

April 30, 2025

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

Company name: NIPPON FINE CHEMICAL CO., LTD.
 Listing: Tokyo
 Securities code: 4362
 URL: <https://www.nipponseika.co.jp/en/>
 Representative: Hiroshi Yano, President and CEO
 Inquiries: Yoshihiro Okura, General Manager of Corporate Planning Office
 Telephone: +81-6-6231-4781
 Scheduled date of annual general meeting of shareholders: June 24, 2025
 Scheduled date to commence dividend payments: June 25, 2025
 Scheduled date to file annual securities report: June 25, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	35,663	6.4	4,895	16.6	5,210	17.0	3,870	16.3
March 31, 2024	33,531	(9.0)	4,197	(17.0)	4,452	(17.4)	3,327	(18.4)

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥3,181 million [(18.9)%]
 For the fiscal year ended March 31, 2024: ¥3,920 million [(18.9)%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	172.06	-	8.2	8.7	13.7
March 31, 2024	146.40	-	7.2	7.7	12.5

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2025: ¥-million

For the fiscal year ended March 31, 2024: ¥-million

(2) 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	59,796	49,069	80.5	2,140.58
March 31, 2024	59,450	47,559	78.5	2,074.07

Reference: Equity

As of March 31, 2025: ¥48,160 million

As of March 31, 2024: ¥46,647 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	4,087	(1,768)	(602)	12,638
March 31, 2024	6,278	(634)	(2,545)	10,937

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	-	35.00	-	35.00	70.00	1,586	47.8	3.5
Fiscal year ended March 31, 2025	-	37.00	-	37.00	74.00	1,664	43.0	3.5
Fiscal year ending March 31, 2026 (Forecast)		47.00		47.00	94.00		52.9	

3. Forecast of consolidated financial results 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
Six months ending September 30, 2025	16,900	(2.8)	2,620	9.2	2,700	6.6	2,080	16.0	92.44
Fiscal year ending March 31, 2026	34,200	(4.1)	5,000	2.1	5,200	(0.2)	4,000	3.3	177.78

* **Notes**

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

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

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

(3) Number of issued shares (common shares)

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

As of March 31, 2025	25,372,447 shares
As of March 31, 2024	25,372,447 shares

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

As of March 31, 2025	2,873,681 shares
As of March 31, 2024	2,881,540 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	22,496,643 shares
Fiscal year ended March 31, 2024	22,729,533 shares

[Reference] Overview of non-consolidated financial results

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

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	19,238	12.2	3,602	33.0	4,490	25.2	3,597	22.2
March 31, 2024	17,149	(1.8)	2,708	(15.8)	3,585	(14.3)	2,943	(12.7)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2025	159.92	-
March 31, 2024	129.49	-

(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	51,584	37,773	73.2	1,678.90
March 31, 2024	51,712	36,461	70.5	1,621.16

Reference: Equity

As of March 31, 2025: ¥37,773 million

As of March 31, 2024: ¥36,461 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors.

The Company plans to hold a briefing for institutional investors and analysts on Friday, May 16, 2025. The medium-term management plan review materials, including financial results, to be distributed at this briefing will be posted on the Company's website on the same day.

Consolidated balance sheet

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	12,856,349	12,300,114
Notes and accounts receivable - trade	9,172,984	8,221,391
Securities	-	2,000,000
Merchandise and finished goods	4,394,633	3,936,295
Work in process	2,207,743	2,338,767
Raw materials and supplies	3,204,200	2,977,438
Other	195,993	440,612
Allowance for doubtful accounts	(611)	(691)
Total current assets	32,031,293	32,213,928
Non-current assets		
Property, plant and equipment		
Buildings and structures	15,207,334	16,363,157
Accumulated depreciation	(8,718,823)	(8,603,338)
Buildings and structures, net	6,488,511	7,759,819
Machinery, equipment and vehicles	16,201,121	15,909,863
Accumulated depreciation	(13,493,090)	(13,153,261)
Machinery, equipment and vehicles, net	2,708,030	2,756,601
Land	3,719,989	3,719,989
Construction in progress	754,016	546,762
Other	3,719,933	3,937,964
Accumulated depreciation	(2,989,343)	(3,111,923)
Other, net	730,589	826,040
Total property, plant and equipment	14,401,138	15,609,213
Intangible assets	778,227	656,213
Investments and other assets		
Investment securities	11,861,254	10,871,513
Retirement benefit asset	117,430	154,385
Other	261,404	290,920
Total investments and other assets	12,240,090	11,316,818
Total non-current assets	27,419,456	27,582,246
Total assets	59,450,750	59,796,175

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,954,884	3,049,348
Short-term borrowings	-	300,000
Accounts payable - other	812,146	1,107,412
Income taxes payable	1,351,647	273,417
Provision for bonuses	718,076	691,839
Provision for bonuses for directors (and other officers)	41,554	54,345
Provision for environmental measures	426,000	43,000
Accounts payable - facilities	983,910	1,307,609
Asset retirement obligations	82,698	18,000
Other	1,067,016	571,841
Total current liabilities	9,437,935	7,416,814
Non-current liabilities		
Long-term borrowings	-	800,000
Deferred tax liabilities	2,186,638	2,278,735
Retirement benefit liability	127,775	114,044
Long-term accounts payable - other	19,659	4,059
Long-term guarantee deposits	92,200	88,550
Asset retirement obligations	5,730	5,730
Other	21,528	18,937
Total non-current liabilities	2,453,533	3,310,058
Total liabilities	11,891,469	10,726,872
Net assets		
Shareholders' equity		
Share capital	5,933,221	5,933,221
Capital surplus	6,870,796	6,882,189
Retained earnings	30,368,637	32,619,943
Treasury shares	(4,117,485)	(4,105,592)
Total shareholders' equity	39,055,170	41,329,762
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,613,546	5,919,432
Deferred gains or losses on hedges	4,400	(2,729)
Foreign currency translation adjustment	947,951	869,415
Remeasurements of defined benefit plans	26,718	44,627
Total accumulated other comprehensive income	7,592,616	6,830,746
Non-controlling interests	911,493	908,794
Total net assets	47,559,280	49,069,302
Total liabilities and net assets	59,450,750	59,796,175

Consolidated statement of income

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	33,531,848	35,663,736
Cost of sales	23,602,046	24,785,016
Gross profit	9,929,801	10,878,720
Selling, general and administrative expenses	5,731,894	5,983,336
Operating profit	4,197,907	4,895,383
Non-operating income		
Interest income	34,059	37,078
Dividend income	307,861	314,383
Miscellaneous income	60,855	58,052
Total non-operating income	402,776	409,514
Non-operating expenses		
Interest expenses	1,308	4,992
Foreign exchange losses	15,204	5,356
Depreciation	125,106	60,299
Miscellaneous losses	6,207	23,530
Total non-operating expenses	147,827	94,178
Ordinary profit	4,452,856	5,210,718
Extraordinary income		
Gain on sale of non-current assets	1,341	54
Gain on sale of investment securities	932,174	350,408
Total extraordinary income	933,516	350,462
Extraordinary losses		
Loss on sale of non-current assets	10	45
Loss on retirement of non-current assets	10,546	137,488
Impairment losses	32,025	-
Loss on valuation of investment securities	43,041	-
Provision for environmental measures	426,000	43,000
Other	7,379	-
Total extraordinary losses	519,003	180,534
Profit before income taxes	4,867,369	5,380,647
Income taxes - current	1,992,523	1,137,995
Income taxes - deferred	(544,265)	274,103
Total income taxes	1,448,258	1,412,099
Profit	3,419,111	3,968,548
Profit attributable to		
Profit attributable to owners of parent	3,327,674	3,870,959
Profit attributable to non-controlling interests	91,437	97,588
Other comprehensive income		
Valuation difference on available-for-sale securities	144,166	(694,113)
Deferred gains or losses on hedges	1,243	(7,921)
Foreign currency translation adjustment	328,110	(103,235)
Remeasurements of defined benefit plans, net of tax	27,875	17,908
Total other comprehensive income	501,396	(787,361)
Comprehensive income	3,920,508	3,181,186
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,750,794	3,109,089
Comprehensive income attributable to non-controlling interests	169,714	72,097

Consolidated statement of changes in equity
Fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,933,221	6,821,920	28,513,077	(3,171,070)	38,097,149
Changes during period					
Dividends of surplus			(1,460,915)		(1,460,915)
Profit attributable to owners of parent			3,327,674		3,327,674
Purchase of treasury shares				(986,983)	(986,983)
Disposal of treasury shares		48,876		40,568	89,444
Employee welfare benefit fund			(11,198)		(11,198)
Net changes in items other than shareholders' equity					
Total changes during period	-	48,876	1,855,560	(946,414)	958,021
Balance at end of period	5,933,221	6,870,796	30,368,637	(4,117,485)	39,055,170

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	6,469,379	3,275	697,997	(1,156)	7,169,496	834,562	46,101,208
Changes during period							
Dividends of surplus							(1,460,915)
Profit attributable to owners of parent							3,327,674
Purchase of treasury shares							(986,983)
Disposal of treasury shares							89,444
Employee welfare benefit fund							(11,198)
Net changes in items other than shareholders' equity	144,166	1,124	249,953	27,875	423,119	76,930	500,050
Total changes during period	144,166	1,124	249,953	27,875	423,119	76,930	1,458,071
Balance at end of period	6,613,546	4,400	947,951	26,718	7,592,616	911,493	47,559,280

Consolidated statement of changes in equity
Fiscal year ended March 31, 2025

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,933,221	6,870,796	30,368,637	(4,117,485)	39,055,170
Changes during period					
Dividends of surplus			(1,619,653)		(1,619,653)
Profit attributable to owners of parent			3,870,959		3,870,959
Purchase of treasury shares				(823)	(823)
Disposal of treasury shares		11,393		12,716	24,110
Net changes in items other than shareholders' equity					
Total changes during period	-	11,393	2,251,305	11,892	2,274,591
Balance at end of period	5,933,221	6,882,189	32,619,943	(4,105,592)	41,329,762

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	6,613,546	4,400	947,951	26,718	7,592,616	911,493	47,559,280
Changes during period							
Dividends of surplus							(1,619,653)
Profit attributable to owners of parent							3,870,959
Purchase of treasury shares							(823)
Disposal of treasury shares							24,110
Net changes in items other than shareholders' equity	(694,113)	(7,129)	(78,535)	17,908	(761,870)	(2,699)	(764,569)
Total changes during period	(694,113)	(7,129)	(78,535)	17,908	(761,870)	(2,699)	1,510,022
Balance at end of period	5,919,432	(2,729)	869,415	44,627	6,830,746	908,794	49,069,302

Consolidated statement of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	4,867,369	5,380,647
Depreciation	1,436,547	1,375,531
Impairment losses	32,025	-
Increase (decrease) in allowance for doubtful accounts	(84)	79
Increase (decrease) in retirement benefit liability	(17,180)	(13,730)
Decrease (increase) in retirement benefit asset	(50,021)	(36,954)
Increase (decrease) in provision for environmental measures	426,000	(383,000)
Interest and dividend income	(341,921)	(351,462)
Interest expenses	1,308	4,992
Foreign exchange losses (gains)	(25,139)	1,089
Loss (gain) on sale of investment securities	(932,174)	(350,408)
Loss (gain) on valuation of investment securities	43,041	-
Loss (gain) on sale and retirement of non-current assets	9,215	137,268
Decrease (increase) in trade receivables	(260,705)	939,300
Decrease (increase) in inventories	1,301,203	537,449
Increase (decrease) in guarantee deposits received	(10,689)	(3,649)
Increase (decrease) in trade payables	(312,545)	(849,349)
Decrease (increase) in consumption taxes refund receivable	524,652	(154,502)
Increase (decrease) in accrued consumption taxes	298,176	(336,583)
Other, net	215,453	27,808
Subtotal	7,204,530	5,924,527
Interest and dividends received	341,921	351,462
Interest paid	(1,308)	(4,992)
Income taxes paid	(1,266,998)	(2,183,148)
Net cash provided by (used in) operating activities	6,278,145	4,087,848

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from investing activities		
Payments into time deposits	(636,300)	-
Proceeds from withdrawal of time deposits	-	206,800
Purchase of property, plant and equipment	(851,237)	(2,282,758)
Proceeds from sale of property, plant and equipment	5,212	65
Payments for retirement of property, plant and equipment	-	(55,327)
Payments for asset retirement obligations	-	(47,519)
Purchase of intangible assets	(414,762)	(39,722)
Purchase of investment securities	(1,176)	(1,310)
Proceeds from sale of investment securities	1,264,101	451,276
Net cash provided by (used in) investing activities	(634,162)	(1,768,496)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	300,000
Proceeds from long-term borrowings	-	800,000
Dividends paid	(1,460,915)	(1,619,653)
Dividends paid to non-controlling interests	(89,310)	(74,796)
Purchase of treasury shares	(986,983)	(823)
Other, net	(8,006)	(6,887)
Net cash provided by (used in) financing activities	(2,545,215)	(602,161)
Effect of exchange rate change on cash and cash equivalents	72,509	(15,829)
Net increase (decrease) in cash and cash equivalents	3,171,276	1,701,360
Cash and cash equivalents at beginning of period	7,766,215	10,937,491
Cash and cash equivalents at end of period	10,937,491	12,638,852

(Notes on segment information, etc.)
Segment information

1. Description of reporting segments

The Group's reporting segments are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate performance, with separate financial statements available among the constituent units of the Company and its subsidiaries.

The Company is developing comprehensive domestic and overseas strategies and business activities for its business units, which are organized by product and service, based on financial statements that are segregated into the constituent units of the Company and its subsidiaries. The Company's reporting segments are "Functional products" and "Environmental hygiene products."

The "Functional products" segment conducts manufacturing and sales, and stocking and sales of cosmetic ingredients, wool grease derivatives, phospholipids, functional coating agents, resin additives, vegetable oils and fats, synthetic resin products, and other products, and entrusts pharmacology and safety tests. In "Environmental hygiene products," we manufacture and sell commercial detergents, medicinal soap solutions, disinfectants, and fungicides.

2. Method for calculating the amount of net sales, profits or losses, assets and other items by reporting segment

The accounting method for the reported business segments is the same as the accounting method used for the preparation of consolidated financial statements.

Profit of the reporting segment is based on operating profit. Internal revenue and transfer volumes between segments are based on actual market prices.

3. Information on net sales, profits or losses, assets and other items for each reporting segment and information on the decomposition of profits

Previous fiscal year (April 1, 2023 to March 31, 2024)

(Thousands of yen)

	Reporting segments			Other Note: 1	Total	Adjustment amount Note: 2	Amount recorded in consolidated financial statements Note: 3
	Functional products	Environmen- tal hygiene products	Total				
Net sales							
Revenue from contracts with customers	26,195,914	7,083,228	33,279,143	-	33,279,143	-	33,279,143
Other revenue	-	-	-	252,705	252,705	-	252,705
Revenues from external customers	26,195,914	7,083,228	33,279,143	252,705	33,531,848	-	33,531,848
Intersegment sales or transfers	206,614	27,752	234,367	125,964	360,331	(360,331)	-
Total	26,402,528	7,110,981	33,513,510	378,670	33,892,180	(360,331)	33,531,848
Segment profit	3,603,278	487,672	4,090,950	106,956	4,197,907	-	4,197,907
Segment assets	32,023,942	3,297,168	35,321,110	1,675,550	36,996,661	22,454,089	59,450,750
Other items							
Depreciation	1,283,238	56,069	1,339,308	32,222	1,371,530	65,017	1,436,547
Increase in property, plant and equipment and intangible assets	1,543,780	24,312	1,568,093	-	1,568,093	288,952	1,857,045

Note: 1. The "Other" segment is a business segment that is not included in the reporting segments and includes real estate leasing.

2. The amount of adjustment is as follows:

(1) The amount of adjustments for segment assets is (104,669) thousand yen for inter-segment elimination and 22,558,758 thousand yen for company-wide assets that have not been allocated to each reporting segment. The main assets of the Company are the remaining funds under management (cash and deposits) of the parent company, long-term investment funds (investment securities), and assets related to the management division.

(2) Adjustments for depreciation and amortization and increases in property, plant and equipment and intangible assets for other items pertain to company-wide assets that have not been allocated to each reporting segment.

3. Segment profit is consistent with operating income in the consolidated income and comprehensive income statements.

Current fiscal year (April 1, 2024 to March 31, 2025)

(Thousands of yen)

	Reporting segments			Other Note: 1	Total	Adjustment amount Note: 2	Amount recorded in consolidated financial statements Note: 3
	Functional products	Environmen- tal hygiene products	Total				
Net sales							
Revenue from contracts with customers	28,443,575	6,993,933	35,437,509	-	35,437,509	-	35,437,509
Other revenue	-	-	-	226,227	226,227	-	226,227
Revenues from external customers	28,443,575	6,993,933	35,437,509	226,227	35,663,736	-	35,663,736
Intersegment sales or transfers	193,086	26,382	219,468	129,576	349,044	(349,044)	-
Total	28,636,661	7,020,316	35,656,977	355,803	36,012,781	(349,044)	35,663,736
Segment profit	4,314,182	519,317	4,833,500	61,882	4,895,383	-	4,895,383
Segment assets	32,467,743	3,074,361	35,542,105	1,614,072	37,156,178	22,639,997	59,796,175
Other items							
Depreciation	1,165,833	58,544	1,224,378	32,717	1,257,095	118,435	1,375,531
Increase in property, plant and equipment and intangible assets	2,390,947	48,977	2,439,925	8,194	2,448,120	35,778	2,483,899

Note: 1. The "Other" segment is a business segment that is not included in the reporting segments and includes real estate leasing.

2. The amount of adjustment is as follows:

(1) The amount of adjustments for segment assets is (73,315) thousand yen for inter-segment elimination and 22,713,312 thousand yen for company-wide assets that have not been allocated to each reporting segment. The main assets of the Company are the remaining funds under management (cash, deposits, and securities) of the parent company, long-term investment funds (investment securities), and assets related to the management division.

(2) Adjustments for depreciation and amortization and increases in property, plant and equipment and intangible assets for other items pertain to company-wide assets that have not been allocated to each reporting segment.

3. Segment profit is consistent with operating income in the consolidated income and comprehensive income statements.

4 Information on impairment losses on fixed assets by reporting segment

Previous fiscal year (April 1, 2023 to March 31, 2024)

(Thousands of yen)

	Functional products	Environmental hygiene products	Other	Company-wide elimination	Total
Impairment losses	32,025	-	-	-	32,025

Current fiscal year (April 1, 2024 to March 31, 2025)

Not applicable.