

Presentation Material  
For the Second Quarter Ended September 30, 2025

# Financial Results

November 19, 2025



Good morning. I am Sawamura, President of NOF CORPORATION. Thank you for taking the time to attend our financial results briefing today. I would also like to take this opportunity to express our gratitude to you for your continued support.

Now, I will give you a briefing on our financial results for the second quarter of the fiscal year ending March 31, 2026.

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Let me show you what I will explain.

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1. H1 FY2025 Financial Results	P 4 ~ 9
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First, I will talk about our financial results for the first half of FY2025.

## 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 H1	FY2025 H1	Change	
			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 <sup>*1</sup>	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 <sup>*2</sup>	170	154	(16)	(9.4%)

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

\*2 Profit=Profit attributable to owners of parent

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Let me start with the consolidated income statement. In H1 FY2025, the Explosives & Propulsion segment performed well, and in the Pharmaceuticals, Medicals and Health segment, raw materials for DDS remained firm, however, the Functional Chemicals segment was sluggish due to decreased demand, except in some products, resulting in year-on-year declines in both net sales and profit.

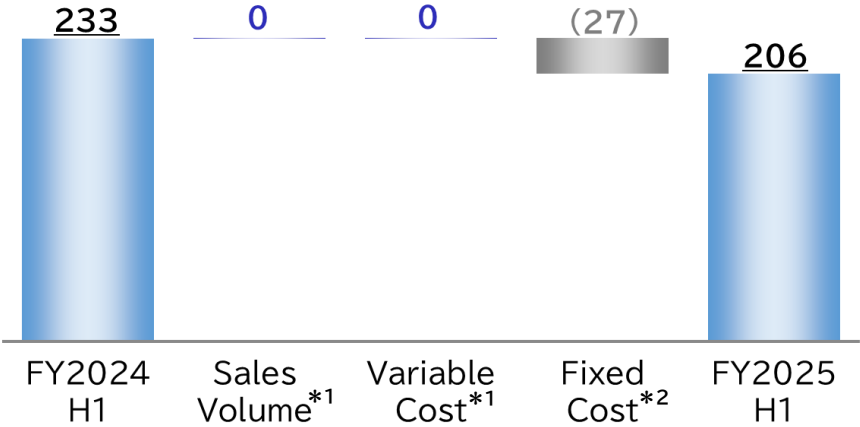
Next, I will move on to changes in consolidated operating profit.

# 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

The graph shows the underlying factors for the year-on-year change in consolidated operating profit for H1 FY2025.

Compared to the same period last year, consolidated operating profit decreased by 2.7 billion yen, of which a decrease of 2.7 billion is attributable to an increase of fixed cost.

Next, I will explain our financial results by segment.

# Functional Chemicals Segment

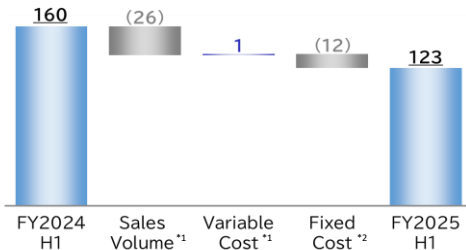


## Overview of H1 FY2025

	[¥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

### 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

- ◆ 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

Let me explain the results of the Functional Chemicals segment in comparison to the same period last year.

For the first half of FY2025, demand was overall sluggish except in certain products, resulting in year-on-year declines in both segment net sales and segment operating profit. Of the decrease of 3.7 billion yen in operating profit for the first half, a decrease of 2.6 billion yen is attributable to a decrease in sales volume due to generally sluggish demand, despite strong demand for special anti-corrosion agents, an increase of 0.1 billion yen is attributable to a decrease in variable cost, and a decrease of 1.2 billion yen is attributable to an increase in fixed costs, such as labor costs.

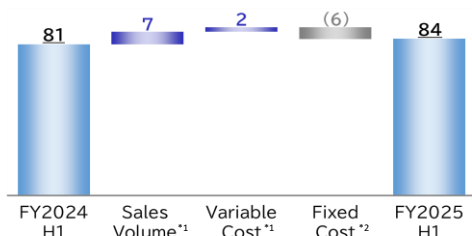
## Pharmaceuticals, Medicals and Health Segment

### 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

#### 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

- ◆ 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

Now, let's move on to the Pharmaceuticals, Medicals and Health segment. For the first half of FY2025, both segment net sales and segment operating profit increased, supported by the steady performance of raw materials for DDS.

Of the increase of 0.3 billion yen in operating profit for the first half, an increase of 0.7 billion yen is attributable to an increase in sales volume, an increase of 0.2 billion yen is attributable to a decrease in variable costs, and a decrease of 0.6 billion yen is attributable to an increase in fixed costs, such as labor costs.

# Explosives & Propulsion Segment

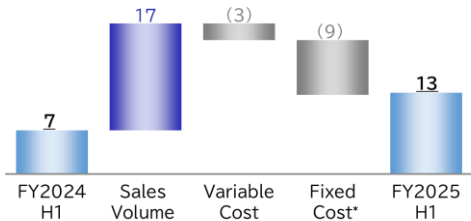


## Overview of H1 FY2025

	[¥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

### Analysis of Changes in operating profit [¥100 million]



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

- ◆ 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

Now, let's move on to the Explosives & Propulsion segment. For the first half of FY2025, segment recorded increases in both segment net sales and segment operating profit, with defense-related products performing well.

Of the increase of 0.6 billion yen in operating profit for the first half, an increase of 1.7 billion yen is attributable to an increase in sales volume; a decrease of 0.3 billion yen is attributable to an increase in variable costs, and a decrease of 0.9 billion yen is attributable to an increase in fixed costs, such as labor costs.



## 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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Next, I will explain performance trends of our main products.

In the Functional Chemicals segment, operating profit increased for special anti-corrosion agents, while operating profit decreased for surfactants and fatty acid derivatives.

In the Pharmaceuticals, Medical, and Health segment, operating profit was flat year on year for both raw materials for DDS and processed edible oils and functional food materials.

In the Explosives & Propulsion segment, operating profit increased for both defense-related and space-related products.

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Next, I will explain our full-year financial forecast for FY2025.

## 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

	FY2024 Actual	FY2025 Forecast May.9	FY2025 Forecast Nov.6	[¥100 million] Change	
				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

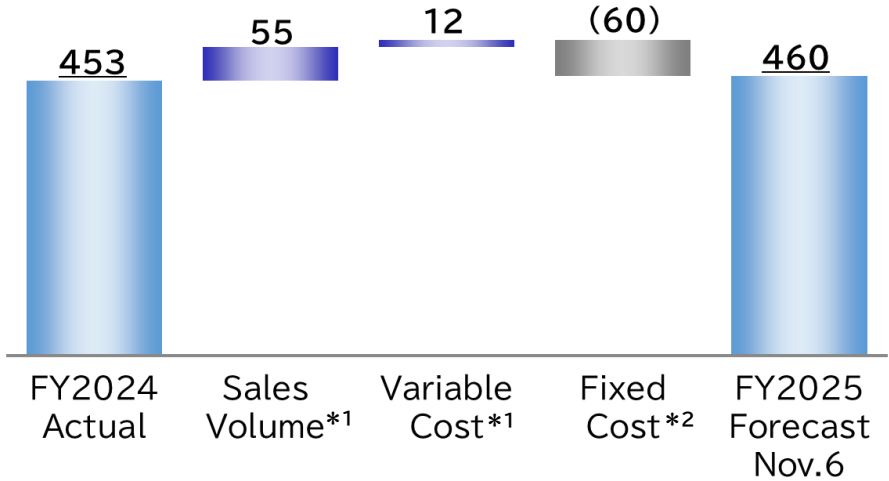
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First, I will show you the outline of our full-year consolidated financial forecast for FY2025. Net sales have been revised to 258.4 billion yen, up 6.4 billion yen from the previous forecast; operating profit remains unchanged at 46.0 billion yen; ordinary profit has been revised to 48.3 billion yen, up 0.4 billion yen; and profit has been revised to 38.2 billion yen, up 1.4 billion yen. Basic earnings per share is forecast to be 166.2 yen.

# 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

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Please look at the graph that shows the underlying factors for the differences in consolidated operating profit between the revised forecast for FY2025 and financial results for the previous fiscal year.

Operating profit for FY2025 is forecast to increase by 0.7 billion yen to 46.0 billion yen from 45.3 billion yen for FY2024, which is shown on the left in the graph, due to an increase of 5.5 billion yen attributable to an increase in sales volume, an increase of 1.2 billion yen attributable to a decrease in variable cost, a decrease of 6.0 billion yen attributable to an increase in fixed cost.

## Functional Chemicals Segment



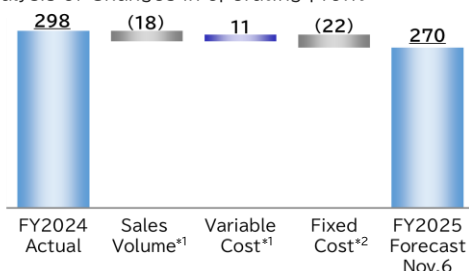
### Forecast for FY2025

[¥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

Next, I will explain the forecast for FY2025 by segment in comparison to the results for the previous fiscal year. First, let's look at the Functional Chemicals segment.

According to the full-year forecast, we expect both segment net sales and segment operating profit to decrease due to sluggish demand overall, except in certain products. Net sales are forecast to decrease by 2.9 billion yen to 148.0 billion yen and operating profit to decrease by 2.8 billion yen to 27.0 billion yen.

Breaking down the changes that account for the 2.8 billion yen decrease in full-year operating profit, there is a 1.8 billion yen decrease in sales volume attributable to demand remaining sluggish overall, except in certain items, in both the first and second halves, a 1.1 billion yen increase attributable to a decrease in variable costs, and a 2.2 billion yen decrease attributable to an increase in fixed costs such as labor costs.

## Pharmaceuticals, Medicals and Health Segment NOF

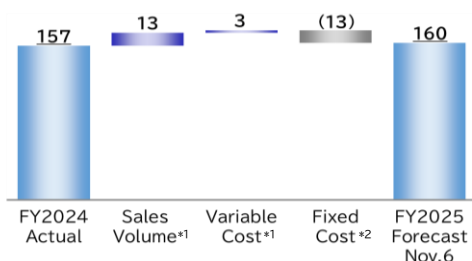
### Forecast for FY2025

[¥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

#### 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

- ◆ 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

Next is the Pharmaceuticals, Medicals and Health segment.

According to the full-year forecast, we expect both segment net sales and segment operating profit to increase due to firm demand of raw materials for DDS. Net sales are expected to increase by 2.8 billion yen to 50.8 billion yen and operating profit to increase by 0.3 billion yen to 16.0 billion yen.

Breaking down the changes that account for the 0.3 billion yen increase in full-year operating profit, there is a 1.3 billion yen increase attributable to sales volume, a 0.3 billion yen increase attributable to a decrease in variable costs, and a decrease of 1.3 billion yen attributable to an increase in fixed costs such as strategic investment.

## Explosives & Propulsion Segment

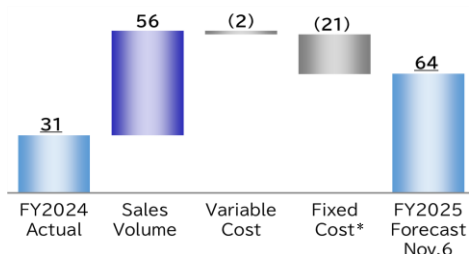


### Forecast for FY2025

	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

### Analysis of Changes in operating profit [¥100 million]



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

- ◆ 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

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Next is the Explosives & Propulsion segment.

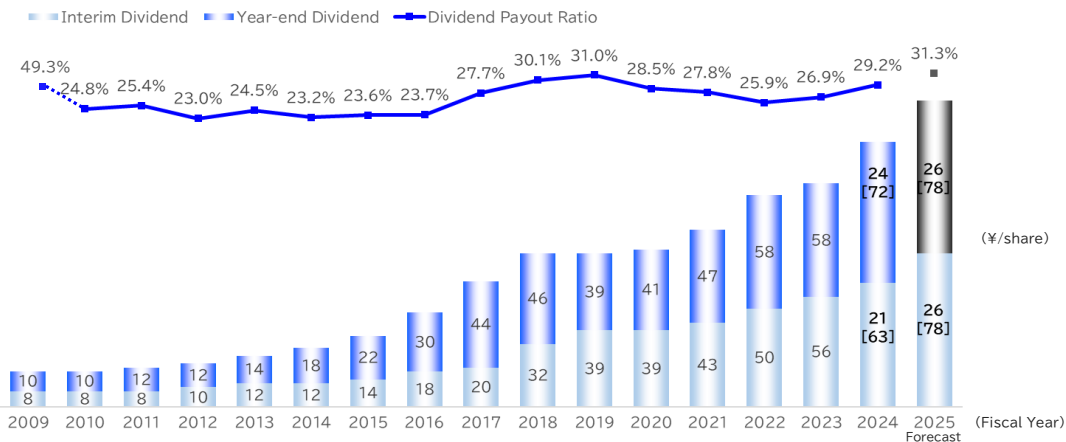
According to the full-year forecast, we expect both segment net sales and segment operating profit to increase due to significant growth in sales of defense-related products. Net sales are forecast to increase by 20.2 billion yen to 59.0 billion yen and operating profit to increase by 3.3 billion yen to 6.4 billion yen. The increase in net sales for defense-related products is due to the identification of contracts for certain transactions related to initial costs for rapid acquisition in which revenue is recognized based on fulfillment of performance obligations over a certain period rather than a single point in time, for which revenue and expenses will be recorded in the second half.

Breaking down the changes that account for the 3.3 billion yen increase in full-year operating profit, there is a 5.6 billion yen increase in sales volume attributable to an increase in defense-related products, a 0.2 billion yen decrease attributable to an increase in variable costs, and a 2.1 billion yen decrease attributable to an increase in fixed costs such as labor costs related to rapid acquisition.

# 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.

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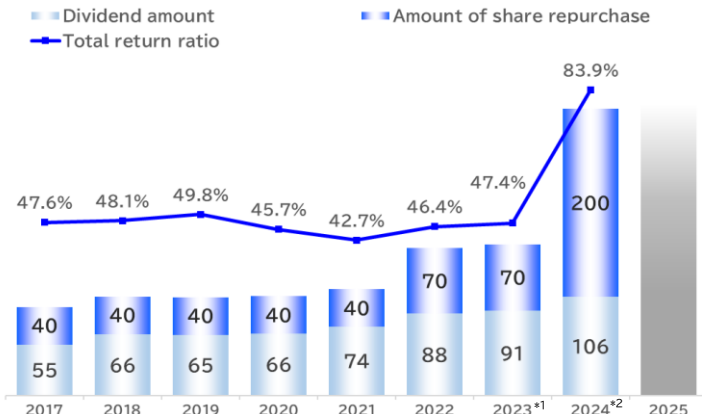
Now, I will show you a graph of trends in dividend and dividend payout ratio. We forecast that interim dividend will be 26 yen and year-end dividend will be 26 yen for FY2025, revising the annual dividend forecast upward to 52 yen, an increase of 4 yen compared to the previous forecast. We also forecast that the dividend payout ratio will be 31.3%. We have continued to pay progressive dividends since FY2009, and going forward, we aim to pay progressive dividends over the medium to long term, based on maintaining stable dividends.



# 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

Now, this slide shows the trends in the total return ratio. We recognize return of profit to shareholders as an important management issue, so we will conduct share repurchases as part of shareholder return, in addition to maintaining and continuing stable dividend. During the period from November 7, 2025 to December 31, 2025, we will conduct share repurchases subject to the upper limit of 5.0 billion yen in total.

We will continue to focus on improving capital efficiency and strive to maintain and improve shareholder returns, while striking a balance with strategic investments.

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Next, I would like to explain our Business Topics and R&D.

# 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

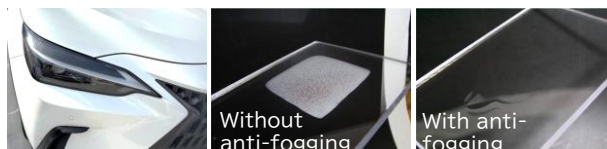
- Exceptional anti-fogging performance and high reliability achieved through proprietary technology
- Market track record over many years in countries around the world

### Business environment

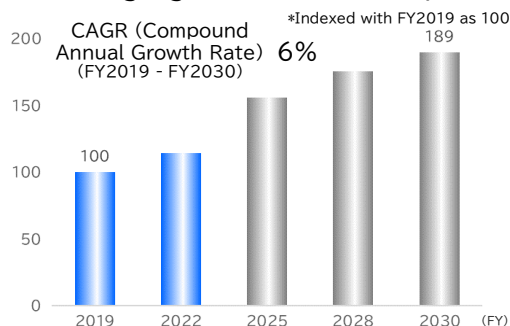
- Firm growth in automobile production volumes
- Increased installation rate of LED lights, which have a high anti-fog agents usage rate

### 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)



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First, I will describe business development of anti-fog agents in the Functional Chemicals segment.

Anti-fog agents are coating agents that prevent the fogging that occurs when moisture condenses. The main applications of our anti-fog agents are automobile headlights and rear combination lights.

The strengths of our anti-fog agents are their exceptional anti-fogging performance and high reliability achieved through our proprietary technology, which makes them suitable for automobile applications. We also have a market track record earned over many years in countries around the world.

As for the business environment for anti-fog agents, we expect solid growth in automobile production volumes. Furthermore, the usage rate of anti-fog agents is high for LED headlights, and the installation rate of LED headlights in automobiles, is also expected to rise. Given this environment, we expect an annual growth rate of 6% for our anti-fog agents in the years leading up to FY2030.

As measures to achieve this growth, we will develop and introduce products that incorporate our proprietary technology and address market needs as well as expand our share through ongoing sales growth in various countries, in addition to pursuing product development for non-automobile applications such as sports goggles.

# 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

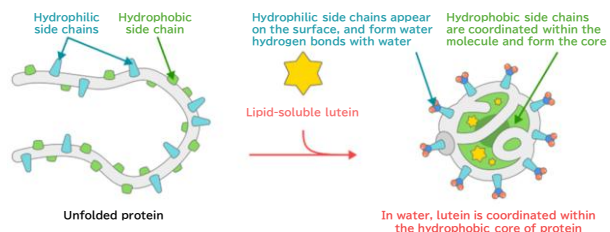
## Lutein-containing products



- 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 28<sup>th</sup> Japan Food Journal Excellent Food Ingredients Award (September 11, 2025)

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



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Next, I will describe business development of functional food materials in the Pharmaceuticals, Medicals and Health segment.

Functional food materials are materials that increase the added value of customers' products. We have discovered that lutein, which is contained in lettuce leaves, has an effect that changes the chewiness of wheat gluten, and we are pursuing business development centered on lutein-containing products.

With regard to the business environment, the frozen bread and frozen dough markets are growing, and addressing quality deterioration during frozen storage is an issue for customers. Furthermore, as demand is growing for noodles of various kinds, another issue for customers is achieving the natural chewiness of wheat gluten. Our lutein-containing products can help solve these customer issues.

In terms of future development, we will help solve more customer issues by modifying not only wheat products but meat, egg, and milk proteins.

## Business Development of CPT Data Acquisition Service NOF

### Explosives & Propulsion Segment

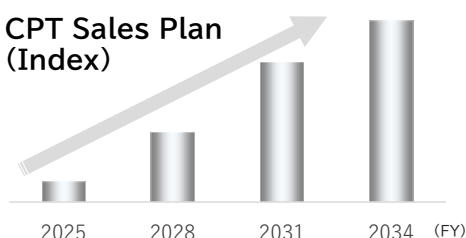
#### What is CPT data acquisition service?

- 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

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Next, I will describe business development of a CPT data acquisition service in the Explosives & Propulsion segment.

This service dispatches CPT equipment and operators together to acquire numerical data on the strength and mechanical properties of the sea floor foundation. The NOF Group's NiGK Corporation began providing this service in July of this year.

With its proprietary pyrotechnic technology, NiGK Corporation has been involved in the marine equipment business for many years, and by leveraging the expertise it has accumulated in pressure-resistant, sealing, and measurement technology, it has developed new seabed-based CPT equipment and is rolling out this new service.

The service is used when surveying anchoring points for floating offshore wind turbines and installation routes for sea floor infrastructure. Supporting the development of such infrastructure helps 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

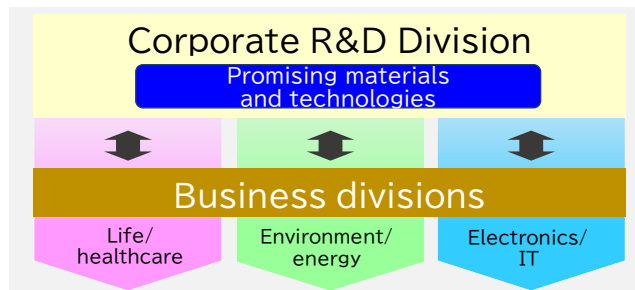
Functional chemical materials

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

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Next, I will explain R&D aimed at creating new businesses through collaboration between the Corporate R&D Division and business divisions.

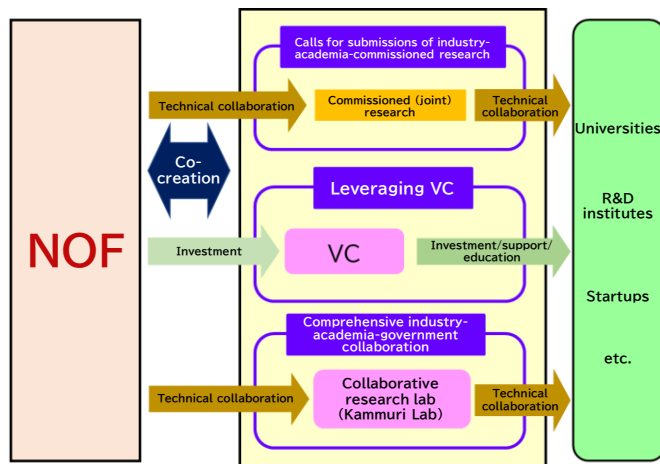
In our three target fields, which are life/healthcare, environment/energy, and electronics/IT, we have selected six new priority business areas for creating new businesses.

In these areas, we aim to create new products and technologies that can help resolve the issues facing society. The Corporate R&D Division identifies promising materials and technologies and conducts technology validation, while the business divisions consider practical applications. We will successfully create new businesses through collaboration between the Corporate R&D Division and business divisions.

## 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

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To accelerate the creation of new businesses, we are promoting open innovation. The main measures we are implementing are calls for submissions of industry-academia-commissioned research, venture capital investment, and the use of an industry-academia-government research lab.

We have been holding calls for submissions of industry-academia-commissioned research projects since FY2021, and this year, we held calls for submissions on themes related to materials for the electronics area. In terms of leveraging venture capital, we are promoting co-creation with startups and developing promising technologies. In terms of comprehensive industry-academia-government collaboration, we have established a collaborative research lab with the National Institute of Advanced Industrial Science and Technology and are pursuing the development of environmentally friendly chemicals and manufacturing processes.

Through these open innovation initiatives, we will further accelerate the creation of new businesses.

## Examples of Identified Materials and Technologies

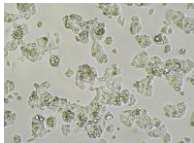


Materials for medical care and medical devices:

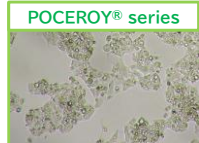
### POCEROY® series cell cryopreservation solution

- ◆ 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

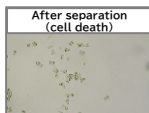


After freezing and thawing



Maintains cellular morphology before freezing

Example of cellular morphology not being maintained



### 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



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This slide presents two materials and technologies that were identified through our R&D aimed at creating new businesses.

The first example is a cell cryopreservation solution formulated with proprietary polymers that is intended for drug discovery and development as well as regenerative medicine in the medical care and medical devices area. Adding the cryopreservation solution to cultured cells makes it possible to freeze and store them as is, enabling the storage of large quantities of cultured cells. We have already started sample work and are aiming for an early market launch.

The second example is Hokkaido White Grape Peel Powder in the functional foods area. This powdered product reuses the grape peels that remain after wine production. It has an effect that helps maintain skin wellness.

By upcycling raw materials that were previously discarded, we also contribute to realizing a sustainable society.



# Closing Remarks

- Toward the Formulation of the Next Mid-term Plan -

This concludes the explanation of the financial results for the second quarter of FY2025. This year will wrap up the 2025 Mid-term Plan and also serves as an important bridge to the 2028 Mid-term Plan. We are already more than halfway through this fiscal year, and we will continue to steadily pursue our business in order to achieve the Mid-term Plan in the second half.

Furthermore, in preparing the 2028 Mid-term Plan, which we are positioning as the Business Domains Expansion stage, we will continue steadily pursuing the formulation of measures and investment plans aimed at strengthening the solutions businesses that drive growth and creating new businesses.

Thank you for your attention.

# 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
	Life Science	Healthcare foods products	Health food materials, Fats-coating products
		Biocompatible materials	MPC polymer, MPC monomer
Explosives & Propulsion	Explosives & Propulsion	Raw materials for DDS	Activated PEGs, Functional lipids, Ultrapure surfactants for pharmaceutical
		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.

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