

Presentation Material

For the Second Quarter Ended September 30, 2025

Financial Results

November 19, 2025



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Comparative Income Statement(Consolidated)



- ◆ The Explosives & Propulsion segment performed well, while in the Pharmaceuticals, Medicals and Health segment, sales of raw materials for DDS remained firm
- ◆ The Functional Chemicals segment was sluggish due to a decline in demand, except for some products

[¥100 million]				
	FY2024	FY2025	Change	
	H1	H1	Amount	%
Net sales	1,105	1,091	(13)	(1.2%)
Gross profit	425	410	(16)	(3.7%)
% of Net Sales	38.5%	37.5%		
SG&A ^{*1}	192	203	11	
Operating profit	233	206	(27)	(11.5%)
% of Net Sales	21.1%	18.9%		
Non-operating income/expenses	3	10	7	
Ordinary profit	236	216	(20)	(8.3%)
Extraordinary income/losses	8	3	(5)	
Profit before income taxes	244	219	(25)	(10.1%)
Income taxes	73	65	(9)	
Profit ^{*2}	170	154	(16)	(9.4%)

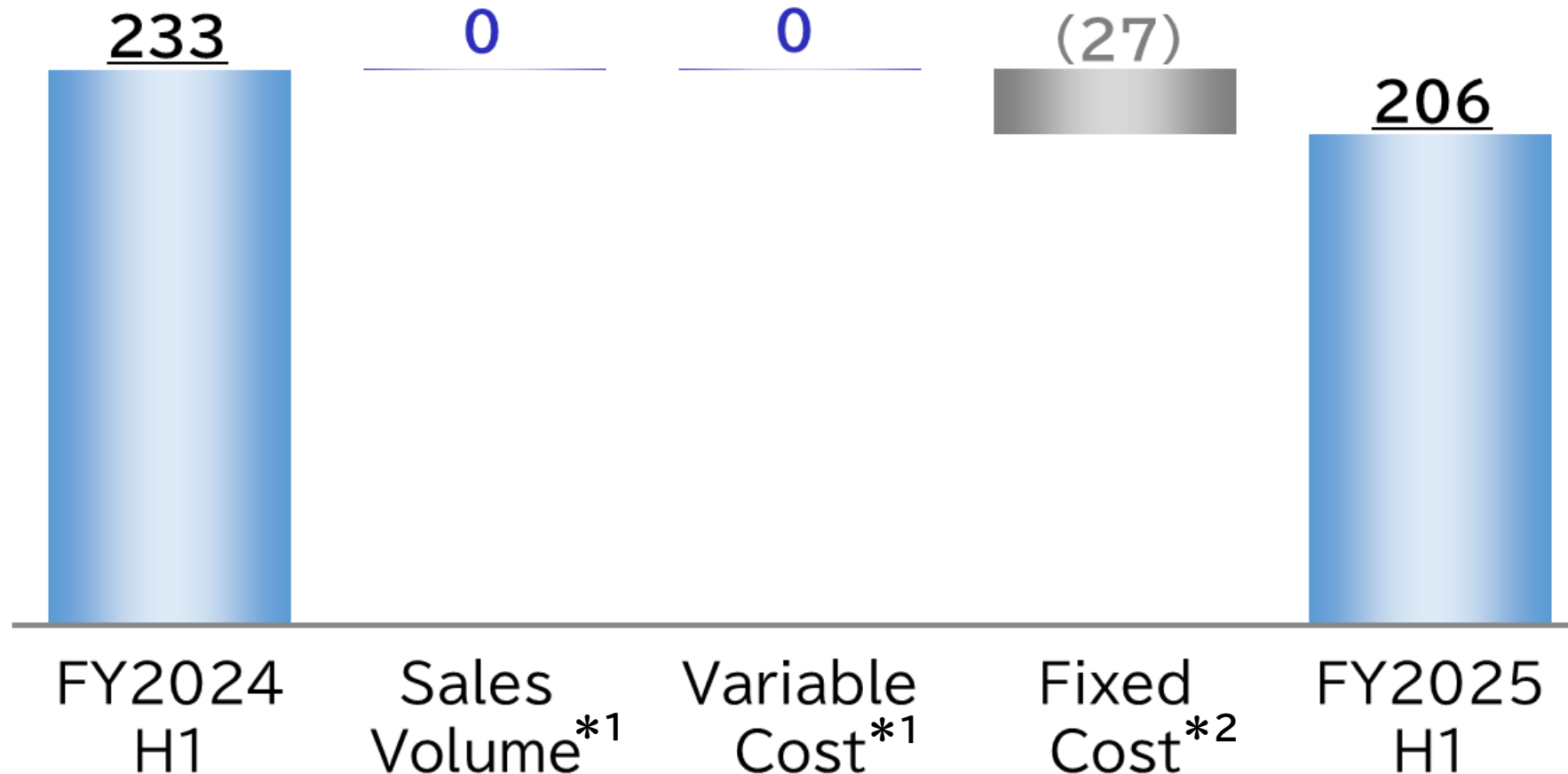
*1 SG&A=Selling, general and administrative expenses

*2 Profit=Profit attributable to owners of parent

Changes in Operating Profit

H1 FY2025 Actual vs. H1 FY2024 Actual

[¥100 million]



*1 Foreign exchange impact of (0.4) billion yen in sales volume and variable cost

*2 Inventory valuation impact of +0.1 billion yen in fixed cost

Functional Chemicals Segment

Overview of H1 FY2025

	[¥100 million]		
	FY2024 H1	FY2025 H1	Change
Net sales	755	691	(64)
Op.profit*	160	123	(37)
% of Net Sales	21.3%	17.9%	

* Op.profit=Operating profit

- ◆ Decrease in sales and profit
- ◆ Overall demand was sluggish, except in certain products

Overview

•Surfactants

⇒Shipments of cosmetics-related products decreased due to inventory adjustments by some customers

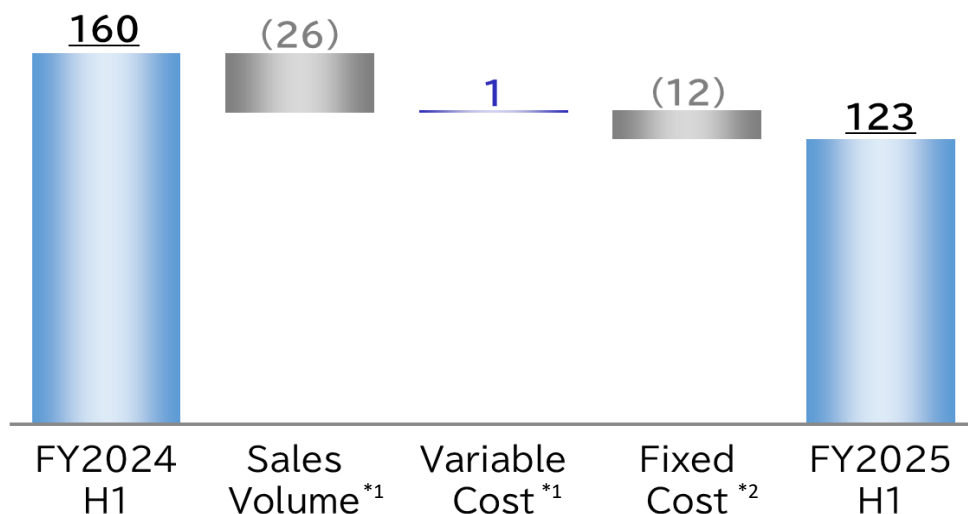
•Special anti-corrosion agents

⇒Strong demand for automobile-related products for both domestic and overseas markets

•Functional Chemicals segment in general

⇒Overall, fatty acid derivatives and other items were sluggish

Analysis of Changes in operating profit [¥100 million]



*1 Foreign exchange impact of (0.1) billion yen in sales volume and variable cost

*2 Inventory valuation impact of +0.0 billion yen in fixed cost

Overview of H1 FY2025

[¥100 million]

	FY2024 H1	FY2025 H1	Change
Net sales	230	250	20
Op.profit*	81	84	3
% of Net Sales	35.1%	33.4%	

* Op.profit=Operating profit

- ◆ Increase in sales and profit
- ◆ Raw materials for DDS performed steady

Overview

•Raw materials for DDS

⇒ Demand and shipments remained steady, in line with last year.

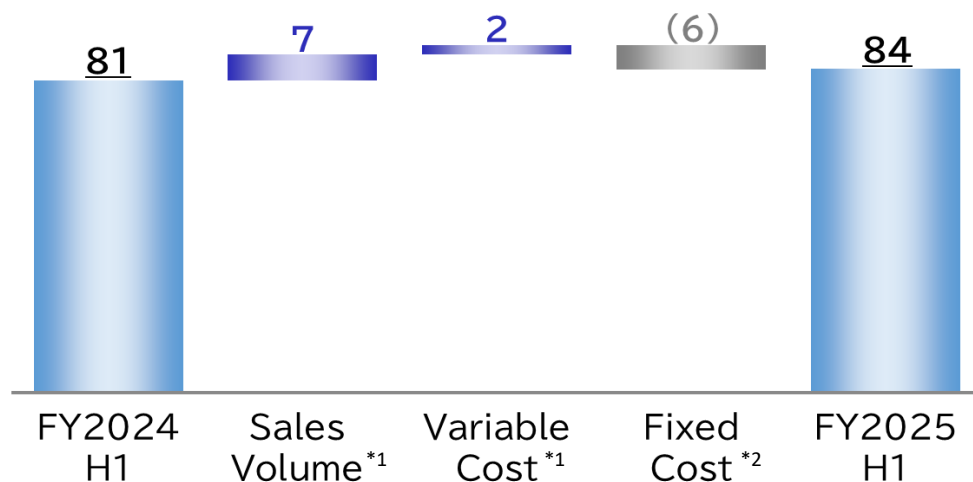
•Processed edible oil/Functional food materials

⇒ Although demand was subdued, efforts were made to maintain appropriate prices

•Biocompatible materials

⇒ Sluggish demand for MPC related products

Analysis of Changes in operating profit [¥100 million]



*1 Foreign exchange impact of (0.3) billion yen in sales volume and variable cost

*2 Inventory valuation impact of +0.0 billion yen in fixed cost

Explosives & Propulsion Segment

Overview of H1 FY2025

	[¥100 million]		
	FY2024 H1	FY2025 H1	Change
Net sales	117	147	31
Op.profit*	7	13	6
% of Net Sales	6.2%	8.8%	

* Op.profit=Operating profit

- ◆ Increase in sales and profit
- ◆ Products, such as defense-related products, performed well

Overview

•Defense-related products

⇒ Demand remained strong

•Space-related products

⇒ Increase in shipments for rocket products

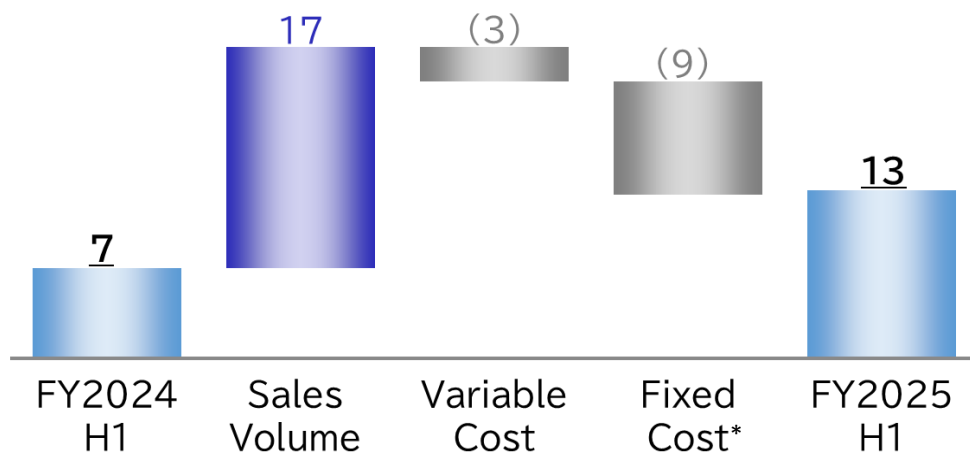
•Industrial explosives

⇒ Strong demand

•Functional products








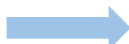

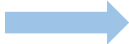




⇒ Firm Demand

Analysis of Changes in operating profit [¥100 million]



* Inventory valuation impact of +0.0 billion yen in fixed cost

Performance Trends of Main Products(H1 FY2025 YoY) **NOF**

Segment	Products	Net sales Trends	Operating profit trends	Performance trends
Functional Chemicals	Surfactants			Operating profit decreased due to inventory adjustments by some customers for cosmetics-related products
	Special anti-corrosion agents			Operating profit increased due to strong demand for automobile-related products in both domestic and overseas markets
	Fatty acid Derivatives			Shipments of base materials for refrigerating oils in China remained sluggish
Pharmaceuticals, Medicals and Health	Raw materials for DDS			Demand and shipments remained steady
	Processed edible oil Functional food materials			Although demand was subdued, efforts were made to maintain appropriate prices
Explosives & Propulsion	Defense-related products			Operating profit increased due to higher shipments
	Space-related products			Operating profit increased due to an increase in demand for rocket products

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Full Year Revised Forecast for FY2025

- ◆Targeting 46 billion yen in operating profit as outlined in the 2025 Mid-term Plan
- ◆We plan to achieve record-high net sales, operating profit, ordinary profit, and profit
- ◆The direct impact of U.S. tariff policy is expected to be limited and immaterial

[¥100 million]

	FY2024	FY2025	FY2025	Change	
	Actual	Forecast May.9	Forecast Nov.6	Amount	%
Net sales	2,383	2,520	2,584	64	2.5%
Operating profit	453	460	460	—	—
% of Net Sales	19.0%	18.3%	17.8%		
Ordinary profit	466	479	483	4	0.8%
Profit*	365	368	382	14	3.8%
Basic earnings per share	¥153.9	¥157.6	¥166.2	¥8.6	

* Profit=Profit attributable to owners of parent

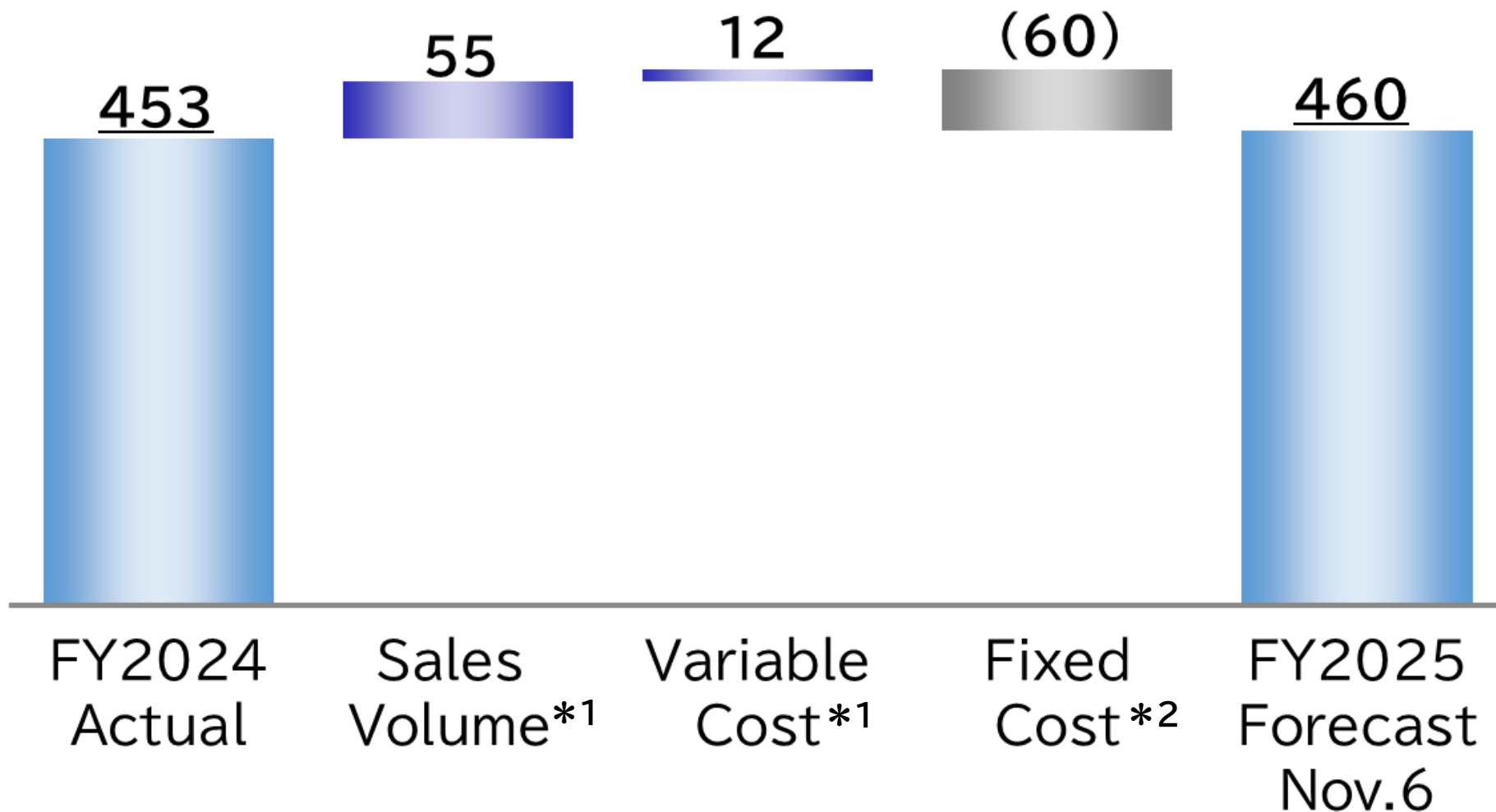
<Assumptions for Earnings Forecast>

		FY2024 Actual	FY2025 Assumption May.9	FY2025 Assumption Nov.6
Exchange Rates	JPY¥/US\$	153	145	147
	JPY¥/EUR	164	160	170

Changes in Operating Profit

FY 2025 Forecast Nov.6 vs. FY 2024 Actual

[¥100 million]



*1 Foreign exchange impact of (0.3) billion yen in sales volume and variable cost

*2 Inventory valuation impact of +0.2 billion yen in fixed cost

Functional Chemicals Segment

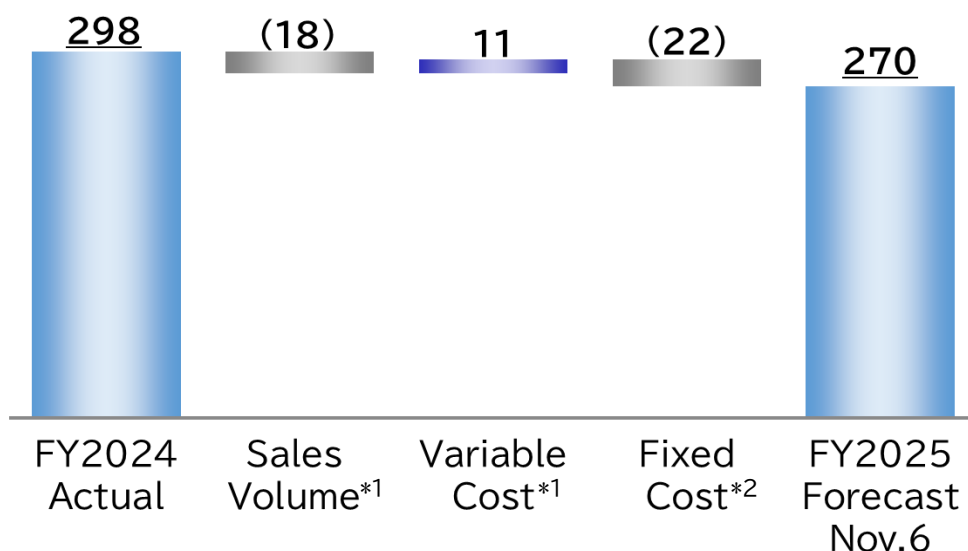
Forecast for FY2025

[¥100 million]

	FY2024 Actual	FY2025 Forecast Nov.6	Change
Net sales	1,509	1,480	(29)
Op.profit*	298	270	(28)
% of Net Sales	19.7%	18.2%	

* Op.profit=Operating profit

Analysis of Changes in operating profit [¥100 million]



*1 Foreign exchange impact of (0.1) billion yen in sales volume and variable cost

*2 Inventory valuation impact of (0.2) billion yen in fixed cost

- ◆ Decrease in sales and profit
- ◆ Overall sluggish demand, except in certain products

Outlook for H2

•Surfactants

⇒ For cosmetic-related products, shipments are expected to recover, due to the completion of inventory adjustments by some customers.

•Special anti-corrosion agents

⇒ Demand for automobile-related products is expected to remain strong in both domestic and overseas markets

•Functional Chemicals segment in general

⇒ Overall, fatty acid derivatives and other items are expected to remain sluggish

Pharmaceuticals, Medicals and Health Segment NOF

Forecast for FY2025

	[¥100 million]		
	FY2024 Actual	FY2025 Forecast Nov.6	Change
Net sales	480	508	28
Op.profit*	157	160	3
% of Net Sales	32.7%	31.5%	

* Op.profit=Operating profit

- ◆ Increase in sales and profit
- ◆ Raw materials for DDS are expected to remain firm

Outlook for H2

•Raw materials for DDS

⇒ Demand and shipments are expected to remain firm.

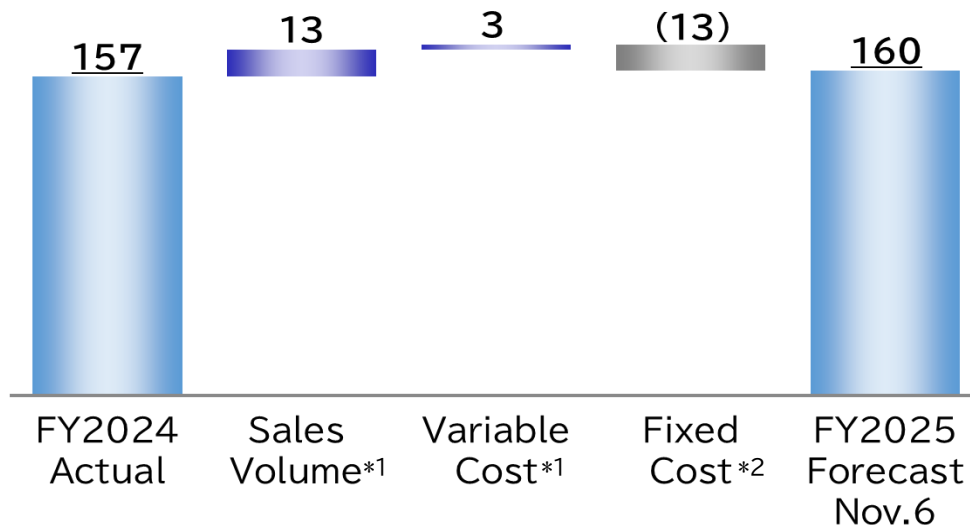
•Processed edible oil/Functional food materials

⇒ Will strive to maintain appropriate prices given rising raw material/fuel prices

•Biocompatible materials

⇒ Demand for MPC-related products is expected to remain firm

Analysis of Changes in operating profit [¥100 million]



*1 Foreign exchange impact of (0.3) billion yen in sales volume and variable cost

*2 Inventory valuation impact of +0.6 billion yen in fixed cost

Explosives & Propulsion Segment

Forecast for FY2025

	[¥100 million]		
	FY2024 Actual	FY2025 Forecast Nov.6	Change
Net sales	388	590	202
Op.profit*	31	64	33
% of Net Sales	8.1%	10.8%	

* Op.profit=Operating profit

- ◆ Increase in sales and profit
- ◆ Net sales of defense-related products are expected to increase

Outlook for H2

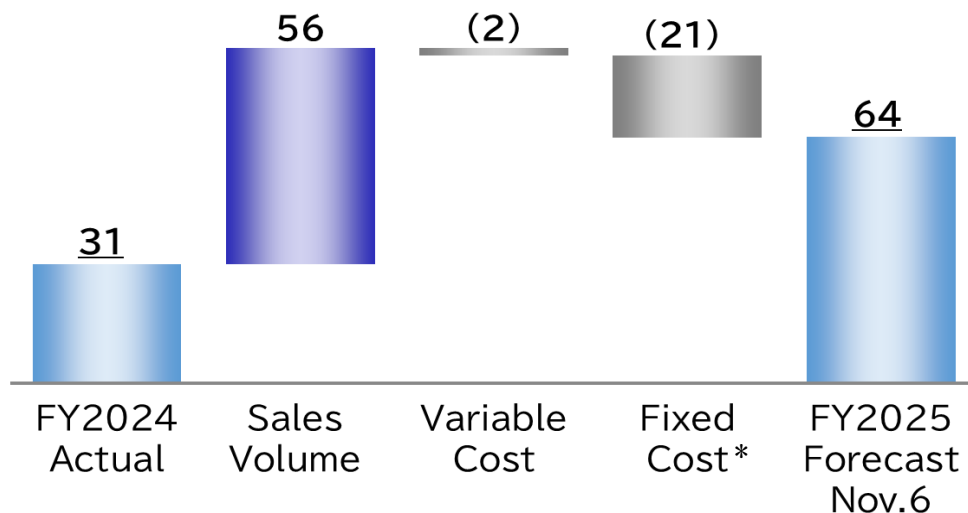
•Defense-related products

⇒ For certain transactions related to the initial costs for rapid acquisition, contracts were identified (among finalized contracts) that recognize revenue based on the performance obligations fulfilled over a certain period, so some revenue and expenses which at the start of the fiscal year had been anticipated to occur in the next Mid-term Plan, are expected to be recorded

•Space-related products

⇒ Shipments of space rocket products are expected to be strong

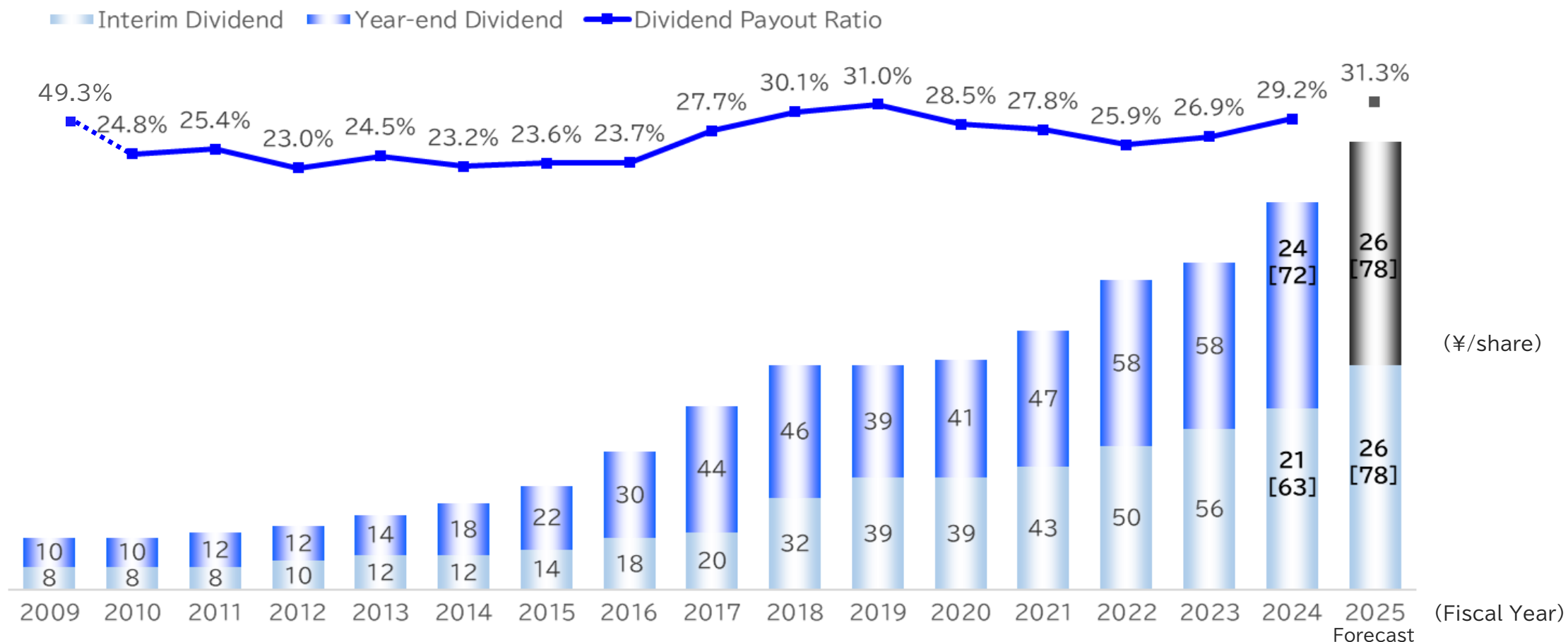
Analysis of Changes in operating profit [¥100 million]



* Inventory valuation impact of (0.3) billion yen in fixed cost

Dividends for FY2025

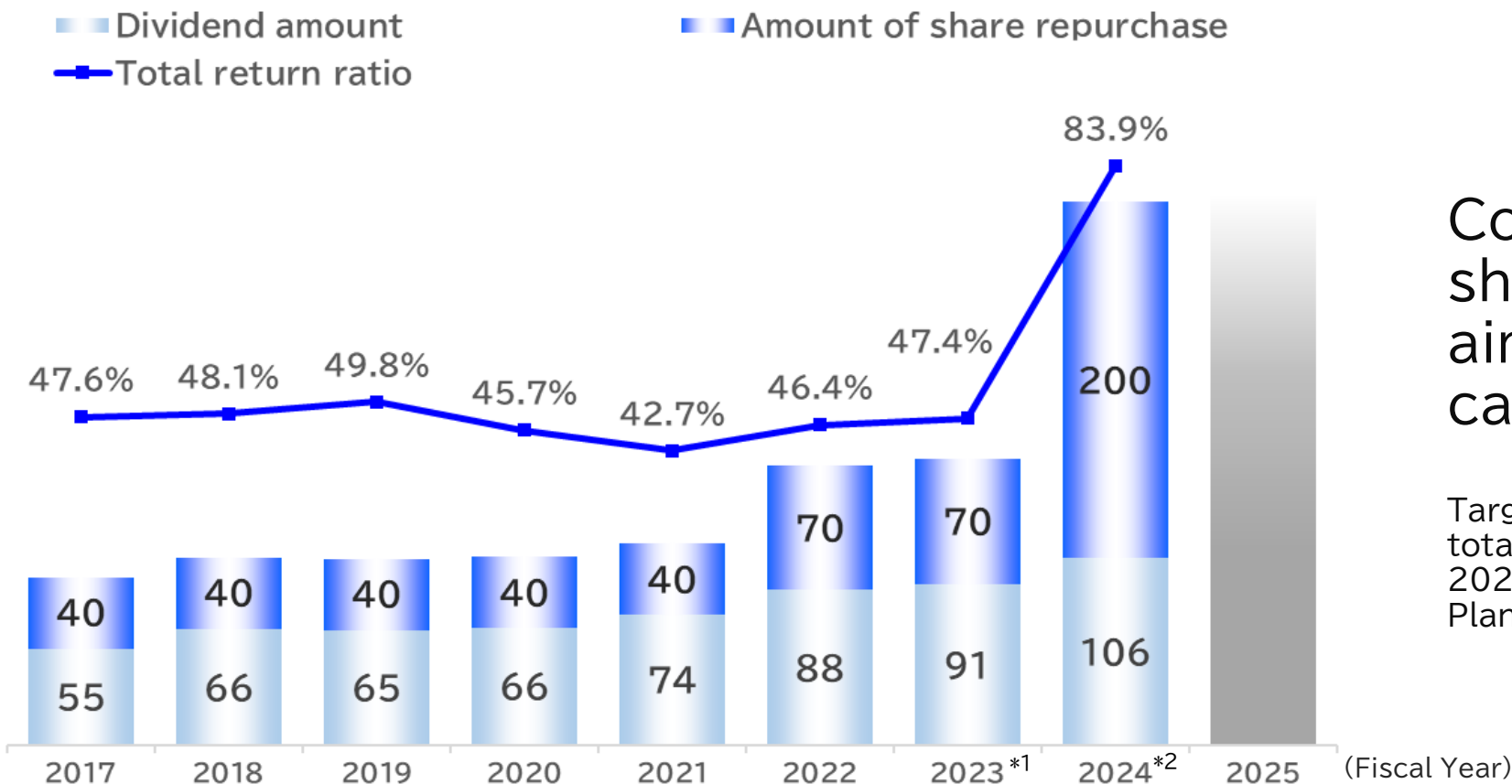
- ◆ The annual dividend for FY 2025 was revised upward to 52 yen, an increase of 4 yen compared to the previous forecast.
- ◆ Aiming for progressive dividends over the medium to long term, based on maintaining stable dividends



NOF conducted a reverse share split on October 1, 2017, at a ratio of 1 share for every 2 shares of common stock.
 The dividends prior to the interim dividend of fiscal year 2017 in the above graph are indicated in the amount assuming a share consolidation of one share for every two common shares.
 In addition, 3-for-1 common share split effective on April 1, 2024.
 Figures in [] in the FY2024 and FY2025 forecast are pre-split conversion figures. The graphs are based on the pre-stock-split basis.

Shareholder returns/Total return ratio

- ◆ ¥5 billion share buyback(November 7, 2025 - December 31, 2025)
- ◆ Returning profits to shareholders while being conscious of improving capital efficiency and striving to maintain and improve shareholder returns by striking a balance with strategic investments



Considering agile share repurchasing aimed at improving capital efficiency

Target level of the total return ratio in the 2025 Mid-term Management Plan period: 50%

^{*1} Amount of share repurchase for FY2023 includes 2 billion yen repurchase decided on May 9, 2024. Period of purchase: From May 10, 2024 through June 28, 2024

^{*2} Amount of share repurchase for FY2024 includes 10 billion yen repurchase decided on May 9, 2025. Period of purchase: From May 12, 2025 through August 5, 2025

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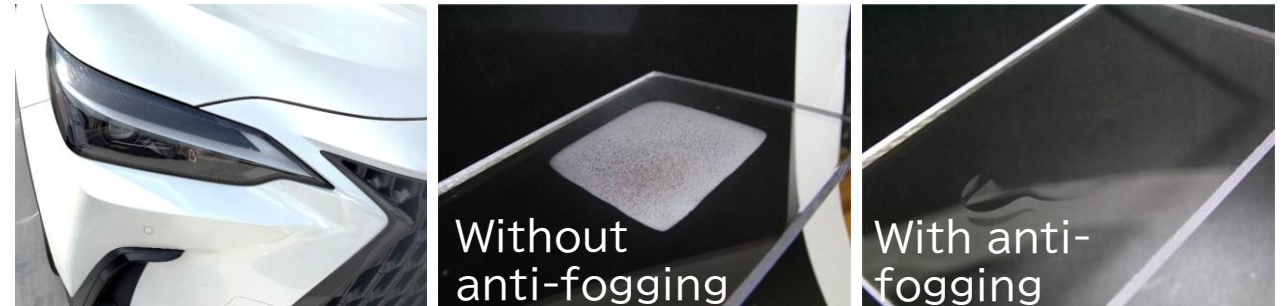
Anti-Fog Agents Business Development

Functional Chemicals Segment



What are anti-fog agents?

- Coating agents that prevent the fogging that occurs when moisture condenses on surfaces such as plastic and glass
- The main applications of NOF's anti-fog agents are automobile headlights and rear combination lights



NOF's strengths

- Exceptional anti-fogging performance and high reliability achieved through proprietary technology
- Market track record over many years in countries around the world

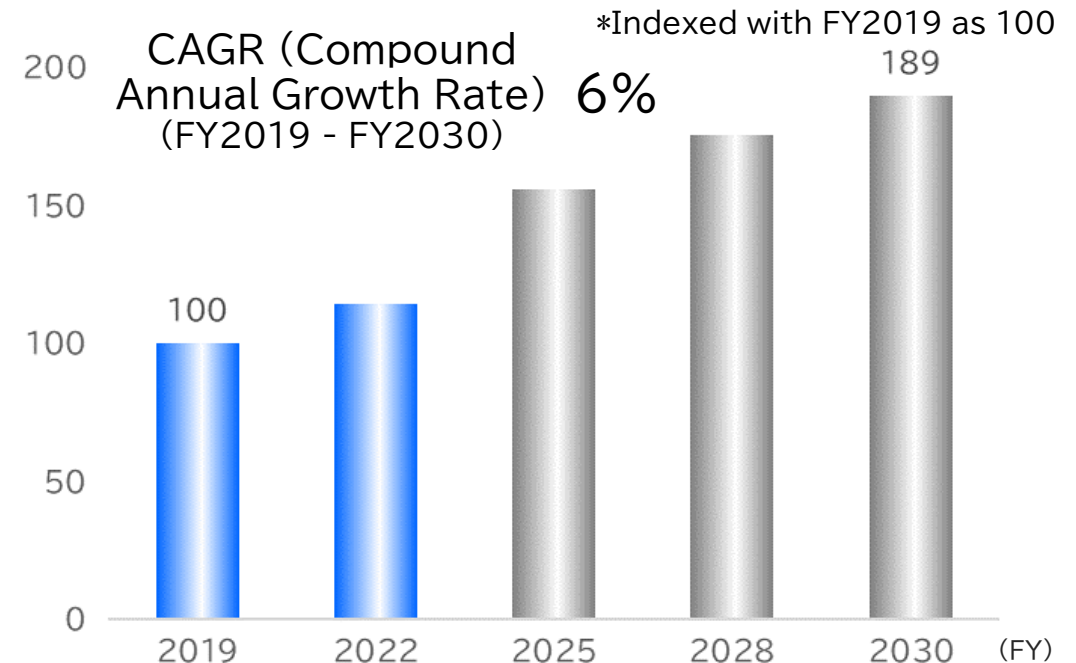
Business environment

- Firm growth in automobile production volumes
- Increased installation rate of LED lights, which have a high anti-fog agents usage rate

Measures aimed at growth

- Developing and introducing products that incorporate proprietary technology and address market needs
- Expanding share through ongoing sales growth in various countries
- Developing products for non-automobile applications, such as sports goggles

Anti-Fog Agents Sales Plan (Index)



Functional Food Materials (Lutein-Containing Products)

Business Development

Pharmaceuticals, Medicals and Health Segment



What are functional food materials?

- Materials that increase the added value of customers' products (breads, confectionery, processed foods)
- Business development centered on lutein-containing products

Business environment and customer issues

- The frozen bread and frozen dough markets are growing
⇒ Addressing quality deterioration due to gluten damage during frozen storage is an issue
- Demand for various types of noodles (e.g., instant noodles and chilled noodles) is growing
⇒ Achieving the natural chewiness of wheat gluten is an issue



Solving customer issues with lutein-containing products

Future development

Lutein-containing products are expected to help solve customer issues in an even wider range of processed food markets by modifying meat, egg, and milk proteins

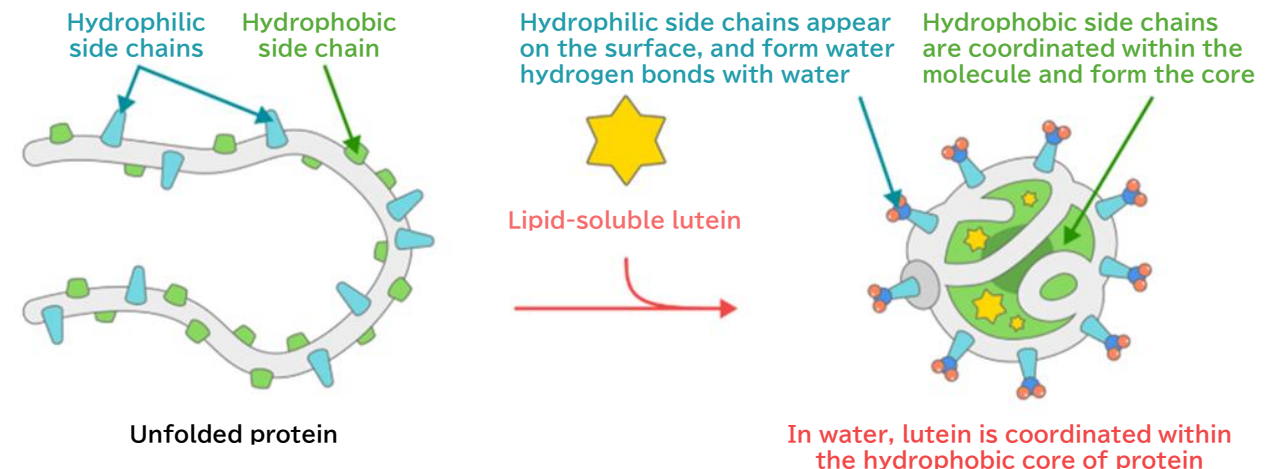
Lutein-containing products



- The lutein contained in lettuce leaves has an effect that changes the chewiness of wheat gluten
- Contribute to enhancing sustainability by using discarded lettuce

Lutein-containing modifier series
Received the 28th Japan Food Journal Excellent Food Ingredients Award (September 11, 2025)

[Diagram Showing How Lutein Changes the Chewiness of Wheat Gluten]



Business Development of CPT Data Acquisition Service

Explosives & Propulsion Segment

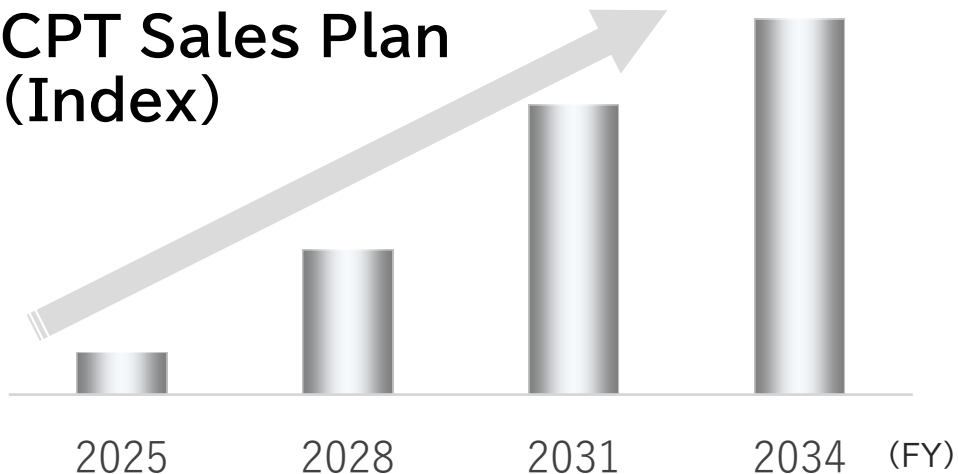
What is CPT data acquisition service?

- What is CPT (Cone Penetration Test)?
A surveying method that acquires numerical data on the strength and mechanical properties of the sea floor foundation by penetrating said foundation with cone-shaped sensors
- NOF Group has developed proprietary seabed-based CPT equipment and offers a service that dispatches CPT equipment and operators together
- The NOF Group's NiGK Corporation launched a CPT data acquisition service in July 2025

Survey targets

- Anchoring points for floating offshore wind turbines
- Installation routes for sea floor infrastructure
(communication cables, carbon capture and storage [CCS] pipelines)

CPT Sales Plan (Index)



Future development

Providing technical support for offshore wind turbines and sea floor infrastructure development by promoting and expanding the market for CPT surveys in marine geological surveying

Helping to improve Japan's energy self-sufficiency rate and realize a decarbonized society

R&D Aimed at Creating New Businesses



Pursuing R&D in three target fields (life/healthcare, environment/energy, and electronics /IT)

➤ Selecting six priority business areas for creating new businesses

Pharmaceutical
materials

Materials for medical care
and medical devices

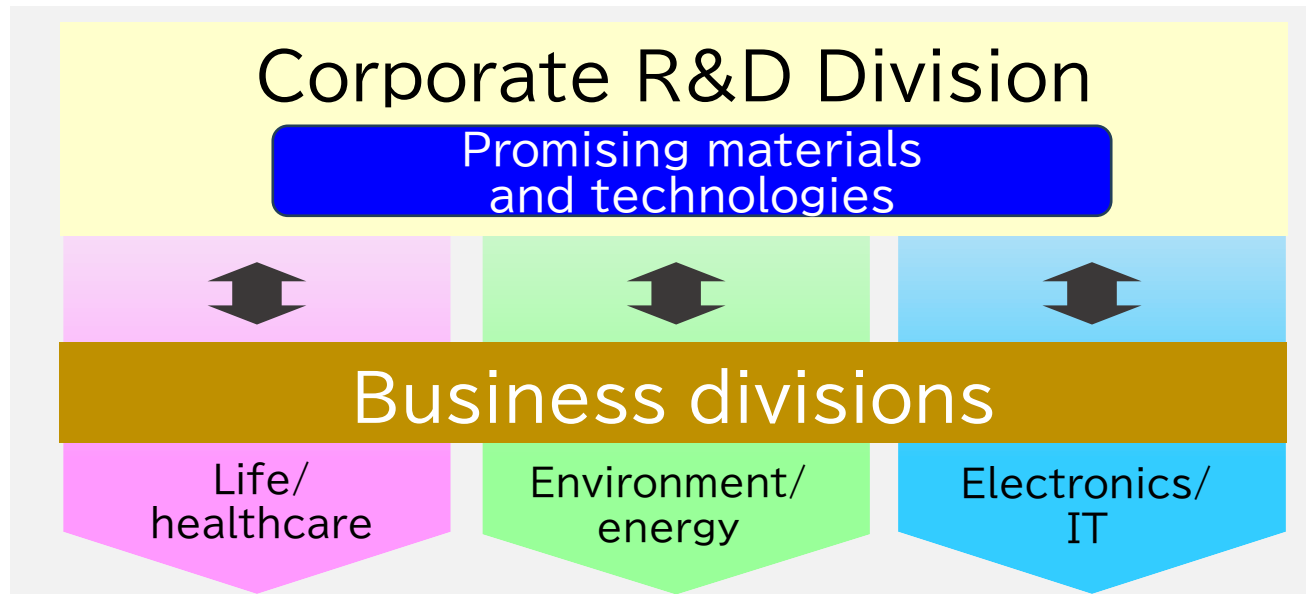
Functional
chemical materials

Functional
food materials

Materials for
electronics

Materials for
automobiles

Social Issues/Market Needs



The Corporate R&D Division identifies promising materials and technologies in the six priority business areas and conducts technology validation

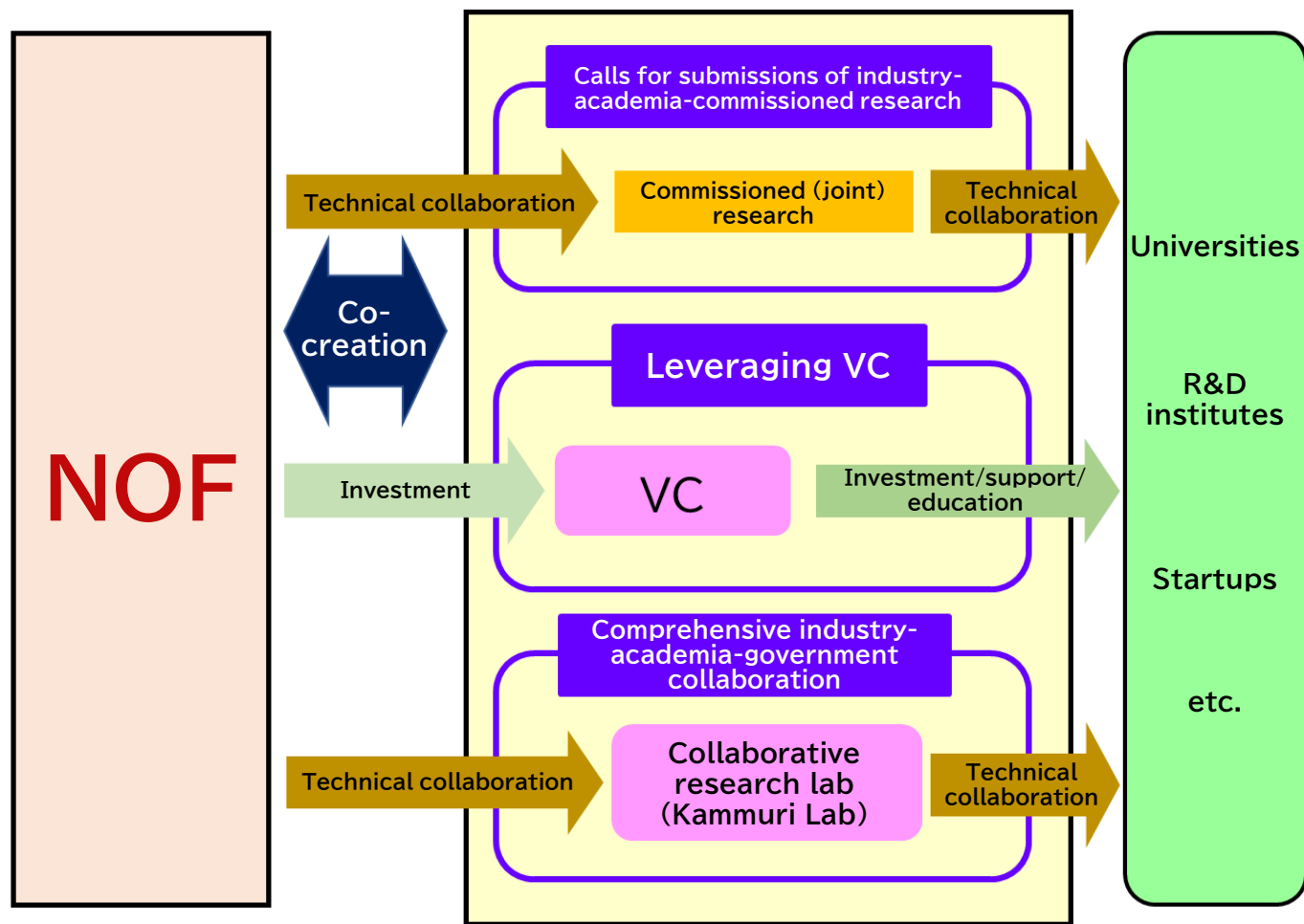
Business divisions consider practical applications

The Corporate R&D Division and business divisions collaborate to create new businesses

Creation of new value

Promoting Open Innovation

Identifying promising materials and technologies, and creating new businesses in collaboration with external organizations



➤ Open innovation initiatives

- Calls for submissions for industry-academia-commissioned research projects*
- Leveraging VC (venture capital)
- Comprehensive industry-academia-government collaboration (collaborative research lab)

* Implemented in FY2025 in the materials for electronics area

Themes of the calls for submissions:

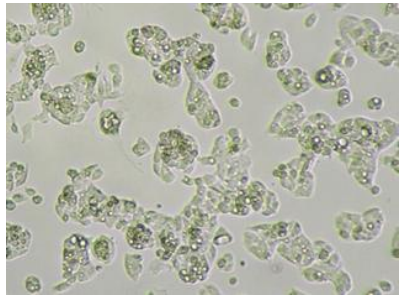
- Materials and technologies for thermal management
- Materials for next-generation solar cell
- Materials for next-generation display
- Materials for secondary battery
- Materials for next-generation semiconductor

Examples of Identified Materials and Technologies

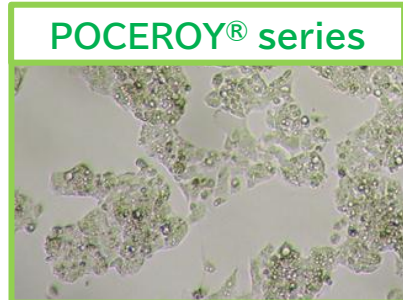
Materials for medical care and medical devices: POCEROY® series cell cryopreservation solution

- ◆ Cell cryopreservation solution for drug discovery and development as well as regenerative medicine
- ◆ Use of proprietary polymer compounds makes it possible to freeze and store cultured cells as is
- ◆ Cell survival rate, cellular function and cellular morphology are maintained after thawing

Before freezing

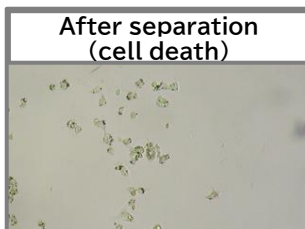


After freezing and thawing



Maintains
cellular
morphology
before freezing

Example of cellular
morphology not
being maintained



After separation
(cell death)



Example of morphology
changing

Functional food materials: Hokkaido White Grape Peel Powder

- ◆ Made using 100% Niagara white grapes grown in Hokkaido
- ◆ Upcycled material achieved by effectively utilizing residue from wine production
- ◆ Clinical trials have been completed showing that it improves moisture in skin and skin elasticity

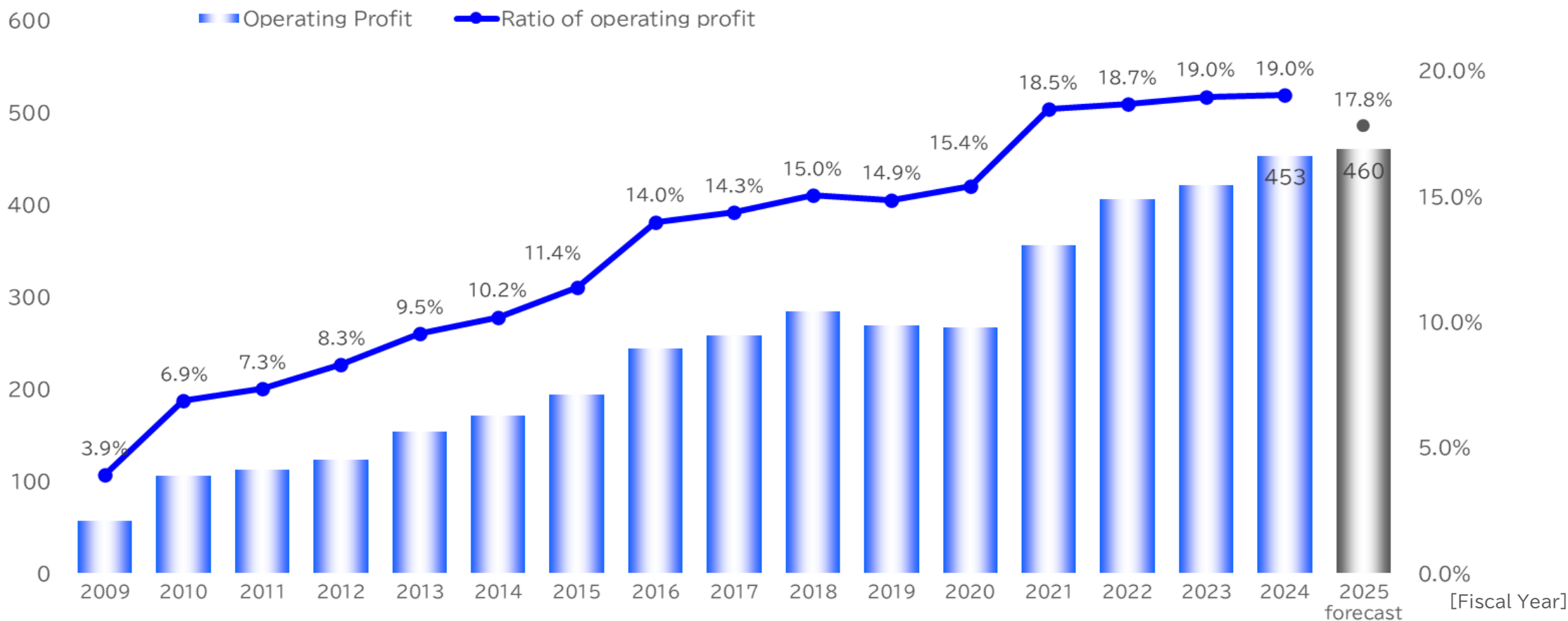


Appendix

Earnings trend

- ◆ Operating profit and the ratio of operating profit to net sales have expanded due to the shift from commodity products to high-added-value products and the expansion of sales in growth fields

[¥100 million]



Business mix of NOF Group



- ◆ Engaging with customers across a wide range of industries both domestically and internationally, aiming to expand into niche, high-end markets with no direct competition
- ◆ A balanced portfolio of cyclical and defensive businesses, with strong resilience against economic fluctuations

Segment	Business	Product Category	Main Products
Functional Chemicals	Functional Materials	Fatty acid, Fatty acid derivatives	Fatty acid, Glycerin, Lubricant, Base materials for refrigerating oils, Toner additives
		Surfactants	Cosmetic ODM products, Cosmetic raw materials
		Ethylene oxide derivatives, Propylene oxide derivatives	Cosmetic raw materials, Electronic materials
		Organic peroxides	Polymerization initiators
		Petrochemical products	Polybutene
		Functional polymers	Antifog agents, Functional additives
	Metal Coatings	Anti corrosion coatings	Waterborne chrome-free anti-corrosion coatings (GEOMET®)
Pharmaceuticals, Medicals and Health	Functional Foods	Functional food materials, Processed edible oil	Functional oil, Quality-improving agents, Margarine, Shortening
		Healthcare foods products	Health food materials, Fats-coating products
	Life Science	Biocompatible materials	MPC polymer, MPC monomer
		Raw materials for DDS	Activated PEGs, Functional lipids, Ultrapure surfactants for pharmaceutical
Explosives & Propulsion	Explosives & Propulsion	Industrial explosives	Emulsion explosives, Electric detonators
		Space rocket products	Solid propellant for space rockets, Pyrotechnics
		Defense-related products	Propelling charges for defense use, Solid propellant for defense use
		Functional products	Thermal indicator materials, Security devices, Anti-freeze agents, Oceanographic survey devices

Comparative Balance Sheets(Consolidated)



[¥100 million]

	Mar. 31 2025	Sep. 30 2025	Change		Mar. 31 2025	Sep. 30 2025	Change
Cash and deposits	871	917	47	Notes and accounts payable	239	227	(12)
Notes and accounts receivable	628	537	(91)	Interest-bearing debt	50	52	2
Inventories	573	666	93	Deferred tax liabilities	116	138	23
Other current assets	48	50	2	Other liabilities	372	526	155
Property, plant and equipment and Intangible assets	870	953	83	Total Liabilities	776	944	168
Investments securities	419	493	74	Total shareholder's equity	2,467	2,465	(2)
Other long-term assets	163	160	(3)	Accumulated other comprehensive income	318	356	38
				Non-controlling interests	10	10	(0)
				Total Net Assets	2,796	2,831	36
Total Assets	3,572	3,776	204	Total Liabilities and Total Net Assets	3,572	3,776	204

Statements of Cash Flows(Consolidated)



[¥100 million]

	FY2024 H1	FY2025 H1
1. Cash flows from operating activities	154	276
2. Cash flows from investing activities	(86)	(70)
3. Cash flows from financing activities	(67)	(153)
Increase(Decrease) in borrowings	0	1
Purchase of treasury shares	(20)	(100)
Dividends paid	(46)	(56)
others	(1)	3
4. Others	28	(11)
Total of 1~4	28	43
5. Cash and cash equivalents at end of period	903	870
Free Cash Flow	67	206

Financial Indicators

		FY2024 H1	FY2025 H1	Change
Ratio of operating profit to net sales	[%]	21.1	18.9	(2.2)
Ratio of ordinary profit to net sales	[%]	21.4	19.8	(1.5)
Debt to Equity ratio	[X]	0.02	0.02	0.00
Basic earnings per share	[¥]	71.4	66.6	(4.8)
Net assets per share	[¥]	1,163.2	1,227.6	64.4
Our stock price (end of September)	[¥]	2,460	2,587	
cf. Nikkei stock average		37,920	44,933	
Price book-value ratio	[X]	2.11	2.11	(0.01)

- 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.

A d d r e s s : 20-3,EBISU 4-CHOME,SHIBUYA-KU,TOKYO 150-6012

E - m a i l : iroffice@nof.co.jp

H o m e p a g e : <https://www.nof.co.jp>