

**Consolidated Financial Results  
for the Fiscal Year Ended March 31, 2025  
(Under Japanese GAAP)**

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

(Percentages indicate year-on-year changes.)

Note:	Comprehensive income	Year ended March 31, 2025:	¥ 35,333 million	[(17.1)%]
		Year ended March 31, 2024:	¥ 42,600 million	[27.6%]

Reference: Share of profit (loss) of entities accounted for using equity method	Year ended March 31, 2025: ¥ - million
	Year ended March 31, 2024: ¥ - million

## (2) Consolidated financial position

Reference: Equity	As of March 31, 2025:	¥278,527 million
	As of March 31, 2024:	¥265,003 million

Note: The Company conducted a 3-for-1 common share split on April 1, 2024. For the year ended March 31, 2024, “Net assets per share” has been calculated on the assumption that this share split had taken place at the beginning of the previous fiscal year.

**(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, 2025	28,975	(13,749)	(22,015)	82,706
March 31, 2024	29,970	(14,964)	(17,101)	87,509

**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, 2024	—	56.00		58.00	114.00	9,125	26.9	3.6
Fiscal year ended March 31, 2025	—	21.00		24.00	45.00	10,607	29.2	3.9
Fiscal year ending March 31, 2026 (Forecast)		24.00	—	24.00	48.00		30.5	

Note: The Company conducted a 3-for-1 common share split on April 1, 2024. The amount shown for the dividends for the fiscal year ended March 31, 2024 is the actual dividend amounts based on the number of shares before the share split.

**3. Consolidated earnings forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)**

(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, 2026	252,000	5.7	46,000	1.5	47,900	2.9	36,800	0.8	157.58

**\* 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: Yes
- (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, 2025	236,524,128 shares
As of March 31, 2024	242,524,128 shares

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

As of March 31, 2025	2,991,799 shares
As of March 31, 2024	3,568,383 shares

(iii) Average number of shares outstanding during the period

Year ended March 31, 2025	237,181,109 shares
Year ended March 31, 2024	240,771,810 shares

(Notes)1. 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.

2. Each of the numbers presented in “(3) Number of issued shares (common shares)” shows the numbers of shares existing after the share split.

[Reference] Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended March 31, 2025 (April 1, 2024 – March 31, 2025)

(1) Non-consolidated operating results

	Net sales		Operating profit		Ordinary profit		Profit	
Year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	168,736	7.9	34,462	6.4	39,056	(7.1)	32,149	(3.2)
March 31, 2024	156,410	0.8	32,399	1.0	42,037	9.9	33,214	6.0

	Basic earnings per share	Diluted earnings per share
Year ended	Yen	Yen
March 31, 2025	135.55	—
March 31, 2024	137.95	—

Note: The Company conducted a 3-for-1 common share split on April 1, 2024. For the year ended March 31, 2024, “Basic earnings per share” and “Diluted earnings per share” have been calculated on the assumption that this share split had taken place at the beginning of the previous fiscal year.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	286,101	215,484	75.3	922.72
March 31, 2024	281,120	210,504	74.9	880.93

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

As of March 31, 2024: ¥210,504 million

Note: The Company conducted a 3-for-1 common share split on April 1, 2024. For the year ended March 31, 2024, “Net assets per share” has been calculated on the assumption that this share split had taken place at the beginning of the previous fiscal year.

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

\* Proper use of earnings forecasts, and other special matters

(Notes regarding forward-looking statements)

Forward-looking statements including financial results forecasts 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.

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## 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, 2025	238,310	45,308	46,572	36,497
Fiscal year ended March 31, 2024	222,252	42,142	45,577	33,990
Change (%)	7.2	7.5	2.2	7.4

In the fiscal year (from April 1, 2024 to March 31, 2025), the outlook for the global economy remained uncertain, particularly because of concerns about the risk of a downturn in overseas economies, such as the effects accompanying continuing high interest rate levels in the United States and Europe and persistent stagnation in the Chinese real estate market, as well as concerns over the impact of rising prices, the situation in the Middle East region, and fluctuations in the financial and capital markets. In Japan, although there are still some areas of personal consumption where the recovery has stalled amid the improving employment and income environment, the economy appeared to be gradually recovering.

As for the business environment surrounding the Group, even though domestic economic conditions were gradually recovering, there were concerns over the impact of a downturn due to elevated prices of raw material and fuel, and rapid fluctuations of foreign exchange rates, as well as the prolongation of the slump in the Chinese economy.

In this business environment, under the three-year 2025 Mid-Term Management Plan that kicked off in the FY2023, 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, starting this fiscal year, we have established the “NOF-AIST Smart Green Chemicals Collaborative Research Laboratory” at the National Institute of Advanced Industrial Science and Technology (AIST) for the realization of a sustainable society and the chemical industry as it should be in the future, and have promoted “accelerating development of new products and techniques.”

As a result of such efforts, net sales for the fiscal year were 238,310 million yen, up 7.2% year on year. Operating profit was 45,308 million yen, up 7.5% year on year, ordinary profit was 46,572 million yen, up 2.2% year on year, and profit attributable to owners of parent was 36,497 million yen, up 7.4% 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, 2025	150,915	29,797	48,033	15,697	38,775	3,130	585	348
Fiscal year ended March 31, 2024	133,556	21,972	53,998	20,558	34,138	2,628	559	196
Change	17,358	7,824	(5,965)	(4,861)	4,637	502	26	152

### (i) Functional Chemicals

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

Net sales of surfactants increased as a result of strong demand for toiletries.

Net sales of ethylene oxide/propylene oxide derivatives increased due to firm demand for toiletries and 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 strong demand in the overseas automobile industry.

As a result, net sales of Functional Chemicals were 150,915 million yen, up 13.0% year on year, and operating profit was 29,797 million yen, up 35.6% year on year.

### (ii) Pharmaceuticals, Medicals and Health

Net sales of processed edible oils and functional food materials for use in bread, confectionery, and processed foods decreased.

Net sales of healthcare foods products declined as a result of decreased demand for health foods.

Net sales of biocompatible materials increased due to strong demand for MPC (2-methacryloyloxyethyl phosphorylcholine) related products.

Net sales of raw materials for DDS (drug delivery system) drug formulations declined due to a temporary leveling off of demand as a result of inventory adjustments for some customers and the impacts of monetary tightening in the United States and Europe.

As a result, net sales of Pharmaceuticals, Medicals and Health were 48,033 million yen, down 11.0% year on year, and operating profit was 15,697 million yen, down 23.6% year on year.

### (iii) Explosives & Propulsion

Net sales of industrial explosives rose.

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

Net sales of defense-related products increased.

Net sales of functional products rose.

As a result, net sales of Explosives & Propulsion were 38,775 million yen, up 13.6% year on year, and operating profit was 3,130 million yen, up 19.1% year on year.

### (iv) Others

Others consist of transportation and real estate. Net sales of others were 585 million yen, up 4.7% year on year, and operating profit was 348 million yen, up 77.6% year on year.

## (2) Overview of financial position

Total assets were 357,196 million yen, an increase of 15,747 million yen from the end of the previous fiscal year. The breakdown of major increases (decreases) in assets includes a decrease in cash and deposits of 4,679 million yen, an increase in trade receivables of 4,635 million yen, an increase in inventories of 6,320 million yen, an increase in property, plant and equipment of 10,373 million yen, a decrease in the market value of investment securities at the end of the fiscal year, etc. of 9,328 million yen, and an increase in retirement benefit asset of 3,779 million yen.

Liabilities increased by 2,104 million yen to 77,646 million yen from the end of the previous fiscal year. The breakdown of major increases (decreases) in liabilities includes an increase in trade payables of 771 million yen, a decrease in interest-bearing debt of 124 million yen, an increase in accounts payable of 1,839 million yen, which is included in other current liabilities, an increase in income taxes payable of 342 million yen, and a decrease in deferred tax liabilities of 1,366 million yen.

Net assets (including non-controlling interests) were 279,550 million yen, an increase of 13,642 million yen from the end of the previous fiscal year. The breakdown of major increases (decreases) in net assets (including non-controlling interests) includes profit attributable to owners of parent of 36,497 million yen, a decrease from dividends of surplus of 9,622 million yen, a decrease from the purchase of treasury shares, etc. of 12,007 million yen, a decrease in valuation difference on available-for-sale securities of 5,613 million yen, and an increase in remeasurements of defined benefit plans of 2,300 million yen.

## (3) Overview of cash flows

Net cash provided by operating activities decreased 995 million yen compared with the previous fiscal year, as a result of factors such as an increase in profit before income taxes of 2,309 million yen, an increase in the burden of working capital of 3,596 million yen, and a decrease in income taxes paid of 1,094 million yen.

Net cash used in investing activities decreased 1,214 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 1,633 million yen, a decrease in purchase of property, plant and equipment and intangible assets of 1,412 million yen, an increase of proceeds from sale of property, plant and equipment and intangible assets of 553 million yen, and an increase from payments for investments in capital of subsidiaries and associates of 3,063 million yen.

Net cash used in financing activities increased 4,913 million yen compared with the previous fiscal year, as a result of factors such as a decrease in proceeds from long-term borrowings of 431 million yen, an increase in the purchase of treasury shares of 4,483 million yen, and an increase in dividends paid of 433 million yen.

As a result of the above, cash and cash equivalents at end of period amounted to 82,706 million yen, a decrease of 4,802 million yen from the end of the previous fiscal year.

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Change
Cash flows from operating activities	29,970	28,975	(995)
Cash flows from investing activities	(14,964)	(13,749)	1,214
Cash flows from financing activities	(17,101)	(22,015)	(4,913)
Effect of exchange rate change on cash and cash equivalents	524	1,987	1,463
Net increase (decrease) in cash and cash equivalents	(1,571)	(4,802)	(3,230)
Cash and cash equivalents at end of period	87,509	82,706	(4,802)

(Reference) Cash flow indicators

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

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Equity-to-asset ratio (%)	76.3	77.3	77.6	78.0
Equity-to-asset ratio based on market value (%)	142.3	161.1	145.9	132.1
Ratio of interest-bearing debt to cash flow (annual)	0.2	0.2	0.2	0.2
Interest coverage ratio (times)	447.8	296.1	232.0	211.0

(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, 2026	252,000	46,000	47,900	36,800
Fiscal year ended March 31, 2025	238,310	45,308	46,572	36,497
Change (%)	5.7	1.5	2.9	0.8

(Note) The assumed average exchange rates in the forecasts for the fiscal year ending March 31, 2026 are 145 yen/U.S. dollar and 160 yen/Euro.

The outlook for the global economy is expected to remain uncertain due to concerns about downside risks from the spreading impact of trade and other policy developments in the United States and the effects of fluctuations in financial and capital markets. 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 tariff policy of the United States 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 252,000 million yen, operating profit of 46,000 million yen, ordinary profit of 47,900 million yen, and profit attributable to owners of parent of 36,800 million yen.

As it is unclear what direction the tariff policy of the United States is taking, no assumptions regarding tariffs have been included in the future outlook. If concerns arise over its impact on financial results, we will disclose this information as appropriate.

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, 2026	154,700	30,200	51,500	16,000	45,300	3,500
Fiscal year ended March 31, 2025	150,915	29,797	48,033	15,697	38,775	3,130
Change (%)	2.5	1.4	7.2	1.9	16.8	11.8

In Functional Chemicals, we forecast an increase in both revenue and profit mainly due to expected firm demand for cosmetic raw materials for cosmetics-related products and ODM business, but there are concerns about the impact of trade and other policy developments in the United States on demand, including for automotive-related products. In Pharmaceuticals, Medical and Health, we forecast an increase in both revenue and profit due to an expected increase in demand for some raw materials for DDS drug formulations, despite the continued impact of delays in clinical development caused by monetary tightening in the United States and Europe and the start of depreciation at the LS Aichi Plant, which is scheduled to begin operations this fall. In Explosives & Propulsion, we forecast an increase in both revenue and profit due to an expected increase in orders for defense-related products.

#### **(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. 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 current Mid-Term Management Plan (FY2025). The Company will pay dividends based on the maintenance of stable profit returns and will purchase and cancel treasury shares as necessary. 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 24 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 45 yen per share.

For the next fiscal year, we plan to pay an annual dividend of 48 yen per share (interim dividend of 24 yen and year-end dividend of 24 yen).

#### **(6) Research and development activities**

Expenses related to research and development activities for the Group in the current fiscal year were 7,928 million yen.

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

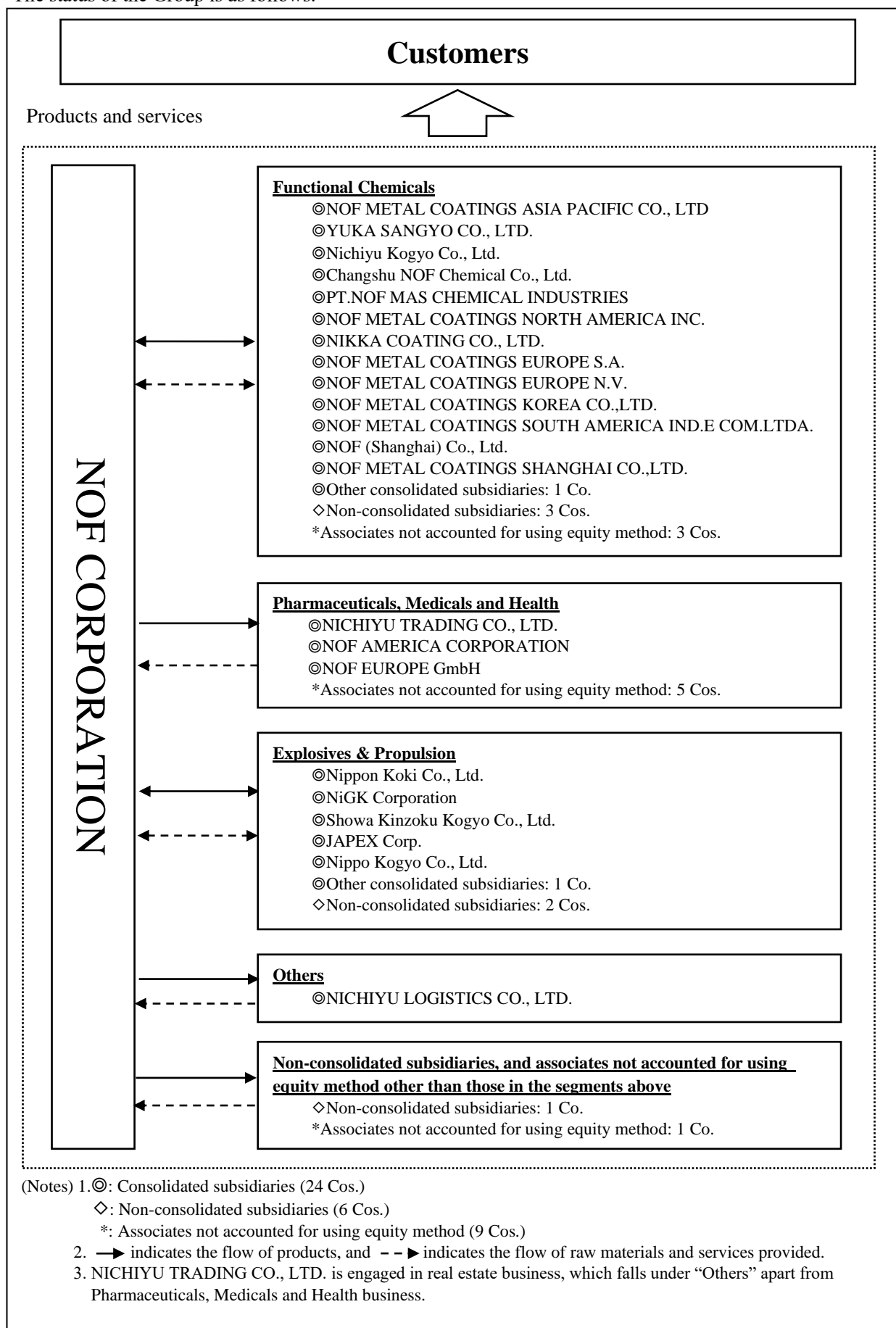
#### **(7) Main facilities**

The amount of capital investment for the Group in the current fiscal year was 18,381 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 NOF 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, 2024	As of March 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	91,744	87,064
Notes and accounts receivable - trade, and contract assets	54,603	59,238
Electronically recorded monetary claims - operating	3,560	3,561
Merchandise and finished goods	27,548	28,419
Work in process	4,805	6,722
Raw materials and supplies	18,653	22,185
Other	4,143	4,992
Allowance for doubtful accounts	(195)	(206)
Total current assets	204,863	211,978
Non-current assets		
Property, plant and equipment		
Buildings and structures	80,434	85,849
Accumulated depreciation	(55,644)	(57,365)
Buildings and structures, net	24,789	28,483
Machinery, equipment and vehicles	111,310	116,620
Accumulated depreciation	(96,187)	(99,468)
Machinery, equipment and vehicles, net	15,123	17,151
Land	20,393	20,343
Leased assets	544	573
Accumulated depreciation	(421)	(495)
Leased assets, net	123	77
Construction in progress	11,325	15,854
Other	18,178	18,856
Accumulated depreciation	(15,238)	(15,698)
Other, net	2,940	3,157
Total property, plant and equipment	74,695	85,069
Intangible assets		
Other	2,166	1,950
Total intangible assets	2,166	1,950
Investments and other assets		
Investment securities	51,192	41,864
Long-term loans receivable	7	8
Deferred tax assets	1,144	1,212
Retirement benefit asset	5,777	9,557
Other	1,661	5,707
Allowance for doubtful accounts	(60)	(151)
Total investments and other assets	59,723	58,198
Total non-current assets	136,585	145,218
Total assets	341,449	357,196

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	21,741	22,305
Electronically recorded obligations - operating	1,373	1,580
Short-term borrowings	1,607	1,490
Current portion of long-term borrowings	—	816
Lease liabilities	253	254
Accrued expenses	1,753	1,904
Income taxes payable	7,339	7,682
Deposits received	4,316	4,328
Provision for bonuses	3,655	3,915
Asset retirement obligations	534	174
Other	11,553	13,871
Total current liabilities	54,129	58,325
Non-current liabilities		
Long-term borrowings	2,775	2,008
Lease liabilities	530	473
Deferred tax liabilities	12,927	11,561
Provision for officers' retirement benefits	13	8
Retirement benefit liability	4,942	4,976
Asset retirement obligations	23	22
Other	198	269
Total non-current liabilities	21,412	19,321
Total liabilities	75,541	77,646
<b>Net assets</b>		
Shareholders' equity		
Share capital	17,742	17,742
Capital surplus	15,052	15,058
Retained earnings	206,309	220,195
Treasury shares	(7,209)	(6,271)
Total shareholders' equity	231,894	246,724
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	26,685	21,072
Foreign currency translation adjustment	4,429	6,437
Remeasurements of defined benefit plans	1,993	4,294
Total accumulated other comprehensive income	33,108	31,803
Non-controlling interests	904	1,022
Total net assets	265,907	279,550
<b>Total liabilities and net assets</b>	<b>341,449</b>	<b>357,196</b>

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

### (Consolidated statements of income)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	222,252	238,310
Cost of sales	142,762	153,156
Gross profit	79,490	85,153
Selling, general and administrative expenses	37,348	39,845
Operating profit	42,142	45,308
Non-operating income		
Interest income	358	500
Dividend income	1,149	1,193
Rental income from real estate	272	272
Foreign exchange gains	1,532	—
Other	705	460
Total non-operating income	4,018	2,426
Non-operating expenses		
Interest expenses	129	137
Expenses for conditional assignment	30	49
Rental expenses on real estate	83	85
Expenses for disposal of fixed assets	177	239
Foreign exchange losses	—	319
Other	162	331
Total non-operating expenses	582	1,162
Ordinary profit	45,577	46,572
Extraordinary income		
Gain on sale of non-current assets	1	447
Gain on receipt of donated non-current assets	411	—
Gain on sale of investment securities	2,612	3,670
Gain on extinguishment of tie-in shares	—	220
Compensation income	—	1
Total extraordinary income	3,025	4,340
Extraordinary losses		
Loss on sale of non-current assets	—	1
Impairment losses	※1 55	—
Loss on retirement of non-current assets	71	109
Loss on tax purpose reduction entry of non-current assets	—	1
Loss on sale of investment securities	7	—
Loss on valuation of investment securities	—	20
Other	—	1
Total extraordinary losses	134	133
Profit before income taxes	48,468	50,778
Income taxes - current	14,561	14,680
Income taxes - deferred	(153)	(506)
Total income taxes	14,407	14,173
Profit	34,061	36,605
Profit attributable to non-controlling interests	70	107
Profit attributable to owners of parent	33,990	36,497

**(Consolidated statements of comprehensive income)**

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	34,061	36,605
Other comprehensive income		
Valuation difference on available-for-sale securities	4,965	(5,613)
Foreign currency translation adjustment	1,761	2,040
Remeasurements of defined benefit plans, net of tax	1,811	2,301
Total other comprehensive income	8,539	(1,271)
Comprehensive income	42,600	35,333
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	42,510	35,192
Comprehensive income attributable to non-controlling interests	90	140

**(3) Consolidated statements of changes in net assets**  
**For the Year ended March 31, 2024 (April 1, 2023 to March 31, 2024)**

(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	192,092	(10,299)	214,588
Changes during period					
Dividends of surplus			(9,192)		(9,192)
Profit attributable to owners of parent			33,990		33,990
Purchase of treasury shares				(7,523)	(7,523)
Disposal of treasury shares				32	32
Cancellation of treasury shares		(10,581)		10,581	—
Transfer of loss on disposal of treasury shares		10,581	(10,581)		—
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)	14,217	3,089	17,306
Balance at end of period	17,742	15,052	206,309	(7,209)	231,894

	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	21,725	2,683	180	24,588	825	240,002
Changes during period						
Dividends of surplus						(9,192)
Profit attributable to owners of parent						33,990
Purchase of treasury shares						(7,523)
Disposal of treasury shares						32
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	4,960	1,746	1,812	8,519	78	8,597
Total changes during period	4,960	1,746	1,812	8,519	78	25,904
Balance at end of period	26,685	4,429	1,993	33,108	904	265,907

**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

#### (4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
<b>Cash flows from operating activities</b>		
Profit before income taxes	48,468	50,778
Depreciation	6,939	7,965
Impairment losses	55	—
Increase (decrease) in retirement benefit liability	7	(102)
Interest and dividend income	(1,508)	(1,693)
Interest expenses	129	137
Loss (gain) on sale of non-current assets	(1)	(446)
Gain on receipt of donated non-current assets	(411)	—
Loss (gain) on sale of investment securities	(2,605)	(3,670)
Compensation income	—	(220)
Decrease (increase) in trade receivables	(8,413)	(4,168)
Decrease (increase) in inventories	(892)	(5,982)
Increase (decrease) in trade payables	2,518	(232)
Other, net	26	(532)
Subtotal	44,313	41,831
Interest and dividends received	1,500	1,681
Interest paid	(129)	(137)
Income taxes paid	(15,715)	(14,620)
Proceeds from compensation	—	220
Net cash provided by (used in) operating activities	29,970	28,975
<b>Cash flows from investing activities</b>		
Purchase of investment securities	(257)	(2)
Proceeds from sale of investment securities	3,572	5,205
Purchase of property, plant and equipment and intangible assets	(17,748)	(16,336)
Proceeds from sale of property, plant and equipment and intangible assets	1	554
Net decrease (increase) in short-term loans receivable	(43)	163
Long-term loan advances	(11)	(9)
Proceeds from collection of long-term loans receivable	8	8
Payments for investments in capital of subsidiaries and associates	—	(3,063)
Other, net	(485)	(269)
Net cash provided by (used in) investing activities	(14,964)	(13,749)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(562)	(212)
Proceeds from long-term borrowings	431	—
Repayments of long-term borrowings	(150)	—
Proceeds from sale of treasury shares	8	—
Purchase of treasury shares	(7,523)	(12,007)
Purchase of treasury shares of subsidiaries	(2)	(5)
Repayments of finance lease liabilities	(132)	(186)
Dividends paid	(9,160)	(9,593)
Dividends paid to non-controlling interests	(9)	(11)
Net cash provided by (used in) financing activities	(17,101)	(22,015)
Effect of exchange rate change on cash and cash equivalents	524	1,987
Net increase (decrease) in cash and cash equivalents	(1,571)	(4,802)
Cash and cash equivalents at beginning of period	89,081	87,509
Cash and cash equivalents at end of period	87,509	82,706

**(5) Notes on consolidated financial statements**

**(Notes on going concern assumption)**

None applicable.

**(Notes on changes in accounting policies)**

“Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, on October 28, 2022) ,etc. is applied from the first quarter of the fiscal year ending March 31, 2025. These changes had no impact on the quarterly consolidated financial statements.

**(Notes on consolidated statements of income)**

**\*1 Impairment losses**

The Group recorded impairment losses for the following assets.

For the Year ended March 31, 2024 (from April 1, 2023, to March 31, 2024)

Location	Use	Type	Impairment losses (millions of yen)
Taketoyo-cho, Chita-gun, Aichi	Production facilities, etc.	Machinery, equipment, etc.	55

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

None applicable.

**(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 drug formulations.

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, 2024 (from April 1, 2023, to March 31, 2024)

	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	133,556	53,998	34,138	221,693	559	222,252	—	222,252
(2) Intersegment sales or transfers	3,813	996	13	4,823	8,124	12,947	(12,947)	—
Total	137,370	54,994	34,152	226,517	8,683	235,200	(12,947)	222,252
Segment profit	21,972	20,558	2,628	45,160	196	45,356	(3,213)	42,142
Segment assets	127,759	47,125	67,656	242,541	4,245	246,786	94,662	341,449
Other items								
Depreciation	3,567	1,257	1,614	6,439	106	6,546	393	6,939
Increase in property, plant and equipment and intangible assets	5,790	9,118	2,086	16,994	61	17,056	1,639	18,695

(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 3,213 million yen in segment profit includes 73 million yen eliminated for intersegment transactions, and negative 3,287 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 94,662 million yen for segment assets includes intersegment elimination of negative 37,091 million yen and 131,754 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 393 million yen for depreciation represents depreciation related to company-wide assets.
- (4) The adjustment of 1,639 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, 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.

b. Related information

For the Year ended March 31, 2024 (from April 1, 2023, to March 31, 2024)

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
147,847	35,828	22,203	16,373	222,252

The percentage of net sales to regions other than Japan within consolidated net sales in the fiscal year is 33.5%, and of that, the percentage of net sales to Asia is 16.1% and to Europe is 10.0%.

3. Information for each of main customers

Sales to external customers are omitted because there are no sales to specific customers that account for 10% or more of net sales in the consolidated statements of income.

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

**(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, 2024, and 2025 are as follows:

**I. For the Year ended March 31, 2024 (from April 1, 2023, to March 31, 2024)**

(Millions of yen)

	Reportable segment				Others (Notes) 1.	Total
	Functional Chemicals	Pharmaceuticals, Medicals and Health	Explosives & Propulsion	Total		
Net sales						
Japan	90,164	23,253	33,962	147,380	466	147,847
Asia	32,959	2,645	130	35,735	92	35,828
Europe	6,575	15,601	27	22,203	—	22,203
Others	3,857	12,497	17	16,373	—	16,373
Sales to customers	133,556	53,998	34,138	221,693	559	222,252

(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, 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.

**(Notes on per share information)**

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net assets per share (yen)	1,109.01	1,192.67
Basic earnings per share (yen)	141.17	153.88

(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 116,100 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 124,869 shares in the previous fiscal year and 116,100 shares in the current fiscal year.

3. The Company conducted a 3-for-1 common share split on April 1, 2024. For the year ended March 31, 2024, "Net assets per share" and "Basic earnings per share" have been calculated on the assumption that this share split had taken place at the beginning of the previous fiscal year.

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

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit attributable to owners of parent (millions of yen)	33,990	36,497
Amount not attributable to common shareholders (millions of yen)	—	—
Profit attributable to owners of parent related to common shares (millions of yen)	33,990	36,497
Average number of shares outstanding during the period (thousand shares)	240,771	237,181

## **(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 9, 2025, 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 current 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.

#### **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: | 5,000,000 shares (maximum)                       |
| (3) Total purchase price of shares:         | 10,000,000,000 yen (maximum)                     |
| (4) Period of purchase:                     | From May 12, 2025 through September 30, 2025     |
| (5) Method of purchase:                     | Open-market purchase on the Tokyo Stock Exchange |