

July 30, 2025

Summary of Consolidated Financial Results for the Three Months Ended June 30, 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
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 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: None

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

1. Consolidated financial results for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|--------------------|-----------------|-------|------------------|-------|-----------------|-------|---|-------|
| Three months ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| June 30, 2025 | 8,121 | (1.7) | 1,238 | 24.4 | 1,390 | 25.2 | 999 | 27.0 |
| June 30, 2024 | 8,260 | 1.9 | 995 | (5.8) | 1,110 | (6.8) | 787 | (5.7) |

Note: Comprehensive income For the three months ended June 30, 2025: ¥1,987 million [39.9%]
 For the three months ended June 30, 2024: ¥1,420 million [(7.9)%]

| | Basic earnings per share | Diluted earnings per share |
|--------------------|--------------------------|----------------------------|
| Three months ended | Yen | Yen |
| June 30, 2025 | 44.75 | - |
| June 30, 2024 | 34.99 | - |

(2) Consolidated financial position

| | Total assets | Net assets | Equity-to-asset ratio |
|----------------|-----------------|-----------------|-----------------------|
| As of | Millions of yen | Millions of yen | % |
| June 30, 2025 | 59,048 | 49,244 | 81.9 |
| March 31, 2025 | 59,796 | 49,069 | 80.5 |

Reference: Equity

As of June 30, 2025: ¥48,348 million
 As of March 31, 2025: ¥48,160 million

2. Cash dividends

| | Annual dividends per share | | | | |
|--|----------------------------|--------------------|-------------------|-----------------|-------|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended March 31, 2025 | - | 37.00 | - | 37.00 | 74.00 |
| Fiscal year ending March 31, 2026 | - | | | | |
| Fiscal year ending March 31, 2026 (Forecast) | | 47.00 | | 47.00 | 94.00 |

Note: Revisions to the forecast of cash dividends most recently announced: None

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 |

Note: Revisions to the earnings forecasts most recently announced: None

* **Notes**

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

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) 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

(4) Number of issued shares (common shares)

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

| | |
|----------------------|-------------------|
| As of June 30, 2025 | 25,372,447 shares |
| As of March 31, 2025 | 25,372,447 shares |

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

| | |
|----------------------|------------------|
| As of June 30, 2025 | 3,299,822 shares |
| As of March 31, 2025 | 2,873,681 shares |

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

| | |
|----------------------------------|-------------------|
| Three months ended June 30, 2025 | 22,341,156 shares |
| Three months ended June 30, 2024 | 22,490,728 shares |

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None

* 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.

Quarterly consolidated balance sheet

(Thousands of yen)

| | As of March 31, 2025 | As of June 30, 2025 |
|--|----------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 12,300,114 | 10,446,567 |
| Notes and accounts receivable - trade | 8,221,391 | 7,608,806 |
| Securities | 2,000,000 | 2,000,000 |
| Merchandise and finished goods | 3,936,295 | 3,290,073 |
| Work in process | 2,338,767 | 2,539,086 |
| Raw materials and supplies | 2,977,438 | 3,046,856 |
| Other | 440,612 | 1,379,572 |
| Allowance for doubtful accounts | (691) | (677) |
| Total current assets | 32,213,928 | 30,310,285 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 7,759,819 | 7,637,496 |
| Machinery, equipment and vehicles, net | 2,756,601 | 2,648,799 |
| Land | 3,719,989 | 3,719,989 |
| Construction in progress | 546,762 | 546,865 |
| Other, net | 826,040 | 830,740 |
| Total property, plant and equipment | 15,609,213 | 15,383,892 |
| Intangible assets | 656,213 | 618,744 |
| Investments and other assets | | |
| Investment securities | 10,871,513 | 12,315,013 |
| Retirement benefit asset | 154,385 | 155,894 |
| Other | 290,920 | 264,865 |
| Total investments and other assets | 11,316,818 | 12,735,773 |
| Total non-current assets | 27,582,246 | 28,738,410 |
| Total assets | 59,796,175 | 59,048,695 |

(Thousands of yen)

| | As of March 31, 2025 | As of June 30, 2025 |
|--|----------------------|---------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 3,049,348 | 3,031,416 |
| Short-term borrowings | 300,000 | - |
| Accounts payable - other | 1,107,412 | 810,890 |
| Income taxes payable | 273,417 | 249,144 |
| Provision for bonuses | 691,839 | 387,973 |
| Provision for bonuses for directors (and other officers) | 54,345 | 14,135 |
| Provision for environmental measures | 43,000 | 43,000 |
| Accounts payable - facilities | 1,307,609 | 1,162,522 |
| Asset retirement obligations | 18,000 | 18,000 |
| Other | 571,841 | 1,045,555 |
| Total current liabilities | 7,416,814 | 6,762,639 |
| Non-current liabilities | | |
| Long-term borrowings | 800,000 | - |
| Deferred tax liabilities | 2,278,735 | 2,829,721 |
| Retirement benefit liability | 114,044 | 97,361 |
| Long-term accounts payable - other | 4,059 | 4,059 |
| Long-term guarantee deposits | 88,550 | 87,798 |
| Asset retirement obligations | 5,730 | 5,730 |
| Other | 18,937 | 17,208 |
| Total non-current liabilities | 3,310,058 | 3,041,879 |
| Total liabilities | 10,726,872 | 9,804,519 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 5,933,221 | 5,933,221 |
| Capital surplus | 6,882,189 | 6,882,189 |
| Retained earnings | 32,619,943 | 32,787,462 |
| Treasury shares | (4,105,592) | (5,050,953) |
| Total shareholders' equity | 41,329,762 | 40,551,920 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 5,919,432 | 6,907,725 |
| Deferred gains or losses on hedges | (2,729) | - |
| Foreign currency translation adjustment | 869,415 | 846,533 |
| Remeasurements of defined benefit plans | 44,627 | 42,661 |
| Total accumulated other comprehensive income | 6,830,746 | 7,796,920 |
| Non-controlling interests | 908,794 | 895,335 |
| Total net assets | 49,069,302 | 49,244,176 |
| Total liabilities and net assets | 59,796,175 | 59,048,695 |

Quarterly consolidated statement of income and comprehensive income (cumulative)

(Thousands of yen)

| | Three months ended June 30, 2024 | Three months ended June 30, 2025 |
|--|-------------------------------------|-------------------------------------|
| Net sales | 8,260,660 | 8,121,719 |
| Cost of sales | 5,832,048 | 5,444,724 |
| Gross profit | 2,428,611 | 2,676,995 |
| Selling, general and administrative expenses | 1,433,201 | 1,438,284 |
| Operating profit | 995,410 | 1,238,710 |
| Non-operating income | | |
| Interest income | 4,027 | 3,282 |
| Interest on securities | - | 2,991 |
| Dividend income | 124,974 | 150,544 |
| Miscellaneous income | 13,293 | 14,803 |
| Total non-operating income | 142,295 | 171,621 |
| Non-operating expenses | | |
| Interest expenses | 265 | 261 |
| Commission for purchase of treasury shares | - | 8,506 |
| Foreign exchange losses | 13,241 | 2,023 |
| Depreciation | 12,478 | 8,118 |
| Miscellaneous losses | 793 | 457 |
| Total non-operating expenses | 26,777 | 19,366 |
| Ordinary profit | 1,110,927 | 1,390,965 |
| Extraordinary income | | |
| Gain on sale of non-current assets | - | 199 |
| Total extraordinary income | - | 199 |
| Extraordinary losses | | |
| Loss on sale of non-current assets | 49 | - |
| Loss on retirement of non-current assets | 2,204 | 9,640 |
| Other | 211 | - |
| Total extraordinary losses | 2,465 | 9,640 |
| Profit before income taxes | 1,108,462 | 1,381,525 |
| Income taxes - current | 290,422 | 240,382 |
| Income taxes - deferred | 7,483 | 114,458 |
| Total income taxes | 297,905 | 354,841 |
| Profit | 810,556 | 1,026,683 |
| Profit attributable to | | |
| Profit attributable to owners of parent | 787,143 | 999,972 |
| Profit attributable to non-controlling interests | 23,412 | 26,711 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 401,094 | 988,292 |
| Deferred gains or losses on hedges | 8,205 | 3,032 |
| Foreign currency translation adjustment | 201,562 | (29,027) |
| Remeasurements of defined benefit plans, net of tax | (1,168) | (1,965) |
| Total other comprehensive income | 609,693 | 960,331 |
| Comprehensive income | 1,420,250 | 1,987,015 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 1,347,997 | 1,966,147 |
| Comprehensive income attributable to non-controlling interests | 72,252 | 20,868 |

(Notes on segment information, etc)

Segment information

I. Previous first quarter (Cumulative) (From April 1, 2024 to June 30, 2024)

Information on net sales and profits or losses for each reporting segment, and information on the decomposition of profits

(Thousands of yen)

| | Reporting segments | | | Other Note: 1 | Total | Adjustment amount | Quarterly consolidated statement of income and comprehensive income amounts Note: 2 |
|---------------------------------------|------------------------|--|-----------|------------------|-----------|----------------------|--|
| | Functional products | Environmen- tal hygiene products | Total | | | | |
| Net sales | | | | | | | |
| Revenue from contracts with customers | 6,523,577 | 1,679,593 | 8,203,171 | - | 8,203,171 | - | 8,203,171 |
| Other revenue | - | - | - | 57,489 | 57,489 | - | 57,489 |
| Revenues from external customers | 6,523,577 | 1,679,593 | 8,203,171 | 57,489 | 8,260,660 | - | 8,260,660 |
| Intersegment sales or transfers | 36,558 | 8,393 | 44,951 | 32,684 | 77,636 | (77,636) | - |
| Total | 6,560,135 | 1,687,987 | 8,248,123 | 90,173 | 8,338,296 | (77,636) | 8,260,660 |
| Segment profit | 863,215 | 108,006 | 971,221 | 24,188 | 995,410 | - | 995,410 |

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

2. Segment profit is consistent with the operating profit in the quarterly consolidated statement of income and comprehensive income.

II. Current first quarter (Cumulative) (From April 1, 2025 to June 30, 2025)

Information on net sales and profits or losses for each reporting segment, and information on the decomposition of profits

(Thousands of yen)

| | Reportable segments | | | Other Note: 1 | Total | Adjustment amount | Quarterly consolidated statement of income and comprehensive income amounts Note: 2 |
|---------------------------------------|------------------------|--|-----------|------------------|-----------|----------------------|--|
| | Functional products | Environmen- tal hygiene products | Total | | | | |
| Net sales | | | | | | | |
| Revenue from contracts with customers | 6,331,003 | 1,732,142 | 8,063,145 | - | 8,063,145 | - | 8,063,145 |
| Other revenue | - | - | - | 58,573 | 58,573 | - | 58,573 |
| Revenues from external customers | 6,331,003 | 1,732,142 | 8,063,145 | 58,573 | 8,121,719 | - | 8,121,719 |
| Intersegment sales or transfers | 48,887 | 5,338 | 54,225 | 31,373 | 85,599 | (85,599) | - |
| Total | 6,379,891 | 1,737,480 | 8,117,371 | 89,946 | 8,207,318 | (85,599) | 8,121,719 |
| Segment profit | 1,100,062 | 115,506 | 1,215,569 | 23,141 | 1,238,710 | - | 1,238,710 |

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

2. Segment profit is consistent with the operating profit in the quarterly consolidated statement of income and comprehensive income.