

Presentation Material

Financial Results

For the Fiscal Year Ended March 31, 2026

May 22, 2026

 **NOF CORPORATION**

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Overview of FY2025 Results



- ◆ Net sales, operating profit, ordinary profit, and profit all reached record highs
- ◆ Dividend per share of ¥61, an increase of ¥16 over the previous year

	【¥100 million】				
	FY2024 Apr.-Mar.	FY2025 Apr.-Mar.	Increase (Decrease)	FY2025 Forecast (Feb.13)	Increase (Decrease)
Net sales	2,383	2,580	197	2,605	(25)
Gross profit	852	891	39		
% of Net Sales	35.7%	34.5%			
SG&A *1	398	417	18		
Operating profit	453	474	21	460	14
% of Net Sales	19.0%	18.4%		17.7%	
Ordinary profit	466	504	38	495	9
Profit*2	365	406	41	394	12
Basic earnings per share	¥153.9	¥176.3	¥22.5	¥171.2	¥5.1
Dividend per share	¥45	¥61	¥16	¥61	-

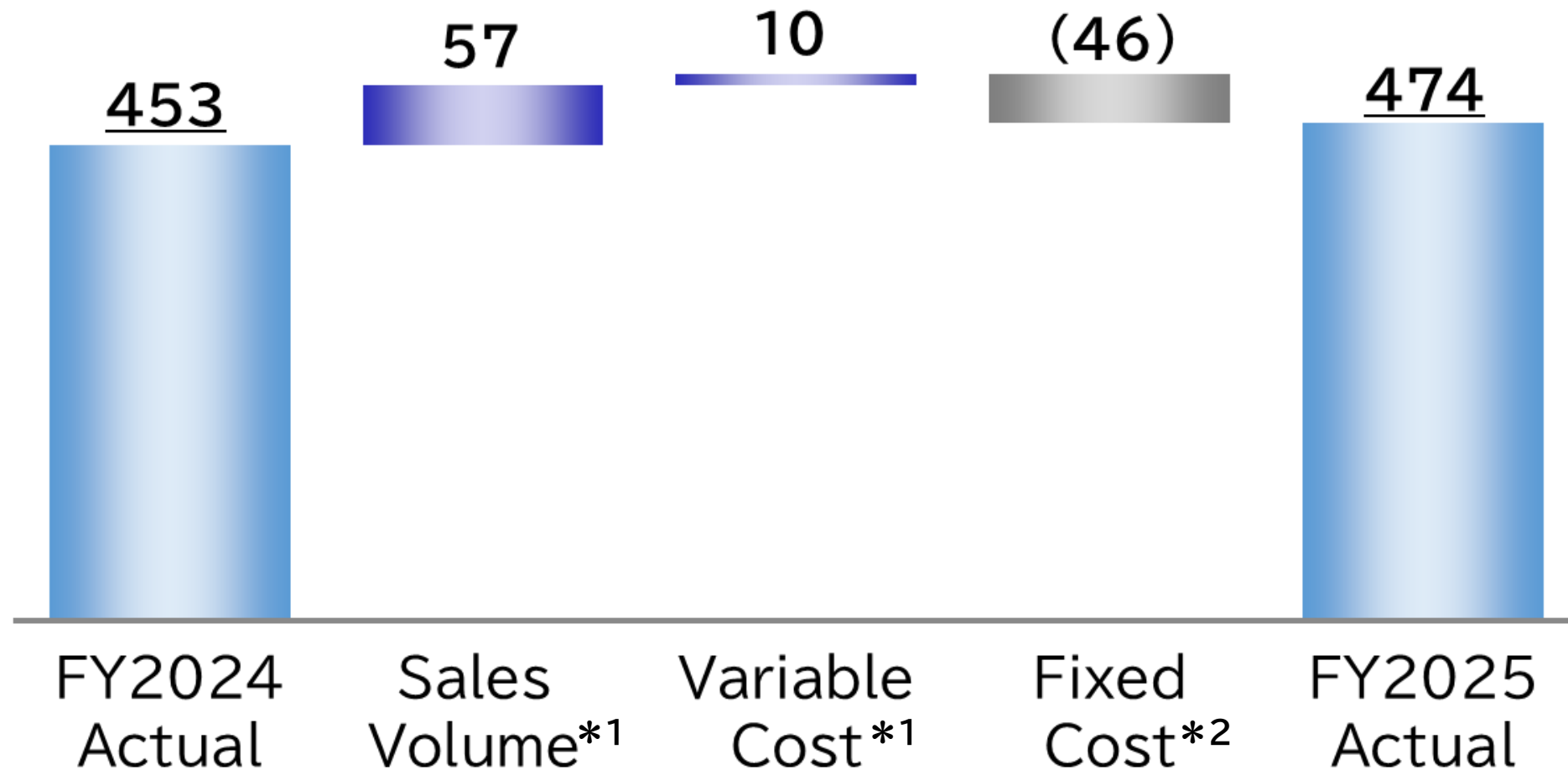
*1 SG&A=Selling, General, and Administrative expense

*2 Profit=Profit attributable to owners of parent

Changes in Operating Profit

FY2025 Actual vs FY2024 Actual

【¥100 million】



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

*2 Inventory valuation impact of +1.1 billion yen in fixed cost

Functional Chemicals Segment

Overview of FY2025

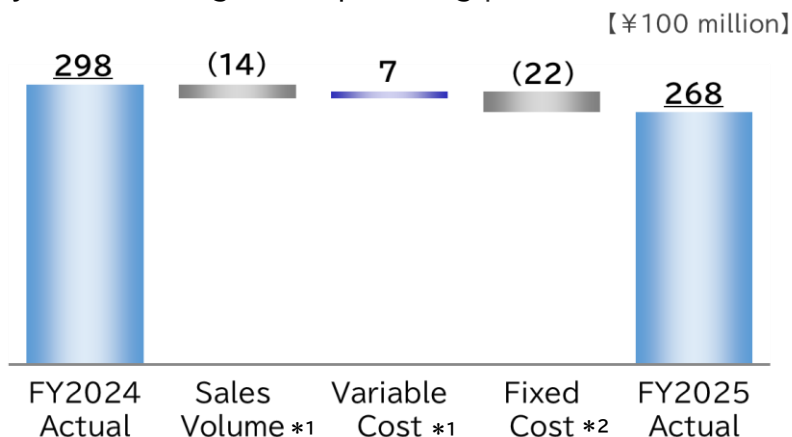
- ◆ Decrease in sales and profit
- ◆ Overall sluggish, except in certain products

【¥100 million】

	FY2024			FY2025			Increase(Decrease)		
	Apr.- Sep.	Oct.- Mar.	Full- Year	Apr.- Sep.	Oct.- Mar.	Full- Year	Apr.- Sep.	Oct.- Mar.	Full- Year
Net sales	755	755	1,509	691	767	1,458	(64)	12	(52)
Op.profit*	160	138	298	123	145	268	(37)	7	(30)
% of Net Sales	21.3%	18.2%	19.7%	17.9%	18.9%	18.4%			

* Op.profit=Operating profit

Analysis of Changes in operating profit



*1 Foreign exchange impact of (0.0) billion yen in sales volume and variable cost

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

Main Factors of Sales (YOY)

Cosmetics-related products

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

Special anti-corrosion coatings

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

Other functional chemicals in general

- Overall, fatty acid derivatives and other items were sluggish

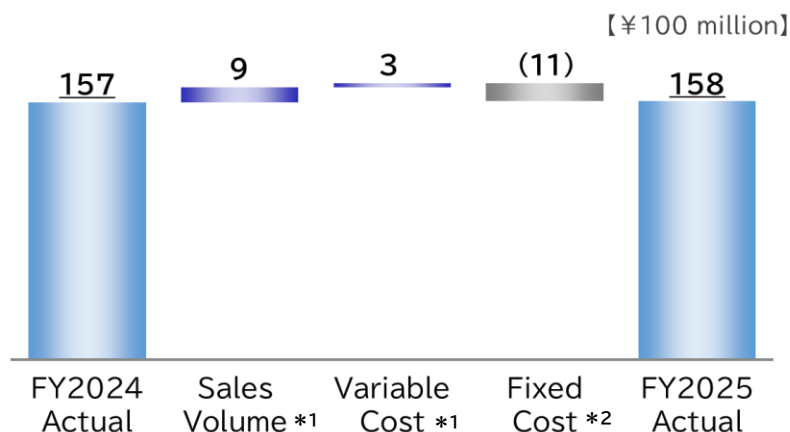
Overview of FY2025

- ◆ Increase in sales and profit
- ◆ While shipments for certain customers were less than expected for raw materials for DDS, performance remained steady overall

	FY2024			FY2025			Increase(Decrease)		
	Apr.- Sep.	Oct.- Mar.	Full- Year	Apr.- Sep.	Oct.- Mar.	Full- Year	Apr.- Sep.	Oct.- Mar.	Full- Year
Net sales	230	250	480	250	249	499	20	(1)	19
Op.profit*	81	76	157	84	75	158	3	(2)	1
% of Net Sales	35.1%	30.5%	32.7%	33.4%	29.9%	31.7%			

* Op.profit=Operating profit

Analysis of Changes in operating profit



*1 Foreign exchange impact of +0.1 billion yen in sales volume and variable cost
 *2 Inventory valuation impact of +0.8 billion yen in fixed cost

Main Factors of Sales (YOY)

Raw materials for DDS

- Decreased demand due to delays in the market expansion of launched products at certain customers
- Received penalty fees based on minimum purchase amount agreements for NOF products

Processed edible oil/Functional food materials

- Strove to maintain appropriate prices given rising raw material/fuel prices

Biocompatible materials

- Stagnant demand for MPC-related products

Explosives & Propulsion Segment

Overview of FY2025

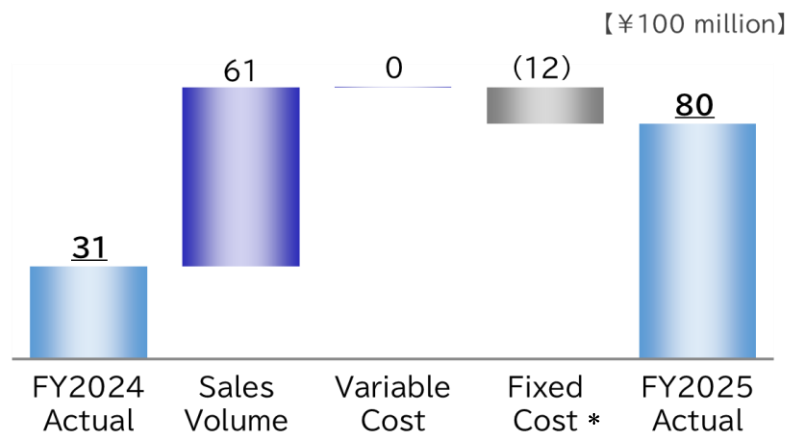
- ◆ Increase in sales and profit
- ◆ Increase in sales of defense-related products

【¥100 million】

	FY2024			FY2025			Increase(Decrease)		
	Apr.- Sep.	Oct.- Mar.	Full- Year	Apr.- Sep.	Oct.- Mar.	Full- Year	Apr.- Sep.	Oct.- Mar.	Full- Year
Net sales	117	271	388	147	470	617	31	198	229
Op.profit*	7	24	31	13	67	80	6	43	48
% of Net Sales	6.2%	8.9%	8.1%	8.8%	14.2%	12.9%			

* Op.profit=Operating profit

Analysis of Changes in operating profit



* Inventory valuation impact of +0.3 billion yen in fixed cost

Main Factors of Sales (YOY)

Defense-related products

- Recorded some revenue and expenses for certain contracts related to rapid acquisition (transactions for contracts that recognize revenue based on performance obligations)

Space-related products

- Shipments of products for rockets remained firm

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Overview of the FY2026 Business Forecast

- ◆ We plan to achieve record-high net sales, operating profit and ordinary profit
- ◆ Incorporated the materialized impact of the increasingly strained situation in the Middle East into the business forecast

【¥100 million】

	FY2025 Actual	FY2026 Forecast	Increase (Decrease)
Net sales	2,580	3,190	23.7%
Operating profit	474	500	5.5%
% of Net Sales	18.4%	15.7%	
Ordinary profit	504	510	1.3%
Profit*	406	390	(3.8%)
Basic earnings per share	¥176.3	¥169.6	

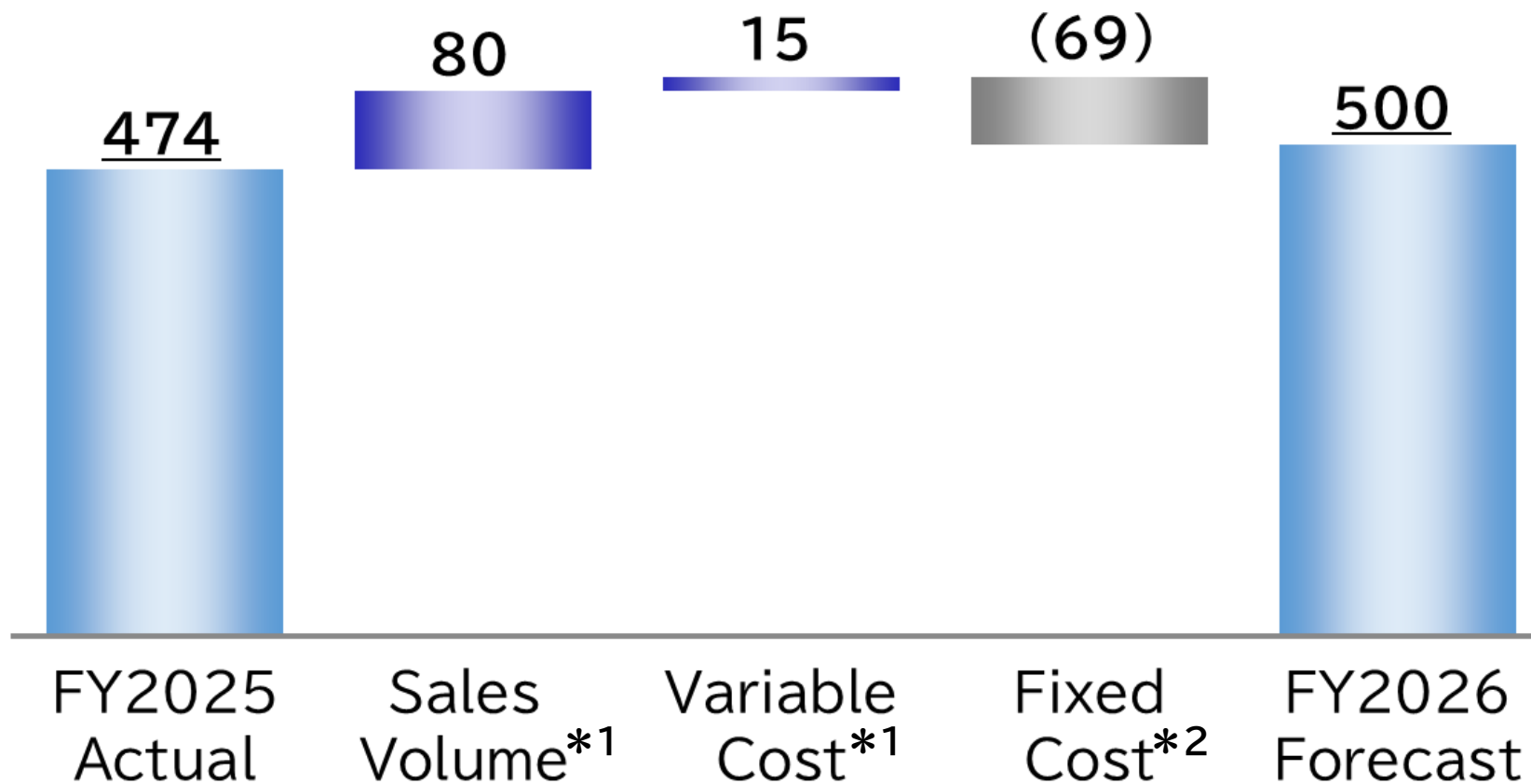
* Profit=Profit attributable to owners of parent

<Assumptions for Earnings Forecast>		FY2025 Actual	FY2026 Assumption
Exchange Rates	JPY¥/US\$	150	150
	JPY¥/EUR	174	180

Changes in Operating Profit

FY2026 Forecast vs FY2025 Actual

【¥100 million】



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

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

Functional Chemicals Segment

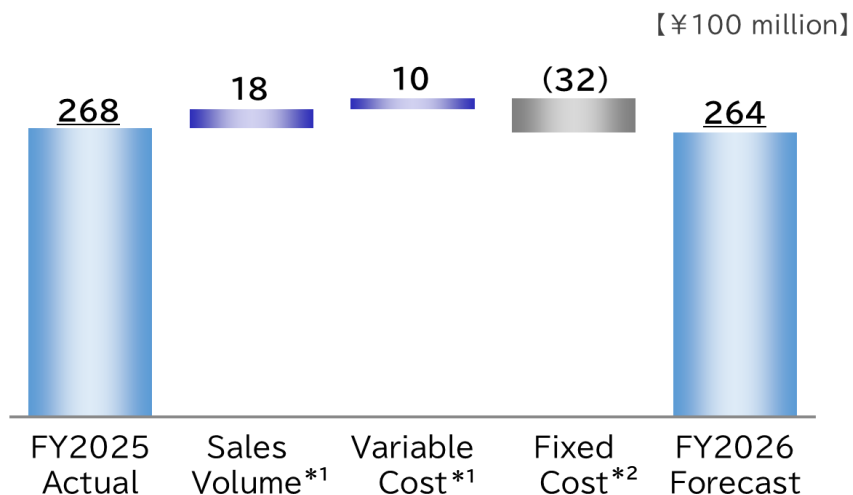
Overview of FY2026 Forecast

【¥100 million】

	FY2025 Actual	FY2026 Forecast	Change
Net sales	1,458	1,555	97
Op.profit*	268	264	(4)
% of Net Sales	18.4%	17.0%	

* Op.profit=Operating profit

Analysis of Changes in operating profit



*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

FY2026 Forecast

- ◆ Increase in sales and decrease in profit
- ◆ Incorporated the impact of the increasingly strained situation in the Middle East on the soaring prices of raw materials and fuels, as well as on the supply chain
- ◆ Firm demand for cosmetics-related products and special anti-corrosion coatings

Market Environment & Initiatives

Cosmetics-related products

- Focusing effort on environmentally friendly raw materials such as plant-based raw materials, as well as high-performance products (high-moisturizing and high-performance UV products, etc.)

Special anti-corrosion coatings

- While sluggish growth in global automobile production volume is expected, growth will be maintained by maintaining/expanding NOF's share of automobile-related products and expanding sales in non-automobile fields

Other functional chemicals in general

- Incorporating price revisions in response to higher raw material and fuel prices, as well as supply chain impacts

Overview of FY2026 Forecast

【¥100 million】

	FY2025 Actual	FY2026 Forecast	Change
Net sales	499	502	3
Op.profit*	158	123	(35)
% of Net Sales	31.7%	24.5%	

* Op.profit=Operating profit

Analysis of Changes in operating profit



*1 Foreign exchange impact of +0.0 billion yen in sales volume and variable cost

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

FY2026 Forecast

- ◆ Increase in sales and decrease in profit
- ◆ For raw materials for DDS, the impact of the delay in the market expansion of commercialized products by certain customers is expected to continue
- ◆ Fixed costs, including depreciation for the LS Aichi Plant, are expected to increase

Market Environment & Initiatives

Raw materials for DDS

- Capturing demand for drugs that provide new modalities*, such as peptide drugs
- Establishing a stable supply system at the LS Aichi Plant
- Continued impact of delays in clinical development by biotech companies

Processed edible oils/Functional food materials

- Maintain appropriate pricing despite expected increases in raw material and fuel costs
- Expand sales of functional food materials

Biocompatible materials

- Expand sales of contact lens-related materials

* Modality: Methods/means for fundamental pharmaceutical development technology

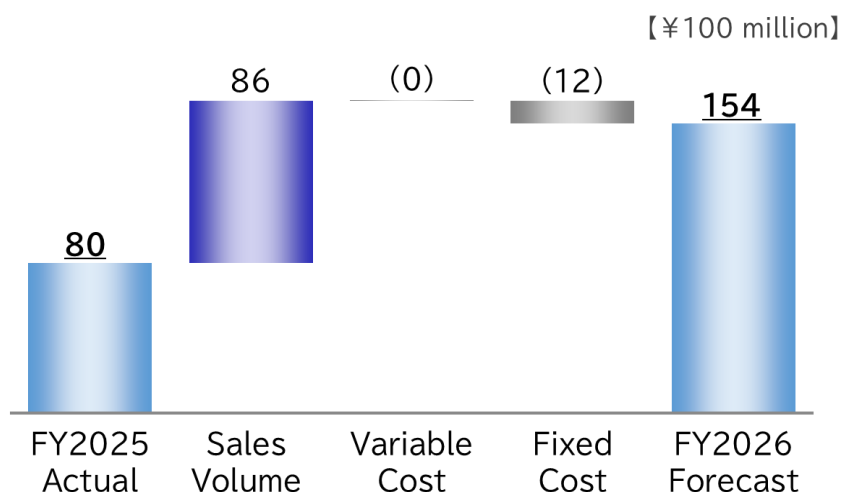
Overview of FY2026 Forecast

【¥100 million】

	FY2025 Actual	FY2026 Forecast	Change
Net sales	617	1,128	511
Op.profit*	80	154	74
% of Net Sales	12.9%	13.7%	

* Op.profit=Operating profit

Analysis of Changes in operating profit



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

FY2026 Forecast

- ◆ Increase in sales and profit
- ◆ For defense-related products, revenue and expenses will be recorded based on progress in certain transactions related to rapid acquisition (contracts that recognize revenue according to performance obligations)

Market Environment & Initiatives

Defense-related products















- Steadily pursuing work related to rapid acquisition facilities
- Firm demand for defense-related products

Space-related products

- Increase in shipments of products for rockets due to the resumption of H3 launches

Appendix

FY2025 YOY Performance Trends

Segments	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 coatings			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			Despite a decrease in demand caused by delays in the market rollout of commercialized products for some customers, maintained the previous year's level driven by factors such as firm demand for products for other customers.
	Processed edible oil Functional food materials			Strove to maintain appropriate prices given rising raw material/fuel prices
Explosives & Propulsion	Defense-related products			Operating profit increased due to revenue related to rapid acquisition and firm demand for overall defense-related products
	Space-related products			Operating profit increased due to an increase in demand for rocket products

Facility Investments/R&D

Results and forecast of Facility investments

【¥100 million】

	FY2025 Actual	FY2026 Forecast
Capital expenditures* ¹	344	705
Depreciation & Amortization	221	675

*1 Acceptance basis

Results and forecast of R&D expenses

【¥100 million】

	FY2025 Actual	FY2026 Forecast
Functional Chemicals	40	42
Pharmaceuticals, Medicals and Health	19	19
Explosives & Propulsion	13	13
Others* ²	10	15
Total	81	89

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

Cross-Shareholdings Reduction Policy

- ◆ Achieved the target ratio of cross-shareholdings to net assets of 15% or less under the 2025 Mid-term Plan
- ◆ Under the 2028 Mid-term Plan, we will pursue the reduction of cross-shareholdings with the aim of achieving a ratio of cross-shareholdings to net assets of **10% or less**

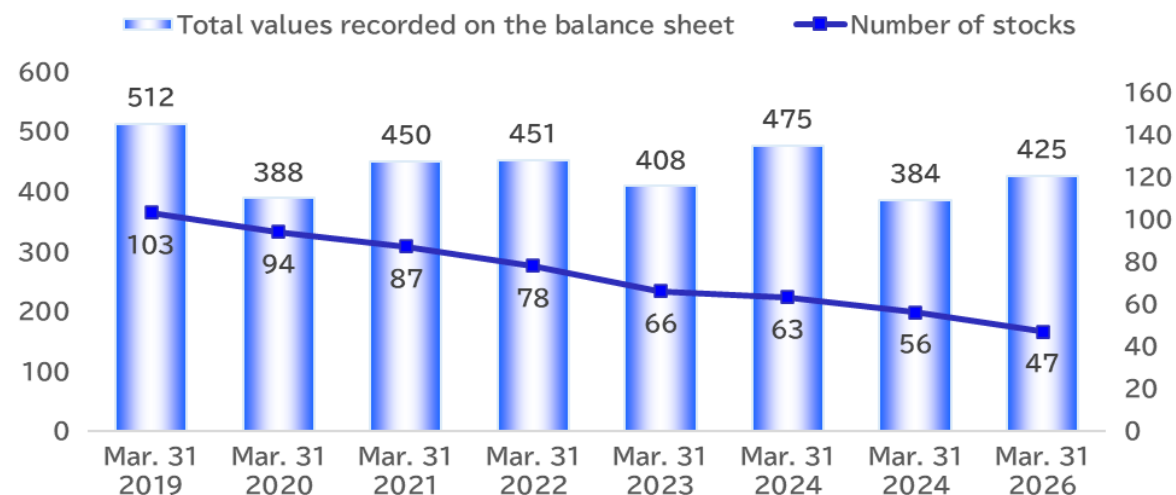
Transition of Cross-Shareholdings

Transition of Cross-shareholdings' Percentage of Consolidated Net Assets

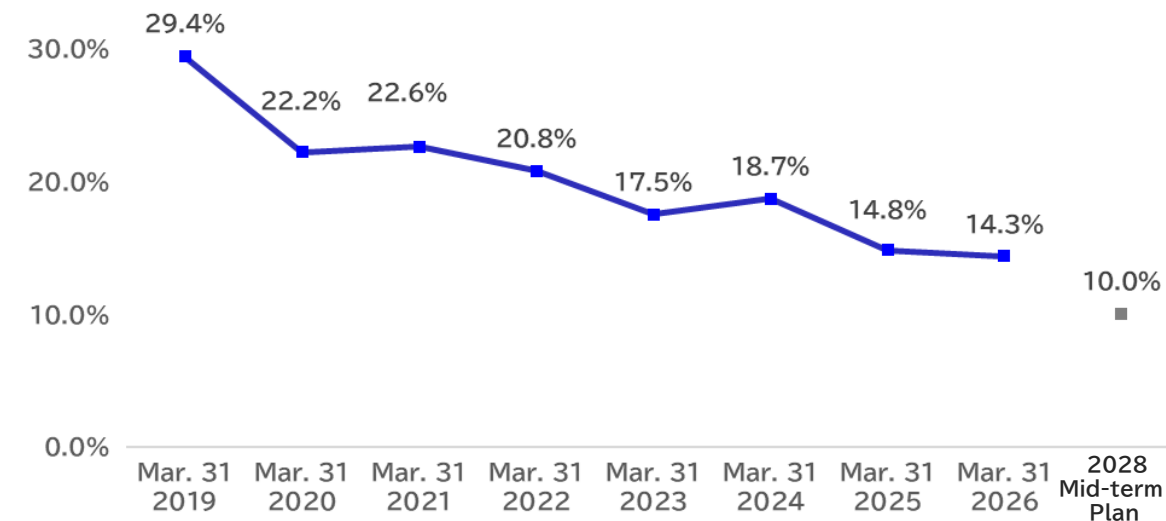
In FY2025, 9 stocks were reduced and 6 stocks were partially sold. The ratio declined to 14.3%.

【¥100 million】

【stocks】



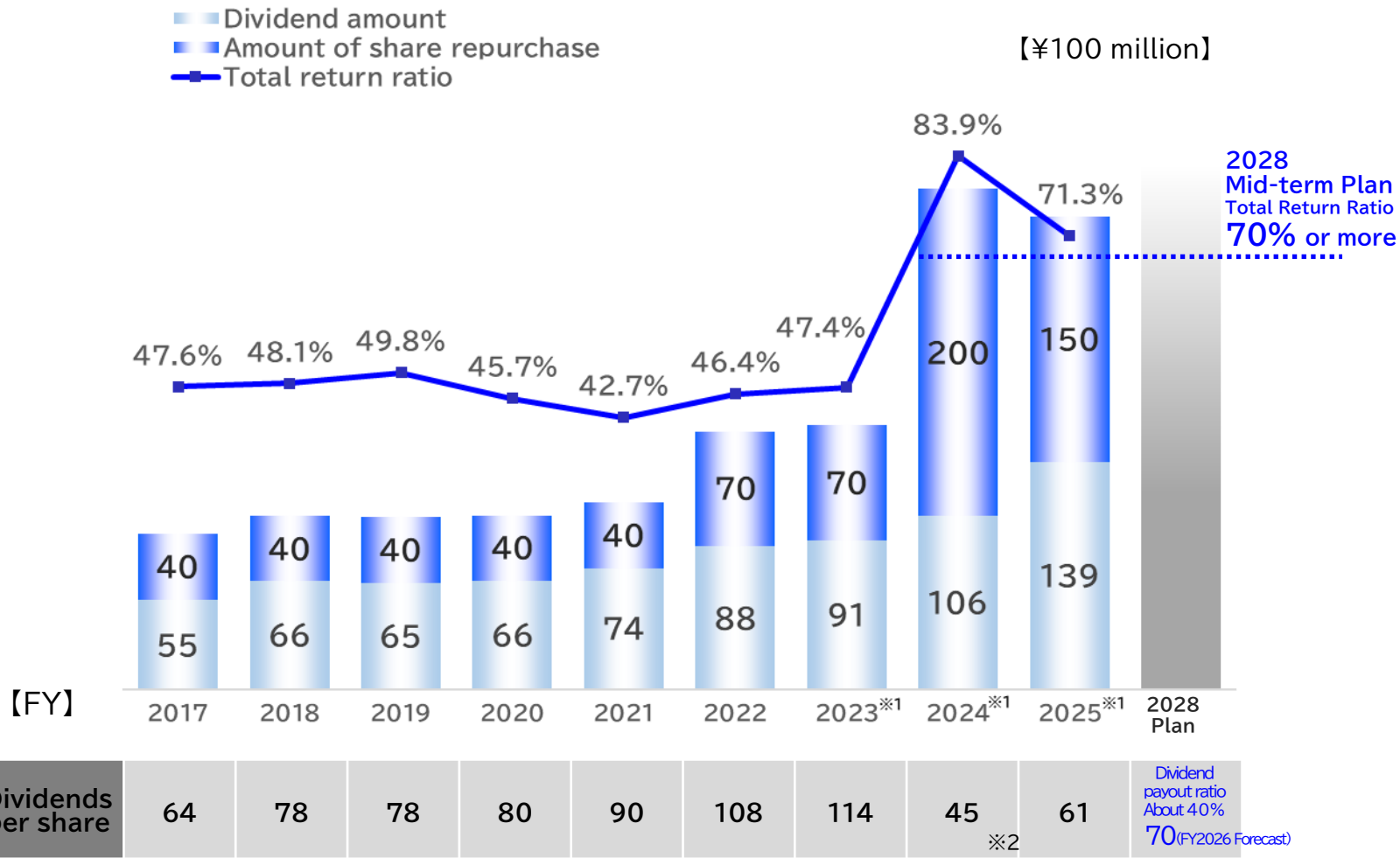
【%】



Ratio of the total amount of cross-shareholdings on the balance sheet and a deemed shareholding divided by net assets

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

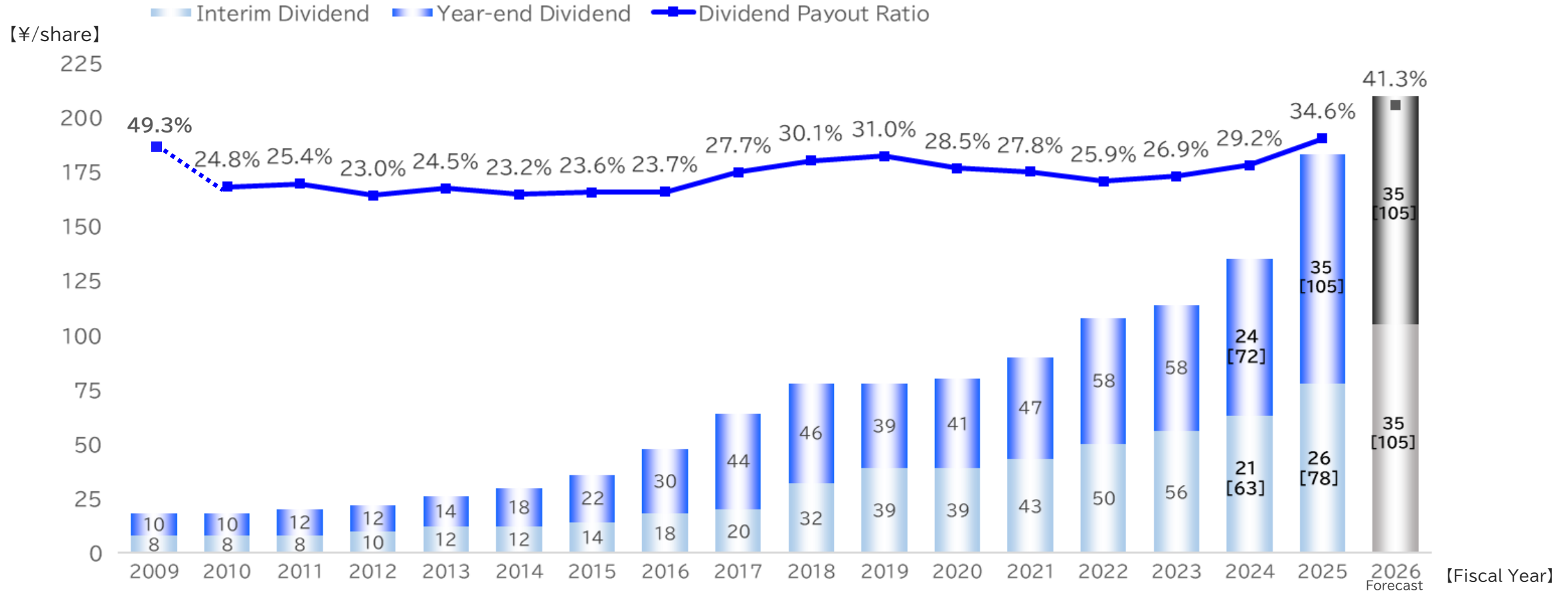
Share repurchasing aimed at improving capital efficiency
 Expanding the size of shareholder returns during the 2028 Mid-term Plan with a target **total return ratio of 70% or more**

*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.

Shareholder returns/Dividend payout ratio



- ◆ The annual dividend forecast for FY2026 is 70 yen
- ◆ In the 2028 Mid-term Plan, we aim for progressive dividends over the medium to long term, based on maintaining stable dividends with a target dividend payout ratio of about 40%

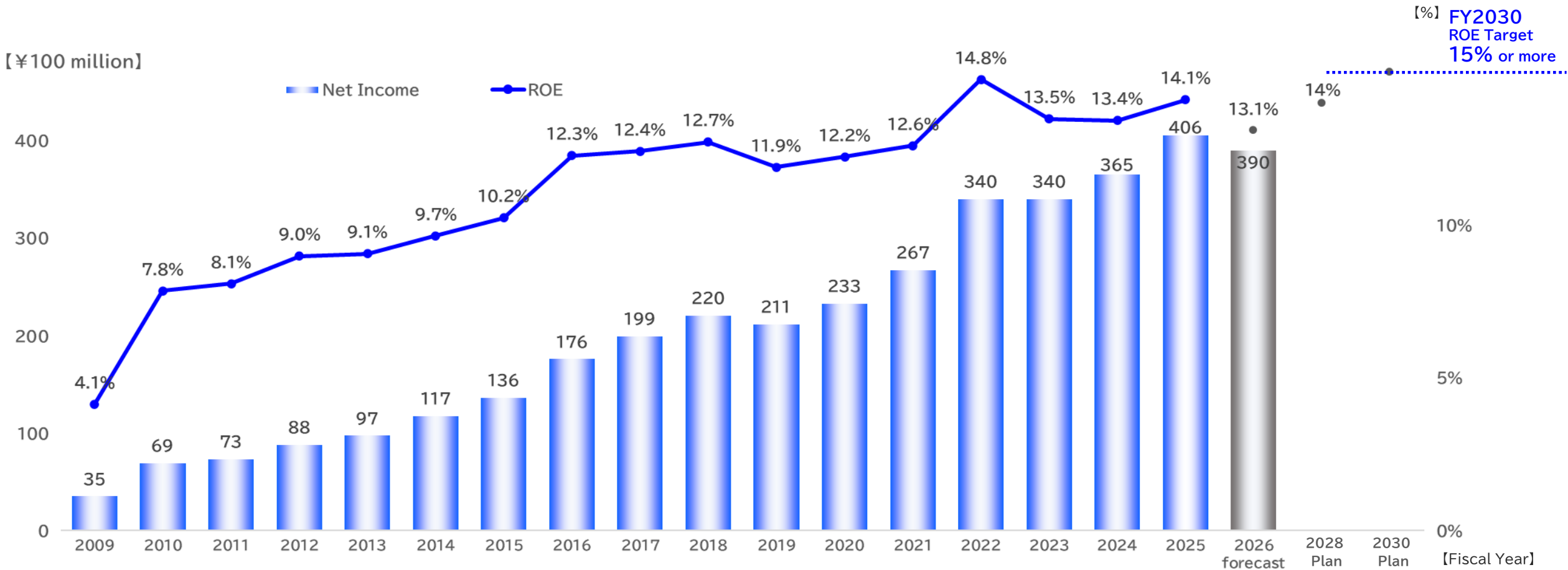


NOF conducted a reverse share split on October 1, 2017, at a ratio of 1 share for every 2 shares of common stock.

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 April 1, 2024. Figures in [] in the FY2024 to 2026 Forecast are pre-split conversion figures. The graphs are based on the pre-stock-split basis.

ROE

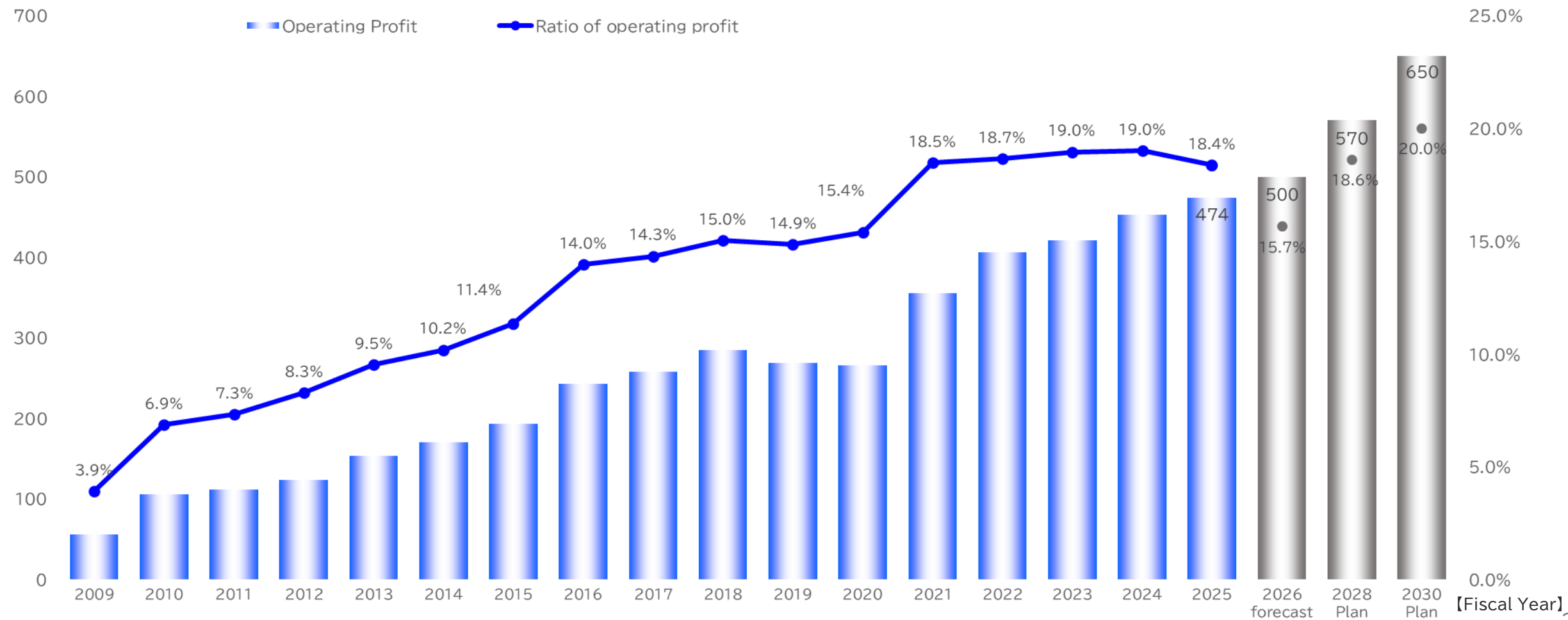
- ◆ The ROE target of 12% or more in the 2025 Mid-term Management Plan was achieved in FY2025
- ◆ The ROE forecast for FY2026 is 13.1%
- ◆ In the 2028 Mid-term Plan, the target ROE was raised to 14% or more
- ◆ A new ROE target of 15% or more was set for FY2030



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	Special 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	Mar. 31 2026	Increase (Decrease)		Mar. 31 2025	Mar. 31 2026	Increase (Decrease)
Cash and deposits	871	884	13	Notes and accounts payable	239	219	(20)
Notes and accounts receivable	628	785	157	Interest-bearing debt	50	51	1
Inventories	573	643	70	Deferred tax liabilities	116	96	(20)
Other current assets	48	56	8	Other liabilities	372	661	289
Property, plant and equipment and Intangible assets	870	986	116	Total Liabilities	776	1,027	251
Investments securities	419	461	42	Total shareholder's equity	2,467	2,557	90
Other long-term assets	163	176	13	Accumulated other comprehensive income	318	397	79
				Non-controlling interests	10	11	1
				Total Net Assets	2,796	2,965	169
Total Assets	3,572	3,992	420	Total Liabilities and Total Net Assets	3,572	3,992	420

Statements of Cash Flows(Consolidated)



【¥100 million】

	FY2024	FY2025
1. Cash flows from operating activities	290	359
2. Cash flows from investing activities	(137)	(44)
Proceeds from sales of investment securities	52	108
Purchase of property, plant and equipment and intangible assets	(163)	(144)
others	(26)	(8)
3. Cash flows from financing activities	(220)	(314)
Increase(Decrease) in borrowings	(2)	0
Purchase of treasury shares	(120)	(200)
Dividends paid	(96)	(115)
others	(2)	1
4. Others	20	2
Total of 1~4	(48)	3
5. Cash and cash equivalents at end of period	827	830
Free Cash Flow	152	314

Financial Indicators(1)

		FY2024 Apr.-Mar.	FY2025 Apr.-Mar.	increase (decrease)
Ratio of operating profit to net sales	[%]	19.0	18.4	(0.6)
Ratio of ordinary profit to net sales	[%]	19.5	19.5	(0.0)
ROA (Ratio of ordinary profit to total assets)	[%]	13.3	13.3	(0.0)
ROE (Return on equity)	[%]	13.4	14.1	0.7
Debt to Equity ratio	[X]	0.02	0.02	(0.00)
Equity-to-asset ratio	[%]	78.0	74.0	(4.0)

Financial Indicators(2)

		FY2024 Apr.-Mar.	FY2025 Apr.-Mar.	increase (decrease)
Basic earnings per share	[¥]	153.9	176.3	22.5
Net assets per share	[¥]	1,192.7	1,304.3	111.7
Cash dividends per share	[¥]	45	61	16
Payout ratio(consolidated)	[%]	29.2	34.6	5.3
Our stock price (end of March)	[¥]	2,020.0	3,101.0	
cf. Nikkei stock average		35,618	51,064	
Price book-value ratio	[X]	1.69	2.38	0.68
Price earnings ratio	[X]	13.1	17.6	4.5

- 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.

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