

Presentation Material

# Financial Results

For the Fiscal Year Ended March 31, 2023

May 25, 2023

 **NOF CORPORATION**

## Agenda

1. Financial Results for the Fiscal Year Ended March 31, 2023
2. Full Year Forecast for the Fiscal Year Ending March 31, 2024

# Overview of FY2022 Results

- ◆ Operating income exceeded the planned figure for FY2025, the final year of NOF VISION 2025
- ◆ Net sales, operating income, ordinary income, and net income all reached record highs
- ◆ Dividend per share of ¥108, an increase of JPY18 over the previous year

[¥100 million]

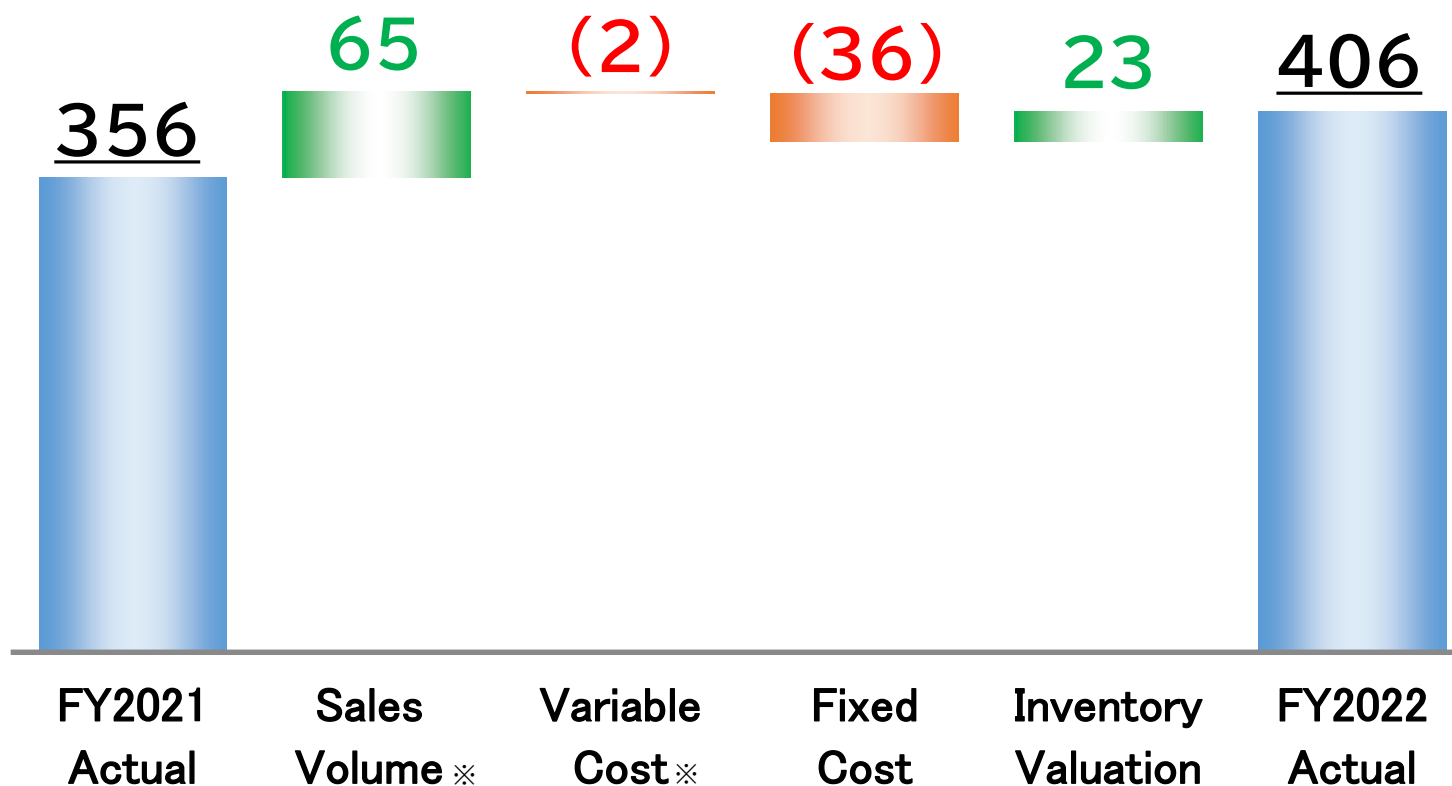
	FY2021 Apr.-Mar.	FY2022 Apr.-Mar.	Increase (Decrease)	FY2022 Forecast (Nov.2)	Increase (Decrease)
Net sales	1,926	2,177	251	2,200	(23)
Operating income	356	406	50	390	16
% of Net Sales	18.5%	18.7%		17.7%	
Ordinary income	376	432	56	414	18
Net income*	267	340	73	323	17
Net income per share	¥323.8	¥417.0	¥93.3	¥396.6	¥20.4
Dividend per share	¥90	¥108	¥18	¥104	¥4

\* Net income=Net income attributable to owners of parent

# Changes in Operating Income

(FY2022 Actual vs. FY2021 Actual)

[¥100 million]



※Foreign exchange impact of +2.3 billion yen in sales volume and variable costs

# Functional Chemicals Segment Results

- ◆ Increase in net sales and operating income
- ◆ Ratio of operating income to net sales declined due to higher sales resulting from price revisions in response to sharp rise in raw material and fuel prices [¥100 million]

	FY2021			FY2022			Increase(Decrease)		
	Apr.- Sep.	Oct.- Mar.	Full- Year	Apr.- Sep.	Oct.- Mar.	Full- Year	Apr.- Sep.	Oct.- Mar.	Full- Year
Net sales	621	663	1,284	724	740	1,464	103	77	180
Op.income*	111	104	215	118	111	229	7	8	14
% of Net Sales	17.8%	15.7%	16.7%	16.2%	15.1%	15.6%			

\* Op.income=Operating income

## Main Factors of Sales (YOY)

- Cosmetic raw materials  
⇒ Strong demand
- Special anti-corrosion agents  
⇒ Recovery of overseas automobile-related demand
- Base material for refrigerating oils, Others in general  
⇒ Firm demand  
⇒ Revisions to selling prices in response to sharp rise in raw material and fuel prices

## Analysis of Changes in operating income(YOY)

Sales Volume ※	Variable Cost ※	Fixed Cost	Inventory Valuation	Total
+27	(3)	(24)	+15	+14

※ Foreign exchange impact of +0.1 billion yen in sales volume and variable costs

# Life Science Segment Results

- ◆ Increase in net sales and operating income
  - ◆ Ratio of operating income to net sales improved due to strong sales of biocompatible materials and pharmaceutical raw materials
- [¥100 million]

	FY2021			FY2022			Increase(Decrease)		
	Apr.- Sep.	Oct.- Mar.	Full- Year	Apr.- Sep.	Oct.- Mar.	Full- Year	Apr.- Sep.	Oct.- Mar.	Full- Year
Net sales	171	166	337	212	197	409	40	31	72
Op.income*	82	59	141	96	84	180	14	25	39
% of Net Sales	48.2%	35.3%	41.8%	45.4%	42.5%	44.0%			

\* Op.income=Operating income

## Main Factors of Sales (YOY)

### •Edible oils

⇒Revisions to selling prices in response to sharp rise in raw material and fuel prices, despite calm demand

### •Biocompatible materials

⇒Strong demand for products for eye care

### •Raw materials for DDS drug formulations

⇒Growing demand for raw materials for pharmaceutical formulation other than for COVID-19 vaccines

⇒Some shipments for 4Q FY2021 delayed to 1Q FY2022

## Analysis of Changes in operating income(YOY)

Sales Volume ※	Variable Cost ※	Fixed Cost	Inventory Valuation	Total
+50	(1)	(11)	+0	+39

※Foreign exchange impact of +2.2 billion yen in sales volume and variable costs

# Explosives & Propulsion Segment Results

◆ Same level as previous year

[¥100 million]

	FY2021			FY2022			Increase(Decrease)		
	Apr.- Sep.	Oct.- Mar.	Full- Year	Apr.- Sep.	Oct.- Mar.	Full- Year	Apr.- Sep.	Oct.- Mar.	Full- Year
Net sales	106	194	300	100	199	299	(7)	5	(1)
Op.income*	(0)	18	18	(1)	19	18	(1)	1	(0)
% of Net Sales	(0.4%)	9.3%	5.9%	(1.3%)	9.5%	5.9%			

\* Op.income=Operating income

## Main Factors of Sales (YOY)

- Industrial explosives  
⇒ Sales decreased
- Space rocket products  
⇒ Sales increased due to increased shipments of products for Space rockets
- Defense products  
⇒ Sales decreased
- Functional products  
⇒ Sales decreased

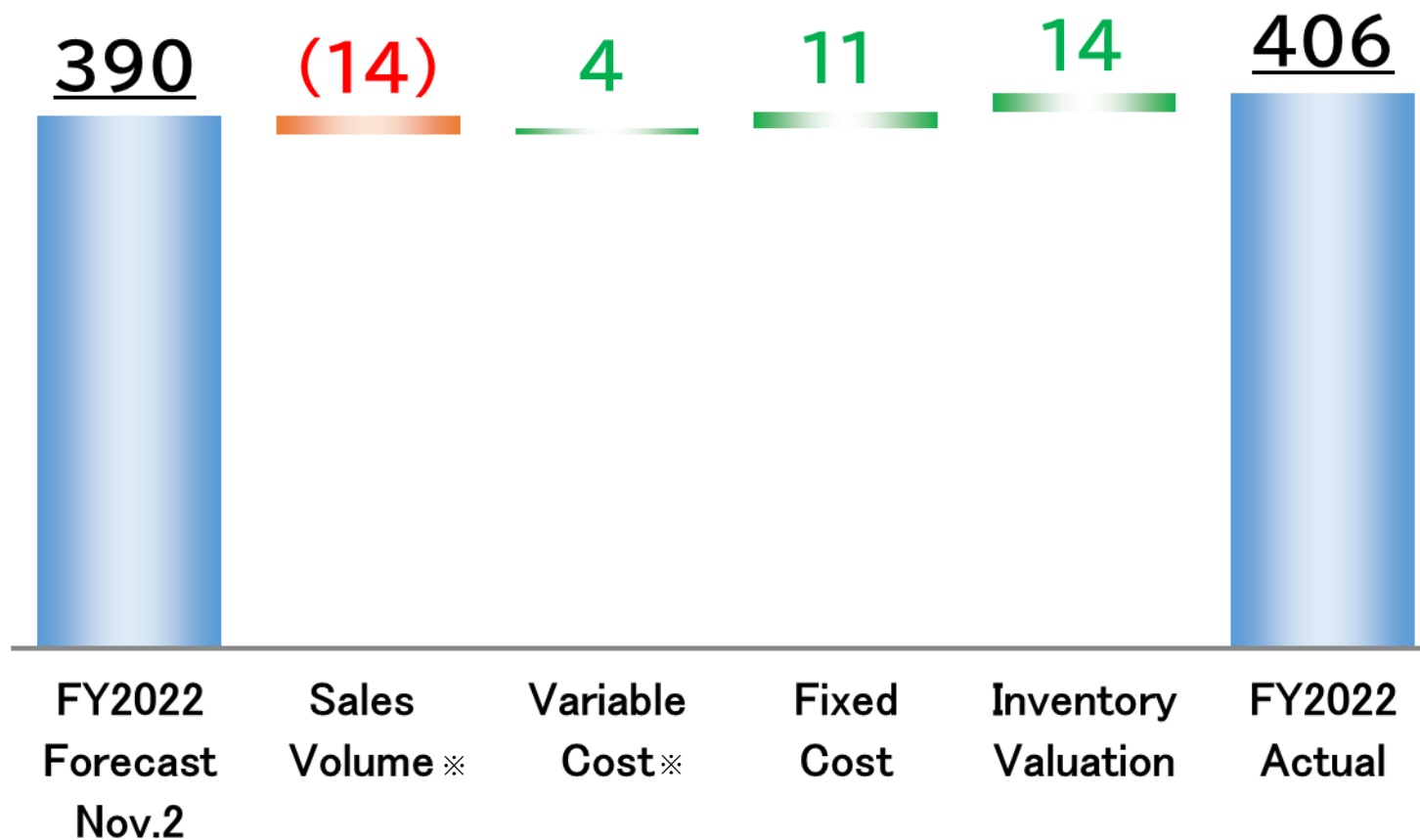
## Analysis of Changes in operating income(YOY)

Sales Volume	Variable Cost	Fixed Cost	Inventory Valuation	Total
(12)	+2	+1	+8	(0)

# Changes in Operating Income

## (FY2022 Actual vs. FY2022 Forecast Nov.2)

[¥100 million]



※Foreign exchange impact of +0.3 billion yen in sales volume and variable costs



# Comparative Balance Sheets(Consolidated)

[¥100 million]

	Mar. 31 2022	Mar. 31 2023	Increase (Decrease)		Mar. 31 2022	Mar. 31 2023	Increase (Decrease)
Cash and time deposits	854	925	71	Notes and accounts payable	218	197	(21)
Notes and accounts receivable	452	490	37	Interest-bearing debt	56	48	(8)
Inventories	399	497	98	Deferred tax liabilities	111	98	(13)
Other current assets	28	25	(2)	Other liabilities	293	350	57
Property, plant and equipment and Intangible assets	629	650	21	Total Liabilities	679	694	15
Investments securities	478	447	(31)	Total shareholder's equity	1,956	2,146	190
Other long-term assets	56	60	4	Accumulated other comprehensive income	253	246	(7)
				Non-controlling interests	8	8	0
				Total Net Assets	2,217	2,400	183
<b>Total Assets</b>	<b>2,896</b>	<b>3,094</b>	<b>198</b>	<b>Total Liabilities and Total Net Assets</b>	<b>2,896</b>	<b>3,094</b>	<b>198</b>

# Statements of Cash Flows(Consolidated)

[¥100 million]

	FY2021 Apr.-Mar.	FY2022 Apr.-Mar.
1. Cash flows from operating activities	274	233
2. Cash flows from investing activities	(88)	(7)
Proceeds from sales of investment securities	2	56
Purchase of property, plant and equipment and intangible assets	(74)	(62)
others	(16)	(1)
3. Cash flows from financing activities	(153)	(162)
Increase(Decrease) in borrowing	(44)	(11)
Purchase of treasury stock	(39)	(70)
Cash dividends paid	(69)	(79)
others	(2)	(2)
4. Others	15	12
Total of 1~4	48	76
5. Cash and cash equivalents at end of period	814	891
Free Cash Flow	186	226

## Financial Indicators(1)

		FY2021 Apr.-Mar.	FY2022 Apr.-Mar.	increase (decrease)
Ratio of operating income to net sales	[%]	18.5	18.7	0.2
Ratio of ordinary income to net sales	[%]	19.5	19.8	0.3
Ratio of ordinary income to total assets(ROA)	[%]	13.4	14.4	1.0
Ratio of net income to shareholders' equity(ROE)	[%]	12.6	14.8	2.2
Debt to Equity ratio	[X]	0.03	0.02	(0.01)
Equity ratio	[%]	76.3	77.3	1.0

## Financial Indicators(2)

		FY2021 Apr.-Mar.	FY2022 Apr.-Mar.	increase (decrease)
Net income attributable to owners of parent per share	[¥]	323.8	417.0	93.2
Net assets per share	[¥]	2,690.7	2,960.6	269.9
Cash dividends per share	[¥]	90	108	18
Dividend payout ratio(consolidated)	[%]	27.8	25.9	(1.9)
Our stock price (end of March)	[¥]	5,020	6,170	
cf. Nikkei stock average		27,821	28,041	
Price book-value ratio	[X]	1.87	2.08	0.21
Price earnings ratio	[X]	15.5	14.8	(0.7)

# Full Year Forecast for FY2023

[¥100 million]

	FY2022 Actual	FY2023 Forecast	Increase (Decrease)
Net sales	2,177	2,300	5.6%
Operating income	406	370	(8.9%)
% of Net Sales	18.7%	16.1%	
Ordinary income	432	380	(12.0%)
Net income*	340	284	(16.5%)
Net income per share	¥417.0	¥351.5	
* Net income=Net income attributable to owners of parent			
Dividend per share	¥108	¥108	

- This material is intended to provide an explanation of the company and its business, not to induce investment or any other action.
- The results forecasts presented in this document are based upon currently available information and assumptions deemed rational. A variety of factors could cause actual results to differ materially from forecasts.
- Please be aware that decisions regarding investments are the responsibility of the users themselves.
- Please note that, in this material, amounts less than ¥100 million have been rounded off.

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