

Presentation Material

2028 Mid-term Management Plan NOF VISION 2030

May 22, 2026

 **NOF CORPORATION**

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Basic Policy and Targets
Targets by Segment
Topic

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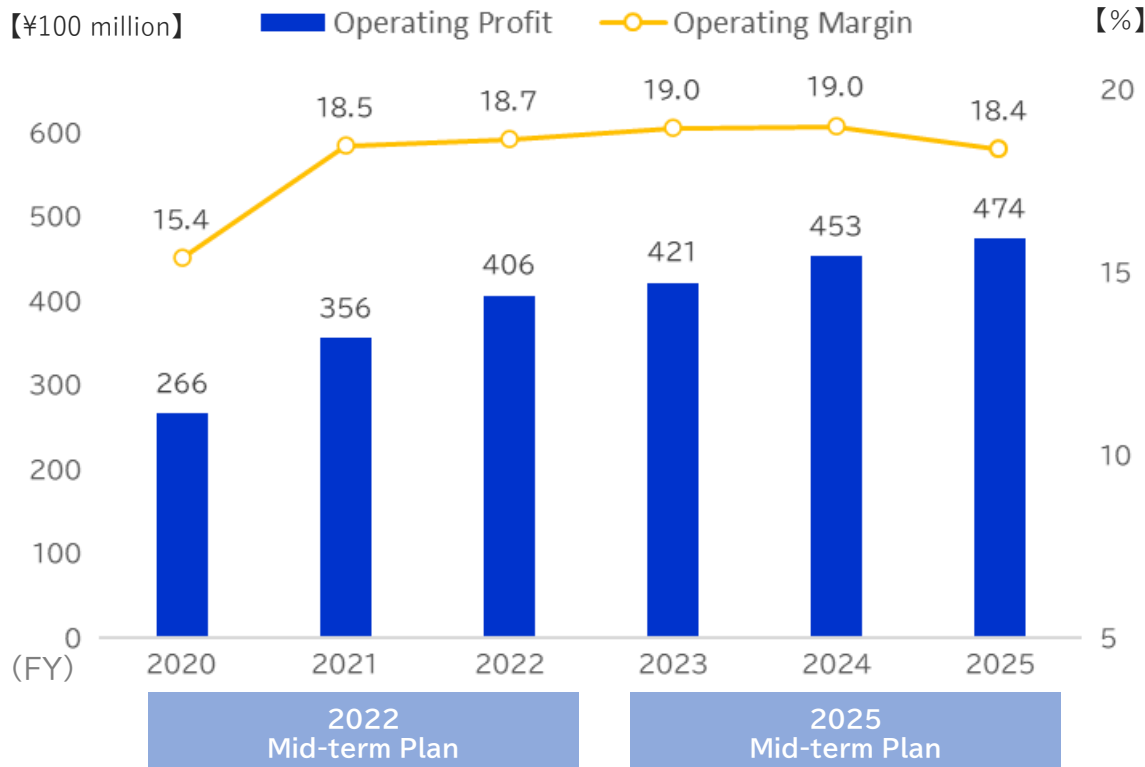
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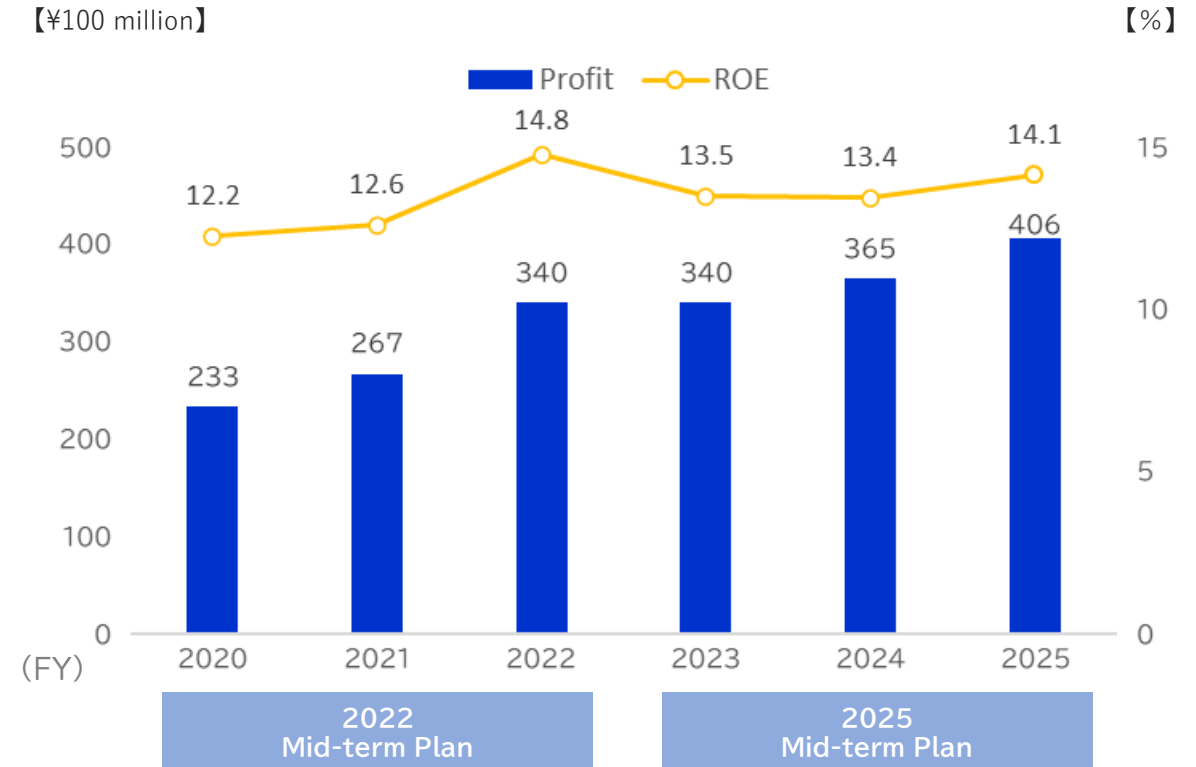
Management Indicators (related to Operating Profit and ROE)

- ◆ Although the Pharmaceuticals, Medicals and Health Segment was affected by a temporary decline in demand for raw materials for DDS, steady profit growth was achieved due to growth in the cosmetics-related and automotive-related businesses of the Functional Chemicals Segment, as well as the defense-related business of the Explosives & Propulsion Segment.

Operating profit/Margin Trend



ROE/Profit Trend



Summary of Management Indicators

- ◆ Achieve the operating profit target under the 2025 Mid-term Management Plan.
- ◆ Actively return profits to shareholders with a focus on improving capital efficiency, while pursuing strategic investments in facilities (such as for existing business expansion and environmental initiatives) and R&D to create new businesses.

【¥100 million,%】

	FY2025 Plan (2025 Mid-term Plan)	FY2025 Actual
Operating profit	460	474
Operating margin	18 or more	18.4
R O E (Return on equity)	12 or more	14.1
Capital expenditures *1	695	715
R&D expenses*1	256	233
Total return ratio*2	About 50%	71.3

*1 Cumulative total for the 2025 Mid-term Plan period, on an acceptance basis.

*2 The total return ratio for FY2025 includes the ¥5 billion share repurchase announced on May 11, 2026.

Financial results by segment



- ◆ Overperformance of Functional Chemicals Segment and Explosives & Propulsion Segment
- ◆ Underperformance of Pharmaceuticals, Medicals & Health Segment

【¥100million】

		FY2025 Plan (2025 Mid-Term Plan) (1)	FY2025 Actual (2)	Difference (2)–(1)	Key Differences
Functional Chemicals	Net sales	1,566	1,458	(108)	<ul style="list-style-type: none"> • Underperformance of fatty acid derivatives and organic peroxides • Overperformance of cosmetics-related products and special anti-corrosion coatings
	Op.profit*	261	268	7	
Pharmaceuticals, Medicals and Health	Net sales	581	499	(82)	<ul style="list-style-type: none"> • Underperformance of raw materials for DDS
	Op.profit*	204	158	(46)	
Explosives & Propulsion	Net sales	398	617	219	<ul style="list-style-type: none"> • Overperformance of defense-related products
	Op.profit*	32	80	48	
Others	Net sales	5	6	1	
	Op.profit*	(37)	(32)	5	
Total	Net sales	2,550	2,580	30	
	Op.profit*	460	474	14	

* Op.profit=Operating profit

Strategic Investments

【¥100million】

<u>Strategic investments</u>	2025 Mid-term Plan (Plan Total)	2025 Mid-term Plan (Actual Total)
Production	479	484
Environment	21	11
R&D	87	58
Human investment	86	50
Total	673	604

- ◆ Although some projects were revised or unexecuted due to changes in the business environment, we executed unplanned capital expenditures associated with defense-related Rapid Acquisition.
- ◆ Some unexecuted projects will continue to be reviewed under the 2028 Mid-term Management Plan.

(Reference)Capital expenditures・R&D Expenses

(Total of Strategic and Existing Investments)

【¥100million】

<u>Capital expenditures</u>	2025 Mid-term Plan (Plan Total)	2025 Mid-term Plan (Actual Total)
Capital expenditures ^{※1}	695	715
Depreciation & amortization	228	370

※1 Acceptance basis

【¥100million】

<u>R&D Expenses</u>	2025 Mid-term Plan (Plan Total)	2025 Mid-term Plan (Actual Total)
Functional Chemicals	106	113
Pharmaceuticals, Medicals and Health	59	53
Explosives & Propulsion	46	37
Others ^{※2}	45	29
Total	256	233

※2 Including industry-academia collaboration and collaboration with start up companies

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NOF's Philosophy

Corporate Philosophy

Contributing to humanity and society as a corporate group that creates new value through the power of chemistry, “from the biosphere to outer space”

Under the business slogan “From the Biosphere to Outer Space,” we will strengthen our unity for the future, aim to improve our business performance, and seek to contribute to the development of humanity and society as a chemical company with our basic policy to live in harmony with society by paying close attention to environmental protection and safety.

Values

The following three Values are prioritized by the NOF Group as we put the Corporate Philosophy into practice.

Challenge

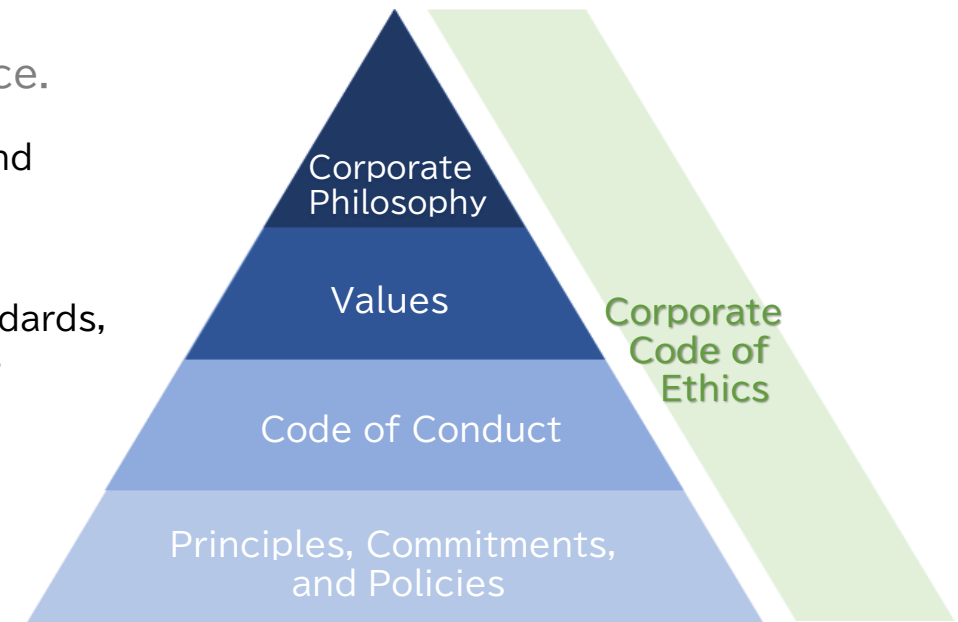
We continue to grow into our best selves through collaboration and mutual inspiration, undauntedly adapt to new realities, and tirelessly pioneer new frontiers.

Fairness

As responsible members of society, we maintain high ethical standards, act in good faith, and cultivate a corporate culture that embraces diverse values.

Harmony

We join forces to build a sustainable future in harmony with the global environment while keeping in mind safety and mutual respect.

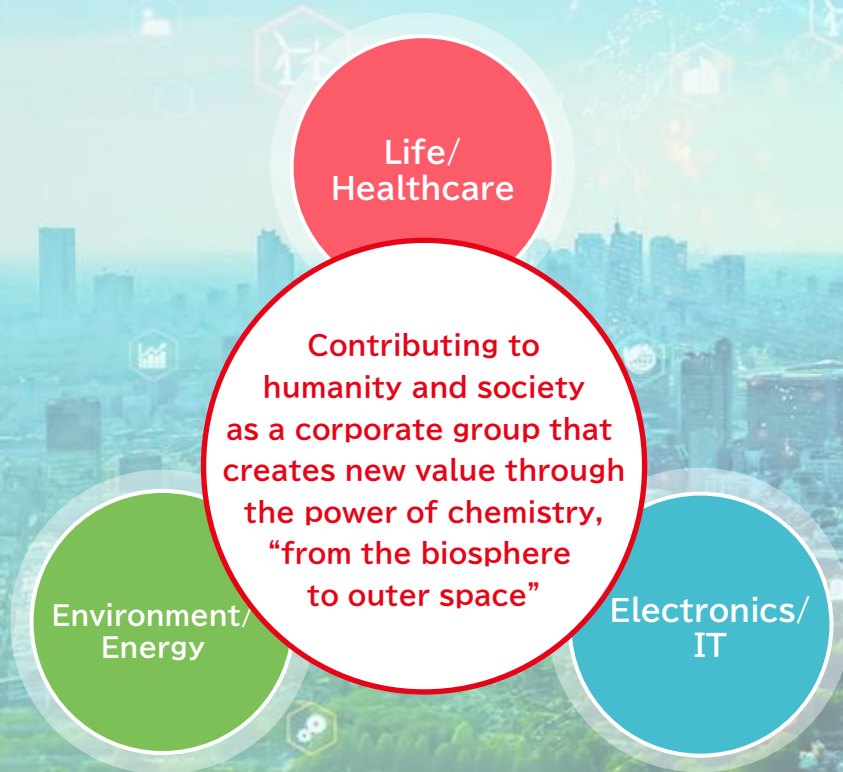


Corporate Philosophy and Guiding Framework

Corporate Vision for FY2030

Corporate Vision

A corporate group that continuously creates new value with the power of chemistry in the three business fields of “Life/Healthcare”, “Environment/Energy”, and “Electronics/IT”, in order to realize a prosperous and sustainable society



NOF VISION 2030

[¥100million,%]

	FY2025 (Actual)	FY2028 (Plan)	FY2030 (Target)
Net sales	2,580	3,060	
Operating profit	474	570	650 Upward revision
Operating margin	18.4	18.6	20 or more
ROE	14.1	14 or more	15 or more

Three prioritized business fields

Social Issues

Three prioritized business fields

Next-generation New Products

Newly-developed Products

Existing Products

Making the shift to electric vehicles a business opportunity

Environment/Energy field



- Biochemical materials
- Materials for secondary battery
- Ocean development devices
- Biodegradable lubricants
- non-fluorinated water-repellent materials
- High-function anti-corrosion coatings
- Functional hard-coating agents
- Functional elastomers
- High-function anti-fog agents
- Waterborne anti-corrosion coatings
- Chemicals for water treatment membranes
- Base material for refrigerating oils
- Steam pressure fracturing agents
- Functional additives
- Eco-friendly antifreezing agents

People's health and QOL

Life/Healthcare field



- Materials for regenerative medicine
- Gene therapy materials
- functional food materials
- Lipids for nucleic acid drugs
- Vaccine materials
- Modifiers for protein drugs
- Modifiers for peptide drugs
- Anti-aging materials
- Modifiers for antibody drugs
- Eye-drop materials
- Hydrogel materials for medical use
- Mild surfactants
- Additives for diagnostic pharmaceutical agents
- Contact lens materials
- Cosmetics materials
- Oral care materials
- Functional food materials
- Health food
- Eyecare products

Advances in communication technology and miniaturization

Electronics/IT field



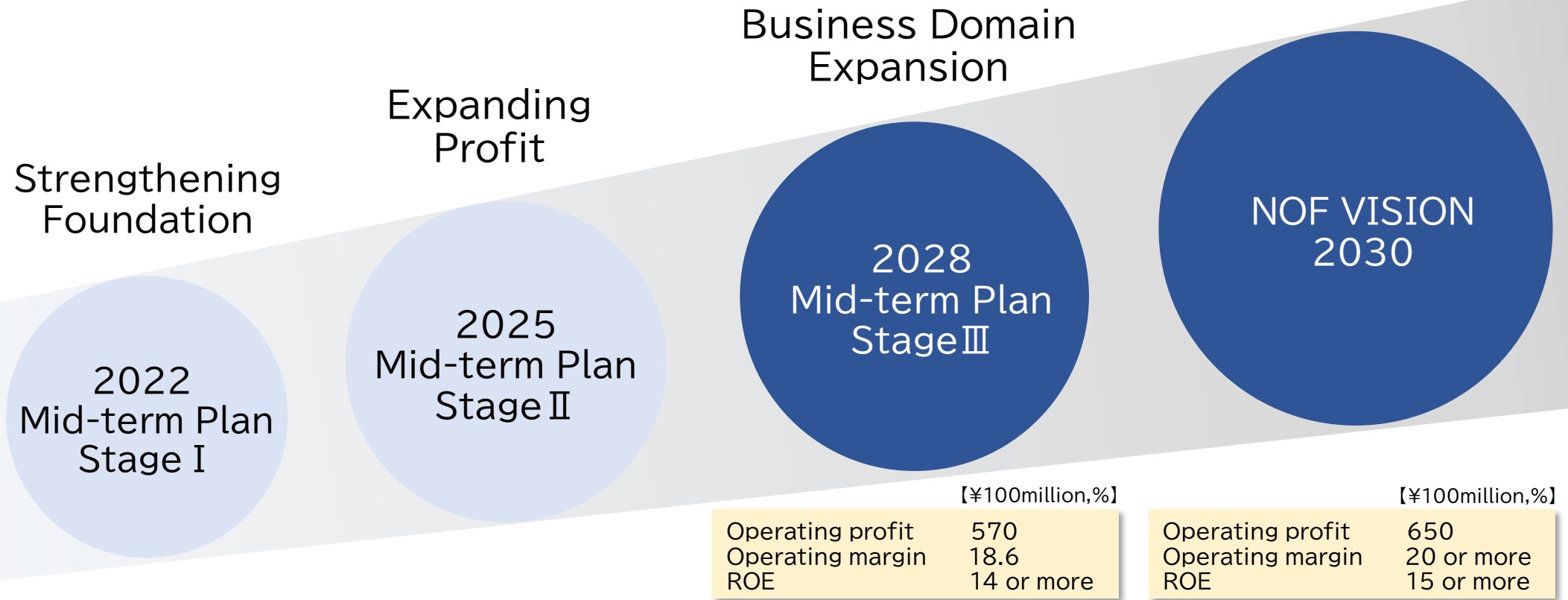
- Materials for high-speed communications
- Insulating materials with high thermal conductivity
- Binders for metal microparticles
- Printed electronics materials
- Additives for conductive pastes
- Capacitor material
- High-function anti-fog agents
- Functional coating materials: sealing materials
- Resist materials
- Photopolymerization initiators
- Toner additives
- Color filter coating agents

Rocket propellants · Gun propellants/ Industrial explosives/ Processed edible oils/ Fatty acid derivatives · Surfactants/ EO · PO derivatives / (Meth) acrylic acid derivatives / Organic peroxides/ Blocked carboxylic acid

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Targets and Basic Policies of the Mid-term Management Plan



Basic Policies of the 2028 Mid-term Management Plan

- Agile resource allocation aimed at creating growth drivers
- Maximization of shareholder value based on the optimization of capital allocation

Key management indicators



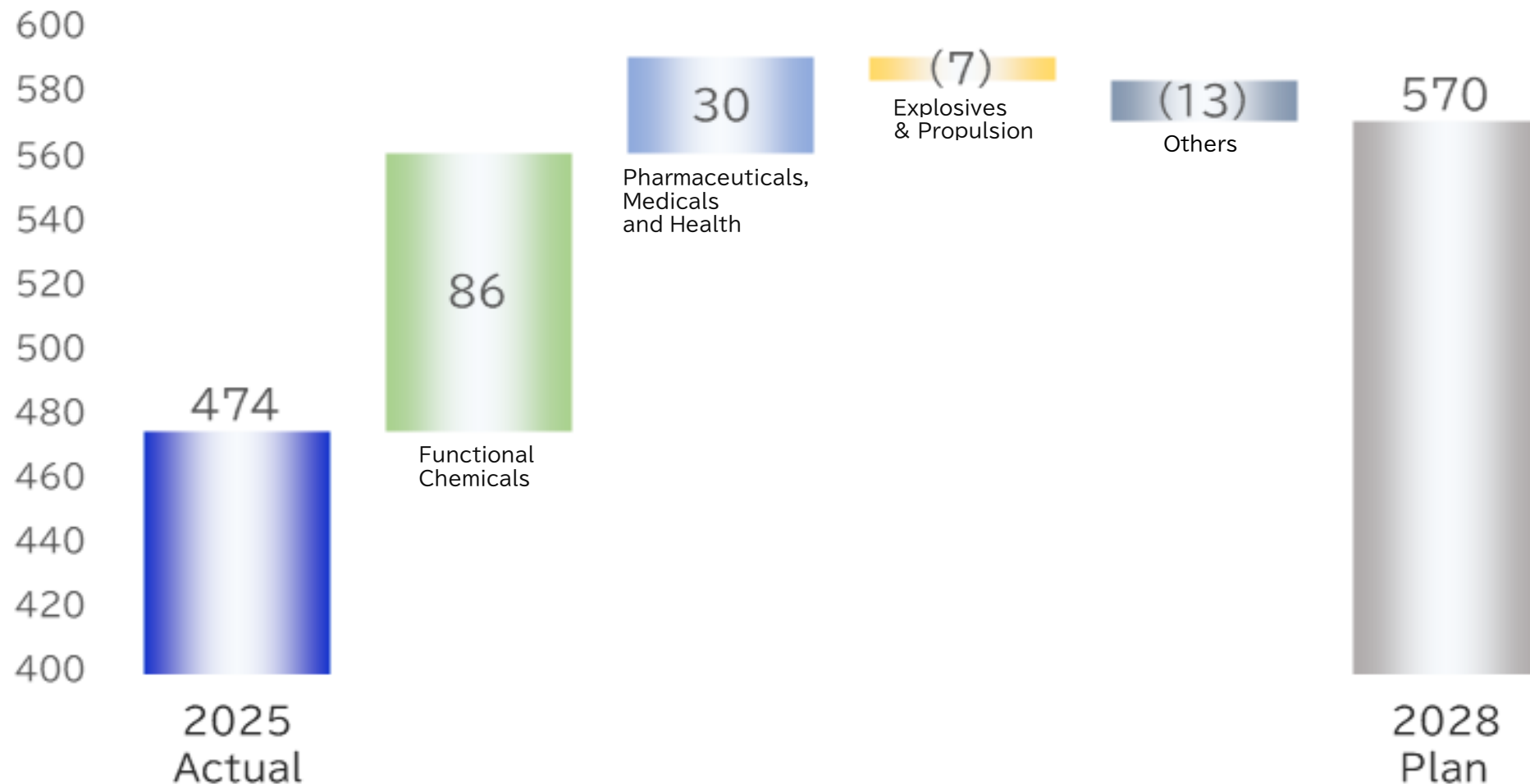
【¥100million,%】

	2025 Mid-term Plan (FY2025 Actual)	FY2026 Forecast	2028 Mid-term Plan (FY2028 Plan)	NOF VISION 2030 (FY2030 Plan)
Operating profit	474	500	570	650
Operating margin	18.4	15.7	18.6	20 or more
R O E (Return on equity)	14.1	13.1	14 or more	15 or more
Capital expenditures*	715*	705	2,080*	
R&D expenses*	233*	89	284*	
Total return ratio*	71.3	70 or more	70 or more	

* Cumulative total for the Mid-term Management Plan period. Capital expenditures are on an acceptance basis.

Analysis of changes in Operating Profit by Segment

- ◆ Profit growth in Functional Chemicals and Pharmaceuticals, Medicals and Health
- ◆ In Explosives & Propulsion, the impact of initial costs related to rapid acquisition will subside and a slight decrease in profit is forecast



Capital expenditure plan

- ◆ Along with investment aimed at creating new business, the capital expenditure plan is intended to expand growth businesses and strengthen the management base

Capital expenditure by segment

【¥100million】

	2025 Mid-term Plan (Actual)		2028 Mid-term Plan (Plan)	
	FY2025 (Actual)	Total	FY2026 (Plan)	Total
Functional Chemicals	59	180	81	581
Pharmaceuticals, Medicals and Health	23	192	18	58
Explosives & Propulsion	257	315	577	1,308
(Of which) Initial costs related to Rapid Acquisition	229	248	547	1,150
Others	5	27	29	134
Total	344	715	705	2,080

* Acceptance basis. Land acquisition costs are excluded.

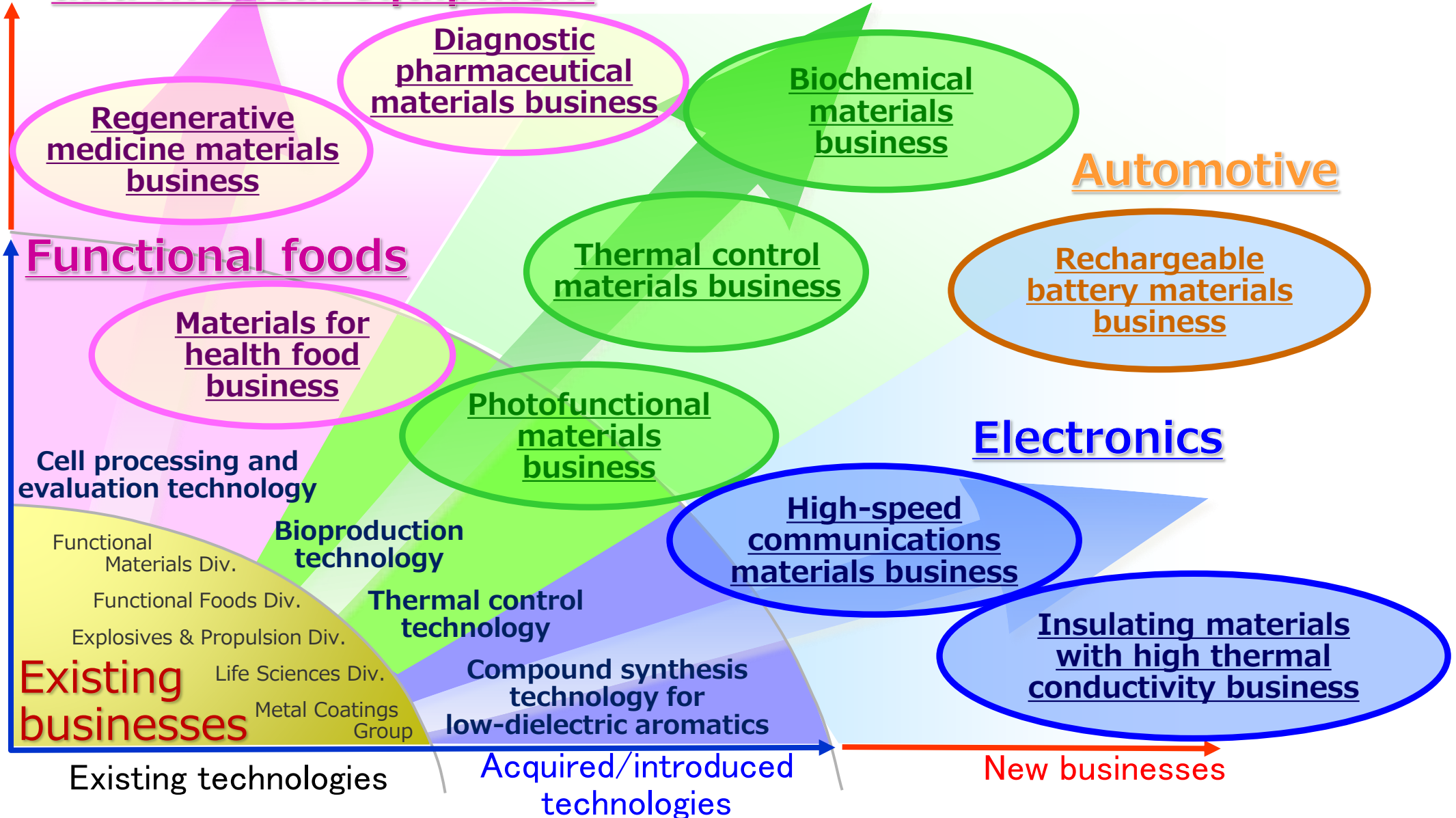
Major Capital expenditure (2028 Mid-term Management Plan)

- Extension of manufacturing facilities for cosmetics-related products
¥25 billion
- Construction of manufacturing facilities for toiletries-related raw materials
¥2 billion
- Construction and extension of rapid acquisition-related facilities
¥115 billion
- Construction of Health Science/Material Science Research Lab
¥13 billion
- Construction and upgrade of Welfare facility
¥6 billion

Creating New Business through R&D

Pharmaceuticals, medicals,
and medical equipment

Functional chemicals



Aiming to Create New Businesses

Accelerating the development of new products and technology through open innovation (2025 Mid-term Plan)

■ Priority business areas

Pharmaceutical materials

Materials for medical care and medical devices

Functional chemical materials

Functional food materials

Materials for electronics

Materials for automobiles

■ Status of open innovation under the 2025 Mid-term Management Plan

<Calls for commissioned industry-academia research>

- FY2023 Conducted in the field of medical care and medical devices
- FY2025 Conducted in the field of electronics

<Utilization of venture capital >

- FY2023 invested in UMI Ⅲ Investment Limited Partnership (“UMI No. 3 Fund”) operated by Universal Materials Incubator Co., Ltd.

<Comprehensive industry-academia-government collaboration >

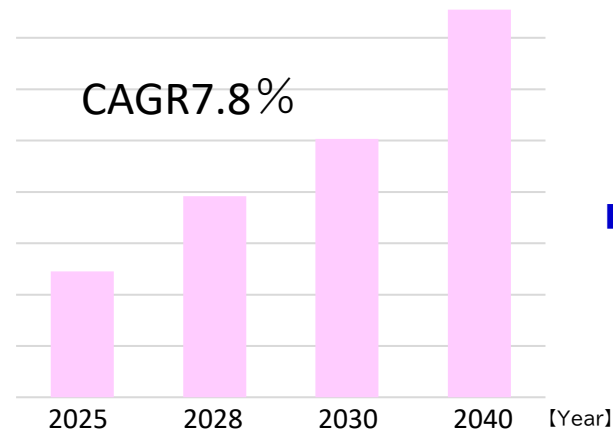
- FY2024 Establishment of the NOF-AIST Smart Green Chemicals Collaborative Research Laboratory

Discovery and development of promising themes in each field

Promoting commercialization through market work in the 2028 Mid-term Plan

Regenerative medicine materials (Cell cryopreservation solution)

■ Target market trends



■ Issue/need

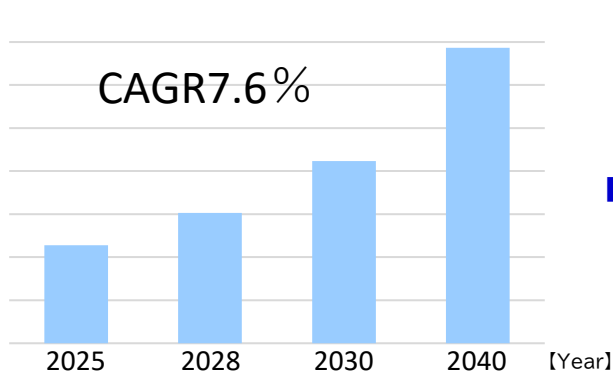
- Strong need for cryopreservation solutions that are highly effective for the cryopreservation of 2D- and 3D-cultured cells (capable of maintaining cell survival rate and cellular function)

■ Development strategy

- Develop various cell cryopreservation solutions formulated with NOF's proprietary materials, introduce them to the cryopreservation solution market for 2D- and 3D-cultured cells, and expand sales

Materials for high-speed(5G,6G) communications(Functional polyimide)

■ Target market trends



■ Issue/need

- Strong need for resins for printed circuit boards that balance low dielectric properties, low transmission loss, high adhesion to copper substrates, and high reliability

■ Development strategy

- Develop resins that demonstrate low dielectric properties, high adhesion, and high reliability; introduce new applications to the market, such as materials for high-speed communications, thermal composite materials, and semiconductor materials; and expand sales

Accelerating the Creation of New Technologies and Businesses through Strengthening the R&D System



With the aim of expanding our business domains, we have established the **Health Science Research Lab** (life/healthcare field) and the **Material Science Research Lab** (environment/energy and electronics/IT fields) in our Corporate R&D Division (April 1, 2026)

Social Issues/Market Needs

Corporate R&D Division

Health Science Research Lab

Material Science Research Lab

External research institutions

Business divisions (Research Lab)

Life/healthcare

Environment/energy

Electronics/IT

Creating new technologies and businesses

Health Science/Material Science Research Labs

(discovering promising materials and technologies and developing new technologies)

Practical implementation of new technologies

Collaborating on technologies and development

Verification and feedback

Business division research labs (consider practical applications)

Promoting the creation of new technologies and businesses

【¥100million】

	2025 Mid-term Plan (Actual)	2028 Mid-term Plan (Plan)	Increase (Decrease)
Functional Chemicals	113	135	+20%
Pharmaceuticals, Medicals and Health	53	60	+12%
Explosives & Propulsion	37	43	+14%
Others*	29	47	+60%
Total	233	284	+22%

* Including industry-academia collaboration and collaboration with start-up companies


Strategic Investments in 2028 Mid-term Management Plan

**Strategic investments framework:
Approx. 200 billion yen is assumed.**
(including capital expenditure for the rapid acquisition)

Investments toward expansion of business areas
(new businesses, R&D, and land acquisition)

Investments for the expansion of growth businesses
(production capacity enhancement and M&A)

Investments for strengthening the management foundation
(including human investments and others)



Forward-looking investments that generate future cash flows and
contribute to maintaining and improving ROE

Capital allocation plan (total from FY2026 to FY2028)



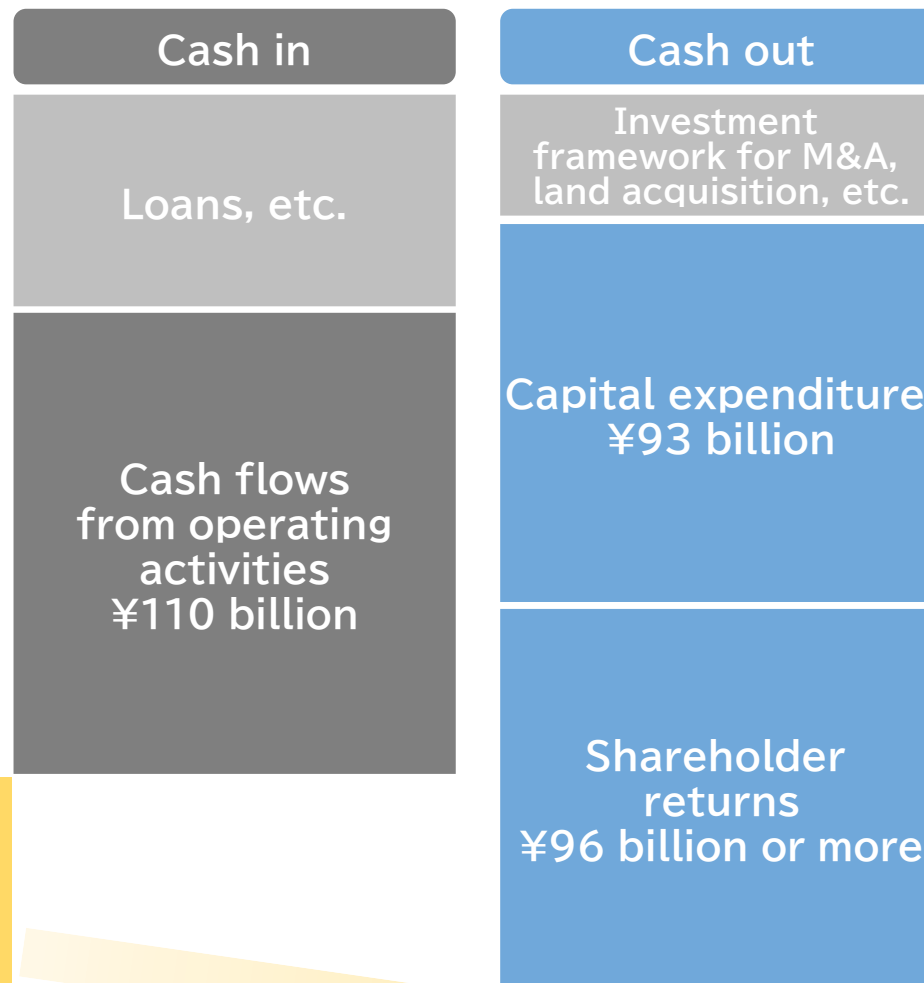
- ◆ Balancing strategic investments and shareholder returns.
- ◆ Aiming to improve capital efficiency while maintaining financial soundness.

Considering loans, etc. as required after also factoring in financial soundness

Cash flows from operating activities after deducting R&D expenses

End of March 2026
Cash and deposits:
¥88.4 billion

Cross-shareholdings



Strategic investment framework for growth areas and new business areas
(Land: planning to acquire part of site next to Kawasaki Works)

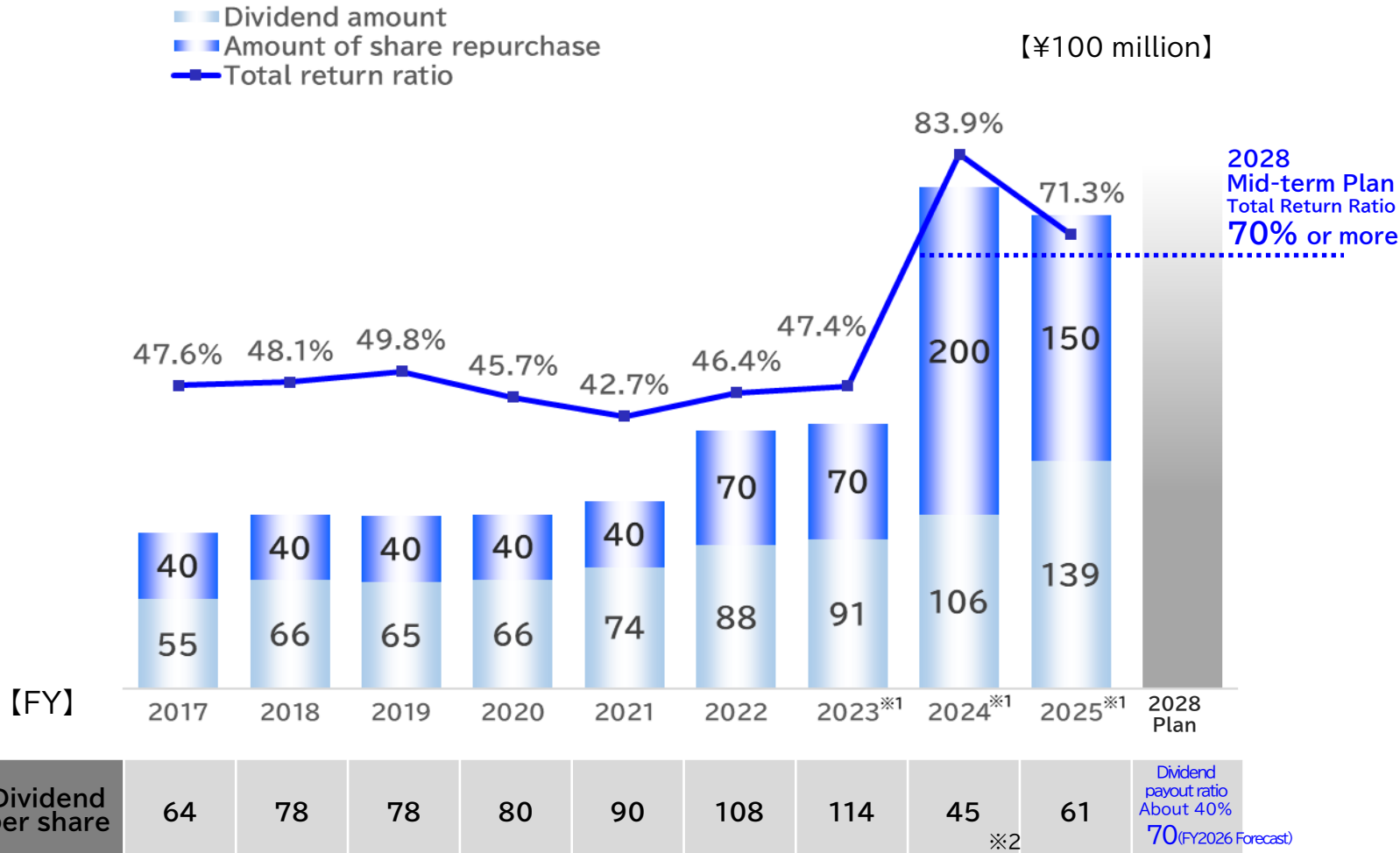
Strategic investments and existing investments
Amount excluding initial costs related to rapid acquisition
(which will be recovered from customers)

Dividend payout ratio: about 40%
Total return ratio: target level of 70% or more

- Optimizing cash and deposits level
- Reducing cross-shareholdings

Shareholder Return Policy

- ◆ Aiming to achieve progressive dividends over the medium to long term, we will implement stable shareholder returns while balancing them with investment in future growth, such as considering agile share repurchases with the aim of improving capital efficiency



Shareholder Return Policy

We forecast medium-term FCF and determine the level of shareholder returns while balancing financial soundness and growth investments

We are targeting a **dividend payout ratio of about 40%**, which is around 10% more than the FY2025 figure, with the aim of achieving progressive dividends in the medium to long term based on maintaining stable dividends

Share repurchasing aimed at improving capital efficiency
 Expanding the size of shareholder returns during the 2028 Mid-term Plan with a target **total return ratio of 70% or more**

*1 The amount of share repurchases resolved at the announcement of financial results is aggregated as the repurchase amount for the relevant fiscal year.
 *2 A 3-for-1 common share split effective April 1, 2024.

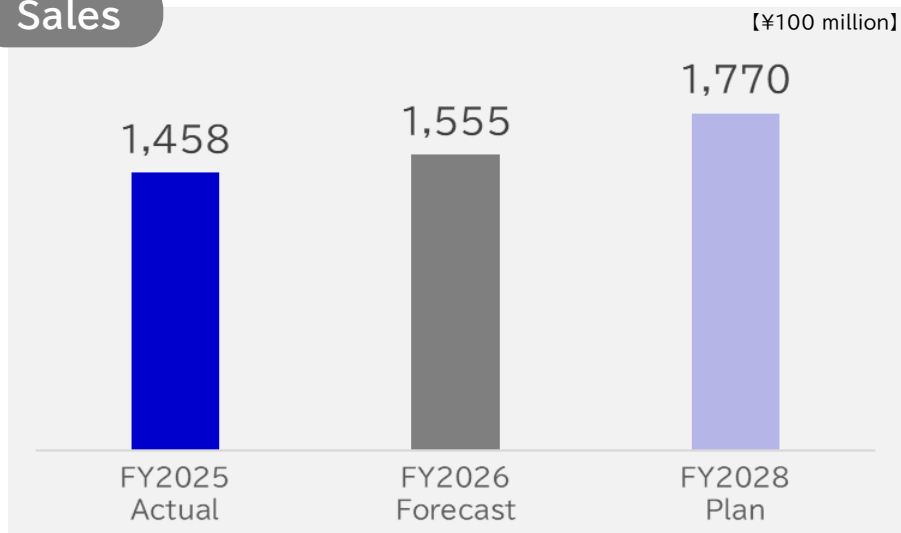
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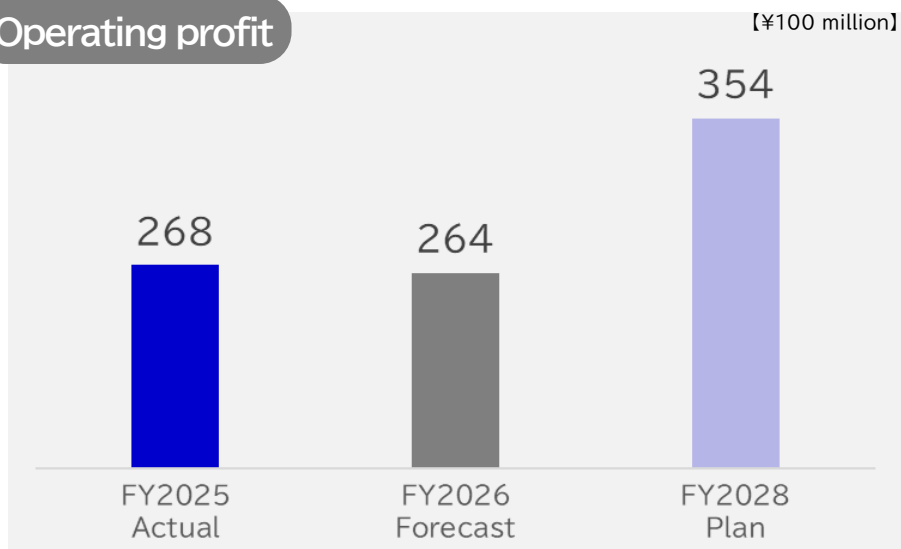
Functional Chemicals Segment

- ◆ Business growth driven mainly by cosmetics-related products and special anti-corrosion coatings
- ◆ Business domain expansion in the electronic/IT field

Sales



Operating profit



Cosmetics-related products

- Cosmetic raw materials: enhancing plant-based raw materials, sales expansion overseas
- Cosmetic ODM: expanding supply capacity, capturing new demand

Special anti-corrosion coatings

- Sales expansion in the automobile market and development of the non-automobile market
- Enhancing the business base in emerging nations (India, etc.)

Functional Chemicals in general

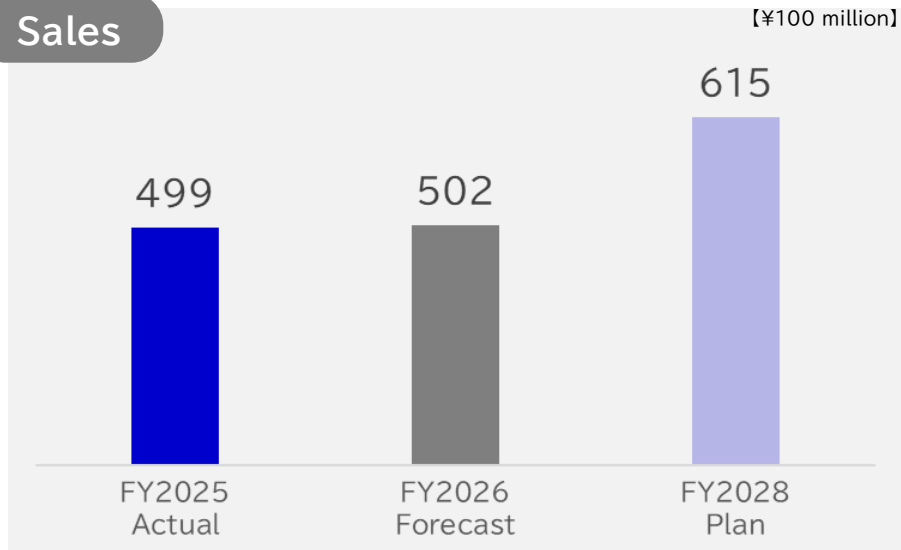
- Business domain expansion in the electronic/IT field
- Development of new fields (eco-friendly products, etc.)
- Entering the Indian market

Pharmaceuticals, Medicals and Health Segment NOF

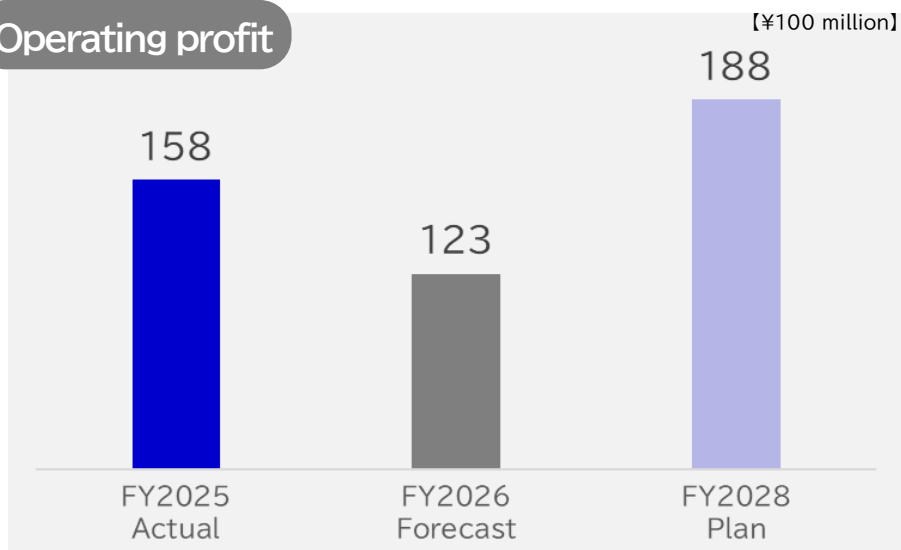
- ◆ Growing demand for raw materials for DDS beginning in the second half of the 2028 Mid-term Plan
- ◆ Functional Foods Division shifting toward functional food materials

⇒ see P29, P30

Sales



Operating profit



Raw materials for DDS

- Promoting adoption of activated PEGs following initial drug development by supporting customers' PEGylation drug development
- Establishing a stable supply system at the DDS Plant/LS Aichi Plant in response to large-scale demand
- Promoting the development of new technologies/products through collaboration with universities, research institutes, and the Corporate R&D Division

Functional food materials

- New product development of modifiers*1 and sales expansion
- Sales expansion of functional oils*2

*1 Additives that demonstrate a strong modifying effect based on a small quantity and provide food property improvement and flavor enhancement functions

*2 Product group using oils that provide food property improvement and flavor enhancement functions as a base material

Actual and Projected Sales of Raw Materials for DDS (Index)

Increase in PEG modifier net sales due to higher demand at the time of drug launches by three major companies

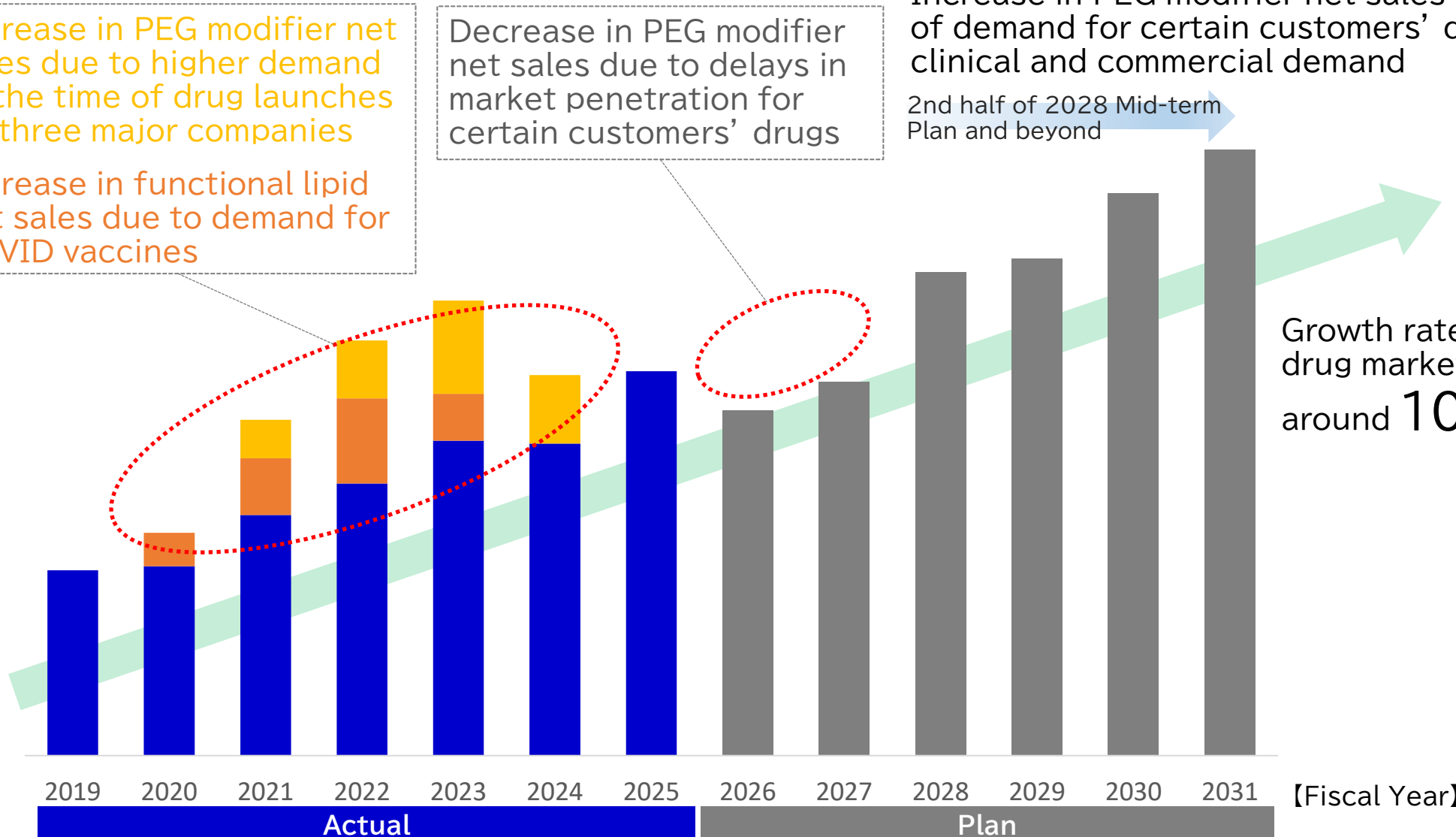
Increase in functional lipid net sales due to demand for COVID vaccines

Decrease in PEG modifier net sales due to delays in market penetration for certain customers' drugs

Increase in PEG modifier net sales due to the recovery of demand for certain customers' drugs and new clinical and commercial demand

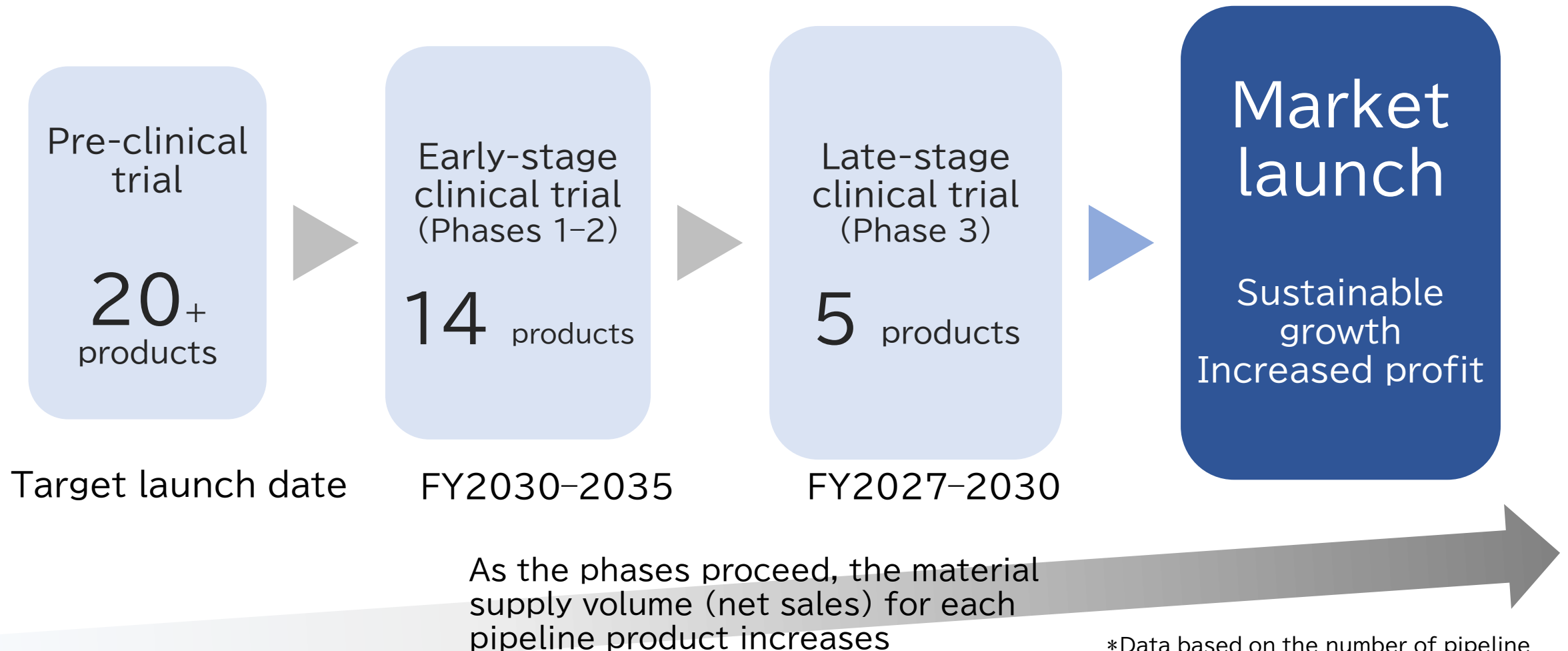
2nd half of 2028 Mid-term Plan and beyond

Growth rate of protein/peptide drug market expected to be around 10%/year



Customer Development Stages for PEG Modifiers

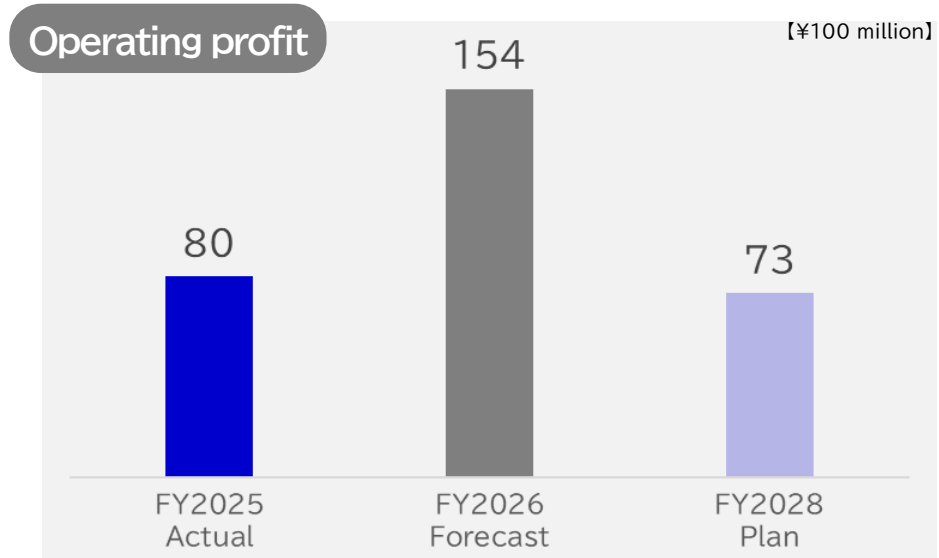
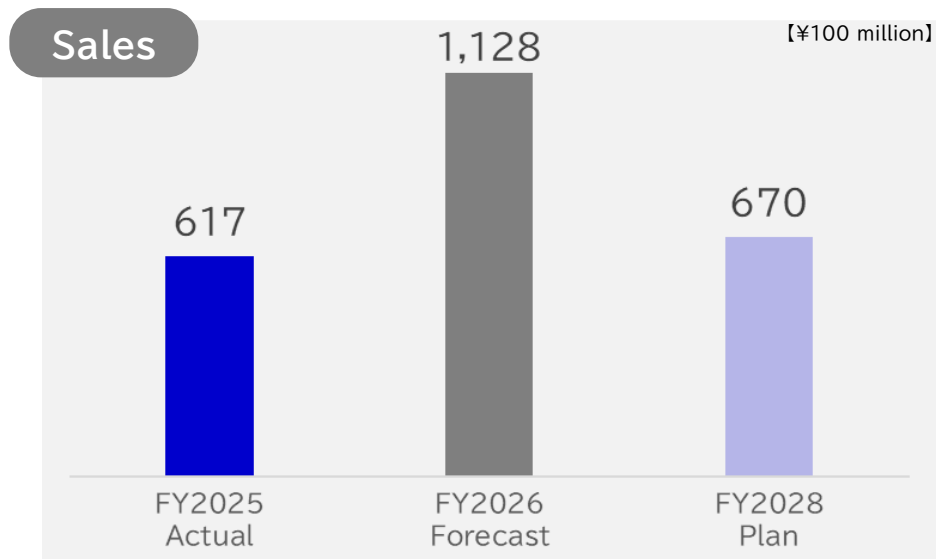
Pipeline products at various phases provide a source of sustainable growth



*Data based on the number of pipeline products at the present time

Explosives & Propulsion Segment

- ◆ With regard to defense-related products, we will respond to increased government defense spending and pursue work on rapid acquisition facilities



Defense-related products

- Pursuing work on rapid acquisition facilities
 - * Plan to record profits from initial costs related to rapid acquisition mainly in FY2026 and FY2027
- Improving production capacity and efficiency for existing products
 - * Sales forecast for defense-related products (excluding initial costs related to rapid acquisition)
Taking net sales in FY2025 as **100**:
FY2028: **115**, FY2030: **175**

Space-related products

- Improving profitability by establishing an efficient production system
- Developing a production expansion system

Industrial explosives

- Pursuing development of wireless electronic detonators, which will help improve safety and efficiency in tunnel blasting, etc.

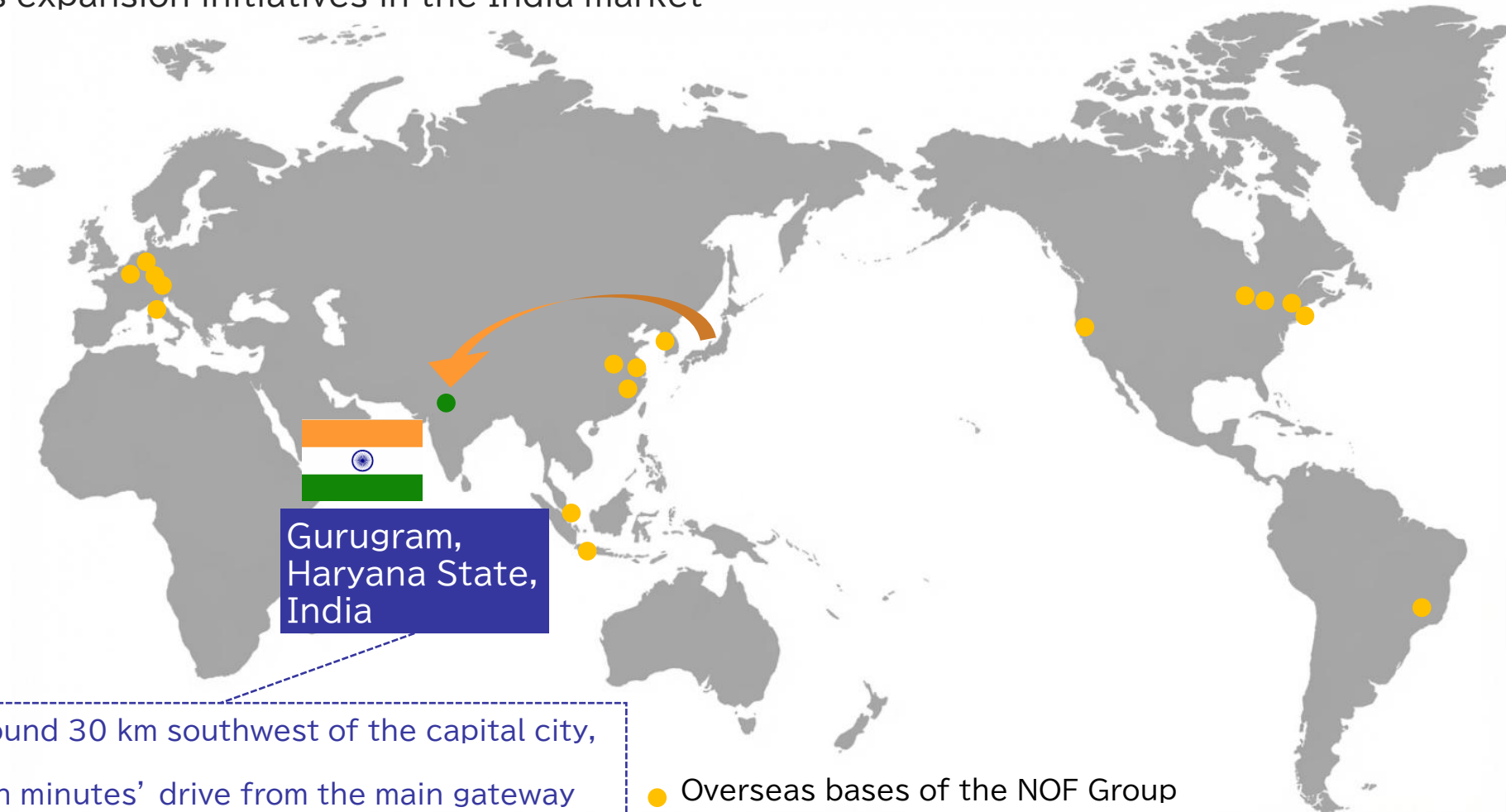
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Topic Establishment of a Subsidiary in the Republic of India NOF INDIA PRIVATE LIMITED

- ◆ At present, product development in India centers on the Functional Materials Division and Metal Coatings Group
- ◆ In 2026, we will establish a business base to conduct sales activities (including technical support) and information-gathering activities, as well as develop and establish sales channels, with the aim of enhancing business expansion initiatives in the India market



Located around 30 km southwest of the capital city, New Delhi
A few dozen minutes' drive from the main gateway to India, Indira Gandhi International Airport

- Overseas bases of the NOF Group
The United States, Brazil, Germany, France, Italy, Belgium, China, South Korea, Singapore, Indonesia

- 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.
- In the event of any discrepancy between the Japanese original and this English translation, the original shall prevail.

Contact us : NOF CORPORATION

Investor Relations Office

Corporate Communications Dept.

Address : 20-3, EBISU 4-CHOME, SHIBUYA-KU, TOKYO 150-6012

E-mail : iroffice@nof.co.jp

Homepage : <https://www.nof.co.jp>