## 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 as a global company and promotes its business activities in line with the "NOF VISION 2030," its strategic policy. In the first six months of the current fiscal year, which falls in the final stages of the 2025 Mid-Term Management Plan, a stage positioned for expanding profit, although demand declined in the Functional Chemicals Segment except for certain areas, raw materials for DDS drug formulations in the Pharmaceuticals, Medicals and Health Segment performed steadily, making steady progress against the annual plan.

The interim dividend has been set at ¥26 per share, 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, net sales, operating income, ordinary income, and profit attributable to owners of parent are expected to exceed the results of the previous fiscal year.

The Group provides innovative products and services that meet new needs by responding swiftly to market changes. We will further strengthen our technological development foundation, enhance the specialization of our products and services, and improve quality management, thereby advancing as a corporate group with the spirit of a technology-driven venture company.

Today, the world is facing numerous challenges, including environmental issues such as climate change as well as human rights issues. Working toward the realization of a sustainable society is an obligation that all companies must address. The Group will continue to endeavor to create new value with the power of chemistry, and meet the expectations of all of our stakeholders, thereby continuing to deliver true value to society.

We kindly ask all shareholders for your continuing support.

## Business Overview

During the first six months of the fiscal year under review, 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 future 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, the economy continued to show signs of a moderate recovery as consumer spending has been picking up, despite the impact of the United States trade policy observed mainly in the automotive industry.

In the business environment surrounding the Group, although domestic economic conditions were gradually recovering, the risk of a downturn caused by elevated prices of raw materials and fuel and the impact of tariff measures in the United States was a cause for concern.

Amid this business environment, under the three-year 2025 Mid-Term Management Plan, which ends in the fiscal year ending March 31, 2026, 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, in the current fiscal year, we will aid in the realization of a sustainable society and an ideal chemical industry of the future, conducting the “NOF CORPORATION Open Innovation Program 2025,” which calls for the development of next-generation materials and technologies in the electronics field, which is expected to grow, and will promote “Accelerating new product and new technology development.”

As a result, for the first six months of the fiscal year ending March 31, 2026, consolidated net sales were ¥109,139 million, a year-on-year decrease of 1.2%. Consolidated operating income was ¥20,648 million, a year-on-year decrease of 11.5%, consolidated ordinary income was ¥21,632 million, a year-on-year decrease of 8.3%, and profit attributable to owners of parent was ¥15,419 million, a year-on-year decrease of 9.4%.

Financial results by segment are as follows.

(1) Functional Chemicals

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

With regard to surfactants, net sales decreased due to sluggish shipments of toiletry products.

In ethylene oxide and propylene oxide derivatives, net sales decreased due to sluggish demand of 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 steady demand in Japan and overseas.

As a result, in the Functional Chemicals Segment, consolidated net sales were ¥69,094 million (down 8.4% year on year), and consolidated operating income was ¥12,349 million (down 23.0% year on year).

(2) Pharmaceuticals, Medicals and Health

Regarding processed edible oils and functional food materials, although the demand for use in bread, confectionary, and processed foods has stabilized, net sales increased due to efforts to maintain fair prices.

In healthcare foods products, net sales increased due to an increase in shipments for health foods.

In biocompatible materials, net sales decreased due to a decrease in shipments for 2-Methacryloyloxyethyl phosphorylcholine (MPC)-related products.

In the field of raw materials for DDS (drug delivery system) drug formations, net sales remained at the same level as the previous period due to steady demand and shipments.

As a result, in the Pharmaceuticals, Medicals and Health Segment, consolidated net sales were ¥24,999 million (up 8.5% year on year), and consolidated operating income was ¥8,360 million (up 3.4% year on year).

(3) Explosive & Propulsion

In industrial explosives, net sales increased.

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 increased.

In the field of functional materials and devices, net sales remained at the same level as the previous period.

As a result, in the Explosive & Propulsion Segment, consolidated net sales were ¥14,722 million (up 26.1% year on year), and consolidated operating income was ¥1,292 million (up 77.8% year on year).

(4) Others

The Others Segment consists of the transportation and real estate businesses. In the Others Segment, consolidated net sales were ¥322 million (up 6.4% year on year), and consolidated operating income was ¥235 million (up 29.0% year on year).

## Consolidated Financial Statements

Consolidated Balance Sheet

| Account item | As of September 30, 2025 | As of March 31, 2025 |
|---|---|---|
| (Assets) | (millions of yen) | (millions of yen) |
| **Current assets** | **216,973** | **211,978** |
| Cash and time deposits | 91,733 | 87,064 |
| Notes and accounts receivable - trade, and contract assets | 49,842 | 59,238 |
| Electronically recorded monetary claims - operating | 3,821 | 3,561 |
| Merchandise and finished goods | 32,182 | 28,419 |
| Work in process | 10,792 | 6,722 |
| Raw materials and supplies | 23,616 | 22,185 |
| Other current assets | 5,185 | 4,992 |
| Allowance for doubtful accounts | (202) | (206) |
| **Fixed assets** | **160,615** | **145,218** |
| **Property, plant and equipment** | **93,514** | **85,069** |
| Buildings and structures | 28,026 | 28,483 |
| Land | 20,421 | 20,343 |
| Others | 45,066 | 36,241 |
| **Intangible assets** | **1,805** | **1,950** |
| **Investments and other assets** | **65,296** | **58,198** |
| Investment securities | 49,263 | 41,864 |
| Assets for retirement benefits | 9,608 | 9,557 |
| Other assets | 6,494 | 6,928 |
| Allowance for doubtful accounts | (70) | (151) |
| **Total assets** | **377,588** | **357,196** |
| (Liabilities) | | |
| **Current liabilities** | **72,821** | **58,325** |
| Notes and accounts payable | 21,436 | 22,305 |
| Electronically recorded obligations - operating | 1,295 | 1,580 |
| Short-term bank loans | 1,494 | 1,490 |
| Current portion of long-term debt | 289 | 816 |
| Income taxes payable | 6,623 | 7,682 |
| Accrued bonuses for employees | 4,031 | 3,915 |
| Other current liabilities | 37,650 | 20,533 |
| **Long-term liabilities** | **21,617** | **19,321** |
| Long-term debt | 2,494 | 2,008 |
| Liabilities for retirement benefits | 3,624 | 4,976 |
| Other long-term liabilities | 15,498 | 12,336 |
| **Total liabilities** | **94,439** | **77,646** |
| (Net assets) | | |
| **Shareholders' equity** | **246,535** | **246,724** |
| Common stock | 17,742 | 17,742 |
| Capital surplus | 15,058 | 15,058 |
| Retained earnings | 230,007 | 220,195 |
| Treasury stock, at cost | (16,272) | (6,271) |
| **Accumulated other comprehensive income** | **35,613** | **31,803** |
| Unrealized holding gain on securities | 26,299 | 21,072 |
| Translation adjustments | 5,186 | 6,437 |
| Retirement benefits liability adjustments | 4,127 | 4,294 |
| **Non-controlling interests** | **1,000** | **1,022** |
| **Total net assets** | **283,149** | **279,550** |
| **Total liabilities and net assets** | **377,588** | **357,196** |

Consolidated Statement of Income

| Account item | April 1, 2025– September 30, 2025 | April 1, 2024– September 30, 2024 |
|---|---|---|
| | (millions of yen) | (millions of yen) |
| **Net sales** | **109,139** | **110,478** |
| Cost of sales | 68,181 | 67,968 |
| **Gross profit** | **40,957** | **42,510** |
| Selling, general and administrative expenses | 20,309 | 19,188 |
| **Operating income** | **20,648** | **23,321** |
| **Non-operating income** | **1,324** | **1,222** |
| Interest and dividend income | 834 | 843 |
| Others | 490 | 378 |
| **Non-operating expenses** | **340** | **951** |
| Interest expenses | 68 | 65 |
| Others | 272 | 885 |
| **Ordinary income** | **21,632** | **23,592** |
| Extraordinary income | 379 | 784 |
| Extraordinary losses | 111 | 23 |
| **Profit before income taxes** | **21,899** | **24,353** |
| Income taxes | 6,456 | 7,305 |
| **Profit** | **15,442** | **17,047** |
| Profit attributable to non-controlling interests | 23 | 31 |
| **Profit attributable to owners of parent** | **15,419** | **17,016** |

Consolidated Statement of Cash Flows

| Account item | April 1, 2025– September 30, 2025 | April 1, 2024– September 30, 2024 |
|---|---|---|
| | (millions of yen) | (millions of yen) |
| **Net cash provided by (used in) operating activities** | **27,608** | **15,353** |
| **Net cash provided by (used in) investing activities** | **(7,009)** | **(8,619)** |
| **Net cash provided by (used in) financing activities** | **(15,261)** | **(6,703)** |
| **Effect of exchange rate changes on cash and cash equivalents** | **(1,062)** | **2,760** |
| **Net increase (decrease) in cash and cash equivalents** | **4,274** | **2,790** |
| **Cash and cash equivalents at beginning of year** | **82,706** | **87,509** |
| **Cash and cash equivalents at end of period** | **86,981** | **90,300** |

(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 METAL COATINGS NORTH AMERICA INC.
NOF AMERICA CORPORATION
NOF (Shanghai) Co., Ltd.
NOF EUROPE GmbH
NOF METAL COATINGS EUROPE S.A.

Total number of consolidated subsidiaries: 24 (including the 12 companies indicated above)

**Principal Business** (as of September 30, 2025)

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

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

## **Corporate Information** (as of September 30, 2025)

| | |
|---|---|
| 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 [Taketoyo 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 and Aichi) |

**Status of Shareholding** (as of September 30, 2025)

| | |
|---|---|
| Total number of shares authorized | 970,000,000 |
| Total number of shares issued | 229,944,955<br>(Excluding 6,579,173 shares of treasury stock, and including 114,100 shares (1,141 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 1,141 units of voting rights are not exercisable. |
| Number of shareholders | 15,655 |

Major shareholders (Top 10)

| Name | Number of shares (thousands) | Percentage of ownership |
|---|---:|---:|
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 37,891 | 16.47 |
| Custody Bank of Japan, Ltd. (Trust Account) | 13,950 | 6.06 |
| Meiji Yasuda Life Insurance Company | 9,384 | 4.08 |
| BNYM AS AGT/CLTS 10 PERCENT | 5,636 | 2.45 |
| Nichiyu Shin Ei Kai | 4,796 | 2.08 |
| STATE STREET BANK AND TRUST COMPANY 505001 | 4,390 | 1.90 |
| Nichiyu Kyo Ei Kai | 4,021 | 1.74 |
| GOVERNMENT OF NORWAY | 3,060 | 1.33 |
| JP MORGAN CHASE BANK 385781 | 3,059 | 1.33 |
| BNYM AS AGT/CLTS NON TREATY JASDEC | 2,979 | 1.29 |

Notes: 1. The number of shares is rounded down to the nearest thousand shares.
2. Percentage of ownership excludes 6,579,173 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 | Shareholder ratio | Number of shares | Shareholding ratio |
|---|---|---|---|---|
| Government and local public bodies | 0 | 0.00 | 0 | 0.00 |
| Financial institutions | 30 | 0.19 | 76,949,306 | 32.53 |
| Securities companies | 54 | 0.34 | 3,215,550 | 1.35 |
| Other domestic firms | 342 | 2.18 | 27,948,448 | 11.81 |
| Foreign corporations, etc. | 360 | 2.29 | 87,567,150 | 37.02 |
| Individuals and others | 14,868 | 94.97 | 34,264,501 | 14.48 |
| Treasury stock | 1 | 0.00 | 6,579,173 | 2.78 |
| **Total** | **15,655** | **100.00** | **236,524,128** | **100.00** |

Note: Shareholder ratio and Shareholding ratio are rounded down to the second decimal place.

## Officers (as of September 30, 2025)

**Directors**

| | |
|---|---|
| Chairman & Chief Executive Officer* | Takeo Miyaji |
| President & Chief Executive Officer* | Koji Sawamura |
| Director* | Manabu Saito |
| Director* | Kazuyoshi Yamauchi |
| Outside Director | Takashi Kamada |
| Outside Director | Izumi Hayashi |
| Director Standing 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 Takashi Kamada 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 Takashi Kamada 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<br>CEO |
| Executive Operating Officer | Naoya Umehara<br>CFO<br>In charge of Corporate Planning & Strategy Group, Corporate Communications Group, and Finance Group |
| Executive Operating Officer | Satoshi Kataoka<br>General Manager, Functional Materials Div., in charge of Purchasing Group |
| Executive Operating Officer | Eui-Chul Kang<br>General Manager, Corporate R&D Div., in charge of Life Science Products Group |

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

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<br>(2) Year-end dividend: March 31<br>(3) Interim dividend: September 30<br>(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.<br>However, when accidents or other unavoidable reasons prevent us from using the method of electronic announcement, we will make announcements in the *Nikkei* newspaper.<br>URL for public announcements: https://www.nof.co.jp (in Japanese) |
| Share unit | 100 |
| Stock listing | Tokyo Stock Exchange, Inc. |
| Shareholder registry administrator (Special account management institution) | Mizuho Trust & Banking Co., Ltd.<br>1–3–3, Marunouchi, Chiyoda–ku, Tokyo, Japan |

## General Information on Shares

<table>
<tr><th></th><th>Shareholders who have an account with a securities company</th><th>Shareholders who do not have an account with a securities company<br>(or who have a special account)</th></tr>
<tr><td>Mailing address</td><td rowspan="3">Your securities company</td><td rowspan="2">Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd.<br>8-4, Izumi 2-chome, Suginami-ku, Tokyo 168-8507, Japan<br>Toll-free (in Japan): 0120-288-324<br>(9:00 am-5:00 pm except on weekends and holidays)</td></tr>
<tr><td>Telephone referral</td></tr>
<tr><td>Agencies for procedures such as change of address, change of method for receiving dividends, etc.</td><td>Mizuho Trust & Banking Co., Ltd.: Head office and branches nationwide (excluding Trust Lounges)</td></tr>
<tr><td>Payment of dividends payable</td><td colspan="2">Mizuho Trust & Banking Co., Ltd.: Head office and all branches nationwide<br>Mizuho Bank, Ltd.: Head office and all branches nationwide</td></tr>
<tr><td>System for electronic provision of materials for general meeting of shareholders (request for delivery of a paper copy)</td><td colspan="2">Your securities company or Mizuho Trust & Banking Co., Ltd.<br>(Dedicated number for the electronic provision system:<br>0120-524-324 (9:00 am-5:00 pm except on weekends and holidays))</td></tr>
</table>

**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.

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