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May 11, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)

Company name: NOF CORPORATION
 Listing: Tokyo Stock Exchange
 Securities code: 4403
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 Scheduled date of annual general meeting of shareholders: June 26, 2026
 Scheduled date to commence dividend payments: June 29, 2026
 Scheduled date to file annual securities report: June 25, 2026
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the Fiscal Year Ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	257,967	8.2	47,411	4.6	50,366	8.1	40,550	11.1
March 31, 2025	238,310	7.2	45,308	7.5	46,572	2.2	36,497	7.4

Note: Comprehensive income Year ended March 31, 2026: ¥ 48,525 million [37.3 %]
 Year ended March 31, 2025: ¥ 35,333 million [(17.1)%]

Year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2026	176.34	—	14.1	13.3	18.4
March 31, 2025	153.88	—	13.4	13.3	19.0

Reference: Share of profit (loss) of entities accounted for using equity method Year ended March 31, 2026: ¥ - million
 Year ended March 31, 2025: ¥ - million

(2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2026	399,168	296,465	74.0	1,304.33
March 31, 2025	357,196	279,550	78.0	1,192.67

Reference: Equity As of March 31, 2026: ¥295,345 million
 As of March 31, 2025: ¥278,527 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	35,865	(4,427)	(31,407)	82,973
March 31, 2025	28,975	(13,749)	(22,015)	82,706

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	–	21.00	–	24.00	45.00	10,607	29.2	3.9
Fiscal year ended March 31, 2026	–	26.00	–	35.00	61.00	13,907	34.6	4.9
Fiscal year ending March 31, 2027 (Forecast)	–	35.00	–	35.00	70.00		41.3	

3. Consolidated earnings forecast for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2027	319,000	23.7	50,000	5.5	51,000	1.3	39,000	(3.8)	169.60

* Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2026	236,524,128 shares
As of March 31, 2025	236,524,128 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2026	10,089,463 shares
As of March 31, 2025	2,991,799 shares

(iii) Average number of shares outstanding during the period

Year ended March 31, 2026	229,950,963 shares
Year ended March 31, 2025	237,181,109 shares

(Notes) Since the Company introduced “Board Benefit Trust (BBT)” in the fiscal year ended March 31, 2020, the shares of the Company held by the trust are included in the number of treasury shares at the end of the period, and the number of treasury shares excluded from the calculation of the average number of shares outstanding during the period.

[Reference] Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended March 31, 2026 (April 1, 2025 – March 31, 2026)

(1) Non-consolidated operating results

Year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	186,319	10.4	35,462	2.9	41,545	6.4	35,387	10.1
March 31, 2025	168,736	7.9	34,462	6.4	39,056	(7.1)	32,149	(3.2)

Year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2026	153.89	—
March 31, 2025	135.55	—

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2026	319,232	223,444	70.0	986.80
March 31, 2025	286,101	215,484	75.3	922.72

Reference: Equity As of March 31, 2026: ¥223,444 million
As of March 31, 2025: ¥215,484 million

* Annual financial results reports are not subject to audit by certified public accountants or an audit corporation.

* Proper use of earnings forecast, and other special matters

(Notes regarding forward-looking statements)

Forward-looking statements including financial results forecast stated in this material were compiled based on information available to the Company and certain assumptions considered reasonable at the time this material was compiled, and are not meant as a guarantee of the Company achieving such results. Therefore, the actual results, etc., may differ due to various factors. For information on the assumptions of the forecast and notes on the use of the forecast, please refer to “1. Overview of operating results, etc., (4) Future outlook” on page 5 of the attached document.

Table of contents for the attachment

1. Overview of operating results, etc.	2
(1) Overview of operating results	2
(2) Overview of financial position.....	4
(3) Overview of cash flows	4
(4) Future outlook.....	5
(5) Basic policy on profit distribution and dividends for the current and next fiscal years.....	6
(6) Research and development activities	6
(7) Main facilities	6
2. Status of the Group	7
3. Basic approach to selection of accounting standards	8
4. Consolidated financial statements and significant notes thereto.....	9
(1) Consolidated balance sheets.....	9
(2) Consolidated statements of income and consolidated statements of comprehensive income.....	11
Consolidated statements of income.....	11
Consolidated statements of comprehensive income.....	12
(3) Consolidated statements of changes in net assets	13
(4) Consolidated statements of cash flows	15
(5) Notes on consolidated financial statements	16
(Notes on going concern assumption)	16
(Notes on changes in presentation).....	16
(Notes on additional information).....	16
(Notes on consolidated statements of cash flows)	16
(Notes on segment information, etc.).....	17
(Notes on revenue recognition).....	20
(Notes on per share information)	21
(Notes on significant events after reporting period)	22

1. Overview of operating results, etc.

(1) Overview of operating results

1) Overview of the fiscal year

(Millions of yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Fiscal year ended March 31, 2026	257,967	47,411	50,366	40,550
Fiscal year ended March 31, 2025	238,310	45,308	46,572	36,497
Change (%)	8.2	4.6	8.1	11.1

In the fiscal year (from April 1, 2025 to March 31, 2026), the outlook for the global economy deteriorated due to increased risk of a downturn and policy uncertainties in the economy caused by the United States trade policy. The outlook remained uncertain due to concerns about the impact of the prolonged crisis in Ukraine, the increasingly strained situation in the Middle East, elevated prices of raw materials and fuel, and fluctuations in the financial and capital markets. In Japan, although the impacts of the United States trade policy were seen mainly in the automobile industry, personal consumption has been picking up, and the economy has continued its gradual recovery trend.

As for the business environment surrounding the Group, even though domestic economic conditions is gradually recovering, there is ongoing monitoring of a downturn due to continuously high raw material and fuel prices, the impact of tariff measures in the United States, and the influence of the situation in the Middle East.

In this business environment, under the three-year 2025 Mid-Term Management Plan ended in the FY2025, and in keeping with the basic policy of “Practice and Breakthrough,” we have been working to address the following challenges: (1) expanding business by seizing market changes as opportunities, (2) accelerating development of new products and techniques, (3) improving productivity, (4) pursuing safety and security, and (5) promoting CSR. We have also made repeated management efforts to develop new markets, expand sales, and reduce production costs with a view to achieving sustainable growth.

In regard to “expanding business by seizing market changes as opportunities,” we have been expanding our business with a focus on our three prioritized business fields of “life and healthcare,” “environment and energy,” and “electronics and IT” as we have advanced our transition into a solutions-based business model. In addition, this fiscal year, we have implemented the “Industry-Academia Commissioned Research Type Open Innovation Program 2025,” which invited the development of next-generation materials and technologies in the electronics field, expected to grow. This initiative aimed to the realization of a sustainable society and the chemical industry as it should be in the future, and to promote “accelerating development of new products and techniques.”

As a result of such efforts, net sales for the fiscal year were 257,967 million yen, up 8.2% year on year. Operating profit was 47,411 million yen, up 4.6% year on year, ordinary profit was 50,366 million yen, up 8.1% year on year, and profit attributable to owners of parent was 40,550 million yen, up 11.1% year on year.

2) Overview by segment

(Financial results by business)

(Millions of yen)

	Functional Chemicals		Pharmaceuticals, Medicals and Health		Explosives & Propulsion		Others	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Fiscal year ended March 31, 2026	145,751	26,846	49,931	15,816	61,675	7,979	608	434
Fiscal year ended March 31, 2025	150,915	29,797	48,033	15,697	38,775	3,130	585	348
Change	(5,163)	(2,950)	1,898	118	22,899	4,848	22	85

(i) Functional Chemicals

Net sales of fatty acid derivatives decreased due to sluggish shipments for environmental energy-related products in Asia.

Net sales of surfactants decreased due to sluggish demand for toiletries.

Net sales of ethylene oxide/propylene oxide derivatives decreased due to stagnant demand for synthetic resin and resin processing applications.

Net sales of organic peroxides decreased due to stagnant demand in Japan and Asia.

Net sales of special anti-corrosion agents increased due to steady domestic and overseas demand.

As a result, net sales of Functional Chemicals were 145,751 million yen, down 3.4% year on year, and operating profit was 26,846 million yen, down 9.9% year on year.

(ii) Pharmaceuticals, Medicals and Health

Net sales of processed edible oils and functional food materials increased as efforts were made to maintain appropriate pricing, despite subdued demand for use in bread, confectionery, and processed foods.

Net sales of healthcare foods products increased as a result of increased shipments for health foods.

Net sales of biocompatible materials decreased due to lower shipments of MPC (2-methacryloyloxyethyl phosphorylcholine) related products.

Net sales of raw materials for DDS (drug delivery system) were flat year on year, despite lower shipments for some customers.

As a result, net sales of Pharmaceuticals, Medicals and Health were 49,931 million yen, up 4.0% year on year, and operating profit was 15,816 million yen, up 0.8% year on year.

(iii) Explosives & Propulsion

Net sales of industrial explosives were flat year on year.

Net sales of space-related products increased due to an increase in demand for rocket products.

Net sales of defense-related products increased due to revenue recognition of certain transactions related to the initial costs for rapid acquisition.

Net sales of functional products declined.

As a result, net sales of Explosives & Propulsion were 61,675 million yen, up 59.1% year on year, and operating profit was 7,979 million yen, up 154.9% year on year.

(iv) Others

Others consist of transportation and real estate. Net sales of others were 608 million yen, up 3.8% year on year, and operating profit was 434 million yen, up 24.7% year on year.

(2) Overview of financial position

Total assets were 399,168 million yen, an increase of 41,972 million yen from the end of the previous fiscal year. The breakdown of major increases (decreases) in assets includes an increase in cash and deposits of 1,299 million yen, an increase in trade receivables of 15,708 million yen, an increase in inventories of 6,998 million yen, an increase in property, plant and equipment of 11,657 million yen, and an increase in the market value of investment securities at the end of the fiscal year, etc. of 4,221 million yen.

Liabilities increased by 25,057 million yen to 102,703 million yen from the end of the previous fiscal year. The breakdown of major increases (decreases) in liabilities includes a decrease in trade payables of 1,963 million yen, an increase in accounts payable of 8,683 million yen, an increase in advances received of 11,637 million yen, which is included in other under current liabilities, and an increase in income taxes payable of 7,008 million yen.

Net assets (including non-controlling interests) were 296,465 million yen, an increase of 16,915 million yen from the end of the previous fiscal year. The breakdown of major increases (decreases) in net assets (including non-controlling interests) includes an increase in profit attributable to owners of parent of 40,550 million yen, a decrease from the purchase of treasury shares, etc. of 20,004 million yen, a decrease from dividends of surplus of 11,586 million yen, an increase in valuation difference on available-for-sale securities of 4,199 million yen, and an increase in remeasurements of defined benefit plans of 2,123 million yen.

(3) Overview of cash flows

Net cash provided by operating activities increased 6,890 million yen compared with the previous fiscal year, as a result of factors such as an increase in profit before income taxes of 6,551 million yen, an increase in the burden of working capital of 13,901 million yen, an increase in advances received of 10,784 million yen, an increase in non-current assets for rapid acquisition of 11,839 million yen, and an increase in income taxes paid of 382 million yen. The increase in advances received includes 13,914 million yen in advances for defense-related equipment for rapid acquisition in Explosives & Propulsion.

Net cash used in investing activities decreased 9,321 million yen compared with the previous fiscal year, as a result of factors such as an increase in proceeds from the sale of investment securities of 5,606 million yen, a decrease in purchase of property, plant and equipment and intangible assets of 1,945 million yen, and a decrease from payments for investments in capital of subsidiaries and associates of 3,063 million yen.

Net cash used in financing activities increased 9,392 million yen compared with the previous fiscal year, as a result of factors such as an increase in the purchase of treasury shares of 7,999 million yen, and an increase in dividends paid of 1,953 million yen.

As a result of the above, cash and cash equivalents at end of period amounted to 82,973 million yen, an increase of 266 million yen from the end of the previous fiscal year.

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Change
Cash flows from operating activities	28,975	35,865	6,890
Cash flows from investing activities	(13,749)	(4,427)	9,321
Cash flows from financing activities	(22,015)	(31,407)	(9,392)
Effect of exchange rate change on cash and cash equivalents	1,987	236	(1,751)
Net increase (decrease) in cash and cash equivalents	(4,802)	266	5,069
Cash and cash equivalents at end of period	82,706	82,973	266

(Reference) Cash flow indicators

Trends in the Group's cash flow indicators are as follows.

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Equity-to-asset ratio (%)	77.3	77.6	78.0	74.0
Equity-to-asset ratio based on market value (%)	161.1	145.9	132.1	175.9
Ratio of interest-bearing debt to cash flow (annual)	0.2	0.2	0.2	0.1
Interest coverage ratio (times)	296.1	232.0	211.0	246.6

(Notes) Equity-to-asset ratio: equity/total assets

Equity-to-asset ratio based on market value: market capitalization/total assets

Ratio of interest-bearing debt to cash flow: interest-bearing debts/cash flow

Interest coverage ratio: cash flow/interest payments

1. All indicators are calculated based on consolidated financial figures.
2. Market capitalization is calculated by multiplying the closing stock price at the end of the fiscal year by the total number of issued shares at the end of the fiscal year (after deduction of treasury shares).
3. Cash flows from operating activities are used for cash flow. Interest-bearing debts are the sum of borrowings and lease liabilities as recorded on the consolidated balance sheets. Interest payments are based on the amount of interest paid in the consolidated statements of cash flows.

(4) Future outlook

(Millions of yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Fiscal year ending March 31, 2027	319,000	50,000	51,000	39,000
Fiscal year ended March 31, 2026	257,967	47,411	50,366	40,550
Change (%)	23.7	5.5	1.3	(3.8)

(Note) The assumed average exchange rates in the forecasts for the fiscal year ending March 31, 2027 are 150 yen/U.S. dollar and 180 yen/Euro.

The outlook for the global economy is expected to remain uncertain with increased risk of a downturn due to factors such as the impact of the United States trade policy, the prolonged crisis in Ukraine, as well as the increasingly strained situation in the Middle East, along with the effects of financial and capital markets, etc. In the domestic economy, while the employment and income environment is improving, there are concerns about the impact of continued rising prices on consumer spending. In addition, the impact of the situation in the Middle East is expected to extend to a wide range of industries and products, including chemical products, posing a risk of downward pressure on Japan's economy and requiring continued close monitoring.

Under these circumstances, the Group will promote "NOF VISION 2030" and conduct business operations for further growth.

In terms of performance in the next fiscal year, we forecast net sales of 319,000 million yen, operating profit of 50,000 million yen, ordinary profit of 51,000 million yen, and profit attributable to owners of parent of 39,000 million yen.

Regarding 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, we have incorporated the currently visible impacts into our performance outlook. However, should there be situations where the impact on performance becomes a concern in the future, we will disclose this appropriately.

An explanation of outlook by segment is as follows.

(Millions of yen)

	Functional Chemicals		Pharmaceuticals, Medicals and Health		Explosives & Propulsion	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Fiscal year ending March 31, 2027	155,500	26,400	50,200	12,300	112,800	15,400
Fiscal year ended March 31, 2026	145,751	26,846	49,931	15,816	61,675	7,979
Change (%)	6.7	(1.7)	0.5	(22.2)	82.9	93.0

(Note) The assumed average exchange rates in the forecasts for the fiscal year ending March 31, 2027 are 150 yen/U.S. dollar and 180 yen/Euro.

In Functional Chemicals, while steady demand for cosmetic raw materials for cosmetics-related products and the ODM business is expected, the increasingly strained situation in the Middle East is anticipated to affect raw material and fuel prices and the supply chain across a wide range of industries and products, including chemical products. Therefore, we have incorporated the currently visible impacts into our performance outlook and forecast increased revenue but decreased profit. In Pharmaceuticals, Medical and Health, due to the delay in market expansion of launched products for some customers using raw materials for DDS, and the increase in fixed costs such as depreciation expenses at the LS Aichi Plant, we forecast increased revenue but decreased profit. The impact of the delay in market expansion for these launched products is expected to recover from the latter half of the 2028 Mid-Term Management Plan. In Explosives & Propulsion, due to the progress in construction related to some transactions (contract transactions where revenue is recognized according to performance obligations) concerning initial costs for rapid acquisition, we forecast increased revenue and profit.

(5) Basic policy on profit distribution and dividends for the current and next fiscal years

The Company recognizes that the stable return of profits to shareholders is an important management issue. During the current fiscal year, the Company's basic profit distribution policy is to maintain a total return ratio of approximately 50% as the target level for the final year of the Mid-Term Management Plan (FY2025). In line with this policy, the Company has paid dividends based on the maintenance of stable profit returns, and has also purchased treasury shares as necessary. In the next 2028 Mid-Term Management Plan, the Company will continue to focus on providing stable returns of profits to shareholders. Retained earnings will be used to invest in capital expenditures and R&D for future growth and to enhance the financial strength of the Company in order to strengthen the earnings base.

The Company plans to pay a year-end dividend of 35 yen per share for the current fiscal year. As a result, the annual dividend for the current fiscal year, including the interim dividend, will be 61 yen per share.

For the next fiscal year, we plan to pay an annual dividend of 70 yen per share (interim dividend of 35 yen and year-end dividend of 35 yen).

(6) Research and development activities

Expenses related to research and development activities for the Group in the current fiscal year were 8,075 million yen.

There were no material changes in the conditions of the Group's research and development activities in the current fiscal year.

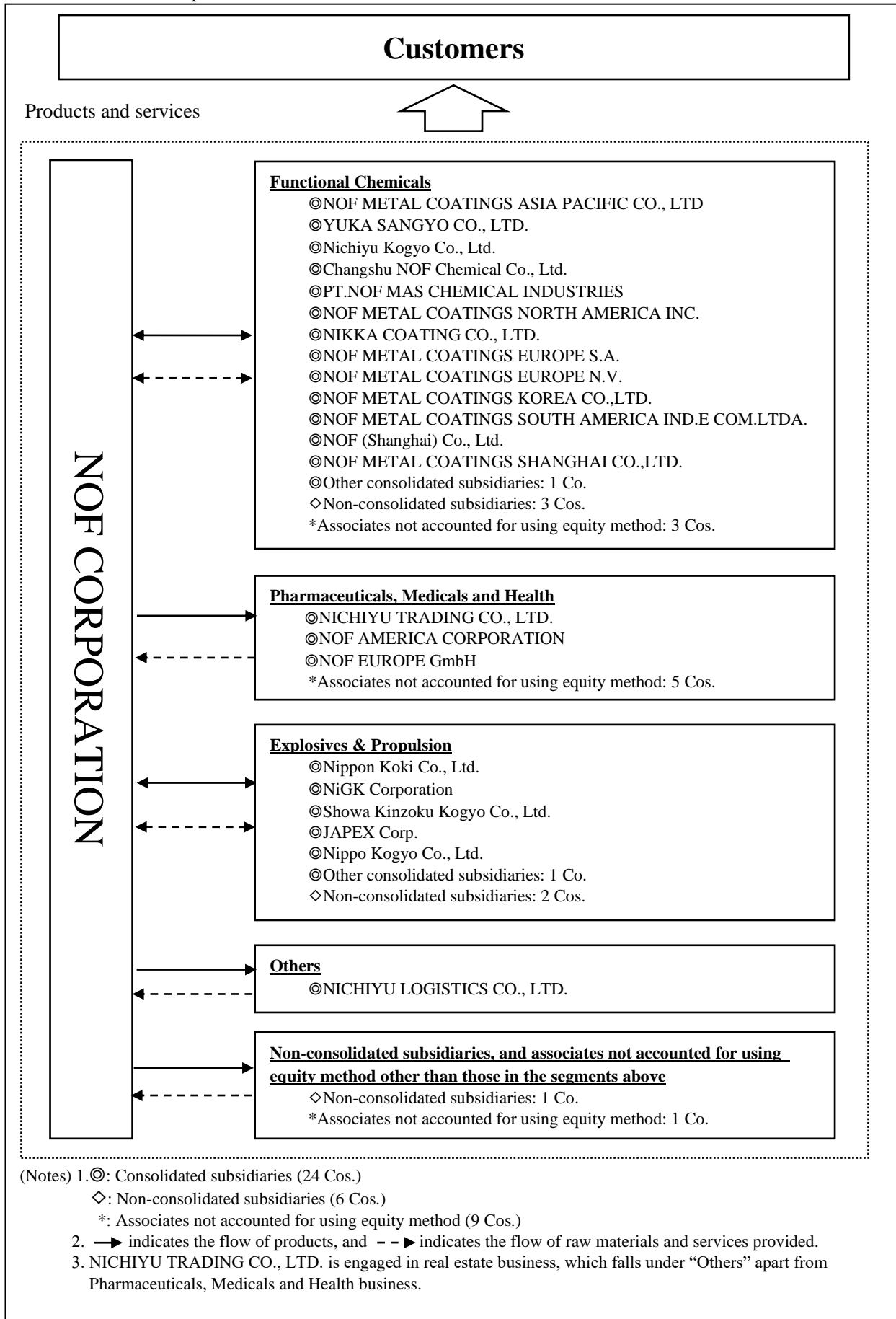
(7) Main facilities

The amount of capital investment for the Group in the current fiscal year was 34,438 million yen.

There were no significant changes in the Group's main facilities or facility plans in the current fiscal year.

2. Status of the Group

The status of the Group is as follows.



3. Basic approach to selection of accounting standards

The Group has adopted a policy of preparing its consolidated financial statements according to the Japanese standards (Japanese GAAP) for the time being in consideration of comparability with respect to reportable periods for consolidated financial statements and comparability between respective companies.

With respect to the adoption of the International Financial Reporting Standards (IFRS) in the future, the Group will take appropriate steps, taking a range of conditions both in Japan and overseas into consideration.

4. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	87,064	88,364
Notes and accounts receivable - trade, and contract assets	59,238	74,776
Electronically recorded monetary claims - operating	3,561	3,731
Merchandise and finished goods	28,419	32,293
Work in process	6,722	8,153
Raw materials and supplies	22,185	23,880
Other	4,992	5,881
Allowance for doubtful accounts	(206)	(254)
Total current assets	211,978	236,825
Non-current assets		
Property, plant and equipment		
Buildings and structures	85,849	105,496
Accumulated depreciation	(57,365)	(71,110)
Buildings and structures, net	28,483	34,386
Machinery, equipment and vehicles	116,620	127,822
Accumulated depreciation	(99,468)	(104,164)
Machinery, equipment and vehicles, net	17,151	23,658
Land	20,343	20,645
Leased assets	573	504
Accumulated depreciation	(495)	(122)
Leased assets, net	77	382
Construction in progress	15,854	13,776
Other	18,856	20,400
Accumulated depreciation	(15,698)	(16,522)
Other, net	3,157	3,878
Total property, plant and equipment	85,069	96,726
Intangible assets		
Other	1,950	1,918
Total intangible assets	1,950	1,918
Investments and other assets		
Investment securities	41,864	46,086
Long-term loans receivable	8	6
Deferred tax assets	1,212	1,159
Retirement benefit asset	9,557	13,054
Other	5,707	3,459
Allowance for doubtful accounts	(151)	(70)
Total investments and other assets	58,198	63,697
Total non-current assets	145,218	162,343
Total assets	357,196	399,168

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	22,305	21,429
Electronically recorded obligations - operating	1,580	493
Short-term borrowings	1,490	1,341
Current portion of long-term borrowings	816	1,013
Lease liabilities	254	269
Accrued expenses	1,904	2,017
Income taxes payable	7,682	14,690
Deposits received	4,328	4,585
Provision for bonuses	3,915	4,163
Asset retirement obligations	174	109
Other	13,871	36,127
Total current liabilities	58,325	86,241
Non-current liabilities		
Long-term borrowings	2,008	1,961
Lease liabilities	473	555
Deferred tax liabilities	11,561	9,581
Provision for officers' retirement benefits	8	6
Retirement benefit liability	4,976	3,404
Asset retirement obligations	22	23
Other	269	929
Total non-current liabilities	19,321	16,461
Total liabilities	77,646	102,703
Net assets		
Shareholders' equity		
Share capital	17,742	17,742
Capital surplus	15,058	15,058
Retained earnings	220,195	249,159
Treasury shares	(6,271)	(26,276)
Total shareholders' equity	246,724	255,683
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	21,072	25,271
Foreign currency translation adjustment	6,437	7,973
Remeasurements of defined benefit plans	4,294	6,417
Total accumulated other comprehensive income	31,803	39,662
Non-controlling interests	1,022	1,119
Total net assets	279,550	296,465
Total liabilities and net assets	357,196	399,168

(2) Consolidated statements of income and consolidated statements of comprehensive income**(Consolidated statements of income)**

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	238,310	257,967
Cost of sales	153,156	168,874
Gross profit	85,153	89,092
Selling, general and administrative expenses	39,845	41,681
Operating profit	45,308	47,411
Non-operating income		
Interest income	500	455
Dividend income	1,193	1,166
Rental income from real estate	272	268
Foreign exchange gains	—	823
Insurance claim income	23	486
Other	436	552
Total non-operating income	2,426	3,753
Non-operating expenses		
Interest expenses	137	145
Expenses for conditional assignment	49	59
Rental expenses on real estate	85	79
Expenses for disposal of fixed assets	239	220
Foreign exchange losses	319	—
Loss on disposal of inventories	—	199
Other	331	93
Total non-operating expenses	1,162	797
Ordinary profit	46,572	50,366
Extraordinary income		
Gain on sale of non-current assets	447	7
Gain on sale of investment securities	3,670	8,770
Compensation income	220	—
Gain on revision of retirement benefit plan	—	58
Other	1	4
Total extraordinary income	4,340	8,839
Extraordinary losses		
Loss on sale of non-current assets	1	6
Loss on retirement of non-current assets	109	230
Loss on tax purpose reduction entry of non-current assets	1	—
Loss on valuation of investment securities	20	—
Loss on valuation of investments in capital of subsidiaries and associates	—	1,639
Other	1	—
Total extraordinary losses	133	1,876
Profit before income taxes	50,778	57,329
Income taxes - current	14,680	21,558
Income taxes - deferred	(506)	(4,886)
Total income taxes	14,173	16,671
Profit	36,605	40,658
Profit attributable to non-controlling interests	107	107
Profit attributable to owners of parent	36,497	40,550

(Consolidated statements of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	36,605	40,658
Other comprehensive income		
Valuation difference on available-for-sale securities	(5,613)	4,204
Foreign currency translation adjustment	2,040	1,533
Remeasurements of defined benefit plans, net of tax	2,301	2,129
Total other comprehensive income	(1,271)	7,866
Comprehensive income	35,333	48,525
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	35,192	48,409
Comprehensive income attributable to non-controlling interests	140	115

(3) Consolidated statements of changes in net assets
For the Year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	17,742	15,052	206,309	(7,209)	231,894
Changes during period					
Dividends of surplus			(9,622)		(9,622)
Profit attributable to owners of parent			36,497		36,497
Purchase of treasury shares				(12,007)	(12,007)
Disposal of treasury shares					—
Cancellation of treasury shares		(12,945)		12,945	—
Transfer of loss on disposal of treasury shares		12,945	(12,945)		—
Adjustment to reserve due to change in tax rate			(44)		(44)
Change in ownership interest of parent due to transactions with non-controlling interests		5			5
Net changes in items other than shareholders' equity					
Total changes during period	—	5	13,885	938	14,829
Balance at end of period	17,742	15,058	220,195	(6,271)	246,724

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	26,685	4,429	1,993	33,108	904	265,907
Changes during period						
Dividends of surplus						(9,622)
Profit attributable to owners of parent						36,497
Purchase of treasury shares						(12,007)
Disposal of treasury shares						—
Cancellation of treasury shares						—
Transfer of loss on disposal of treasury shares						—
Adjustment to reserve due to change in tax rate						(44)
Change in ownership interest of parent due to transactions with non-controlling interests						5
Net changes in items other than shareholders' equity	(5,613)	2,008	2,300	(1,305)	118	(1,186)
Total changes during period	(5,613)	2,008	2,300	(1,305)	118	13,642
Balance at end of period	21,072	6,437	4,294	31,803	1,022	279,550

For the Year ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	17,742	15,058	220,195	(6,271)	246,724
Changes during period					
Dividends of surplus			(11,586)		(11,586)
Profit attributable to owners of parent			40,550		40,550
Purchase of treasury shares				(20,006)	(20,006)
Disposal of treasury shares		(0)		2	2
Cancellation of treasury shares					—
Transfer of loss on disposal of treasury shares		0	(0)		—
Adjustment to reserve due to change in tax rate					—
Change in ownership interest of parent due to transactions with non-controlling interests		0			0
Net changes in items other than shareholders' equity					
Total changes during period	—	0	28,964	(20,004)	8,959
Balance at end of period	17,742	15,058	249,159	(26,276)	255,683

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	21,072	6,437	4,294	31,803	1,022	279,550
Changes during period						
Dividends of surplus						(11,586)
Profit attributable to owners of parent						40,550
Purchase of treasury shares						(20,006)
Disposal of treasury shares						2
Cancellation of treasury shares						—
Transfer of loss on disposal of treasury shares						—
Adjustment to reserve due to change in tax rate						—
Change in ownership interest of parent due to transactions with non-controlling interests						0
Net changes in items other than shareholders' equity	4,199	1,535	2,123	7,858	97	7,955
Total changes during period	4,199	1,535	2,123	7,858	97	16,915
Balance at end of period	25,271	7,973	6,417	39,662	1,119	296,465

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	50,778	57,329
Depreciation	7,965	※2 22,116
Increase (decrease) in retirement benefit liability	(102)	(1,434)
Interest and dividend income	(1,693)	(1,621)
Interest expenses	137	145
Loss (gain) on sale of non-current assets	(446)	(0)
Loss (gain) on sale of investment securities	(3,670)	(8,770)
Loss on valuation of investments in capital of subsidiaries and associates	—	1,639
Compensation income	(220)	—
Gain on revision of retirement benefit plan	—	(58)
Decrease (increase) in trade receivables	(4,168)	(15,154)
Decrease (increase) in inventories	(5,982)	(6,727)
Increase (decrease) in trade payables	(232)	(2,402)
Increase (decrease) in advances received	955	11,740
Increase in non-current assets for rapid acquisition	—	(11,839)
Other, net	(1,488)	4,415
Subtotal	41,831	49,378
Interest and dividends received	1,681	1,636
Interest paid	(137)	(145)
Income taxes paid	(14,620)	(15,003)
Proceeds from compensation	220	—
Net cash provided by (used in) operating activities	28,975	35,865
Cash flows from investing activities		
Purchase of investment securities	(2)	(103)
Proceeds from sale of investment securities	5,205	10,811
Purchase of property, plant and equipment and intangible assets	(16,336)	(14,391)
Proceeds from sale of property, plant and equipment and intangible assets	554	7
Net decrease (increase) in short-term loans receivable	163	114
Long-term loan advances	(9)	(4)
Proceeds from collection of long-term loans receivable	8	6
Payments for investments in capital of subsidiaries and associates	(3,063)	—
Other, net	(269)	(869)
Net cash provided by (used in) investing activities	(13,749)	(4,427)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(212)	(134)
Proceeds from long-term borrowings	—	165
Repayments of long-term borrowings	—	(23)
Purchase of treasury shares	(12,007)	(20,006)
Purchase of treasury shares of subsidiaries	(5)	(1)
Proceeds from sale and leaseback transactions	—	350
Repayments of finance lease liabilities	(186)	(193)
Dividends paid	(9,593)	(11,546)
Dividends paid to non-controlling interests	(11)	(17)
Net cash provided by (used in) financing activities	(22,015)	(31,407)
Effect of exchange rate change on cash and cash equivalents	1,987	236
Net increase (decrease) in cash and cash equivalents	(4,802)	266
Cash and cash equivalents at beginning of period	87,509	82,706
Cash and cash equivalents at end of period	82,706	82,973

(5) Notes on consolidated financial statements

(Notes on going concern assumption)

None applicable.

(Notes on changes in the method of presentation)

(Consolidated statements of income)

Insurance claim income, which was included in Other under Non-operating income in the previous fiscal year, has been presented separately from the current fiscal year, since the significance of the monetary amount has increased. To reflect this change in the method of presentation, the figures for the previous fiscal year shown in the consolidated financial statements have been reclassified.

Consequently, 460 million yen previously presented in Other under Non-operating income in the consolidated statements of income for the previous fiscal year has been reclassified as 23 million yen in Insurance claim income and 436 million yen in Other.

(Consolidated statements of cash flows)

Increase (decrease) in advances received, which was included in Other under Cash flows from operating activities in the previous fiscal year, has been presented separately from the current fiscal year, since the significance of the monetary amount has increased. To reflect this change in the method of presentation, the figures for the previous fiscal year shown in the consolidated financial statements have been reclassified.

Consequently, negative 532 million yen previously presented in Other under Cash flows from operating activities in the consolidated statements of cash flows for the previous fiscal year has been reclassified as 955 million yen in Increase (decrease) in advances received and negative 1,488 million yen in Other.

(Notes on additional information)

For certain transactions related to defense-related equipment for rapid acquisition in Explosives & Propulsion, revenue is recognized based on the fulfillment of performance obligations over a certain period from the current fiscal year. The expenses corresponding to revenues include amounts related to the acquisition of non-current assets, but such amounts are recorded as cost of sales to correspond to revenues.

(Notes to the consolidated statements of cash flows)

1 Transactions related to defense-related equipment for rapid acquisition in Explosives & Propulsion are classified as operating activities, and changes in assets and liabilities related to these transactions are presented as cash flows from operating activities.

***2 Depreciation**

Depreciation includes the amount expensed in connection with investments in defense-related equipment for rapid acquisition in Explosives & Propulsion.

(Notes on segment information, etc.)

a. Segment information

1. Description of reportable segments

The Group's reportable segments are the business units for which the Group is able to obtain respective financial information separately in order for the highest decision-making body to conduct periodic investigations to determine the distribution of management resources and evaluate their business results.

The Group formulates comprehensive domestic and overseas strategies for the products it handles and engages in business activities. The Group's reportable segments are "Functional Chemicals," "Pharmaceuticals, Medicals and Health," and "Explosives & Propulsion," which are based on business divisions.

The Functional Chemicals segment manufactures and sells fatty acids, fatty acid derivatives, surfactants, ethylene oxide/propylene oxide derivatives, organic peroxides, petrochemicals, functional polymers, electronic materials, and special anti-corrosion agents.

The Pharmaceuticals, Medicals and Health segment manufactures and sells processed edible oils, functional food materials, healthcare foods products, biocompatible materials, and raw materials for DDS.

The Explosives & Propulsion segment manufactures and sells industrial explosives, space-related products, defense-related products, and functional products.

2. Explanation of measurements of the amounts of net sales, profit or loss, assets, liabilities, and other items by reportable segment

Profit by reportable segment is the figure for operating profit. Inter-segment transaction prices and transfer prices are based primarily on market prices and manufacturing costs.

3. Information about the amounts of net sales, profit or loss, assets, liabilities, and other items by reportable segment

I. For the Year ended March 31, 2025 (from April 1, 2024, to March 31, 2025)

(Millions of yen)

	Reportable segment				Others (Notes) 1.	Total	Adjustment (Notes) 2.	The amount reported on the consolidated statements of income (Notes) 3.
	Functional Chemicals	Pharmaceuti cals, Medicals and Health	Explosives & Propulsion	Total				
Net sales								
(1) Sales to external customers	150,915	48,033	38,775	237,724	585	238,310	–	238,310
(2) Intersegment sales or transfers	3,775	1,111	12	4,899	8,918	13,818	(13,818)	–
Total	154,691	49,144	38,788	242,624	9,504	252,128	(13,818)	238,310
Segment profit	29,797	15,697	3,130	48,625	348	48,974	(3,665)	45,308
Segment assets	133,322	54,911	77,144	265,377	4,624	270,001	87,194	357,196
Other items								
Depreciation	3,614	1,391	2,393	7,399	94	7,494	470	7,965
Increase in property, plant and equipment and intangible assets	6,374	7,825	3,722	17,922	99	18,021	359	18,381

(Notes) 1. The "Others" category consists of business that is not included in reportable segments. It includes transportation, real estate sales, and management services, etc.

2. An adjustment is as follows

- (1) An adjustment of negative 3,665 million yen in segment profit includes 46 million yen eliminated for intersegment transactions, and negative 3,712 million yen for company-wide expenses that is not allocated for each reportable segment. Company-wide expenses mainly include general and administrative expenses that are not attributable to reportable segments.
- (2) The adjustment of 87,194 million yen for segment assets includes intersegment elimination of negative 34,978 million yen and 122,172 million yen for company-wide assets that are not allocated for each reportable segment. Company-wide assets mainly include assets related to administrative divisions that are not attributable to reportable segments.
- (3) The adjustment of 470 million yen for depreciation represents depreciation related to company-wide assets.
- (4) The adjustment of 359 million yen for increase in property, plant and equipment and intangible assets represents an increase in company-wide assets.

3. Segment profit is adjusted with operating income in the consolidated statements of income.

II. For the Year ended March 31, 2026 (from April 1, 2025, to March 31, 2026)

(Millions of yen)

	Reportable segment				Others (Notes) 1.	Total	Adjustment (Notes) 2.	The amount reported on the consolidated statements of income (Notes) 3.
	Functional Chemicals	Pharmaceuti- cals, Medicals and Health	Explosives & Propulsion (Notes) 4.5.	Total				
Net sales								
(1) Sales to external customers	145,751	49,931	61,675	257,358	608	257,967	–	257,967
(2) Intersegment sales or transfers	4,655	1,091	17	5,764	9,503	15,267	(15,267)	–
Total	150,407	51,022	61,693	263,123	10,111	273,234	(15,267)	257,967
Segment profit	26,846	15,816	7,979	50,642	434	51,076	(3,665)	47,411
Segment assets	141,835	52,974	99,956	294,767	4,984	299,751	99,417	399,168
Other items								
Depreciation	3,745	2,073	15,725	21,544	84	21,628	488	22,116
Increase in property, plant and equipment and intangible assets	5,888	2,288	25,733	33,910	130	34,040	398	34,438

(Notes) 1. The “Others” category consists of business that is not included in reportable segments. It includes transportation, real estate sales, and management services, etc.

2. An adjustment is as follows

- (1) An adjustment of negative 3,665 million yen in segment profit includes negative 26 million yen eliminated for intersegment transactions, and negative 3,639 million yen for company-wide expenses that is not allocated for each reportable segment. Company-wide expenses mainly include general and administrative expenses that are not attributable to reportable segments.
- (2) The adjustment of 99,417 million yen for segment assets includes intersegment elimination of negative 40,026 million yen and 139,443 million yen for company-wide assets that are not allocated for each reportable segment. Company-wide assets mainly include assets related to administrative divisions that are not attributable to reportable segments.
- (3) The adjustment of 488 million yen for depreciation represents depreciation related to company-wide assets.
- (4) The adjustment of 398 million yen for increase in property, plant and equipment and intangible assets represents an increase in company-wide assets.

3. Segment profit is adjusted with operating income in the consolidated statements of income.

4. In “Explosives & Propulsion,” Depreciation (under Other items) includes the amount expensed in connection with investments in defense-related equipment for rapid acquisition.

5. In “Explosives & Propulsion,” Increase in property, plant and equipment and intangible assets (under Other items) includes the amount related to investments in defense-related equipment for rapid acquisition.

b. Related information

For the Year ended March 31, 2025 (from April 1, 2024, to March 31, 2025)

1. Information for each product or service

Descriptions are omitted because the categories are the same as for the reportable segments.

2. Information for each region

(1) Net sales

(Millions of yen)

Japan	Asia	Europe	Others	Total
165,908	37,523	20,484	14,393	238,310

The percentage of net sales to regions other than Japan within consolidated net sales in the fiscal year is 30.4%, and of that, the percentage of net sales to Asia is 15.7% and to Europe is 8.6%.

3. Information for each of main customers

(Millions of yen)

Customer	Net sales	Related segment
Ryohin Keikaku Co., Ltd.	32,237	Functional Chemicals

For the Year ended March 31, 2026 (from April 1, 2025, to March 31, 2026)

1. Information for each product or service

Descriptions are omitted because the categories are the same as for the reportable segments.

2. Information for each region

(1) Net sales

(Millions of yen)

Japan	Asia	Europe	Others	Total
186,271	37,168	17,212	17,314	257,967

The percentage of net sales to regions other than Japan within consolidated net sales in the fiscal year is 27.8%, and of that, the percentage of net sales to Asia is 14.4% and to Europe is 6.7%.

3. Information for each of main customers

(Millions of yen)

Customer	Net sales	Related segment
Ryohin Keikaku Co., Ltd.	29,475	Functional Chemicals

(Notes on revenue recognition)

The sales of the Group are mainly revenue recognized from contracts with customers, and the breakdown of the reportable segments of the Group by region for the years ended March 31, 2025, and 2026 are as follows:

I. For the Year ended March 31, 2025 (from April 1, 2024, to March 31, 2025)

(Millions of yen)

	Reportable segment				Others (Notes) 1.	Total
	Functional Chemicals	Pharmaceuticals, Medicals and Health	Explosives & Propulsion	Total		
Net sales						
Japan	104,749	22,042	38,646	165,439	469	165,908
Asia	34,800	2,518	87	37,406	116	37,523
Europe	6,513	13,946	24	20,484	–	20,484
Others	4,851	9,524	17	14,393	–	14,393
Sales to customers	150,915	48,033	38,775	237,724	585	238,310

(Notes) 1. The “Others” category consists of business that is not included in reportable segments. It includes transportation, real estate sales, and management services, etc.

2. Sales are mostly revenue recognized from contracts with customers, and revenue recognized from other sources is not presented separately as it is not material.

II. For the Year ended March 31, 2026 (from April 1, 2025, to March 31, 2026)

(Millions of yen)

	Reportable segment				Others (Notes) 1.	Total
	Functional Chemicals	Pharmaceuticals, Medicals and Health	Explosives & Propulsion	Total		
Net sales						
Japan	100,397	23,868	61,514	185,780	490	186,271
Asia	33,433	3,489	128	37,051	117	37,168
Europe	6,821	10,358	32	17,212	–	17,212
Others	5,098	12,214	1	17,314	–	17,314
Sales to customers	145,751	49,931	61,675	257,358	608	257,967

(Notes) 1. The “Others” category consists of business that is not included in reportable segments. It includes transportation, real estate sales, and management services, etc.

2. Sales are mostly revenue recognized from contracts with customers, and revenue recognized from other sources is not presented separately as it is not material.

(Notes on per share information)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net assets per share (yen)	1,192.67	1,304.33
Basic earnings per share (yen)	153.88	176.34

(Notes) 1. Diluted earnings per share is not shown in the table above, as there are no dilutive shares.

2. The Company introduced the Board Benefit Trust (BBT) from the fiscal year ended March 31, 2020, and the Company's shares held by the trust are recorded as treasury shares in the consolidated financial statements. Accordingly, the Company's shares held by the trust are included in the treasury shares deducted from the total number of issued shares at the end of the fiscal year for the purpose of calculating net assets per share. In the calculation of basic earnings per share, the Company's shares held by the trust are included in the treasury shares as a deduction in the calculation of the average number of common shares outstanding during the period. The number of said treasury shares deducted from the calculation of net assets per share was 116,100 shares at the end of the previous fiscal year and 114,100 shares at the end of the current fiscal year. The average number of said treasury shares outstanding during the period deducted from the calculation of basic earnings per share was 116,100 shares in the previous fiscal year and 114,715 shares in the current fiscal year.

3. Basis for calculation of basic earnings per share is as follows.

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit attributable to owners of parent (millions of yen)	36,497	40,550
Amount not attributable to common shareholders (millions of yen)	—	—
Profit attributable to owners of parent related to common shares (millions of yen)	36,497	40,550
Average number of shares outstanding during the period (thousand shares)	237,181	229,950

(Notes on significant events after reporting period)

Purchase of treasury shares

The Company hereby announces that it has resolved the following matters pertaining to purchase of its treasury shares at its meeting of the Board of Directors held on May 11, 2026, pursuant to provisions of Article 156 of the Companies Act, applied by replacing terms pursuant to provisions of Article 165, paragraph (3) of said Act.

1. Reasons for purchase of treasury shares

The Company recognizes the stable return of profits to its shareholders as an important managerial issue.

For the dividend policy set forth in the Mid-Term Management Plan “NOF VISION 2030 Stage II” (FY2023 to FY2025) that was announced in May 2023, the Company has established a basic policy of maintaining a stable return of profits and set a target level for the total payout ratio of around 50% for the final fiscal year of the Mid-Term Management Plan (FY2025).

In order to further return profits to shareholders with an awareness of improving capital efficiency, the Company has decided to purchase treasury shares.

In the next Mid-Term Management Plan “NOF VISION 2030 Stage III” (FY2026 to FY2028), the Company will continue to focus on providing the stable returns of profits to its shareholders.

2. Details of the Board of Directors resolution regarding the purchase

- | | |
|---|--|
| (1) Class of shares to be purchased: | Common shares of the Company |
| (2) Total number of shares to be purchased: | 1,700,000 shares (maximum) |
| (3) Total purchase price of shares: | 5,000,000,000 yen (maximum) |
| (4) Period of purchase: | From May 12, 2026 through June 30, 2026 |
| (5) Method of purchase: | Open-market purchase on the Tokyo Stock Exchange |