

Presentation Material

Financial Results

For the Fiscal Year Ended March 31, 2022

May 25, 2022

 **NOF CORPORATION**

Agenda

1. Financial Results for the Fiscal Year Ended March 31, 2022
2. Full Year Forecast for the Fiscal Year Ending March 31, 2023

Overview of FY2021 Results

- ◆ In related fields such as healthcare and automotive, demand was recovering
- ◆ Net sales, operating income, ordinary income, and net income all reached record highs
- ◆ Dividend per share of ¥90, up ¥10

[¥100 million]

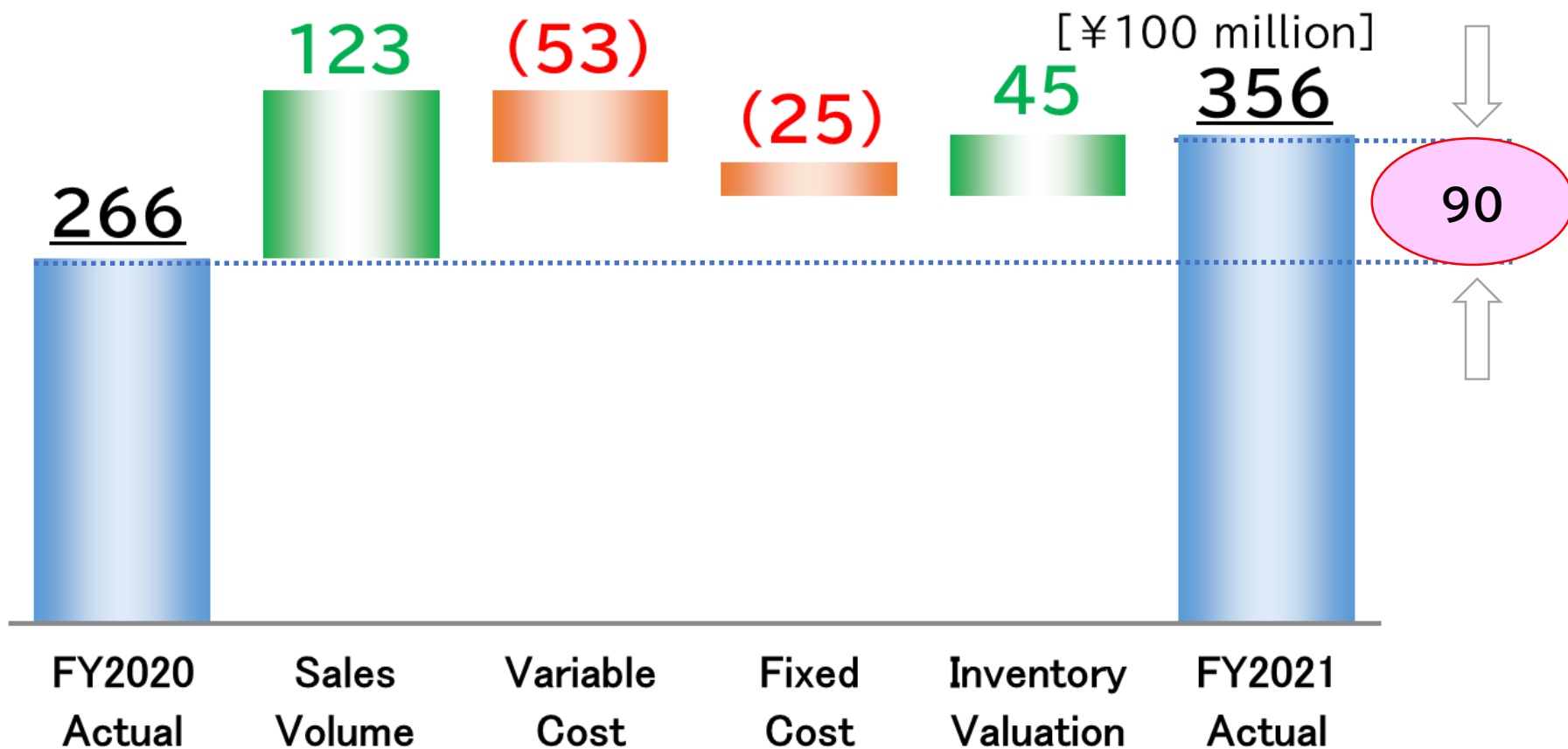
	FY2020 Apr.-Mar.	FY2021 Apr.-Mar.	Increase (Decrease)	FY2021 Forecast (Nov.4)	Increase (Decrease)
Net sales	1,726	1,926	200	1,870	56
Operating income	266	356	90	335	21
% of Net Sales	15.4%	18.5%		17.9%	
Ordinary income	289	376	88	345	31
Net income*	233	267	34	231	36
Net income per share	¥280.5	¥323.8	¥43.3	¥280.1	¥43.7

* Net income = Net income attributable to owners of parent

Dividend per share	¥80	¥90	¥10	¥86	¥4
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Changes in Operating Income

(FY2021 Actual vs. FY2020 Actual)



Functional Chemicals Segment Results

[¥100 million]

	FY2020			FY2021			Increase(Decrease)		
	Apr.- Sep.	Oct.- Mar.	Full- Year	Apr.- Sep.	Oct.- Mar.	Full- Year	Apr.- Sep.	Oct.- Mar.	Full- Year
Net sales	496	602	1,098	621	663	1,284	125	61	186
Op.income*	61	96	157	111	104	215	50	8	58
% of Net Sales	12.2%	15.9%	14.3%	17.8%	15.7%	16.7%			

* Op.income=Operating income

【Overview of Full-Year】

Op.income Increase Factors

- Recovery in demand for base material for refrigerating oils, cosmetics materials and automobiles

Op.income Decrease Factors

- Soaring raw material and fuel prices

【Overview of Oct.-Mar.】

Op.income Decrease Factors

- Impact of automobile production cutbacks
- Further increases in raw material and fuel prices

Analysis of Changes in operating income(YOY)

Sales Volume	Variable Cost	Fixed Cost	Inventory Valuation
+72	(35)	(14)	+35

Life Science Segment Results

[¥100 million]

	FY2020			FY2021			Increase(Decrease)		
	Apr.- Sep.	Oct.- Mar.	Full- Year	Apr.- Sep.	Oct.- Mar.	Full- Year	Apr.- Sep.	Oct.- Mar.	Full- Year
Net sales	146	167	312	171	166	337	26	(0)	25
Op.income*	41	62	103	82	59	141	41	(3)	38
% of Net Sales	28.5%	37.0%	33.0%	48.2%	35.3%	41.8%			

* Op.income=Operating income

【Overview of Full-Year】

Op.income Increase Factors

- Strong shipments of Materials for pharmaceutical formulation(including those for COVID-19 vaccines)

Op.income Decrease Factors

- Regarding edible oils, soaring raw material prices

【Overview of Oct.-Mar.】

Op.income Decrease Factors

- Impact of the Ukraine Crisis on air cargo transportation disruption to Europe
- Regarding edible oils, Soaring raw material prices even higher

Analysis of Changes in operating income(YOY)

Sales Volume	Variable Cost	Fixed Cost	Inventory Valuation
+54	(18)	(6)	+8

Explosives & Propulsion Segment Results

[¥100 million]

	FY2020			FY2021			Increase(Decrease)		
	Apr.- Sep.	Oct.- Mar.	Full- Year	Apr.- Sep.	Oct.- Mar.	Full- Year	Apr.- Sep.	Oct.- Mar.	Full- Year
Net sales	111	190	301	106	194	300	(5)	4	(1)
Op.income*	3	18	20	(0)	18	18	(3)	0	(3)
% of Net Sales	2.3%	9.4%	6.8%	(0.4%)	9.3%	5.9%			

* Op.income=Operating income

Analysis of Changes in operating income(YOY)

Sales Volume	Variable Cost	Fixed Cost	Inventory Valuation
(3)	(0)	(1)	+1

【Overview of Full-Year】

- In industrial explosives and the field of functional products, net sales increased.
- In the field of space-related products, net sales decreased due to lower shipments of our products for rockets.
- In the field of defense-related explosives, net sales were flat YOY.

Comparative Balance Sheets(Consolidated)

[¥100 million]

	Mar. 31 2021	Mar. 31 2022	Increase (Decrease)		Mar. 31 2021	Mar. 31 2022	Increase (Decrease)
Cash and time deposits	787	854	68	Notes and accounts payable	179	218	39
Notes and accounts receivable	420	452	33	Interest-bearing debt	99	56	(43)
Inventories	323	399	76	Deferred tax liabilities	106	111	5
Other current assets	22	28	5	Other liabilities	295	293	(2)
Property, plant and equipment and Intangible assets	632	629	(3)	Total Liabilities	680	679	(1)
Investments securities	477	478	1	Total shareholder's equity	1,797	1,956	160
Other long-term assets	54	56	2	Accumulated other comprehensive income	231	253	22
				Non-controlling interests	7	8	0
				Total Net Assets	2,035	2,217	182
Total Assets	2,715	2,896	181	Total Liabilities and Total Net Assets	2,715	2,896	181

Statements of Cash Flows(Consolidated)

[¥100 million]

	FY2020 Apr.-Mar.	FY2021 Apr.-Mar.
1. Cash flows from operating activities	307	274
2. Cash flows from investing activities	19	(88)
Proceeds from sales of investment securities	88	2
Purchase of property, plant and equipment and intangible assets	(60)	(74)
others	(10)	(16)
3. Cash flows from financing activities	(80)	(153)
Increase(Decrease) in borrowing	2	(44)
Purchase of treasury stock	(17)	(39)
Cash dividends paid	(65)	(69)
others	(2)	(2)
4. Others	13	15
Total of 1~4	259	48
5. Cash and cash equivalents at end of period	766	814
Free Cash Flow	326	186

Financial Indicators(1)

		FY2020 Apr.-Mar.	FY2021 Apr.-Mar.	increase (decrease)
Ratio of operating income to net sales	[%]	15.4	18.5	3.1
Ratio of ordinary income to net sales	[%]	16.7	19.5	2.8
Ratio of ordinary income to total assets(ROA)	[%]	11.4	13.4	2.0
Ratio of net income to shareholders' equity(ROE)	[%]	12.2	12.6	0.4
Debt to Equity ratio	[X]	0.05	0.03	(0.02)
Equity ratio	[%]	74.7	76.3	1.6

Financial Indicators(2)

		FY2020 Apr.-Mar.	FY2021 Apr.-Mar.	increase (decrease)
Net income attributable to owners of parent per share	[¥]	280.5	323.8	43.3
Net assets per share	[¥]	2,448.6	2,690.7	242.1
Cash dividends per share	[¥]	80	90	10
Dividend payout ratio(consolidated)	[%]	28.5	27.8	(0.7)
Closing price (Year ended March 31,2021)	[¥]	5,790	5,020	
cf. Nikkei stock average		29,179	27,821	
Price book-value ratio	[X]	2.36	1.87	(0.49)
Price earnings ratio	[X]	20.6	15.5	(5.1)

Full Year Forecast for FY2022

- ◆ Operating income forecast of ¥34.5bn (Flat YOY)
- ◆ Dividend per share of ¥90 (Flat YOY)

[¥100 million]

	FY2021 Actual	FY2022 Forecast	Increase (Decrease)
Net sales	1,926	2,130	10.6%
Operating income	356	345	(3.1%)
% of Net Sales	18.5%	16.2%	
Ordinary income	376	356	(5.4%)
Net income*	267	251	(6.1%)
Net income per share	¥323.8	¥305.7	

* Net income = Net income attributable to owners of parent

Dividend per share	¥90	¥90
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- 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.

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