

Presentation Material
For the Fiscal Year Ended March 31,2025

Management Overview

May 23, 2025



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Overview of FY2024 Results

- ◆Net sales, operating profit, ordinary profit, and profit all reached record highs
- ◆Dividend per share of ¥45, an increase of ¥7 over the previous year

	FY2023	FY2024	Increase	[¥100 million]	
	Apr.-Mar.	Apr.-Mar.	(Decrease)	FY2024 Forecast (Nov.7)	Increase (Decrease)
Net sales	2,223	2,383	161	2,390	(7)
Gross profit	795	852	57		
% of Net Sales	35.8%	35.7%			
SG&A ^{*1}	373	398	25		
Operating profit	421	453	32	430	23
% of Net Sales	19.0%	19.0%		18.0%	
Ordinary profit	456	466	10	438	28
Profit ^{*2}	340	365	25	349	16
Basic earnings per share ^{*3}	¥141.2	¥153.9	¥12.7	¥146.5	¥7.4

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

*2 Profit=Profit attributable to owners of parent

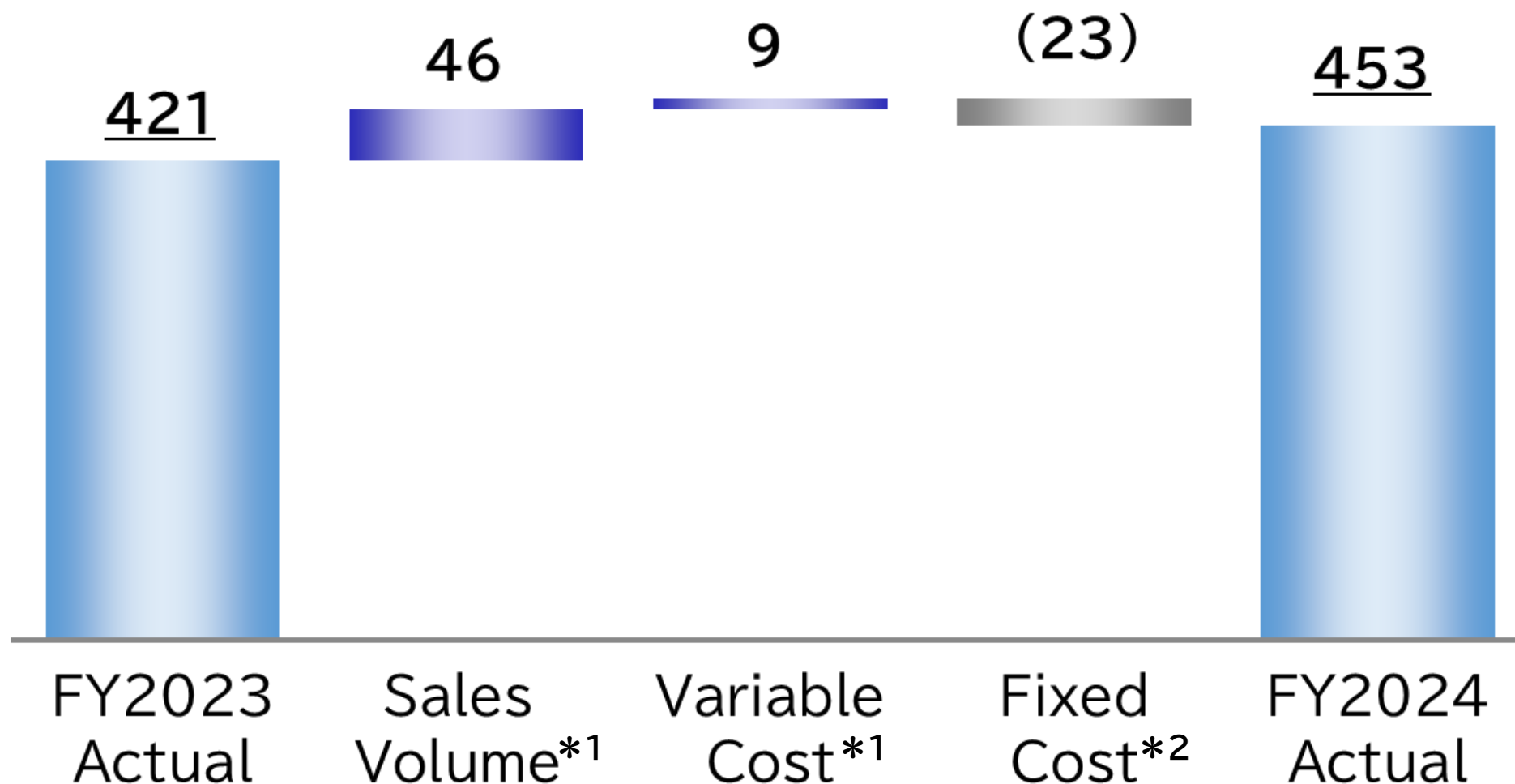
*3 3-for-1 common share split on April 1, 2024. Calculated on the assumption that this share split had taken place at the beginning of FY2023

Dividend per share ^{*3}	¥38	¥45	¥7	¥42	¥3
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Changes in Operating Profit

FY2024 Actual vs FY2023 Actual

[¥100 million]



*1 Foreign exchange impact of +1.2 billion yen in sales volume and variable cost

*2 Inventory valuation impact of +1.0 billion yen in fixed cost

*3 In this report, the impact of inventory valuation is broken down and aggregated into variable and fixed cost

Functional Chemicals Segment

Overview of FY2024

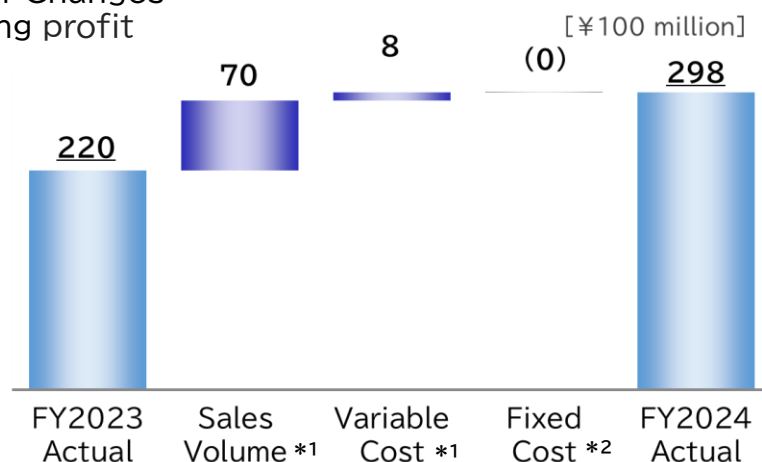
- ◆ Increase in sales and profit
- ◆ Cosmetics-related products, including ODM products, and special anti-corrosion agents performed well

[¥100 million]

	FY2023			FY2024			Increase(Decrease)		
	Apr.- Sep.	Oct.- Mar.	Full- Year	Apr.- Sep.	Oct.- Mar.	Full- Year	Apr.- Sep.	Oct.- Mar.	Full- Year
Net sales	637	699	1,336	755	755	1,509	118	56	174
Op.profit*	100	120	220	160	138	298	60	18	78
% of Net Sales	15.7%	17.1%	16.5%	21.3%	18.2%	19.7%			

* Op.profit=Operating profit

Analysis of Changes
in operating profit



*1 Foreign exchange impact of +0.2 billion yen in sales volume and variable cost

*2 Inventory valuation impact of +1.3 billion yen in fixed cost

Main Factors of Sales (YOY)

•Cosmetics-related products

⇒Demand for cosmetic raw materials and ODM products remained strong

•Special anti-corrosion agents

⇒Demand remained strong in China

•Functional Chemicals in general

⇒Generally firm demand, although some products were sluggish

Overview of FY2024

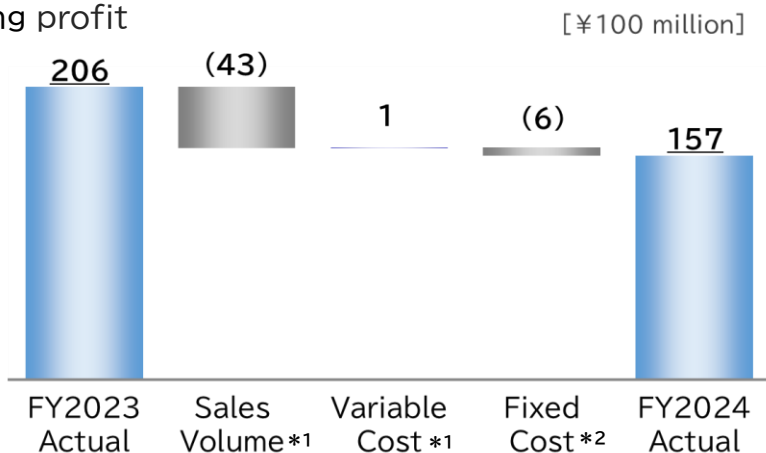
- ◆ Decrease in sales and profit
- ◆ Temporary leveling off of demand in raw materials for DDS drug formulations

[¥100 million]

	FY2023			FY2024			Increase(Decrease)		
	Apr.- Sep.	Oct.- Mar.	Full- Year	Apr.- Sep.	Oct.- Mar.	Full- Year	Apr.- Sep.	Oct.- Mar.	Full- Year
Net sales	264	276	540	230	250	480	(34)	(26)	(60)
Op.profit*	105	101	206	81	76	157	(24)	(24)	(49)
% of Net Sales	39.8%	36.5%	38.1%	35.1%	30.5%	32.7%			

* Op.profit=Operating profit

Analysis of Changes
in operating profit



*1 Foreign exchange impact of +1.0 billion yen in sales volume and variable cost

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

Main Factors of Sales (YOY)

•Raw materials for DDS drug formulations

⇒Decrease in shipments as a result of inventory adjustments for some customers

⇒Delays in clinical development as a result of monetary tightening in the United States and Europe

•Processed edible oil/Functional food materials

⇒Reorganization of the product line resulted in decreased sales, while sales of functional food materials expanded

•Biocompatible materials

⇒Firm demand for MPC related products

Explosives & Propulsion Segment

Overview of FY2024

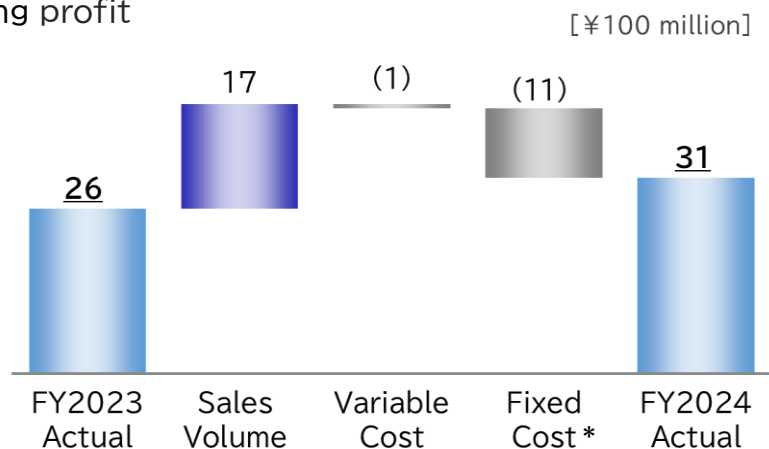
- ◆ Increase in sales and profit
- ◆ Defense-related products performed well

[¥100 million]

	FY2023			FY2024			Increase(Decrease)		
	Apr.- Sep.	Oct.- Mar.	Full- Year	Apr.- Sep.	Oct.- Mar.	Full- Year	Apr.- Sep.	Oct.- Mar.	Full- Year
Net sales	114	227	341	117	271	388	2	44	46
Op.profit*	7	19	26	7	24	31	(0)	5	5
% of Net Sales	6.5%	8.3%	7.7%	6.2%	8.9%	8.1%			

* Op.profit=Operating profit

Analysis of Changes
in operating profit



* Inventory valuation impact of (0.5) billion yen in fixed cost

Main Factors of Sales (YOY)

•Industrial explosives

⇒ Demand remained steady

•Space-related products

⇒ Increase in demand for rocket products















•Defense-related products

⇒ Demand remained strong

•Functional products

⇒ Demand remained strong

FY2024 YOY Performance Trends

Segment	Products	Net sales trends	Operating profit trends	Performance trends
Functional Chemicals	Surfactants			Operating profit increased due to strong demand for cosmetics-related products, particularly ODM products
	Special anti-corrosion agents			Operating profit increased due to strong shipments of automobile-related products to China
	Fatty acid derivatives			Shipments of base materials for refrigerating oils were sluggish in China
Pharmaceuticals, Medicals and Health	Raw materials for DDS drug formulations			Operating profit decreased due to a temporary leveling off of demand caused by inventory adjustments for some customers, and due to delays in clinical development, which were attributable to monetary tightening in the United States and Europe
	Processed edible oil Functional food materials			Sales decreased due to reorganization of product line
Explosives & Propulsion	Defense-related products			Operating profit increased due to strong demand
	Space-related products			Operating profit increased due to an increase in demand for rocket products

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Overview of the FY2025 Business Results Forecast NOF

- ◆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 potential impact of U.S. tariff policy is not assumed in the forecast due to its uncertainty

[¥100 million]

	FY2024 Actual	FY2025 Forecast	Increase (Decrease)
Net sales	2,383	2,520	5.7%
Operating profit	453	460	1.5%
% of Net Sales	19.0%	18.3%	
Ordinary profit	466	479	2.9%
Profit*	365	368	0.8%
Basic earnings per share	¥153.9	¥157.6	

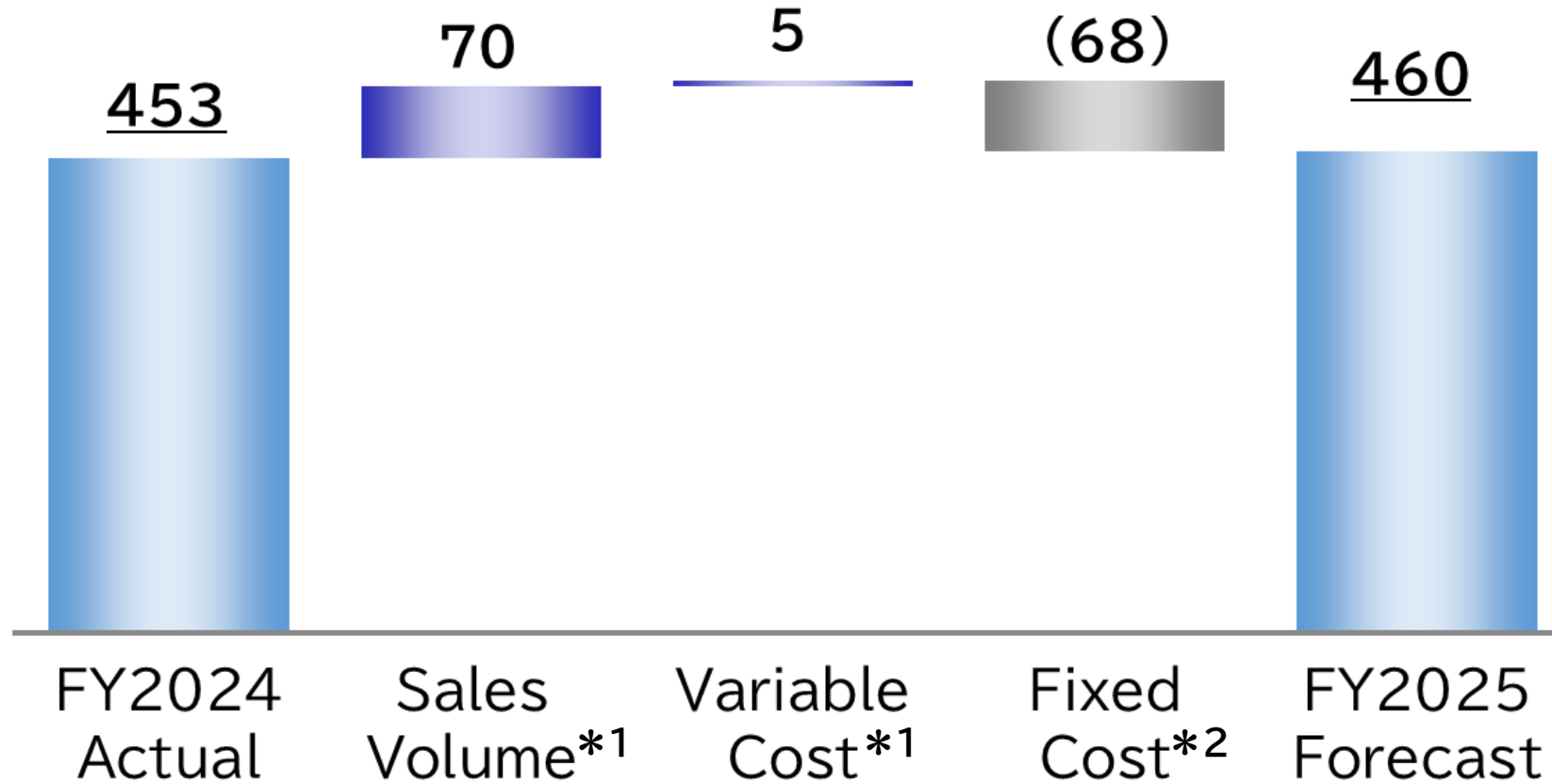
* Profit=Profit attributable to owners of parent

<Assumptions for Earnings Forecast>		FY2024 Actual	FY2025 Assumption
Exchange Rates	JPY¥/US\$	153	145
	JPY¥/EUR	164	160

Changes in Operating Profit

FY2025 Forecast vs FY2024 Actual

[¥100 million]



*1 Foreign exchange impact of (0.9) billion yen in sales volume and variable cost

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

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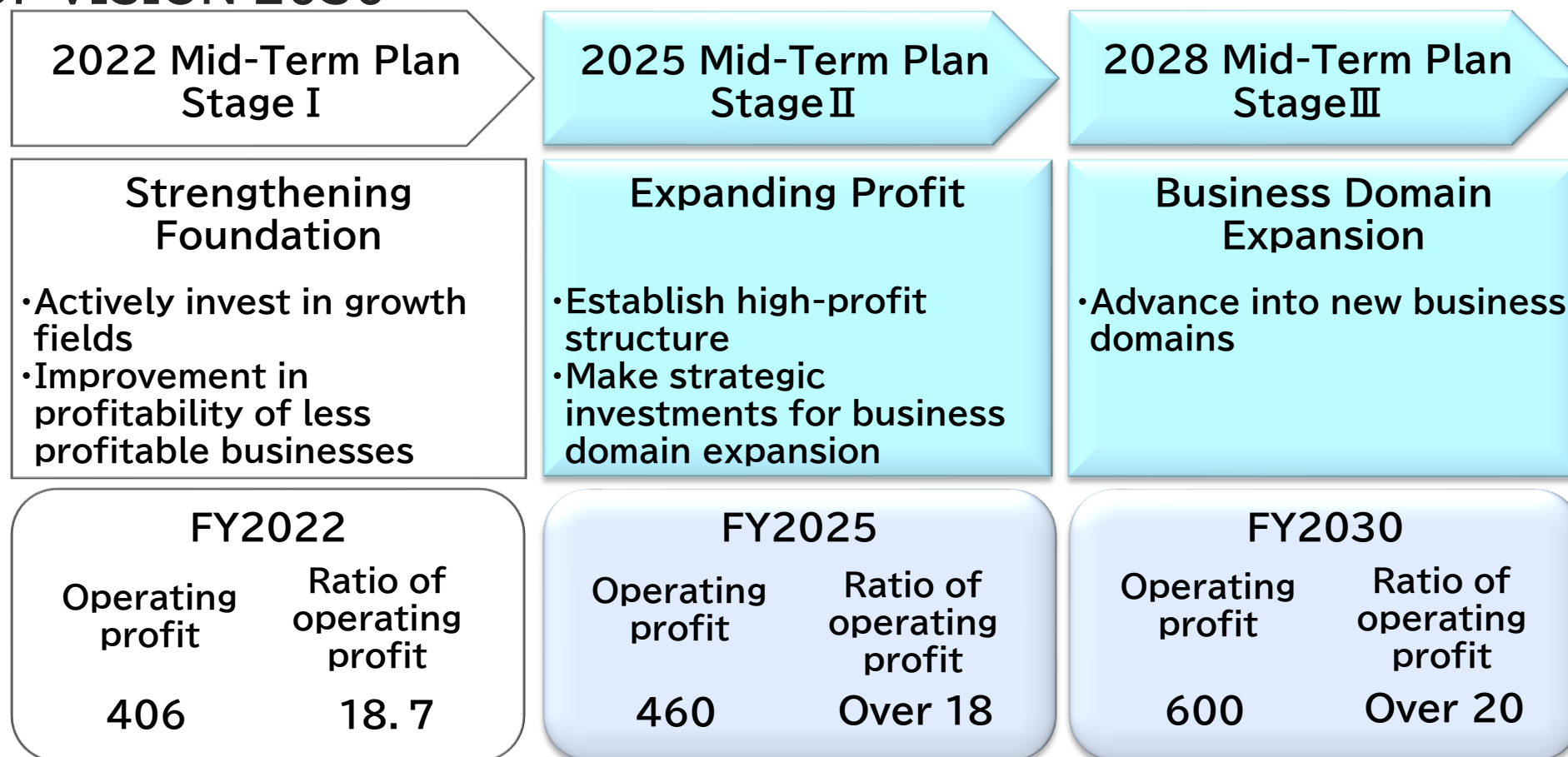
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NOF VISION 2030

Corporate Vision for FY2030

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

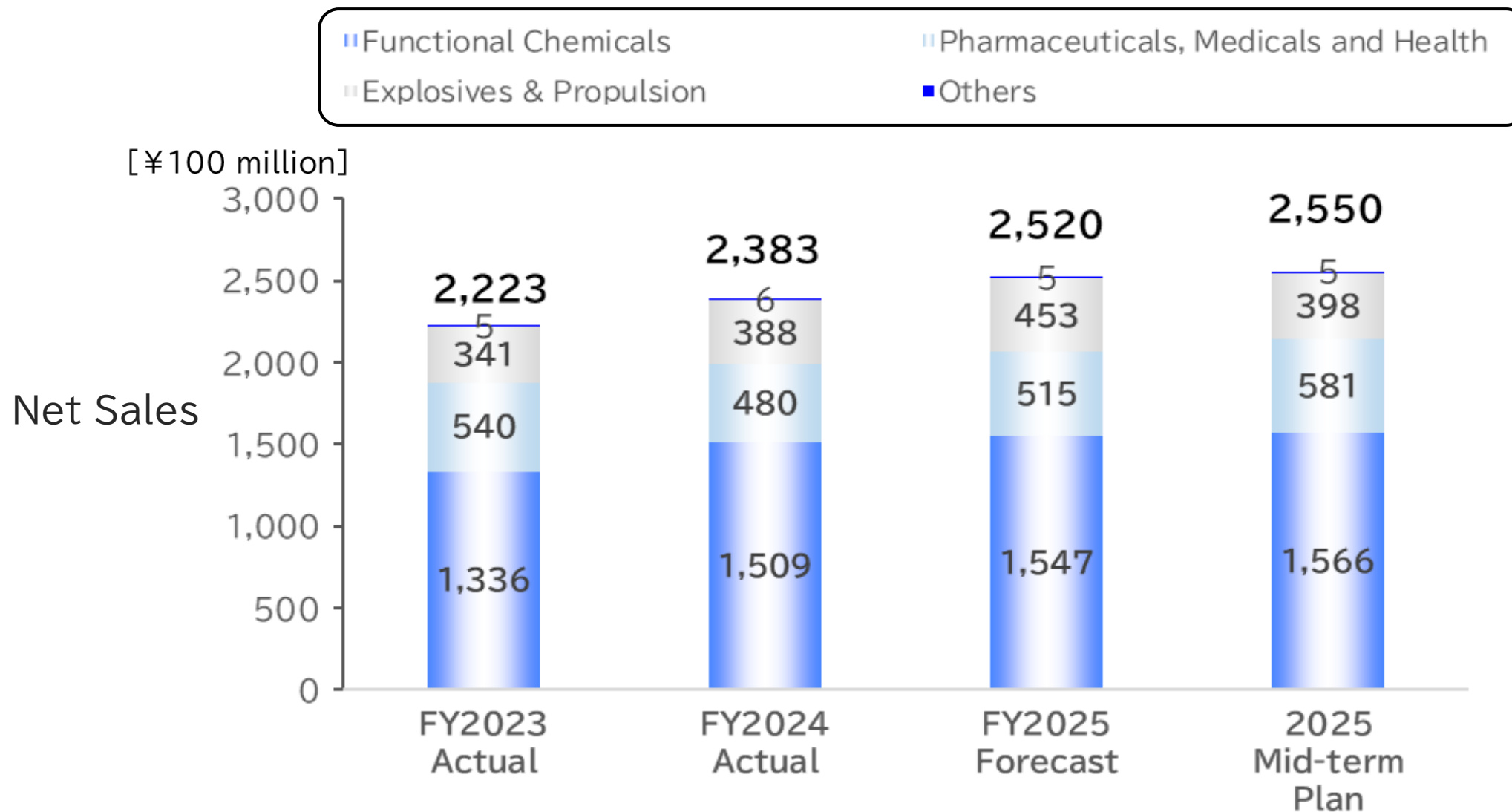
NOF VISION 2030



[¥100 million (%)]

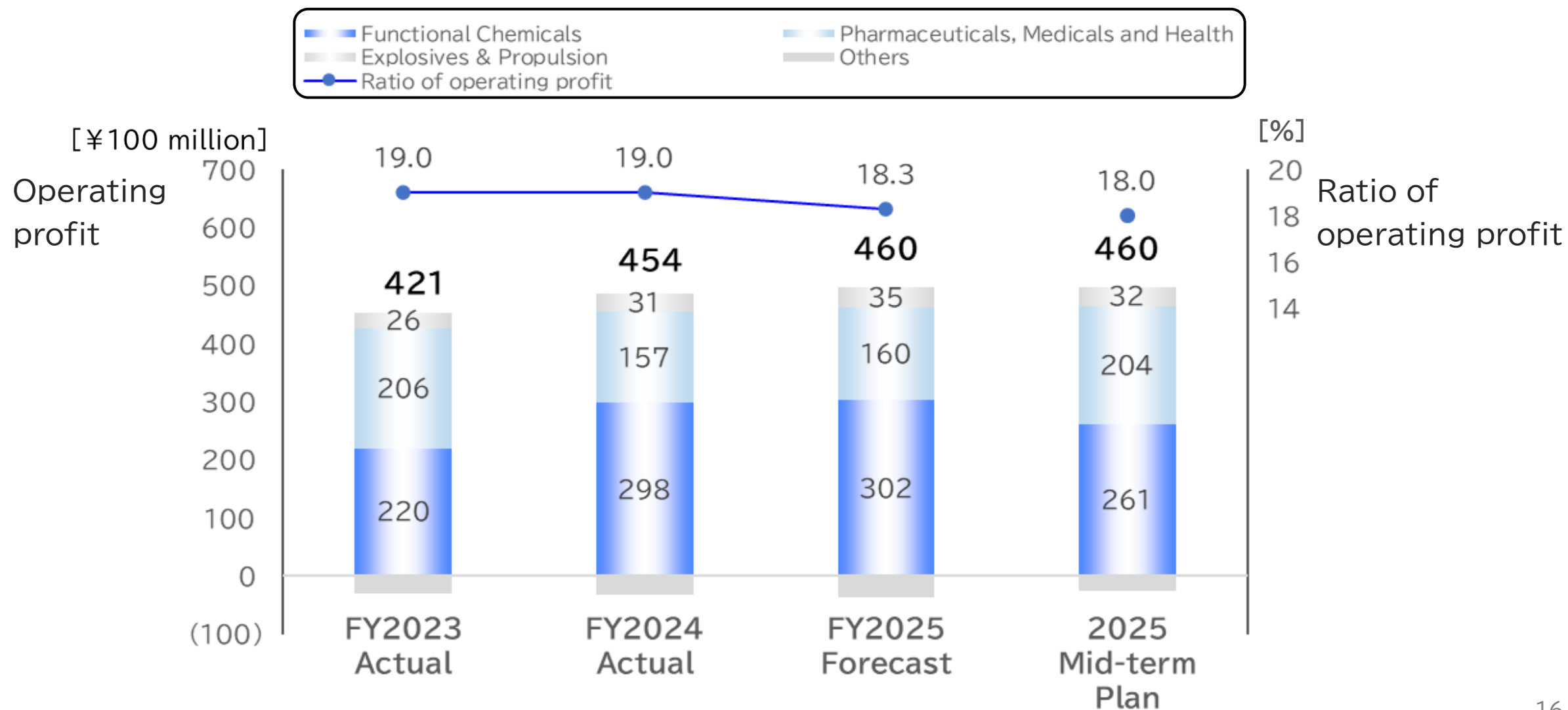
Net Sales Trend

Results of FY2023~FY2024 and FY2025 Forecast



Operating Profit Trend

Result of FY2023~FY2024 and FY2025 Forecast



Differences between FY2025 forecast and 2025 Mid-Term Plan



[¥100 million]

		2025 Mid-Term Plan(1)	FY2025 Forecast(2)	Difference (2) – (1)	Key Differences
Functional Chemicals	Net sales	1566	1547	(19)	<ul style="list-style-type: none"> • Underperformance of fatty acid derivatives and organic peroxides • Overperformance of cosmetics-related products and special anti-corrosion agents
	Op.profit*	261	302	41	
Pharmaceuticals, Medicals and Health	Net sales	581	515	(66)	<ul style="list-style-type: none"> • Underperformance of raw materials for DDS drug formulations
	Op.profit*	204	160	(44)	
Explosives & Propulsion	Net sales	398	453	55	<ul style="list-style-type: none"> • Overperformance of defense-related products
	Op.profit*	32	35	3	
Others	Net sales	5	5	0	
	Op.profit*	(37)	(37)	0	
Total	Net sales	2550	2520	(30)	
	Op.profit*	460	460	0	

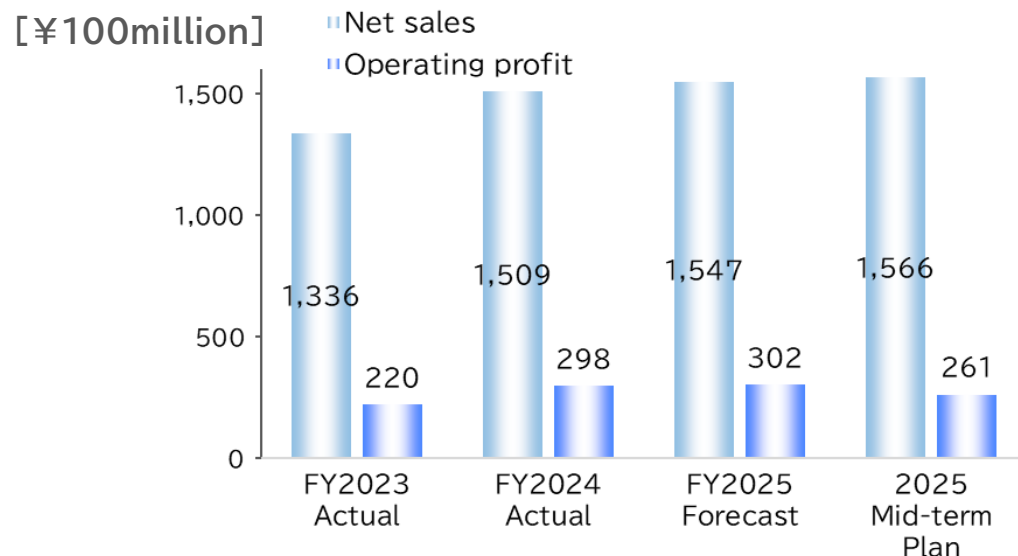
*Op.profit=Operating profit

Functional Chemicals Segment

Market Environment in FY2025 and Focus in 2025 Mid-Term Plan

Market Environment

- Cosmetics-related products
⇒Demand remains strong; inbound tourism is seeing a slight increase
- Special anti-corrosion agents
⇒Worldwide automobile production volume is anticipated to be flat year-on-year
- Fatty acid derivatives
⇒Chinese domestic manufacturers of base materials for refrigerating oils are gaining traction



Focus

- Cosmetics-related products
⇒Improve sales, obtain new demand, promote the development of plant-based raw materials and its market launch, accelerate business expansion overseas
- Special anti-corrosion agents
⇒Promote product development in the electric vehicle (EV) field and non-automotive fields such as wind power generation and work towards expanding their sales
- Fatty acid derivatives
⇒Expand the sales of eco-friendly products, promote the development of new products of high-performance ester and their market launch

[Analysis of changes in operating profit(¥100 million)]

(FY2025 Forecast vs. FY2024)

Sales Volume ^{*1}	Variable Cost ^{*1}	Fixed Cost ^{*2}	Total
22	2	(20)	4

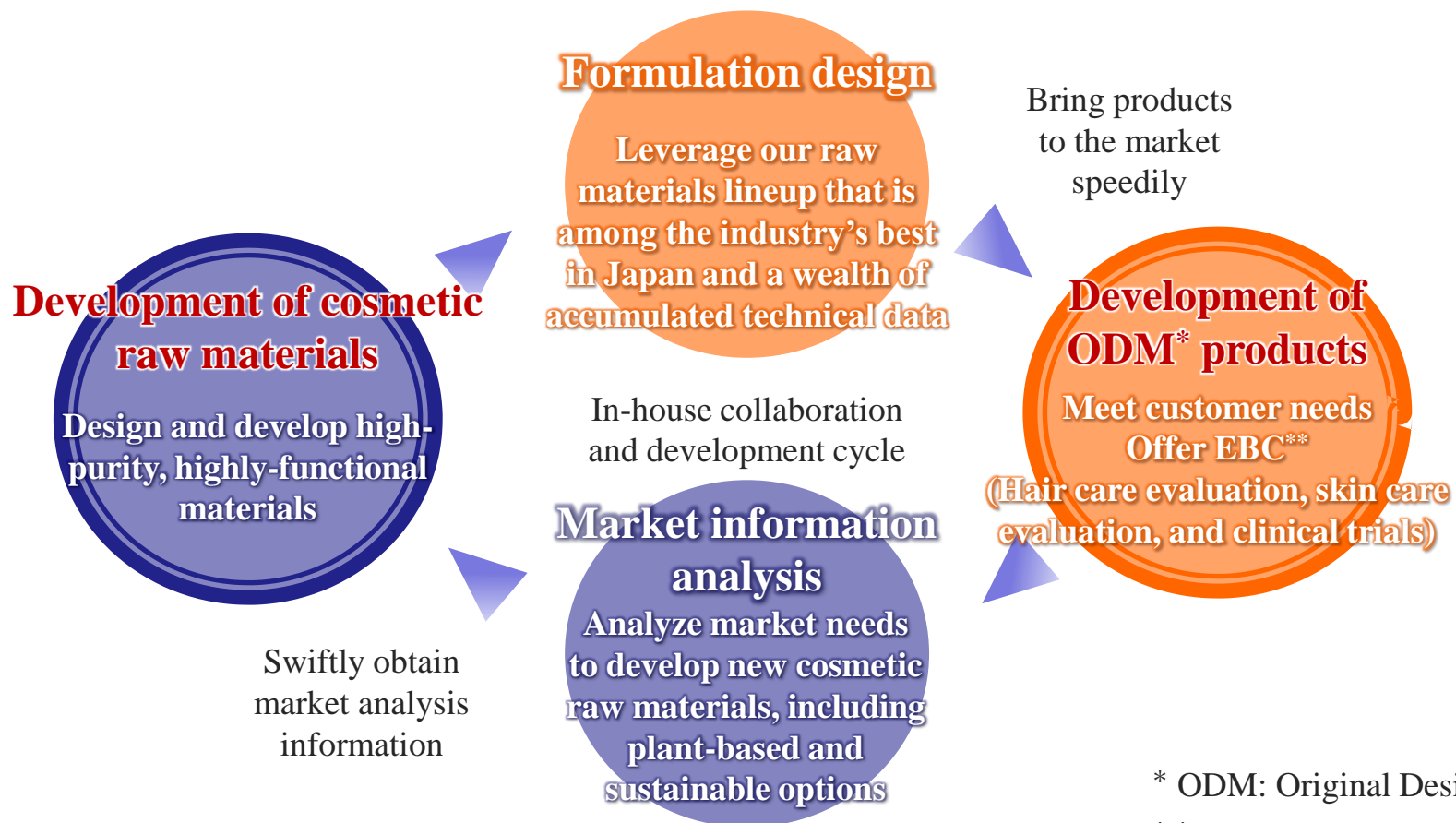
^{*1} Foreign exchange impact of (0.1) billion yen in sales volume and variable cost

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

Functional Chemicals Segment

Strategy of cosmetics-related business

Virtuous cycle of cosmetic raw materials and ODM products



* ODM: Original Design Manufacturing

** EBC: Evidence Based Cosmetics

Functional Chemicals Segment



Cosmetic Raw Materials/ODM products

	Cosmetic Raw Materials	ODM Products
Market environment	Hair care (medium to high price range), skin care (UV protection and anti-aging), makeup, etc. are expanding	Cosmetics with anti-aging effects and distinctive materials are expanding (online sales, e-commerce, sales making use of influencers, etc. are increasing)
Characteristics/Advantages	Our strength is our capacity to develop raw materials* ² based on market trend analysis by leveraging the wide range of materials* ¹ we own	Offering products aligned with customer needs based on cosmetic raw materials developed from our leading domestic lineup of raw materials and market information
Usage	Hair care, skin care, body care (leading domestic lineup of raw materials)	Hair care, skin care, body care (engaged in everything from material development to the development of high-performance cosmetics)
Favorable factors	High-added-value products such as products with higher usability that provide moisture-retaining properties, etc. are expanding	Anti-aging skin care products (containing high concentrations of plant-based functional ingredients) and beauty and hair care products (containing plant-based hair-protecting ingredients) are expanding

*¹ Natural oil and fat derivatives, surfactants, ethylene oxide and propylene oxide derivatives, biocompatible polymers, plant-based extracts, etc.

*² Material design, formulation design, performance enhancement, hair/skin care evaluation, etc.

Future Development

Cosmetic Raw Materials	In the context of growing awareness of sustainability (“natural,” “organic,” “clean beauty,” etc.), developing environmentally friendly raw materials (e.g., plant-based raw materials) and offering them to customers
ODM products	Based on cosmetic raw materials developed from market information, developing and offering cosmetics with a high natural origin index,*³ high-moisturizing cosmetics series, high-performance UV products, etc. that are aligned with customers’ needs

*³ The natural origin index indicates the proportion of natural and naturally derived ingredients (defined by the ISO 16128 international standard) in a product.

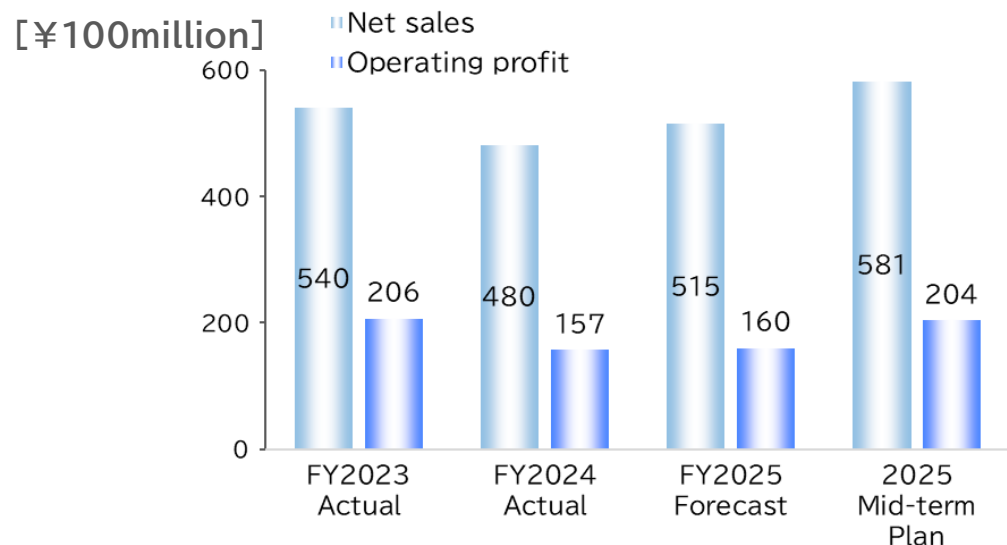
Market Environment in FY2025 and Focus in 2025 Mid-Term Plan

Market Environment

- Raw materials for DDS drug formulations
⇒Clinical development delays continue due to the ongoing decrease in capital inflow to bio-venture companies
⇒Growing demand from some customers
- Processed edible oils/Functional food materials
⇒Shifting from volume to quality in the expansion of functional food materials

Focus

- Raw materials for DDS drug formulations
⇒Enhancement of the production system in response to demand increase caused by the further development of antibody and nucleic acid drugs
- Biocompatible materials
⇒Focusing on materials development, sales expansion in the medical field, acceleration of business expansion overseas
- Processed edible oils/Functional food materials
⇒Reorganization of the product line and expansion of the sales of functional food materials



[Analysis of changes in operating profit (¥100 million)]

(FY2025 Forecast vs. FY2024)

Sales Volume ^{*1}	Variable Cost ^{*1}	Fixed Cost ^{*2}	Total
18	6	(20)	3

^{*1} Foreign exchange impact of (0.8) billion yen in sales volume and variable cost

^{*2} Inventory valuation impact of +0.4 billion yen in fixed cost

Status of raw materials for DDS drug formulations

- | | |
|-------------------|--|
| FY2023 | • Strong performance due to strong demand accompanying late clinical stage and launch of the products |
| FY2024 | <ul style="list-style-type: none">• Inventory adjustment at some customers (PEG modifiers)• Delay of clinical development due to the impact of monetary tightening in the United States and Europe• Start of the contract for lipid nanoparticle (LNP) formulation development and contract manufacturing in collaboration with Phosphorex (Functional lipids) |
| FY2025 and beyond | <ul style="list-style-type: none">• Demand is forecast to gradually recover and increase at some customers between now and 2030 (PEG modifiers)• Over five products in the pipeline in late-stage clinical trials (aiming to go to market in FY2025 or later)• Numerous products in the pipeline in the development stage and in early-stage clinical trials<ul style="list-style-type: none">⇒ In preparation for increasing existing customer demand and adding to the pipeline of products getting ready to launch, NOF plans to start business operations at a manufacturing facility (LS Aichi Plant) for raw materials for DDS drug formulations (PEG modifiers) in October 2025• Due to the delayed recovery of the investment environment in the United States, clinical development remains to delay for bio-ventures<ul style="list-style-type: none">⇒ Accelerated growth of functional lipids is expected over the long term |

Aiming for Medium- to Long-Term Growth of Raw Materials for DDS Drug Formulations

Measures for FY2030

- NOF will seek to expand market share by capturing demand with new development pipelines, biosimilars, and new customer projects.

⇒ **Aiming for a growth rate close to 10% in the biopharmaceutical market**

Development Status

- Multiple clinical projects** using NOF products **are underway**
- Pursuing early-stage development projects, focusing on areas where growth into a large-scale pipeline can be expected**
- Strengthening cost competitiveness by improving productivity

Facility Investment (LS Aichi Plant)

- Investing in facilities in advance in consideration of the validation period (2 to 3 years) for facilities that manufacture products for the market
- Boosting the capacity utilization over the medium to long term in view of demand for biosimilars, new products to be launched, and new customer projects

Explosives & Propulsion Segment

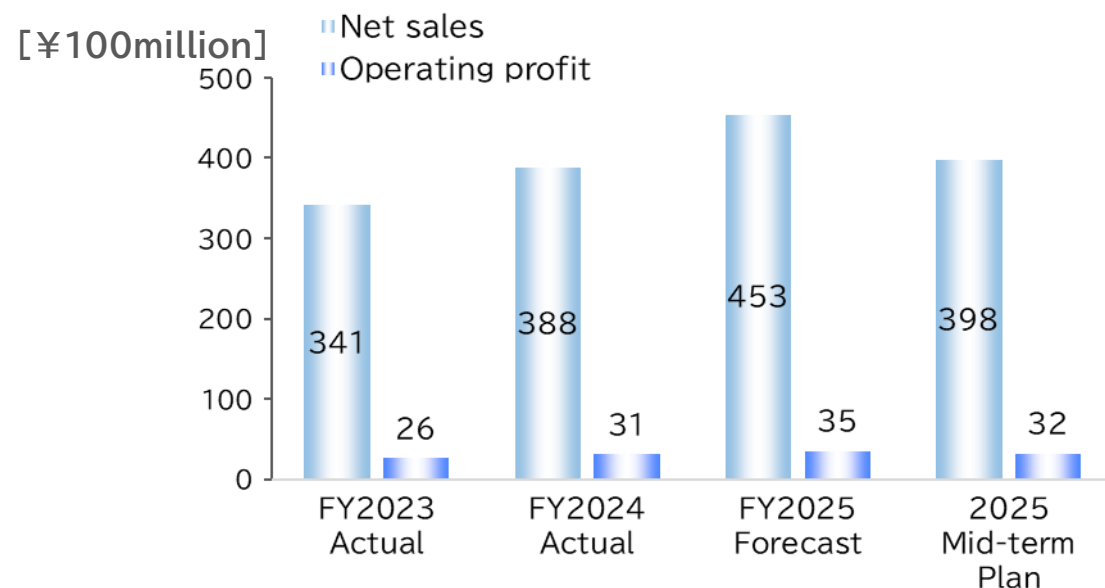
Market Environment in FY2025 and Focus in 2025 Mid-Term Plan

Market Environment

- Industrial explosives
 - ⇒Weak demand
 - Linear tunnel construction slow
 - ⇒Improved productivity through automation
- Defense-related products
 - ⇒Increase in defense product orders
- Space rocket products
 - ⇒Continued demand following the successful H3 rocket launch

Focus

- Industrial explosives
 - ⇒Review of prices caused by the higher prices for raw materials
- Defense-related products
 - ⇒Measures for increasing demand
- Space rocket products
 - ⇒Profitability improvement by establishing an efficient productivity system



[Analysis of changes in operating profit(¥100 million)]
(FY2025 Forecast vs. FY2024)

Sales Volume	Variable Cost	Fixed Cost*	Total
29	(2)	(23)	4

* Inventory valuation impact of (0.7) billion yen in fixed cost

Role of NOF Group in Rapid Acquisition*¹

Japan's Defense Buildup Program has been expanded significantly, initiatives aimed at rapid acquisition are progressing, and the NOF Group has been asked to participate in the manufacturing of new propellants, etc.

The national government and prime companies*² have high expectations for the NOF Group, expecting the Group to ramp up manufacturing capacity

- *1 Rapid acquisition is a framework for the Ministry of Defense to rapidly acquire equipment that is particularly urgent and important from a policy perspective within 5 years and to realize full-scale operation within around 10 years
(Defense Buildup Program [approved by National Security Council and Cabinet on December 16, 2022], pg. 21)
- *2 In industries involved in the development and production of defense equipment, companies that are directly contracted by the Ministry of Defense are called "prime companies"

Explosives & Propulsion Segment

Facility Investment Related to Rapid Acquisition

Consideration of a facility investment plan (over multiple years) with a **total scale of 100 billion yen**
The investment funds for these facilities will be recovered from customers as **initial costs**

- The initial costs are the required initial investment expenses (contributed from the national budget), such as those of introducing equipment, when manufacturing specially ordered defense products, etc.
- In terms of recognizing revenue and expenses, **initial costs are recorded as net sales, while fixed assets are recorded as the cost of sales based on one-time depreciation** at the time of fulfillment of the customer's request

Timing for the Launch of Defense-related Products Associated with Rapid Acquisition

Taking measures to enable these products to start to be delivered during the next Mid-Term Plan (the 2028 Mid-Term Plan)

Ratio of Operating Profit to Net Sales for Defense-related Products

Striving to improve the ratio of operating profit to net sales for defense-related products while increasing their added value

Facility Investments

Facility investment results, forecast and plan

[¥100 million]

	2025 Mid-term Plan(Total)	2025 Mid-term Plan(Actual/Forecast)			
		FY2023 Actual	FY2024 Actual	FY2025 Forecast	Total
Capital expenditures*	695	187	184	303	674
Depreciation & amortization	228	69	80	100	249

* Acceptance basis

Facility Investments

Major facility investments

Facility	Site	Project Inception Date	Completion Date	Amount of investment 【¥100million】
Construction of manufacturing facilities for defense-related products	Premises of the Nippon Koki Co., Ltd. Shirakawa Plant*	Jan 2025	Feb 2029	546
Extension of manufacturing facilities for defense-related products	Aichi Works	Aug 2024	Jun 2028	234
Construction of manufacturing facilities for defense-related products	Nippon Koki Co., Ltd. Shirakawa Plant	Jan 2025	Sep 2029	180
Construction of manufacturing facilities(LS Aichi Plant) for raw materials for DDS drug formulations (PEG modifiers)	Aichi Works	Jul 2022	Sep 2025	166
Extension of filling equipment for cosmetics-related products	Aichi Works	Jan 2025	Jan 2026	7
Renewal of a single-person dormitory in the Kansai area	Kansai area	Apr 2024	Feb 2027	18

* As a fixed asset of NOF CORPORATION

Improving productivity

Contents		FY2024 Progress	FY2025 Policy
Operational efficiencies	Routine tasks	<ul style="list-style-type: none"> •RPA: Expansion of utilization operations •AI-OCR: Start of use according to operations •Operation support tool: Use of introduced software (digitizing of manufacturing records, creation of operating procedures) 	RPA:Expansion of Utilization Operations AI-OCR:Realization of utilization •Operation support tools: Acclimatization to introduced software, search for and selection of new tools
	Production scheduler	•(Model factory) Preparation for trial	•(Model factory) Transition from trial to use
	Production-related operations	<ul style="list-style-type: none"> •Introduction of automated equipment •Expansion of process automation control range 	•Continuation of automation promotion
Increase the use of data	Promotion of Smart Factory	•(Model factory) Introduction and trial of field data collection tools	•(Model factory) Evaluation of field data utilization
	Introduction of marketing support tools	•(Model project) Completion of requirements definition, start of use	•(Model project) Discovery of effects by establishing use
	Introduction of chemical substance management systems	•Start of operation at model factory	•Expansion to other factories
	Introduction of facility maintenance management systems	•Start of use	•Data accumulation and effective use
	Introduction of an environmental information collection system	•Establishment of the usage environment	•Trial run
	Introduction of a raw material SDS management system	•Start of operation at model factory	•Expansion to other factories

Investment in environmental response

Contents	FY2024 Progress	FY2025 Policy
Response to the regulatory control of CFCs	<ul style="list-style-type: none"> •Determination of equipment specifications using natural refrigerants 	<ul style="list-style-type: none"> •Installation and start of operation of equipment using natural refrigerants
Energy saving and high efficiency	<p>Execution of Policy</p> <ul style="list-style-type: none"> •Promotion of electrification of steam-using vacuum generators •Development of a policy on conversion to low environmental impact boiler fuels (stopping the use of heavy oil) •Promotion of upgrading to high-efficiency boilers •Adoption of energy-conserving equipment for the refrigeration and freezing equipment to be upgraded •Promotion of conversion to LED lighting •Promotion of the introduction of power that makes use of renewable energy 	<p>Further promotion of the policy</p> <ul style="list-style-type: none"> •Continued electrification of non-electrified equipment •Operation of some boilers converted to new fuels •Continued upgrading to high-efficiency boilers •Continuation of adopting energy-conserving equipment for the refrigeration and freezer equipment to be upgraded •Continuation of the conversion to LED lighting •Continuation of promotion of the introduction of power that makes use of renewable energy
Reducing emissions of chemical substances covered by the PRTR Act	<p>Execution of measures to prevent atmospheric emissions</p> <ul style="list-style-type: none"> •Minimization of the use of applicable substances •Introduction of more recovery equipment 	<ul style="list-style-type: none"> •Continuation of measure promotion

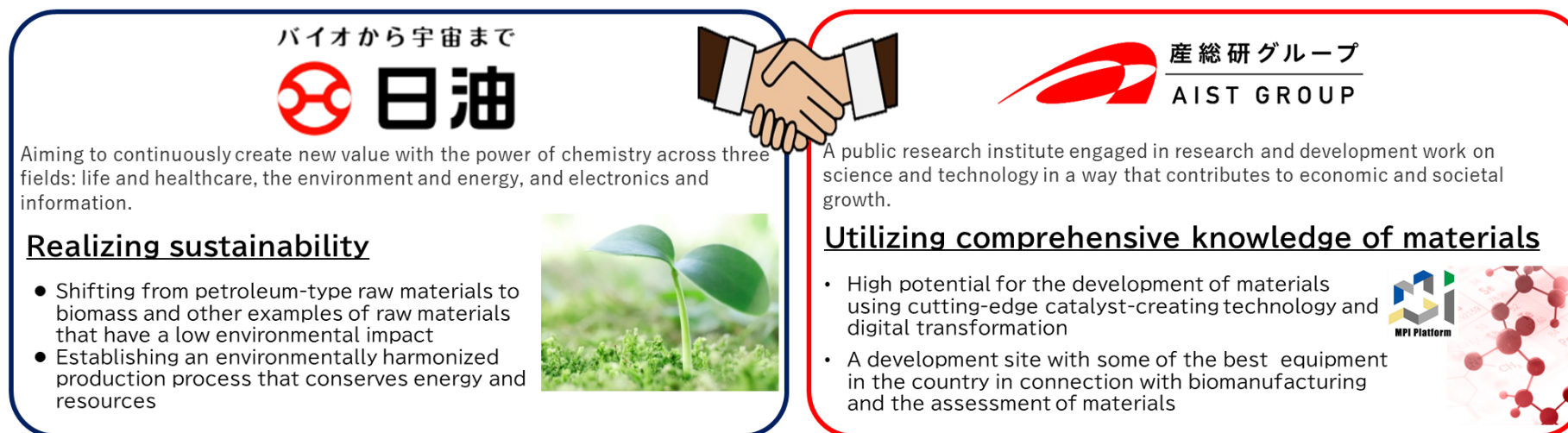
Promoting Open Innovation

●Establishing the NOF-AIST Smart Green Chemicals Collaborative Research Laboratory

Scope of research: Green chemicals, energy savings, decarbonization technology field

- Combining NOF's unique technologies and AIST Group's catalytic technology with bio-manufacturing technology, etc.
- Pursuing organic exchanges of human resources and technologies between the two parties and cultivating the next generation of technical talent

NOF-AIST Smart Green Chemicals Collaborative Research Laboratory



Creating green chemicals to help bring about decarbonization and enrich people's lives

Increasing the Efficiency of R&D

- Use of materials informatics (MI)

- Establishment of an experimental data collection system

In the final stage of developing a system that enables centralized management of internal experimental data and that makes it simple to use the data

- Introduction and use of a data analysis system

- Example of data analysis and use by a life science laboratory
Applied to the optimal formulation of lipid nanoparticles (LNP) intended for gene therapy and nucleic acid medicine
 - Optimization of ionic lipid structure
 - Optimization of composition in LNP formulation

- Development of MI human resources

Around 20% of researchers have undergone a specialized training program

Going forward, we will pursue the development of data scientists

Research and Development

Results, forecast and plan of R&D expenses

[¥100 million]

		2025 Mid-term Plan(Total)	2025 Mid-term Plan(Actual/Forecast)			
			FY2023 Actual	FY2024 Actual	FY2025 Forecast	Total
Functional Chemicals	R&D Expenses	106	35	38	41	114
	Ratio of R&D Expenses to Net Sales	—	2.6%	2.5%	2.6%	2.6%
Pharmaceuticals, Medicals and Health	R&D Expenses	59	16	19	22	56
	Ratio of R&D Expenses to Net Sales	—	2.9%	3.9%	4.2%	3.7%
Explosives & Propulsion	R&D Expenses	46	12	12	14	38
	Ratio of R&D Expenses to Net Sales	—	3.6%	3.1%	3.1%	3.2%
Others*	R&D Expenses	45	9	11	12	32
Total	R&D Expenses	256	73	79	88	240
	Ratio of R&D Expenses to Net Sales	—	3.3%	3.3%	3.5%	3.4%

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

Human investments including recruitment and human resource development

Contents	FY2024 Progress	FY2025 Policy
Promote employees' autonomous growth	<ul style="list-style-type: none"> Continuation of conducting workshops aimed at enhancing autonomous personnel development for all employees Implementation of support for the establishment of career design based on the use of career consulting and the introduction of e-learning 	<ul style="list-style-type: none"> Continued implementation of autonomous personnel development measures Enhancement of interaction with external human resources aimed at expanding horizons and diversifying ideas Further enhancement of measures to develop skills by level
Further promotion of the creation of comfortable workplace	<ul style="list-style-type: none"> Examination of measures for health-conscious management initiatives Implementing a smoking cessation program Changes to the leave system 	<ul style="list-style-type: none"> Health Promotion Support Smoking cessation program continued Support for use of gymnasiums Support for balancing work and caregiving
Promote DX human resource development	<ul style="list-style-type: none"> Implementation of evaluation and enhancement of training programs Start of Phase 2 program 	<ul style="list-style-type: none"> Continued implementation of training programs Implementation of practical training for employees who have completed Phase 1
Strengthen support for overseas business activities	<ul style="list-style-type: none"> Reinforcement of overseas safety measures Start of goods support service for personnel posted overseas Reinforcement of procedure support for personnel assigned overseas Implementation of training for the personnel of local overseas corporations 	<ul style="list-style-type: none"> Continuation of overseas safety measures Continuation of goods support services for personnel posted overseas Reinforcement of procedure support for personnel assigned overseas Continuation of training for the personnel of local overseas corporations
Motivate and utilize diverse human resources	<ul style="list-style-type: none"> Increase in hiring of experienced personnel 	<ul style="list-style-type: none"> Continuation of measures to hire experienced personnel
Upgrade and renovate welfare facilities	<ul style="list-style-type: none"> Plan the renewal of a single person dormitory in the Kansai area 	<ul style="list-style-type: none"> Start the design of a dormitory in the Kansai area Consider the renewal of company housing in the Kanto region Consider renewing the single-person dormitory and company housing at the Aichi works

Introduction of a Special Incentive Scheme to the Employee Shareholding Association (July 2025 Start)

- ◆ In this program, NOF will provide 20 shares per year to NOF employees
- ◆ By introducing this program, NOF will promote value sharing between its employees and shareholders and strive to further improve its corporate value

Purpose	<ul style="list-style-type: none"> •To provide an incentive for employees to improve corporate value over the medium to long term •To improve employees' awareness of contributing to the business with share price in mind •To promote stable wealth-building by employees •To attracting personnel by enhancing benefits
Eligible individuals	NOF employees who are members of the Employee Shareholding Association
Timing	Once per year
Amount	Grant special incentive payments equivalent of 20 shares
Acquisition system	Market purchase system

(Reference 1) NOF Employee Shareholding Association

Eligible companies	NOF and its subsidiaries (five companies)
Contribution amount	1,000 yen per account – upper limit of one million yen/month
Subsidy	10% of the contribution amount is provided

(Reference 2) BBT

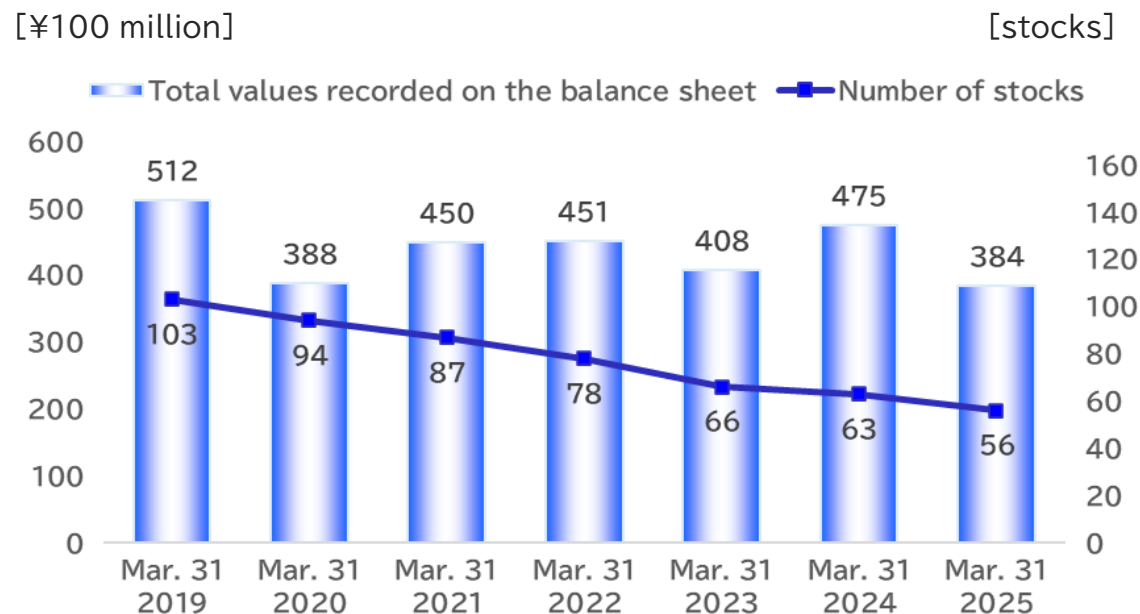
(= Board Benefit Trust)

A performance-linked stock compensation plan (BBT) was introduced for Directors (excluding Outside Directors) and Operating Officers holding a title during the fiscal year ended March 31, 2020

Cross-Shareholdings

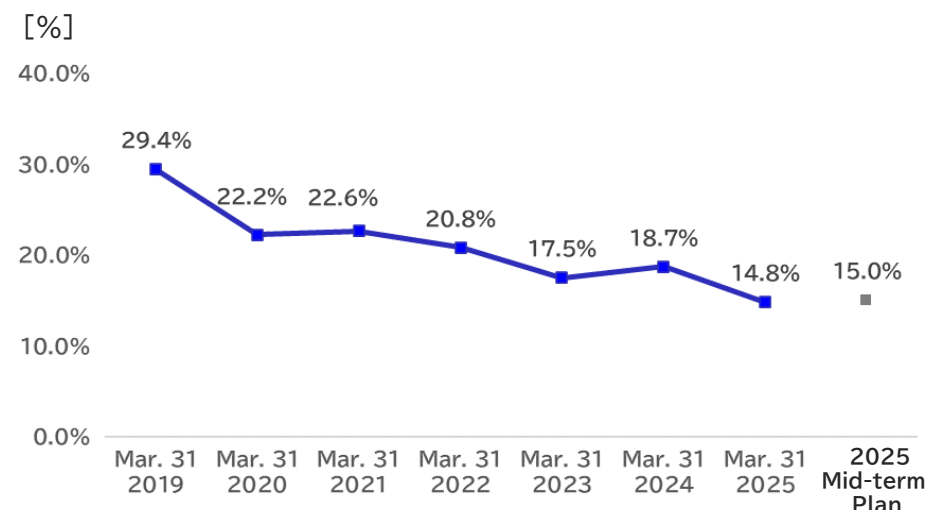
- ◆ During the period of the 2025 Mid-Term Plan, we aimed for a ratio of cross-shareholdings to net assets of 15% or less, and the target was to pursue the reduction of cross-shareholdings
- ◆ We achieved the target ratio of cross-shareholdings to net assets of 15% or less in FY2024 and will continue to pursue the reduction of cross-shareholdings in FY2025 and beyond

Transition of Cross-Shareholdings



Transition of Cross-shareholdings' Percentage of Consolidated Net Assets

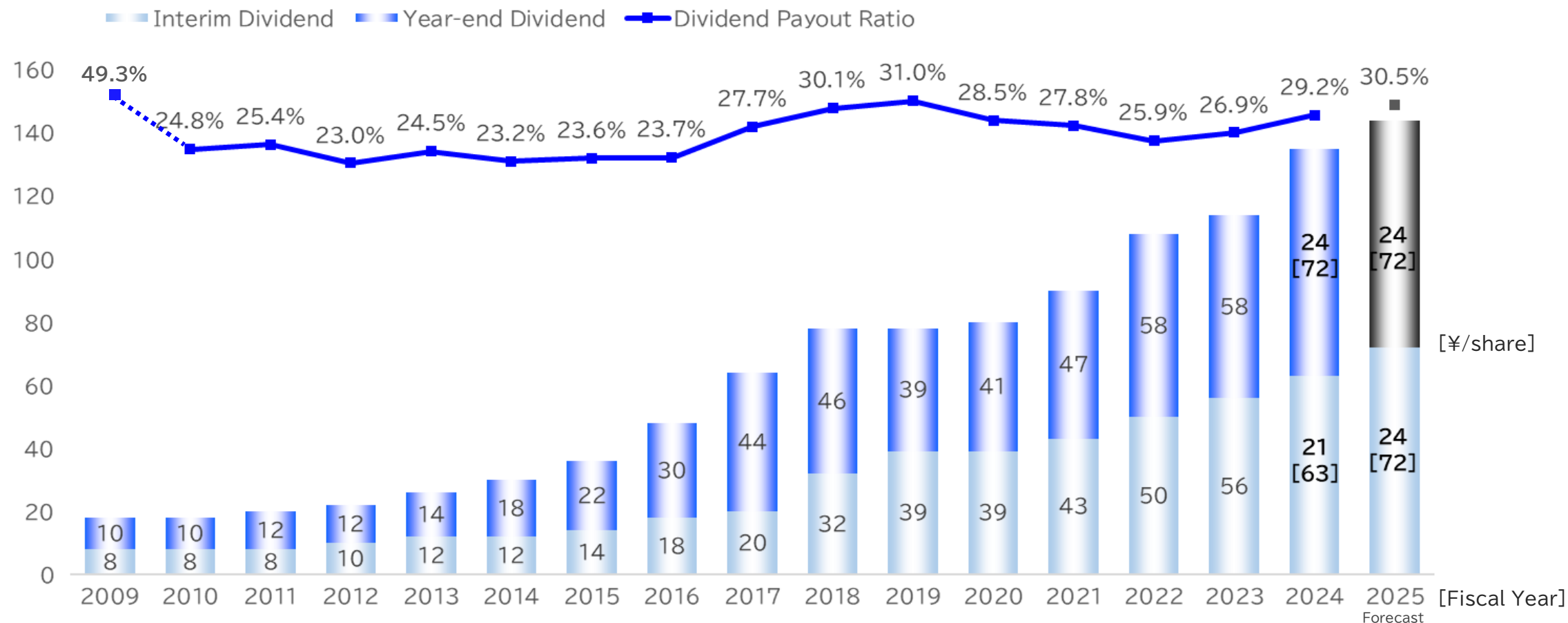
In FY2024, 7 stocks were reduced and 2 stocks were partially sold. The ratio declined to 14.8%.



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

Shareholder returns/Dividend payout ratio

- ◆ The annual dividend forecast for FY2025 is 48 yen
- ◆ Aiming for progressive dividends over the medium to long term, based on maintaining stable dividends

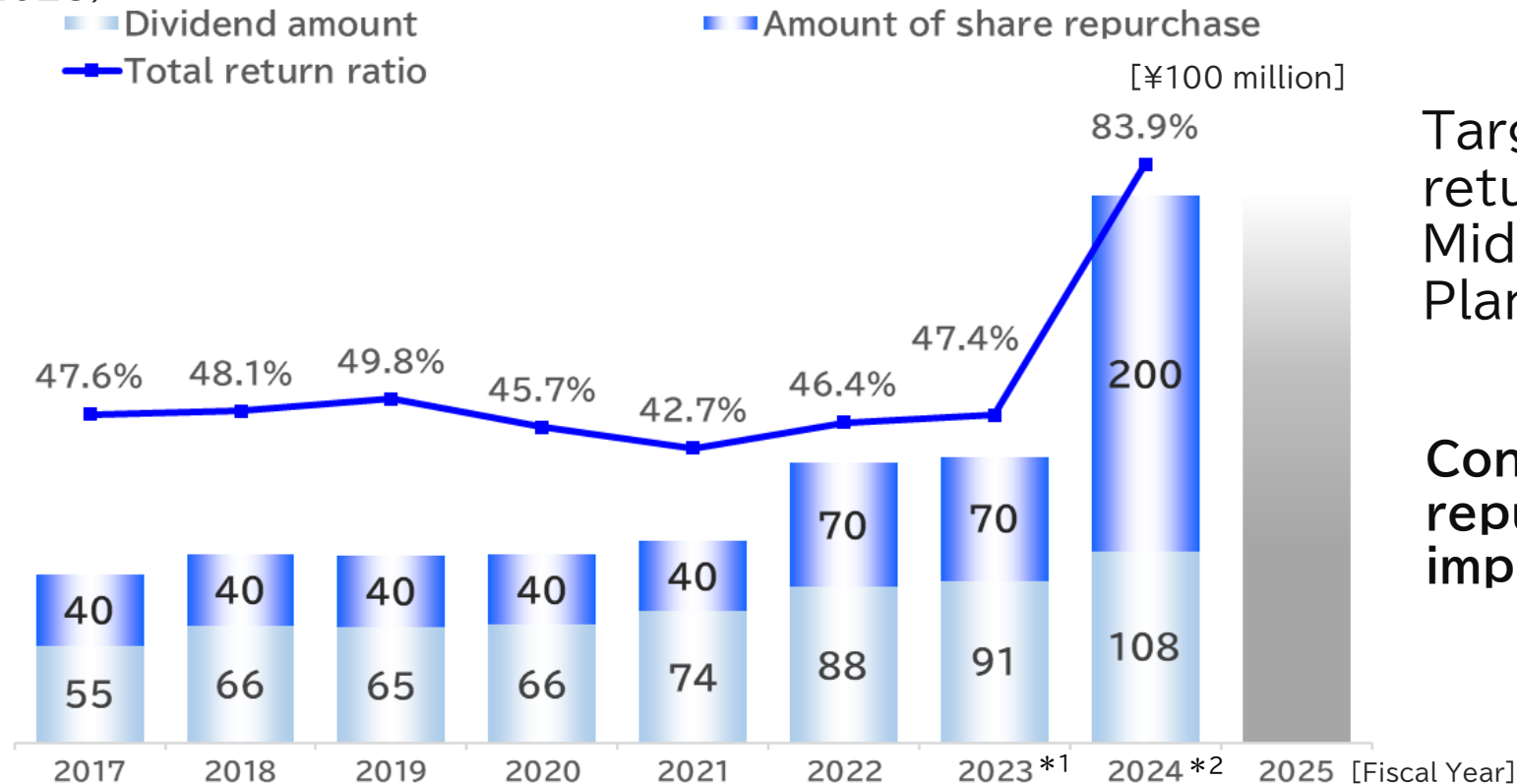


NOF conducted a reverse share split on October 1, 2017, at a ratio of 1 share for every 2 shares of common stock.

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 April 1, 2024. Figures in [] in the FY2024 and 2025 Forecast are pre-split conversion figures. The graphs are based on the pre-stock-split basis.

Shareholder returns/Total return ratio

- ◆ 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 investment
- ◆ Considering the net cash level at the end of FY2024, the forecast free cash flow level, ROE, etc., we have been repurchasing an additional 10 billion yen as part of our profit return for FY2024 (May 12 to September 30, 2025)



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

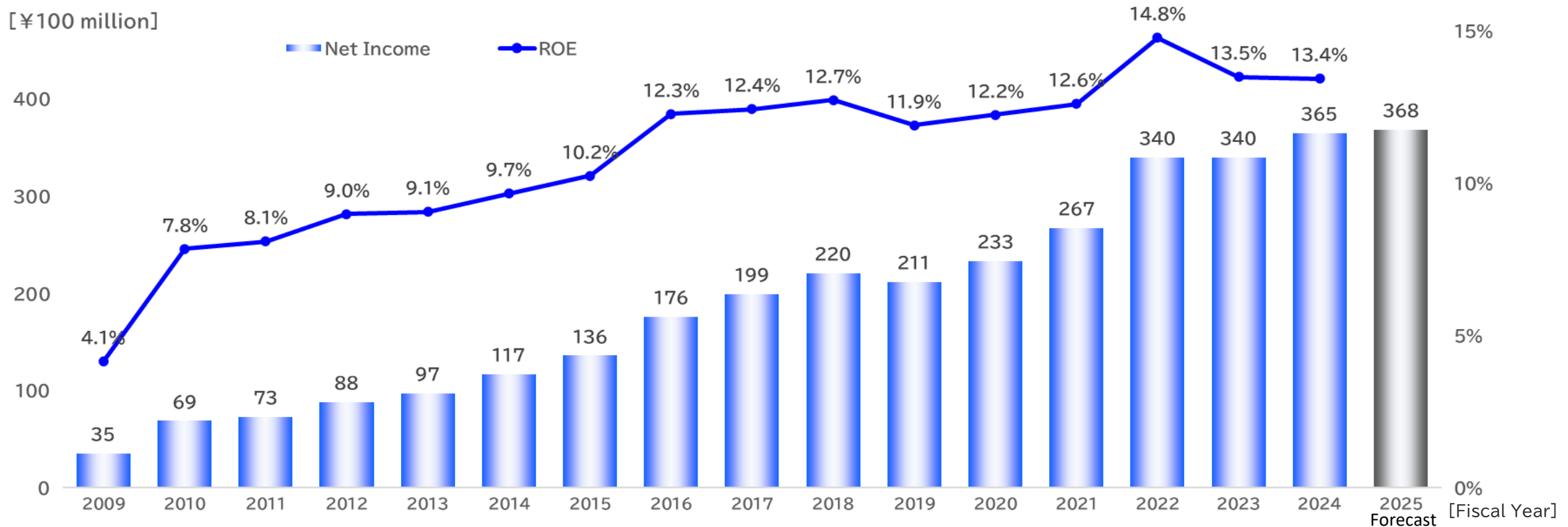
Considering agile share repurchasing aimed at improving capital efficiency

* 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 21, 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 September 30, 2025

ROE

- ◆ In terms of key management indicators, the ROE target for FY2025 in the 2025 Mid-Term Management Plan is 12% or more
- ◆ 13.4% was achieved in FY2024; conscious of improving capital efficiency, the aim is to maintain the FY2024 level in FY2025
- ◆ The 2028 Mid-Term Plan will be formulated while attempting to further raise the target ROE



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】



Comparative Balance Sheets(Consolidated)



[¥100 million]

	Mar. 31 2024	Mar. 31 2025	Increase (Decrease)		Mar. 31 2024	Mar. 31 2025	Increase (Decrease)
Cash and deposits	917	871	(47)	Notes and accounts payable	231	239	8
Notes and accounts receivable	582	628	46	Interest-bearing debt	52	50	(1)
Inventories	510	573	63	Deferred tax liabilities	129	116	(14)
Other current assets	39	48	8	Other liabilities	343	372	28
Property, plant and equipment and Intangible assets	769	870	102	Total Liabilities	755	776	21
Investments securities	512	419	(93)	Total shareholder's equity	2,319	2,467	148
Other long-term assets	85	163	78	Accumulated other comprehensive income	331	318	(13)
				Non-controlling interests	9	10	1
				Total Net Assets	2,659	2,796	136
Total Assets	3,414	3,572	157	Total Liabilities and Total Net Assets	3,414	3,572	157

Statements of Cash Flows(Consolidated)



[¥100 million]

	FY2023 Apr.-Mar.	FY2024 Apr.-Mar.
1. Cash flows from operating activities	300	290
2. Cash flows from investing activities	(150)	(137)
Proceeds from sales of investment securities	36	52
Purchase of property, plant and equipment and intangible assets	(177)	(163)
others	(8)	(26)
3. Cash flows from financing activities	(171)	(220)
Increase(Decrease) in borrowings	(3)	(2)
Purchase of treasury shares	(75)	(120)
Dividends paid	(92)	(96)
others	(1)	(2)
4. Others	5	20
Total of 1~4	(16)	(48)
5. Cash and cash equivalents at end of period	875	827
Free Cash Flow	150	152

Financial Indicators(1)

		FY2023 Apr.-Mar.	FY2024 Apr.-Mar.	increase (decrease)
Ratio of operating profit to net sales	[%]	19.0	19.0	0.0
Ratio of ordinary profit to net sales	[%]	20.5	19.5	(1.0)
Ratio of ordinary profit to total assets(ROA)	[%]	14.0	13.3	(0.7)
Return on equity(ROE)	[%]	13.5	13.4	(0.1)
Debt to Equity ratio	[X]	0.02	0.02	0.00
Equity-to-asset ratio	[%]	77.6	78.0	0.4

Financial Indicators(2)

		FY2023 Apr.-Mar.	FY2024 Apr.-Mar.	increase (decrease)
Basic earnings per share	[¥]	141.2 [*]	153.9	12.7
Net assets per share	[¥]	1,109.0 [*]	1,192.7	83.7
Cash dividends per share	[¥]	38 [*]	45	7
Payout ratio(consolidated)	[%]	26.9	29.2	2.3
Our stock price (end of March)	[¥]	2,085.5 [*]	2,020.0	
cf. Nikkei stock average		40,369	35,618	
Price book-value ratio	[X]	1.88	1.69	(0.19)
Price earnings ratio	[X]	14.8	13.1	(1.7)

*3-for-1 common shares split effective April 1, 2024.

Basic earnings/net assets per share and our stock price as of the end of March for FY2023 are shown on a share-split basis.

- 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

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