	(19)	(19)	0	—
Total	Net sales	1,726	1,750	1,870	120	6.9%
	Op.income*	266	265	335	70	26.4%

* Op.income=Operating income

Changes in operating income (FY 2021 Forecast Nov.4 vs. FY 2020 Actual)



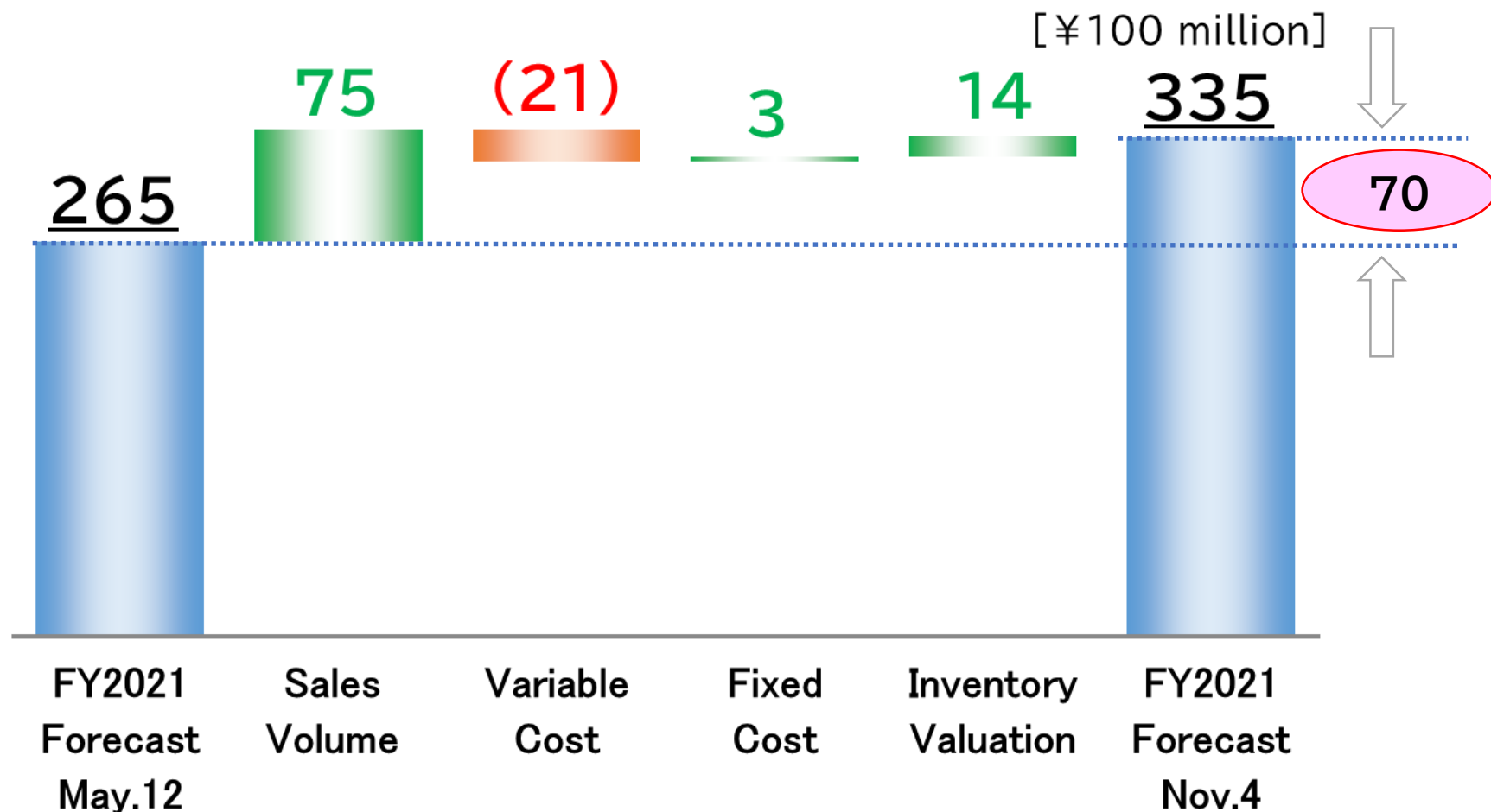
Changes in operating income by Segment (FY 2021 Forecast Nov.4 vs. FY 2020 Actual)

[¥100 million]

	FY2020 Actual	Changes				Total	FY2021 Forecast Nov.4
		Sales Volume	Variable Cost	Fixed Cost	Inventory Valuation		
Functional Chemicals	157	69	(30)	(19)	19	38	195
Life Science	103	60	(15)	(9)	4	41	144
Explosives & Propulsion	20	(1)	(1)	(3)	(1)	(5)	15
Others	(14)	1	—	(7)	—	(5)	(19)
Total	266	130	(46)	(38)	23	69	335

Changes in operating income

(FY 2021 Forecast Nov.4 vs. FY 2021 Forecast May.12)



Changes in operating income by Segment

(FY 2021 Forecast Nov.4 vs. FY 2021 Forecast May.12)

[¥100 million]

	FY2021 Forecast May.12	Changes				Total	FY2021 Forecast Nov.4
		Sales Volume	Variable Cost	Fixed Cost	Inventory Valuation		
Functional Chemicals	171	30	(12)	(4)	11	24	195
Life Science	99	45	(9)	7	1	45	144
Explosives & Propulsion	14	(1)	(1)	0	2	1	15
Others	(19)	0	—	(0)	—	(0)	(19)
Total	265	75	(21)	3	14	70	335

Dividend revised forecast for FY2021

- ◆ Annual dividend per share forecast rises from ¥80 to ¥86.

Dividend per share	FY2020 Actual	FY2021 Forecast May.12	FY2021 Forecast Nov.4	Increase (Decrease)
Interim dividend	¥39	¥40	¥43	¥3
Year-end dividend	¥41	¥40	¥43	¥3
Annual dividend	¥80	¥80	¥86	¥6

- This material is intended to provide an explanation of the company and its business, not to induce investment or any other action.
- The results 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.
- Please be aware that decisions regarding investments are the responsibility of the users themselves.
- Please note that, in this material, amounts less than ¥100 million have been rounded off.

Contact us : NOF CORPORATION Finance Dept. IR Office
Address : 20-3,EBISU 4-CHOME,SHIBUYA-KU,TOKYO 150-6019
E - m a i l : iroffice@nof.co.jp
Homepage : <http://www.nof.co.jp>