

## **Message from the Management**

We deeply appreciate the exceptional understanding and support that our shareholders have extended to the corporate activities of the NOF Group.

The Group aims to enhance its corporate value into the future and promotes its business activities in line with the “NOF VISION 2030,” its strategic policy. In the first half of the current fiscal year, which is the middle phase of the 2025 Mid-Term Management Plan, a stage positioned for expanding profit, although demand for raw materials for DDS drug formulations in the Pharmaceuticals, Medicals and Health Segment temporarily stalled, the Functional Chemicals Segment performed well, making steady progress against the annual plan.

The interim dividend has been set at ¥21 per share (the converted interim dividend per share before the share split would be ¥63 per share, an increase of ¥7 from the previous year’s interim dividend), and the amount allocated for the purchase of treasury stock has been set at ¥5,000 million. In addition, concerning the forecast of our consolidated financial results for the current fiscal year, we have revised upward the figures announced in May 2024 for net sales, operating income, ordinary income, and profit attributable to owners of parent, based on the current business environment and demand forecast.

The Group provides products and services that meet new needs by responding swiftly to market changes and aims to make a leap forward as a global company through innovative approaches and proactive reforms.

Today, with moves toward decarbonization and environmental preservation aimed at realizing a sustainable society growing in importance worldwide, companies are expected to contribute to various social issues. The Group will continue to endeavor to create new value with the power of chemistry, and meet the expectations of all of our stakeholders, with the aim of achieving a secure and affluent society.

We kindly ask all shareholders for your continuing support.

## Business Overview

During the first half of the fiscal year under review, the future outlook for the global economy remained uncertain, particularly because of concerns about the downside risks of overseas economies, including the effects of continued high interest rate levels in the United States and Europe and the lingering stagnation of the real estate market in China, as well as the effects of price increases, the situation in the Middle East, and fluctuations in the financial and capital markets. In Japan, the economy showed signs of a moderate recovery, although consumer spending remained stagnant in some areas despite improvement in the employment and income situation.

In the business environment surrounding the Group, although domestic economic conditions were gradually recovering, the impact of a downturn caused by elevated prices of raw materials and fuel, sharp exchange rate fluctuations, and the prolonged economic stagnation in China was a cause for concern.

Amid this business environment, under the three-year 2025 Mid-Term Management Plan, which kicked off in the fiscal year ended March 31, 2024, the Group upheld the basic policy of “Practice and Breakthrough.” With the basic policy, the Group has tackled its challenges, namely, “Expanding business by addressing changes in markets,” “Accelerating new product and new technology development,” “Improving productivity,” “Pursuing safety and security,” and “Promoting CSR,” strived to explore new markets, expand sales and reduce production costs, and made continuous management efforts to achieve sustainable growth.

With regard to the initiative of “Expanding business by addressing changes in markets,” we have been promoting a shift to a solution business model by enhancing business domain expansion with a focus on the three business fields of life/healthcare, environment/energy, and electronics/IT. In addition, we will aid in the realization of a sustainable society and an ideal chemical industry of the future, establishing the “NOF-AIST Smart Green Chemicals Collaborative Research Laboratory” in the National Institute of Advanced Industrial Science and Technology (hereinafter referred to as “AIST”) from the current fiscal year, and will promote “Accelerating new product and new technology development.”

As a result, for the first half of the fiscal year ending March 31, 2025, consolidated net sales were ¥110,478 million, a year-on-year increase of 8.5%. Consolidated operating income was ¥23,321 million, a year-on-year increase of 16.3%, consolidated ordinary income was ¥23,592 million, a year-on-year increase of 5.9%, and profit attributable to owners of parent was ¥17,016 million, a year-on-year increase of 4.2%.

An overview of each business segment is explained below.

### (1) Functional Chemicals

In the field of fatty acid derivatives, net sales increased due to steady shipments of environmental/energy products in Asia.

With regard to surfactants, net sales increased due to the strong demand of toiletry products.

In ethylene oxide and propylene oxide derivatives, net sales increased due to strong demand of toiletry products, and synthetic resins and resin processing.

In organic peroxides, net sales decreased due to sluggish demand in Japan and Asia.

In special anti-corrosion agents, net sales increased due to strong demand in Japan and overseas.

As a result, in the Functional Chemicals Segment, net sales were ¥75,457 million (up 18.5% year on year), and operating income was ¥16,041 million (up 60.5% year on year).

(2) Pharmaceuticals, Medicals and Health

Regarding processed edible oils and functional food materials, net sales remained at the same level as the previous period due to steady demand for use in bread, confectionary, and processed foods.

In healthcare foods products, net sales decreased due to a decrease in shipments for health foods.

In biocompatible materials, net sales increased due to steady demand for 2-Methacryloyloxyethyl phosphorylcholine (MPC)-related products.

In the field of raw materials for DDS (drug delivery system) drug formations, net sales decreased due to a temporary lull in demand as a result of inventory adjustments for some customers and the effects of monetary tightening in the United States and Europe.

As a result, in the Pharmaceuticals, Medicals and Health Segment, net sales were ¥23,046 million (down 12.7% year on year), and operating income was ¥8,082 million (down 23.0% year on year).

(3) Explosive & Propulsion

In industrial explosives, net sales decreased.

In the field of space rocket products, net sales increased due to higher shipments of our products for rockets.

In the field of defense-related explosives, net sales decreased.

In the field of functional materials and devices, net sales increased.

As a result, in the Explosive & Propulsion Segment, net sales were ¥11,671 million (up 2.0% year on year), and operating income was ¥727 million (down 1.7% year on year).

(4) Others

The Others Segment consists of the transportation and real estate businesses. In the Others Segment, net sales were ¥303 million (up 3.6% year on year), and operating income was ¥182 million (up 83.7% year on year).

## Consolidated Financial Statements

### Consolidated Balance Sheet

Account item	As of September 30, 2024	As of March 31, 2024
(Assets)	(millions of yen)	(millions of yen)
<b>Current assets</b>	<b>212,269</b>	<b>204,863</b>
Cash and time deposits	94,941	91,744
Notes and accounts receivable - trade, and contract assets	46,401	54,603
Electronically recorded monetary claims - operating	3,423	3,560
Merchandise and finished goods	30,340	27,548
Work in process	8,692	4,805
Raw materials and supplies	23,600	18,653
Other current assets	5,067	4,143
Allowance for doubtful accounts	(197)	(195)
<b>Fixed assets</b>	<b>140,737</b>	<b>136,585</b>
<b>Property, plant and equipment</b>	<b>77,977</b>	<b>74,695</b>
Buildings and structures	26,349	24,789
Land	20,365	20,393
Others	31,261	29,512
<b>Intangible assets</b>	<b>2,056</b>	<b>2,166</b>
<b>Investments and other assets</b>	<b>60,703</b>	<b>59,723</b>
Investment securities	48,902	51,192
Assets for retirement benefits	5,837	5,777
Other assets	6,024	2,813
Allowance for doubtful accounts	(60)	(60)
<b>Total assets</b>	<b>353,006</b>	<b>341,449</b>
(Liabilities)		
<b>Current liabilities</b>	<b>54,941</b>	<b>54,129</b>
Notes and accounts payable	23,960	21,741
Electronically recorded obligations - operating	1,045	1,373
Short-term bank loans	1,505	1,607
Current portion of long-term debt	500	–
Income taxes payable	7,249	7,339
Accrued bonuses for employees	3,914	3,655
Other current liabilities	16,766	18,411
<b>Long-term liabilities</b>	<b>20,295</b>	<b>21,412</b>
Long-term debt	2,333	2,775
Liabilities for retirement benefits	5,007	4,942
Other long-term liabilities	12,954	13,693
<b>Total liabilities</b>	<b>75,237</b>	<b>75,541</b>
(Net assets)		
<b>Shareholders' equity</b>	<b>242,290</b>	<b>231,894</b>
Common stock	17,742	17,742
Capital surplus	15,732	15,052
Retained earnings	218,029	206,309
Treasury stock, at cost	(9,213)	(7,209)
<b>Accumulated other comprehensive income</b>	<b>34,529</b>	<b>33,108</b>
Unrealized holding gain on securities	25,147	26,685
Translation adjustments	7,466	4,429
Retirement benefits liability adjustments	1,915	1,993
<b>Non-controlling interests</b>	<b>949</b>	<b>904</b>
<b>Total net assets</b>	<b>277,769</b>	<b>265,907</b>
<b>Total liabilities and net assets</b>	<b>353,006</b>	<b>341,449</b>

Consolidated Statement of Income

Account item	April 1, 2024– September 30, 2024	April 1, 2023– September 30, 2023
	(millions of yen)	(millions of yen)
<b>Net sales</b>	<b>110,478</b>	<b>101,804</b>
Cost of sales	67,968	63,774
<b>Gross profit</b>	<b>42,510</b>	<b>38,030</b>
Selling, general and administrative expenses	19,188	17,978
<b>Operating income</b>	<b>23,321</b>	<b>20,051</b>
<b>Non-operating income</b>	<b>1,222</b>	<b>2,509</b>
Interest and dividend income	843	742
Others	378	1,767
<b>Non-operating expenses</b>	<b>951</b>	<b>285</b>
Interest expenses	65	62
Others	885	223
<b>Ordinary income</b>	<b>23,592</b>	<b>22,274</b>
Extraordinary income	784	1,198
Extraordinary losses	23	27
<b>Profit before income taxes</b>	<b>24,353</b>	<b>23,446</b>
Income taxes	7,305	7,100
<b>Profit</b>	<b>17,047</b>	<b>16,345</b>
Profit attributable to non-controlling interests	31	14
<b>Profit attributable to owners of parent</b>	<b>17,016</b>	<b>16,330</b>

Consolidated Statement of Cash Flows

Account item	April 1, 2024– September 30, 2024	April 1, 2023– September 30, 2023
	(millions of yen)	(millions of yen)
<b>Net cash provided by (used in) operating activities</b>	<b>15,353</b>	<b>14,477</b>
<b>Net cash provided by (used in) investing activities</b>	<b>(8,619)</b>	<b>(7,073)</b>
<b>Net cash provided by (used in) financing activities</b>	<b>(6,703)</b>	<b>(7,330)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>2,760</b>	<b>1,047</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>2,790</b>	<b>1,121</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>87,509</b>	<b>89,081</b>
<b>Cash and cash equivalents at end of period</b>	<b>90,300</b>	<b>90,203</b>

(Subsidiaries subject to consolidated financial statements)

Nippon Koki Co., Ltd.  
NiGK Corporation  
NOF METAL COATINGS ASIA PACIFIC CO., LTD  
JAPEX Corp.  
YUKA SANGYO CO., LTD.  
Changshu NOF Chemical Co., Ltd.  
PT. NOF MAS CHEMICAL INDUSTRIES  
NOF AMERICA CORPORATION  
NOF (Shanghai) Co., Ltd.  
NOF EUROPE GmbH  
NOF METAL COATINGS EUROPE S.A.

Total number of consolidated subsidiaries: 24 (including the 11 companies indicated above)

**Principal Business** (as of September 30, 2024)

The Group's business and main products are as indicated below.

<b>Segment</b>	<b>Products</b>
<b>Functional Chemicals</b>	Fatty acids and fatty acid derivatives Surfactants Ethylene oxide and propylene oxide derivatives Organic peroxides Petrochemical products (polybutene, etc.) Functional polymers Electronic materials (LCD materials, etc.) Special anti-corrosion agents
<b>Pharmaceuticals, Medicals and Health</b>	Processed edible oils and functional food materials Healthcare foods products Biocompatible materials (MPC polymers, MPC monomers, etc.) Raw materials for DDS drug formulations (activated PEG, functional lipid, pharmaceutical surfactants)
<b>Explosive &amp; Propulsion</b>	Industrial explosives Space rocket products Defense-related explosives Functional materials and devices
<b>Others</b>	Transportation Real estate

## Corporate Information (as of September 30, 2024)

Name	NOF CORPORATION
Established	June 1, 1937
Incorporated	July 1, 1949
Capital	¥17,742 million
Offices	
Head Office	20-3, Ebisu 4-chome, Shibuya-ku, Tokyo, Japan
Regional Offices/Branch Offices	Osaka Office (Osaka) Nagoya Office (Aichi) Fukuoka Office (Fukuoka)
Plants	Amagasaki Plant (Hyogo) Kawasaki Works [Chidori Plant, Daishi Plant, DDS Plant] (Kanagawa) Oita Works [Oita Plant, LS Oita Plant] (Oita) Aichi Works [Taketooyo Plant, Kinuura Plant, LS Aichi Plant] (Aichi)
Research Laboratories	Advanced Technology Research Laboratory (Ibaraki) Amagasaki Research Laboratory (Hyogo) Chidori Research Laboratory (Kanagawa) Kinuura Research Laboratory (Aichi) Functional Foods Research Laboratory (Kanagawa) Life Science Research Laboratory (Kanagawa, Aichi, and Oita)

## Status of Shareholding (as of September 30, 2024)

Total number of shares authorized	970,000,000
Total number of shares issued	238,100,128
	(Excluding 4,424,000 shares of treasury stock, and including 116,100 shares (1,161 units of voting rights) of the Company's stock held by Custody Bank of Japan, Ltd. as trust assets of the Board Benefit Trust (BBT). The 1,161 units of voting rights are not exercisable.)
Number of shareholders	13,554

## Major shareholders (Top 10)

Name	Number of shares (thousands)	Percentage of ownership
The Master Trust Bank of Japan, Ltd. (Trust Account)	30,442	12.78
Custody Bank of Japan, Ltd. (Trust Account)	14,977	6.29
Meiji Yasuda Life Insurance Company	9,384	3.94
STATE STREET BANK AND TRUST COMPANY 505001	8,322	3.49
BNYM AS AGT/CLTS 10 PERCENT	7,284	3.05
Nichiyu Shin Ei Kai	4,971	2.08
NORTHERN TRUST CO. (AVFC) RE FIDELITY FUNDS	4,237	1.77
GOVERNMENT OF NORWAY	4,201	1.76
Nichiyu Kyo Ei Kai	3,992	1.67
Mizuho Bank, Ltd.	3,511	1.47

- Notes: 1. The number of shares is rounded down to the nearest thousand shares.  
2. Percentage of ownership excludes 4,424,000 shares of treasury stock.  
3. Percentage of ownership is rounded down to the second decimal place.

Distribution of shares by type of shareholder

Category	Number of shareholders	Percentage	Number of shares	Percentage
Government and local public bodies	0	0.00	0	0.00
Financial institutions	34	0.25	73,848,732	30.45
Securities companies	51	0.37	3,777,986	1.55
Other domestic firms	298	2.19	32,190,251	13.27
Foreign corporations, etc.	326	2.40	94,546,368	38.98
Individuals and others	12,844	94.76	33,736,791	13.91
Treasury stock	1	0.00	4,424,000	1.82
<b>Total</b>	<b>13,554</b>	<b>100.00</b>	<b>242,524,128</b>	<b>100.00</b>

Note: The Company conducted a 3-for-1 share split of its common shares, effective April 1, 2024.

**Officers** (as of September 30, 2024)

**Directors**

Chairman & Chief Executive Officer*	Takeo Miyaji
President & Chief Executive Officer*	Koji Sawamura
Director*	Manabu Saito
Director*	Kazuyoshi Yamauchi
Outside Director	Shingo Unami
Outside Director	Izumi Hayashi
Director Audit & Supervisory Committee Member	Masanobu Miyo
Outside Director Audit & Supervisory Committee Member	Kunimitsu Ito
Outside Director Audit & Supervisory Committee Member	Yuriko Sagara
Outside Director Audit & Supervisory Committee Member	Keiichi Miura

- Notes: 1. Directors Shingo Unami and Izumi Hayashi, and Directors Audit & Supervisory Committee Members Kunimitsu Ito, Yuriko Sagara and Keiichi Miura are Outside Directors as stipulated in the Companies Act.
2. The Company has designated Directors Shingo Unami and Izumi Hayashi, and Director Audit & Supervisory Committee Members Kunimitsu Ito, Yuriko Sagara and Keiichi Miura as Independent Directors as stipulated in Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange.
3. Directors with an asterisk (\*) next to their title concurrently serve as Operating Officers.

**Operating Officers**

Chief Executive Officer	Takeo Miyaji
Chief Executive Officer	Koji Sawamura
	CEO
Executive Operating Officer	Naoya Umehara
	CFO, in charge of Corporate Planning & Strategy Group, Corporate Communications Group, and Finance Group
Executive Operating Officer	Eui-Chul Kang
	General Manager, Corporate R&D Div., in charge of Life Science Products Group
Executive Operating Officer	Manabu Saito
	CCO, in charge of Functional Foods Group, Human Resources & General Affairs Group, and Legal Group
Executive Operating Officer	Kenshiro Shuto
	General Manager, Functional Materials Div., in charge of Purchasing Group



Executive Operating Officer	Kazuhito Narumi General Manager, Explosives & Propulsion Div.
Executive Operating Officer	Kazuyoshi Yamauchi CSQO, General Manager, Corporate Technical Div., in charge of Systems Group
Operating Officer	Tsuyoshi Izumisawa General Manager, Finance Dept.
Operating Officer	Hiroyuki Kajikawa General Manager, Legal Dept.
Operating Officer	Satoshi Kataoka General Manager, Purchasing Dept.
Operating Officer	Hirofumi Kato General Manager, Functional Foods Div.
Operating Officer	Toshiaki Sakaino General Manager, Corporate Planning & Strategy Dept.
Operating Officer	Motoji Takimizu General Manager, Information Systems Dept.
Operating Officer	Kuniaki Tsuruoka General Manager, Anti-Corrosion Coatings Group
Operating Officer	Yoshitaka Honda General Manager, Kawasaki Works, General Manager, Chidori Plant, and General Manager, Operations Dept., Kawasaki Works
Operating Officer	Akihisa Maeda General Manager, Human Resources & General Affairs Dept.
Operating Officer	Yuji Yamamoto General Manager, Life Science Div.

Note: The hierarchy of Directors and Operating Officers in the same position has been abolished. The above list is in Japanese syllabary order.

CEO (Chief Executive Officer)	CFO (Chief Financial Officer)
CCO (Chief Compliance Officer)	CSQO (Chief Safety and Quality Officer)

## Memorandum for Shareholders

Fiscal year	April 1 to March 31
Annual General Meeting of Shareholders	June
Record date	(1) Exercise of voting rights at Annual General Meeting of Shareholders: March 31 (2) Year-end dividend: March 31 (3) Interim dividend: September 30 (4) If necessary, another day may be designated as a record date with a public announcement.
Method of public notice	We provide public announcements by electronic means. However, when accidents or other unavoidable reasons prevent us from using the method of electronic announcement, we will make announcements in the <i>Nikkei</i> newspaper. URL for public announcements: <a href="https://www.nof.co.jp">https://www.nof.co.jp</a> (in Japanese)
Share unit	100
Stock listing	Tokyo Stock Exchange, Inc.
Shareholder registry administrator (Special account management institution)	Mizuho Trust & Banking Co., Ltd. 1-3-3, Marunouchi, Chiyoda-ku, Tokyo, Japan

## General Information on Shares

	Shareholders who have an account with a securities company	Shareholders who do not have an account with a securities company (or who have a special account)
Mailing address	Your securities company	Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd. 8-4, Izumi 2-chome, Suginami-ku, Tokyo 168-8507, Japan
Telephone referral		Toll-free (in Japan): 0120-288-324 (9:00 am-5:00 pm except on weekends and holidays)
Agencies for procedures such as change of address, change of method for receiving dividends, etc.		Mizuho Trust & Banking Co., Ltd.: Head office and branches nationwide (excluding Trust Lounges)
Payment of dividends payable	Mizuho Trust & Banking Co., Ltd.: Head office and all branches nationwide Mizuho Bank, Ltd.: Head office and all branches nationwide	
System for electronic provision of materials for general meeting of shareholders (request for delivery of a paper copy)	Your securities company or Mizuho Trust & Banking Co., Ltd. (Dedicated number for the electronic provision system: 0120-524-324 (9:00 am-5:00 pm except on weekends and holidays))	

### Program That Allows Shareholders to Purchase Additional Shares to Attain a Whole Unit

We offer a program that allows shareholders to purchase additional shares to attain a whole unit.

Any shareholder may request us to sell them the exact number of shares that would constitute one whole unit of shares, together with the shares less than one unit owned by the shareholder. For more details, contact the securities company with which you have an account. If you do not have an account with any securities

companies and instead have opened a special amount, contact our special account management institution (Mizuho Trust & Banking Co., Ltd.).

We will continue acceptance of requests for purchase of shares less than one unit.

The latest IR information, including our financial statements and summaries, are available at our website: <https://www.nof.co.jp> (in Japanese).