

Financial Results Meeting for Fiscal Year Ended March 31, 2025 (FY2024)



**April 30, 2025
NIPPON FINE CHEMICAL CO., LTD.**

Table of Contents

- 1. Full-year Earnings Overview for Fiscal Year Ended March 31, 2025**
- 2. Full-year Earnings Forecasts for Fiscal Year Ending March 31, 2026**
- 3. Investment in Facilities and R&D**
- 4. Capital Policies and Shareholder Returns**

Table of Contents

1. Full-year Earnings Overview for Fiscal Year Ended March 31, 2025

2. Full-year Earnings Forecasts for Fiscal Year Ending March 31, 2026

3. Investment in Facilities and R&D

4. Capital Policies and Shareholder Returns

Overview of Consolidated Financial Results for FY2024

	FY2023	FY2024		Latest Forecast November 12, 2024 Financial Results Meeting for the 1st Half of FY2024	
	Results	Results	Year-on-year changes	Forecasts	Change from forecast
Net sales (Unit: 100 millions of yen)	335.3	356.6	6.4%	366.0	(2.6%)
Operating profit (Unit: 100 millions of yen)	42.0	49.0	16.6%	48.5	0.9%
Ratio of operating profit (%)	12.5	13.7	—	13.3	—
EBITDA* (Unit: 100 millions of yen)	55.0	62.5	13.8%	62.1	0.7%
EBITDA margin (%)	16.4	17.5	—	17.0	—
Ordinary profit (Unit: 100 millions of yen)	44.5	52.1	17.0%	50.5	3.2%
Profit attributable to owners of parent (Unit: 100 millions of yen)	33.3	38.7	16.4%	35.5	9.1%
Basic earnings per share (Yen)	146.4	172.1	—	157.8	—

*EBITDA: Operating profit before depreciation and amortization

Consolidated Managerial Indicators for FY2024

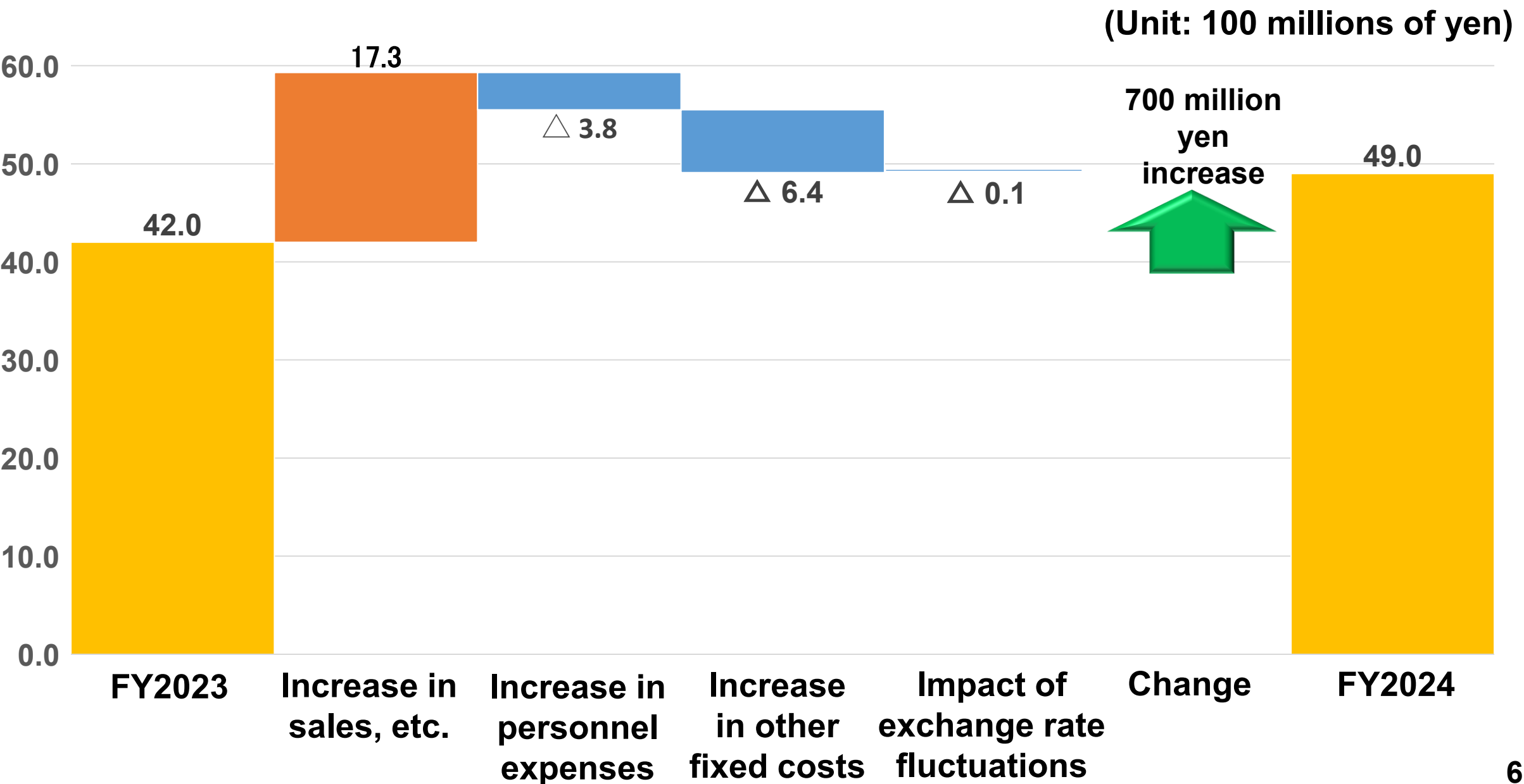
	The 13th Medium-term Management Plan		The 14th Medium-term Management Plan				
	FY2018	FY2022	FY2023	FY2024	FY2025	FY2026	
	Results	Results	Results	Results	Forecasts	Initial target	Revision (*2)
Net sales (Unit: Billions of yen)	28.0	36.8	33.5	35.6	34.2	41.0	38.0
Operating profit (Unit: Billions of yen)	3.2	5.0	4.2	4.9	5.0	5.7	5.8
EBITDA (Unit: Billions of yen)	4.3	6.0	5.5	6.2	6.4	7.7	7.5
ROIC (%) (*1)	6.1	7.9	6.3	7.1	7.2	8.0	8.0
Capital investment (Unit: Billions of yen)	¥10.9 billion in 5 years		1.77	2.50	5.80	¥12.0 billion in 4 years	¥16.0 billion in 4 years
Ratio of R&D expenses to net sales (%)	2.4	2.4	2.7	2.7	2.9	2.7	2.7

(*1) ROIC: Return on invested capital

(*2) Review of the Medium-term Management Plan

*Net sales, operating profit, and EBITDA are rounded down to the nearest whole number.

Consolidated Financial Results for FY2024: Analysis of Operating Profit



Overview of Consolidated Financial Results for FY2024 by Segment

Unit: 100 millions of yen

		Results for FY2023			FY2024 forecasts November 12, 2024 Financial Results Meeting for the 1st Half of FY2024			Results for FY2024			Year-on-year changes			Change from forecast		
		Net sales	Operating profit	EBITDA	Net sales	Operating profit	EBITDA	Net sales	Operating profit	EBITDA	Net sales	Operating profit	EBITDA	Net sales	Operating profit	EBITDA
Functional Products		262.0	36.0	48.1	289.4	41.8	54.4	284.4	43.1	55.8	8.6%	19.7%	16.0%	(1.7%)	3.2%	2.6%
	Beauty care	79.4	21.9	24.4	92.0	24.6	27.7	89.4	24.2	27.3	12.6%	10.2%	11.7%	(2.8%)	(1.7%)	(1.5%)
	Health care	58.3	4.5	11.9	59.4	8.0	15.7	60.5	10.2	17.9	3.8%	128.0%	50.0%	1.9%	27.9%	14.1%
	Fine chemicals	52.0	6.4	8.4	58.0	5.5	7.2	56.1	5.1	7.0	7.9%	(19.7%)	(17.3%)	(3.3%)	(6.5%)	(3.3%)
	Trading	72.3	3.2	3.3	80.0	3.7	3.8	78.4	3.6	3.7	8.5%	12.2%	9.9%	(2.0%)	(2.4%)	(3.9%)
Environmental Hygiene Products (Hygiene)		70.8	4.9	5.4	74.2	6.0	6.6	69.9	5.2	5.8	(1.3%)	6.5%	6.3%	(5.7%)	(13.5%)	(12.4%)
Other		2.5	1.1	1.4	2.4	0.7	1.0	2.3	0.6	0.9	(10.5%)	(42.5%)	(34.0%)	(5.8%)	(11.3%)	(9.0%)
Consolidated Total		335.3	42.0	55.0	366.0	48.5	62.1	356.6	49.0	62.5	6.4%	16.6%	13.8%	(2.6%)	1.0%	0.7%

FY2024 Overview Functional Products: Beauty Care

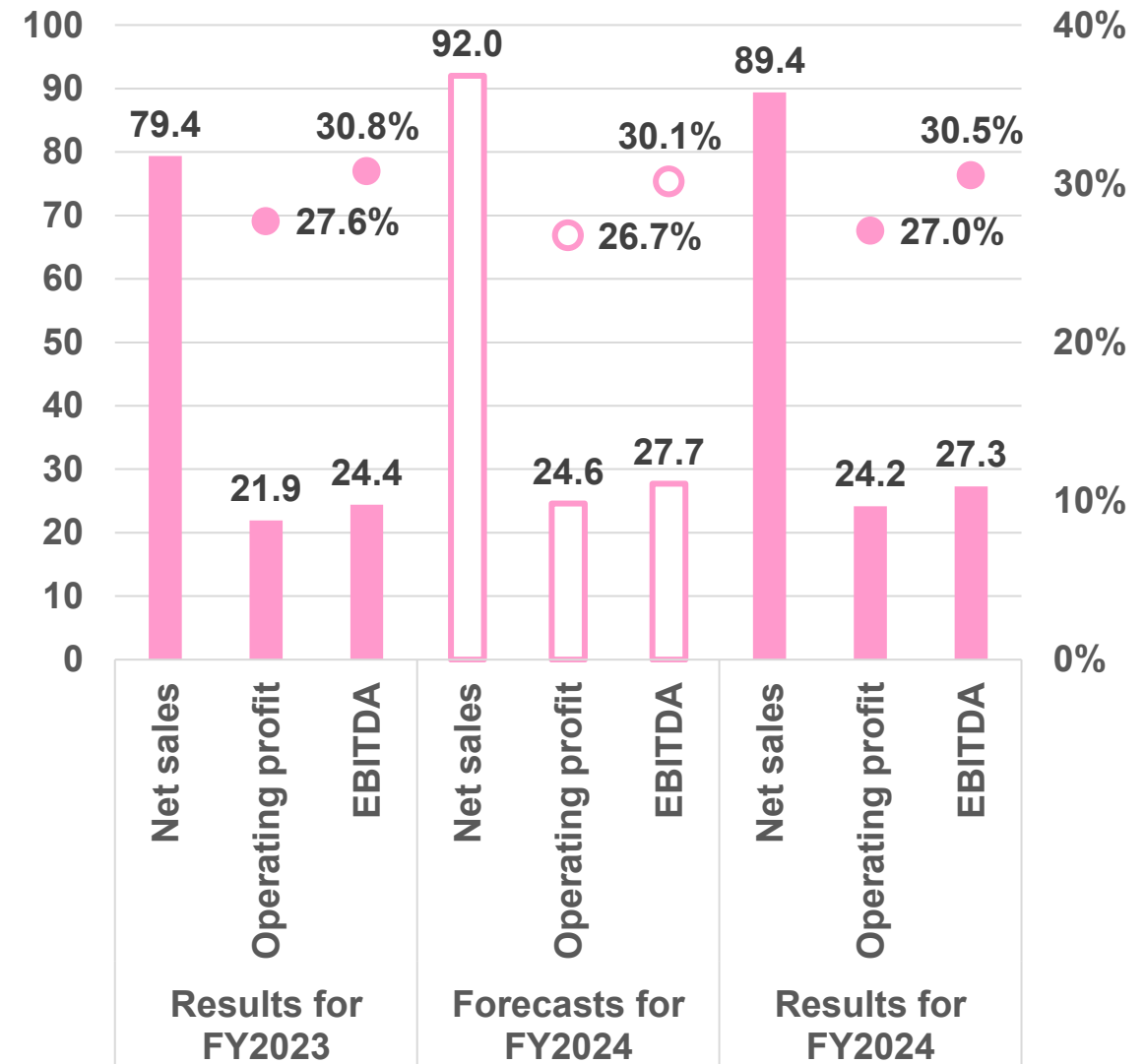
Applicable products

- Phospholipids for cosmetics
- Functional esters for cosmetics
- Active ingredient (e.g. skin-lightening base)
- Natural polysaccharides
(Tremella fuciformis polysaccharide, Inulin)
- WG derivatives for cosmetics (lanolin/cholesterol)

Overview for Fiscal Year Ended March 31, 2025

- (+) Increase in sales of functional esters for cosmetics for overseas markets thanks to sustainability considerations and various certifications (Non-GMO, RSPO, ISO16128, etc.)
Domestic sales also remained strong.
- (-) Sales of “phospholipids for cosmetics” decreased due to a slump in the Chinese economy.
- (-) Sales of active ingredient (skin-lightening base) for the domestic market decreased.

(100 millions of yen)



Amount (left axis)

Ratio of operating profit/EBITDA margin (right axis)

FY2024 Overview Functional Products: Health Care

■ Applicable products and services

- High-purity phospholipids for pharmaceuticals
- WG derivatives for pharmaceuticals (lanolin/cholesterol)
- Support for CDMO development (liposome/LNP development)
- Pharmaceutical intermediates
- Pharmacology and safety tests (Nissei Bilis)

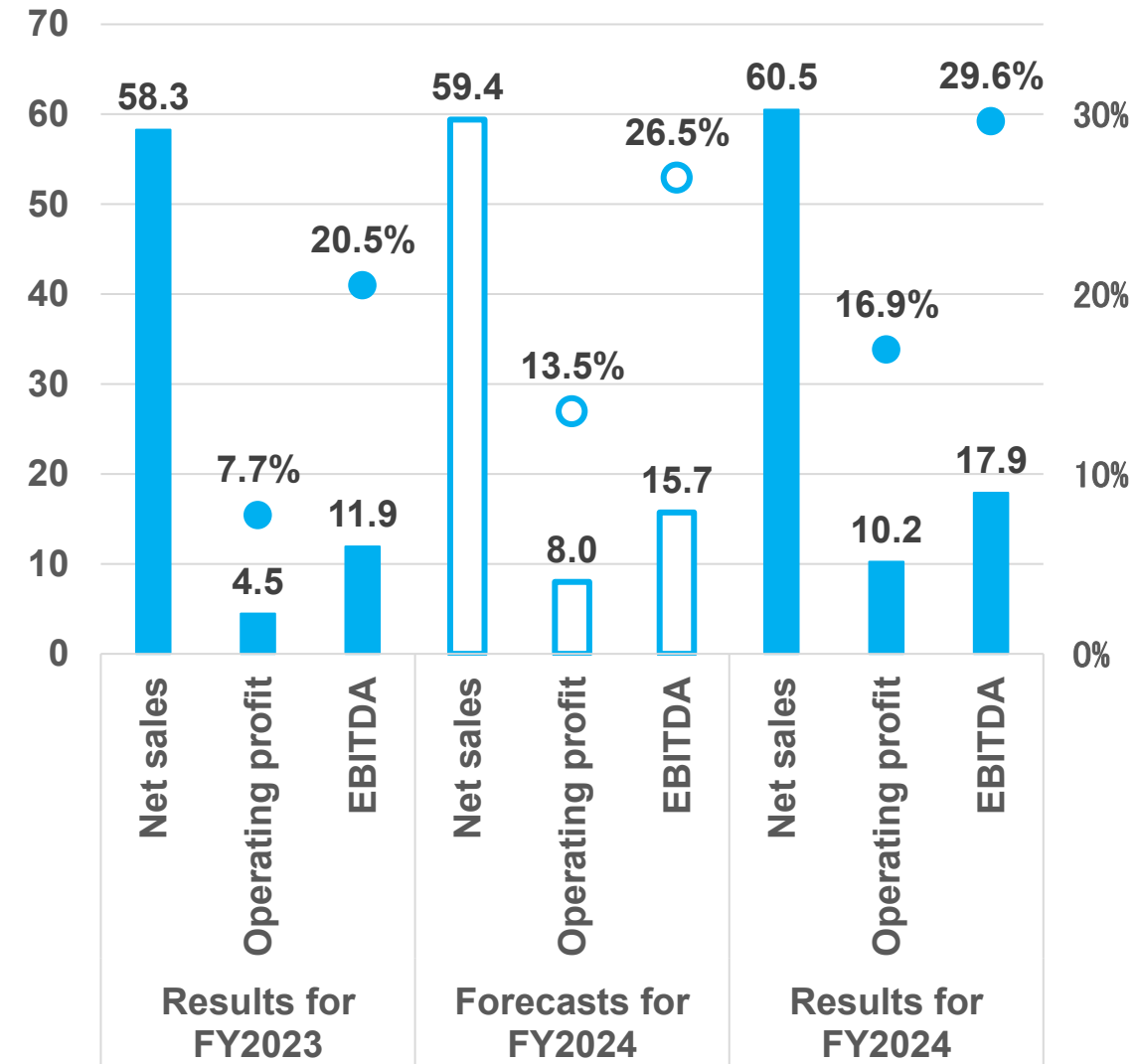
■ Overview for Fiscal Year Ended March 31, 2025

- (+) For Gilead Sciences, Inc.:
Stable operations at new plants (progress as planned).
- (+) High-purity phospholipids for pharmaceuticals: Increase in sales for overseas markets.
- (+) Established manufacturing methods using continuous synthesis process for proprietary materials.
- (+) WG derivatives for pharmaceutical: Steady for overseas market.
- (-) Pharmacology and safety tests: Sales decreased as number of orders decreased.

*WG: Wool grease *LNP: Lipid nanoparticles

*CDMO: Contract manufacturing and development organization

(100 millions of yen)



■ Amount (left axis)

● Ratio of operating profit/EBITDA margin (right axis)

FY2024 Overview Functional Products: Fine Chemicals

- Applicable products
 - Electronic materials, materials for resources and energy (various acid chlorides)
 - Materials for perovskite (PSC) solar cells
 - Additives for resins (fatty acid amides)
 - Various WG derivatives (feed cholesterol/lubricant, etc.)
 - Functional coatings (NSC)

■ Overview for Fiscal Year Ended March 31, 2025

(+/-) Targeting selection and concentration of existing products.

(+) Materials for perovskite solar cells:

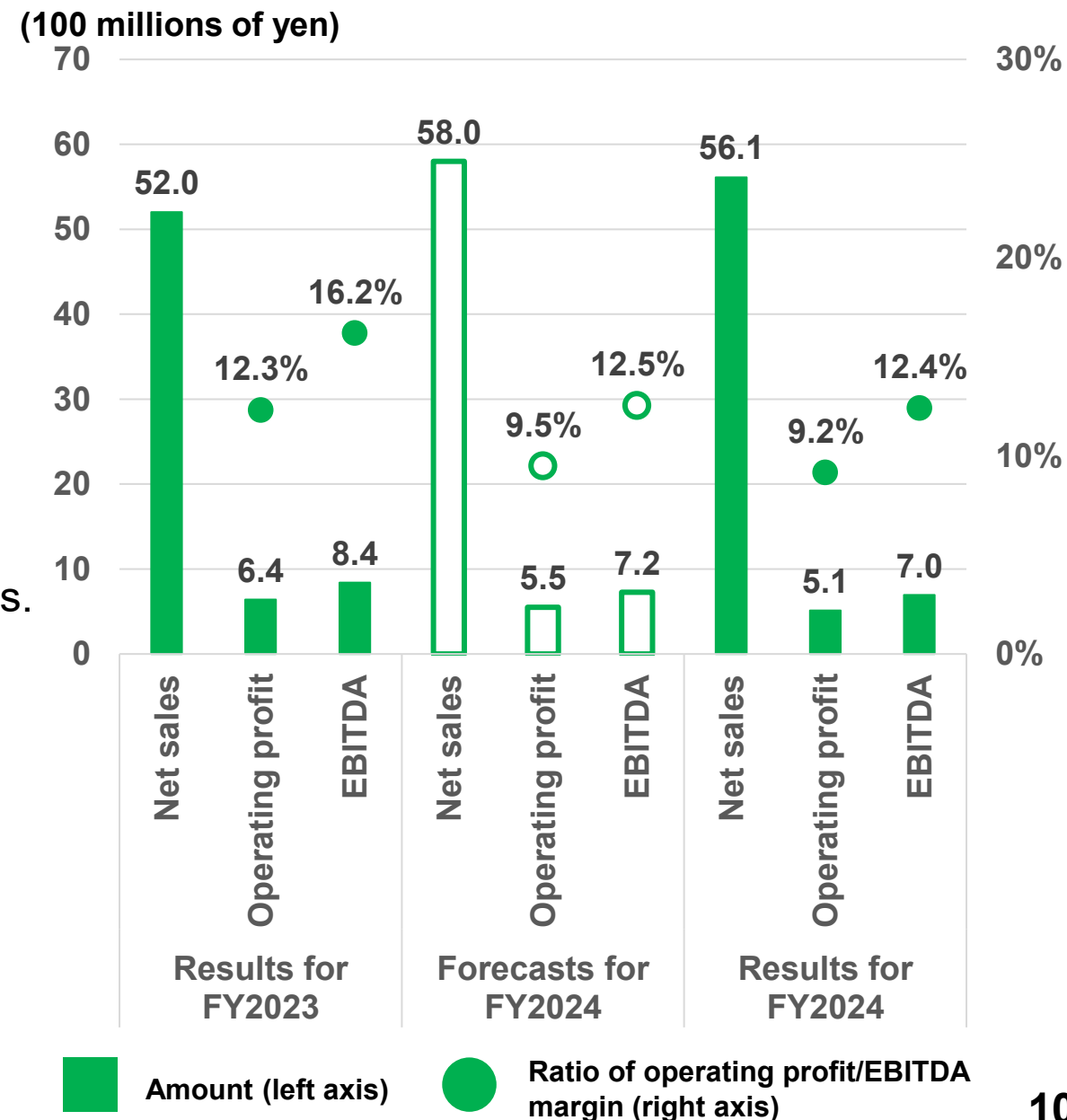
Scale-up for social implementation under consideration.

(+/-) Various WG derivatives:

Inventory adjustment is on track, and profitability is improving through sales at fair prices.

(-) Fatty acid amides: Sales declined both in Japan and overseas.

(-) Coatings: Sales declined for overseas market.



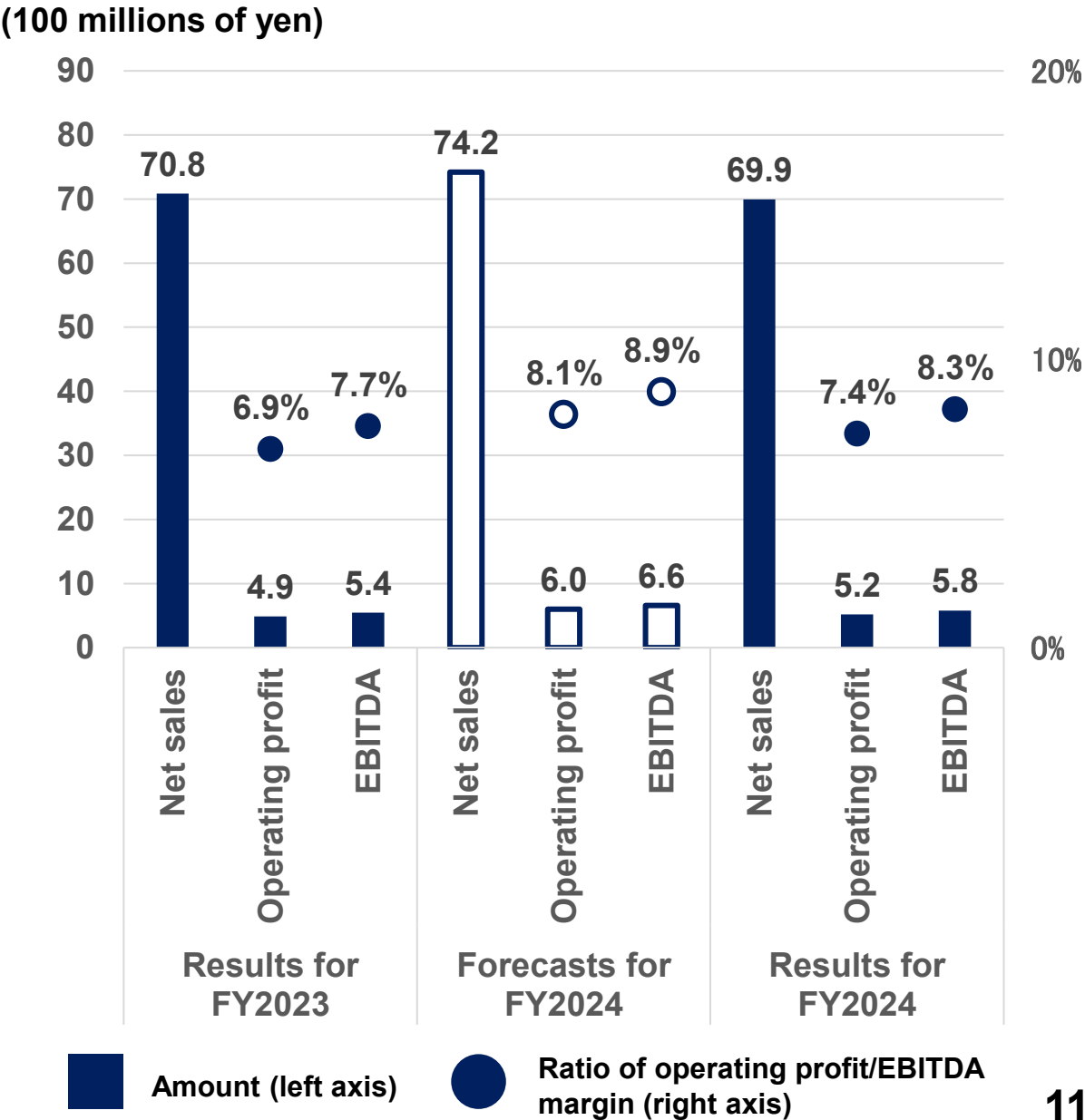
FY2024 Overview Environmental Hygiene Products (Hygiene)

■ Applicable products and services

- Liquid soap for washing hands
- Hand sanitizer
- Public health products
- Food hygiene products/hygiene support
- Medical hygiene products

■ Overview for Fiscal Year Ended March 31, 2025

- (-) Despite the outbreak of multiple infectious diseases, sales of hand sanitizers remained sluggish due to a decline in awareness of infection control measures.
- (-) Palm oil prices are soaring.
- (+) Marketing activities are being strengthened.
Focusing on developing new products that are expected to generate revenue from the next fiscal year.



Consolidated Balance Sheet for FY2024

Unit: 100 millions of yen

Account	Balance as of March 31, 2025	Year-on-year changes	Main factors for increase / decrease
Cash and deposits	123.0	(5.6)	
Notes and accounts receivable - trade	82.2	(9.5)	
Inventories	92.5	(5.5)	
Property, plant and equipment	156.1	+12.1	New administration and welfare building at the Kakogawa-higashi Plant
Investments and other assets	113.2	(9.2)	Sales of stocks and decrease in unrealized gains on investment securities and sale of some assets
Other	31.0	+21.2	Acquisition of securities
Total assets	598.0	+3.5	
Notes and accounts payable - trade	30.5	(9.1)	
Deferred tax liabilities	22.8	+0.9	
Other	54.0	(3.5)	
Total liabilities	107.3	(11.6)	
Total net assets	490.7	+15.1	Equity-to-asset ratio: 80.5%
Net assets per share	2,140.58 yen	+66.51 yen	

Consolidated Statement of Cash Flows for FY2024

Unit: 100 millions of yen

Category	FY2024	Main factors for increase / decrease
Profit before income taxes	53.8	
Depreciation	13.8	
Increase in working capital	6.3	
Income taxes paid	(21.8)	
Other	(11.2)	
Operating cash flow	40.9	
Investing cash flow	(17.7)	Purchase of property, plant and equipment (22.8)
[free cash flow]	[(3.2)]	
Financing cash flow	(6.0)	Dividends (16.2); Borrowings from other banks +11.0
Effect of exchange rate change on cash and cash equivalents	(0.2)	
Net increase (decrease) in cash and cash equivalents	17.0	

FY2024 Topics

- Opened exhibition space on the 1F of the Head Office (April)
- Started the Design & Creation Lab open lab event for cosmetic ingredients (April)
- TCFD Report 2024 (June)
- Lipid Division awarded the JSPC Award for Excellence from the Japanese Society for Process Chemistry (July)
(JSPC: the Japanese Society for Process Chemistry)
- Announced response to Action to Implement Management that is Conscious of Cost of Capital and Stock Price (August)
- Revised Employee Code of Conduct (January)
- Kakogawa-higashi Plant: Completion of new administration and welfare building KSC (March)

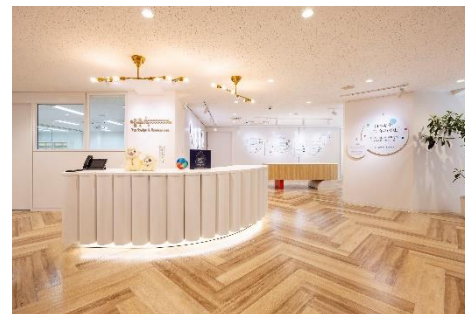


Table of Contents

1. Full-year Earnings Overview for Fiscal Year Ended March 31, 2025

2. Full-year Earnings Forecasts for Fiscal Year Ending March 31, 2026

3. Investment in Facilities and R&D

4. Capital Policies and Shareholder Returns

Summary of Full-year Consolidated Earnings Forecasts for FY2025

	FY2023	FY2024	FY2025	
	Results	Results	Forecasts	Year-on-year changes
Net sales (Unit: 100 millions of yen)	335.3	356.6	342.0	(4.1%)
Operating profit (Unit: 100 millions of yen)	42.0	49.0	50.0	2.1%
Ratio of operating profit (%)	12.5	13.7	14.6	—
EBITDA (Unit: 100 millions of yen)	55.0	62.5	64.9	3.8%
EBITDA margin (%)	16.4	17.5	19.0	—
Ordinary profit (Unit: 100 millions of yen)	44.5	52.1	52.0	(0.2%)
Profit attributable to owners of parent (Unit: 100 millions of yen)	33.3	38.7	40.0	3.3%
Basic earnings per share (Yen)	146.4	172.1	177.8	—

Consolidated Managerial Indicator Forecasts for FY2025

	The 13th Medium-term Management Plan		The 14th Medium-term Management Plan			
	FY2018	FY2022	FY2023	FY2024	FY2025	FY2026 (*1)
	Results	Results	Results	Results	Forecasts	Plans
Net sales (Unit: Billions of yen)	28.0	36.8	33.5	35.6	34.2	38.0
Operating profit (Unit: Billions of yen)	3.2	5.0	4.2	4.9	5.0	5.8
EBITDA (Unit: Billions of yen)	4.3	6.0	5.5	6.2	6.4	7.5
ROIC (%)	6.1	7.9	6.3	7.1	7.2	8.0
Capital investment	¥10.9 billion in 5 years		¥16.0 billion in 4 years (*1)			
Ratio of R&D expenses to net sales (%)	2.4	2.4	2.7	2.7	2.9	2.7

(*1) Review of the Medium-term Management Plan

*Net sales, operating profit, and EBITDA are rounded down to the nearest whole number. 17

Full-year Consolidated Earnings Forecasts for FY2025 by Segment

Unit: 100 millions of yen

	Results for FY2023			Results for FY2024			FY2025 forecasts			Year-on-year changes		
	Net sales	Operating profit	EBITDA	Net sales	Operating profit	EBITDA	Net sales	Operating profit	EBITDA	Net sales	Operating profit	EBITDA
Functional Products	262.0	36.0	48.1	284.4	43.1	55.8	259.6	42.4	56.4	(8.7%)	11.5%	1.1%
Beauty care	79.4	21.9	24.4	89.4	24.2	27.3	93.0	22.0	25.7	4.1%	(9.0%)	(5.8%)
Health care	58.3	4.5	11.9	60.5	10.2	17.9	66.0	12.4	20.6	9.1%	21.2%	14.9%
Fine chemicals	52.0	6.4	8.4	56.1	5.1	7.0	56.0	6.0	8.1	(0.2%)	16.7%	15.9%
Trading	72.3	3.2	3.3	78.4	3.6	3.7	44.6	2.0	2.1	(43.1%)	(44.6%)	(43.8%)
Environmental Hygiene Products (Hygiene)	70.8	4.9	5.4	69.9	5.2	5.8	80.0	7.0	7.6	14.4%	34.9%	30.8%
Other	2.5	1.1	1.4	2.3	0.6	0.9	2.4	0.6	0.9	6.1%	(3.0%)	(0.7%)
Consolidated Total	335.3	42.0	55.0	356.6	49.0	62.5	342.0	50.0	64.9	(4.1%)	2.1%	3.8%

FY2025 Forecast Functional Products: Beauty Care

External environment forecast

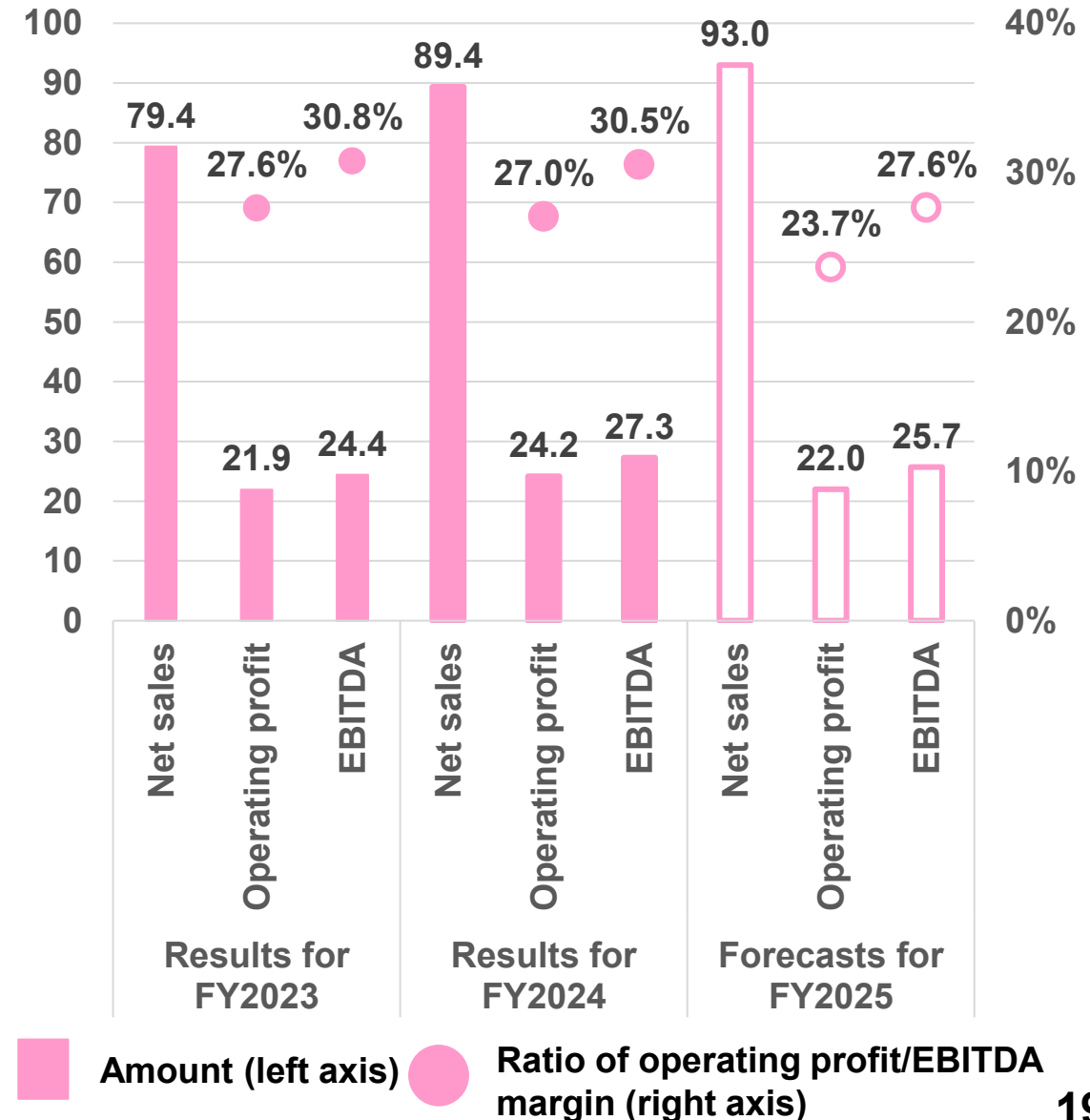
- (+) Growing demand for sustainable materials from European and US brands.
- (+) Long-term growth of global market based on an increase in cosmetics-user population.
- (+) Recovery in inbound demand in line with increase in number of tourists.
- (+/-) Superiority of local products in China.

Activity plans

- Increase overseas sales by reinforcing overseas marketing activities.
- Open innovation:
Discover themes and increase sales by collaborating with customers at The Design & Creation Lab.
- Phospholipids for cosmetics:
Boost sales in markets in Asia, Europe, and the US and search for new applications for hair care and makeup.
- Continue with proactive efforts aimed at sustainability and various certifications.
- Focus on sales of high-value-added products for WG derivatives for cosmetics
- Promote plan for construction of new cosmetics ingredients plant.

*WG: Wool grease

(100 millions of yen)



FY2025 Forecast Functional Products: Health Care

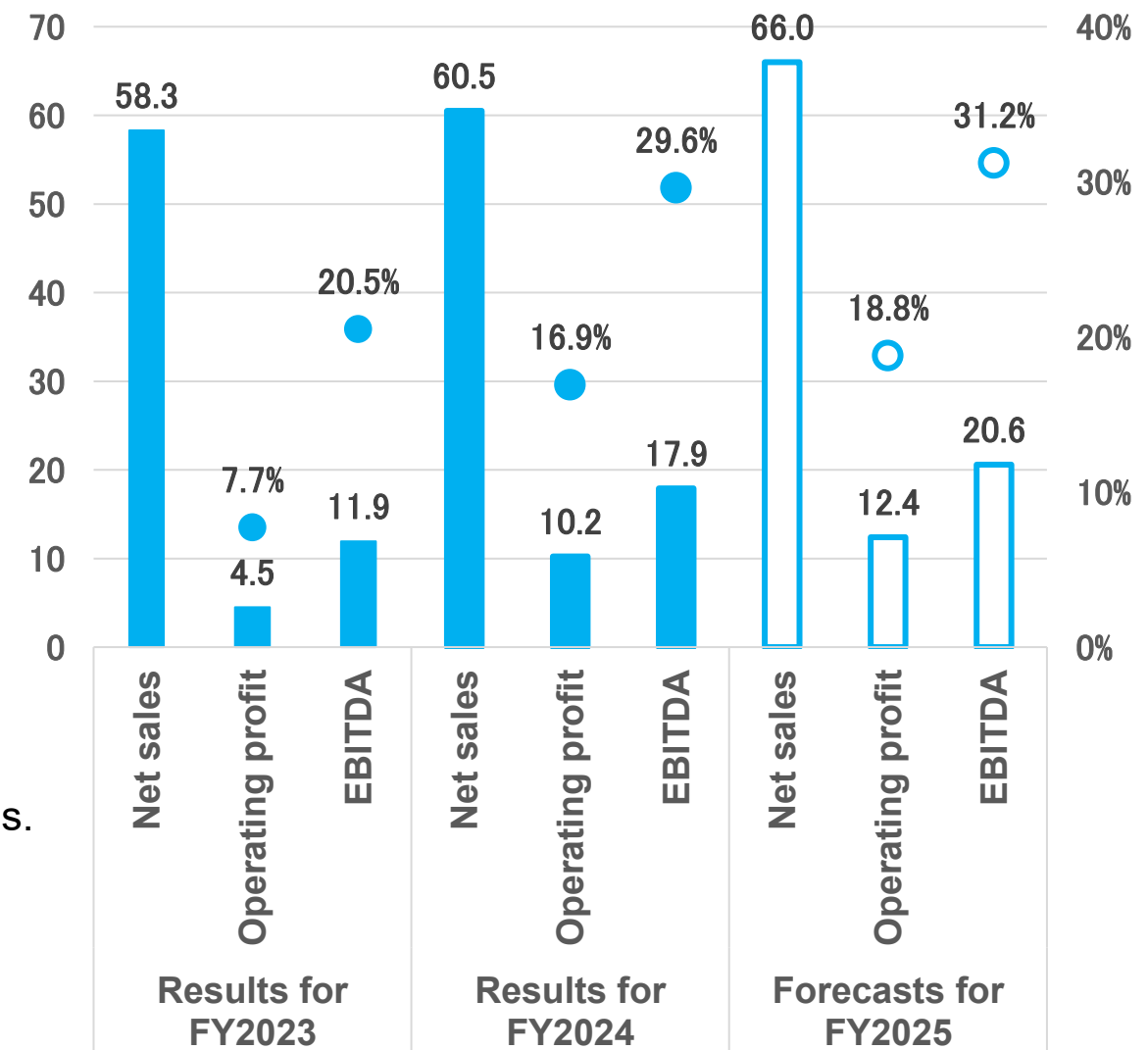
External environment forecast

- (+) Our phospholipids for pharmaceuticals can be applied to growth modality.
- (+) Division of labor in pharmaceuticals development.
- (-) Intensifying competition due to entry or M&As of competitors

Activity plans

- For Gilead Sciences, Inc.: Maintain stable supply system.
- High purity phospholipids for pharmaceuticals/liposomes, LNP: Achieve pharmaceutical differentiation using proprietary functional lipids.
- Enhance efficiency by concentrating production in new plant.
- Promote open innovation at Shonan Laboratory.
- WG derivatives for pharmaceuticals: Continue with stable supply to existing customers.
- Pharmaceutical intermediates: Focus on continuous research themes.
- Pharmacology and safety tests: Acquire new customers with our strong testing technology.

(100 millions of yen)



Amount (left axis)

Ratio of operating profit/EBITDA margin (right axis)

*WG: Wool grease *LNP: Lipid nanoparticles

*CDMO: Contract manufacturing and development organization

FY2025 Forecast Functional Products: Fine Chemicals

External environment forecast

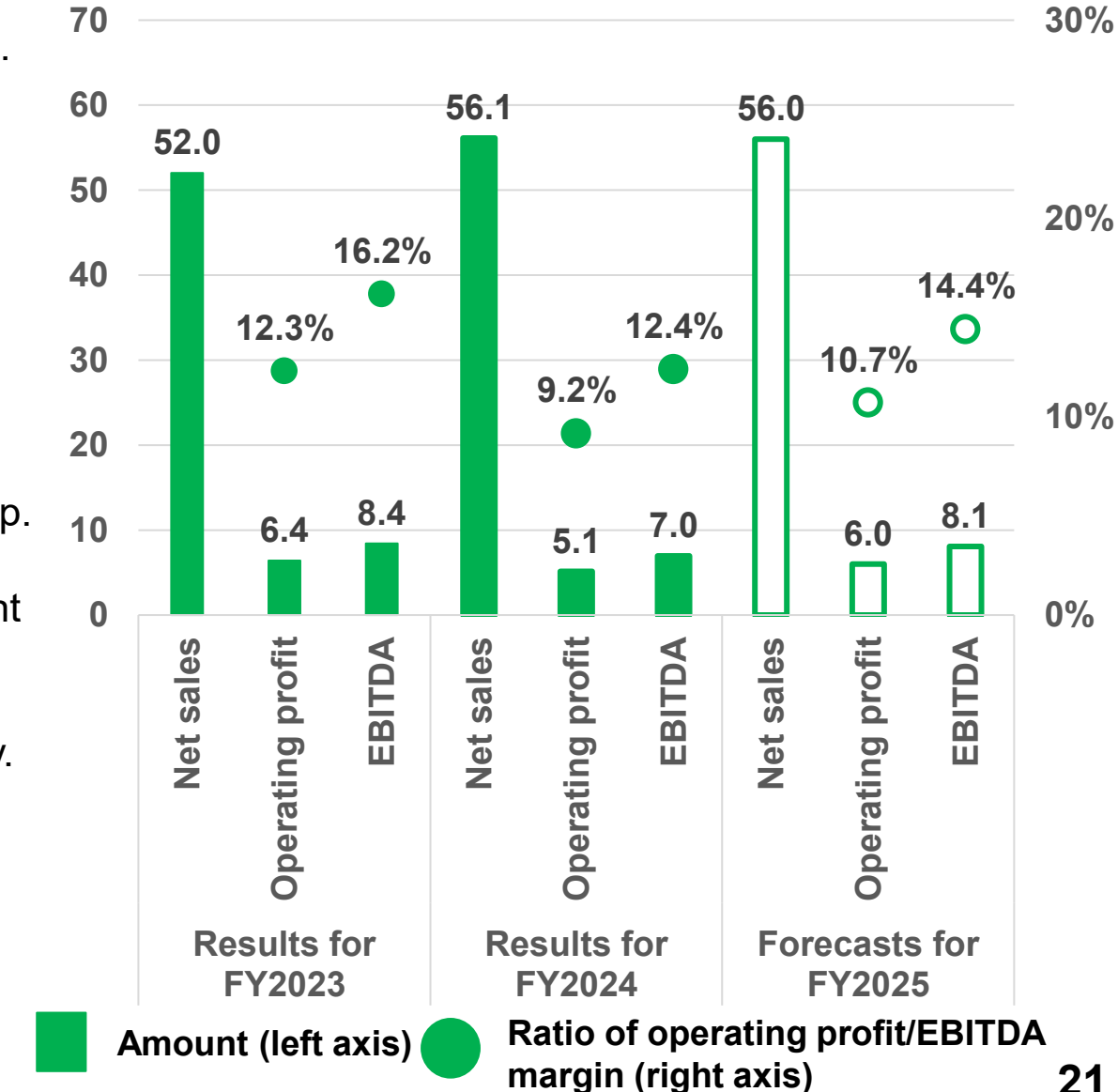
- (+) Perovskite (PSC) solar cells: Acceleration of social implementation.
- (+) Growing demand for sustainable materials.
- (-) Fall in demand due to slowdown in the Chinese economy.
- (-) Risk factors in material procurement (climate change, foreign exchange, Russo-Ukrainian War, etc.).
- (-) Intensifying price competition due to entry of foreign competitors.

Activity plans

- Develop future core businesses.
- Materials for perovskite solar cells: Continue consideration of scale-up.
- WG derivatives: Sales at fair prices, sales expansion through acquisition of new cholesterol customers, and promotion of an efficient production system.
- Fatty acid amides:
Increase sales for applications that contribute to a sustainable society.
- Coatings:
Acquire customers and increase sales in the Chinese and Taiwanese markets.

*WG: Wool grease

(100 millions of yen)



FY2025 Forecast Environmental Hygiene Products (Hygiene)

External environment forecast

- (+) Growth in the hospital and care facility markets.
- (+) Decline in social awareness of the importance of hygiene following the COVID-19 pandemic.
- (+/-) Changes in supply-demand balance following the COVID-19 pandemic.
- (+) Increased awareness of safety among cleaning workers.
- (-) Rising raw material costs and freight costs.

Activity plans

- Accelerate development of sustainable products (concentrated types, etc.).
- Reinforce Group synergy through mutual use of resources.
- Increase in sales of hygiene products for foods.
- Acquire customers through products for hospitals and care facilities.

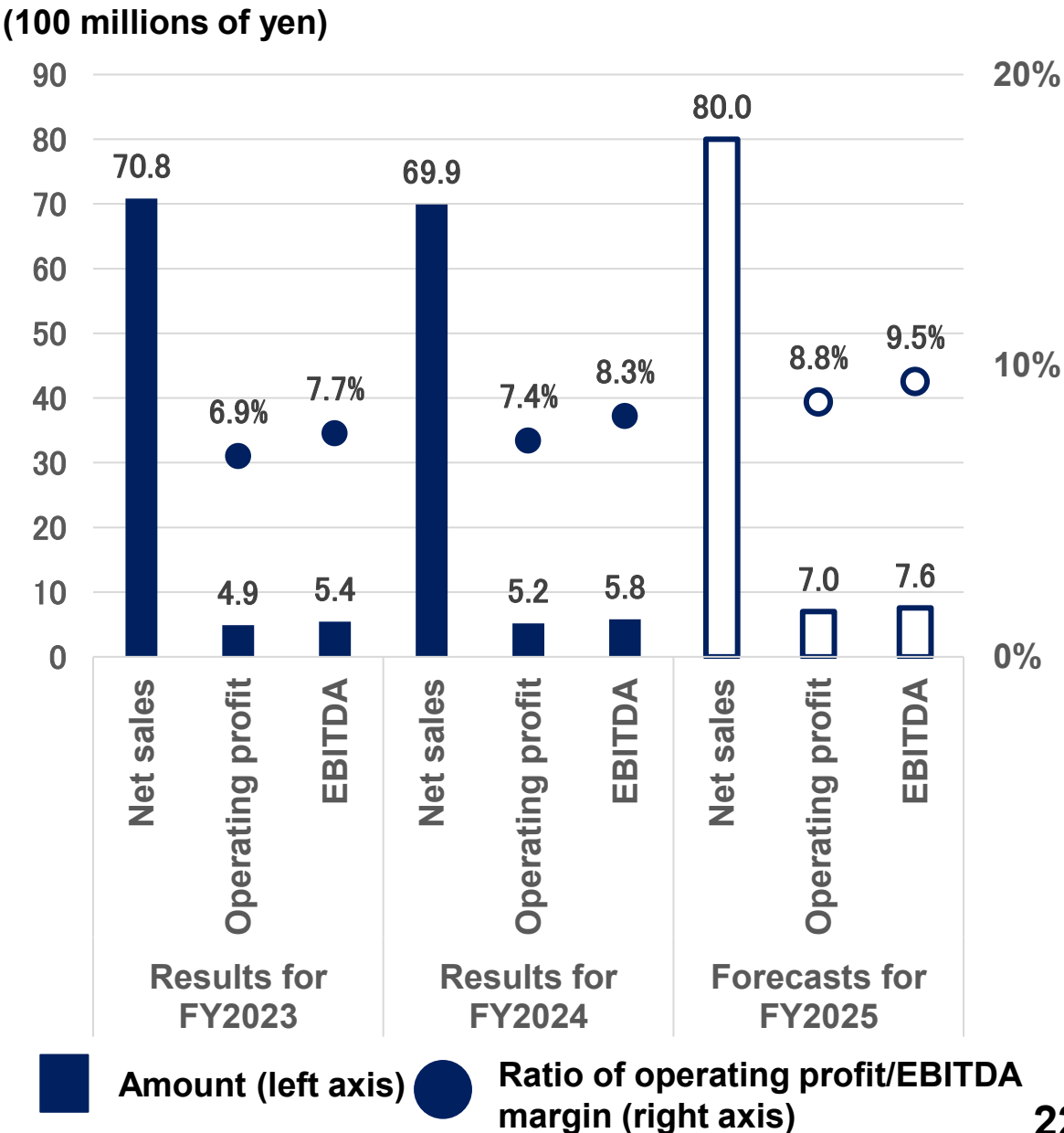


Table of Contents

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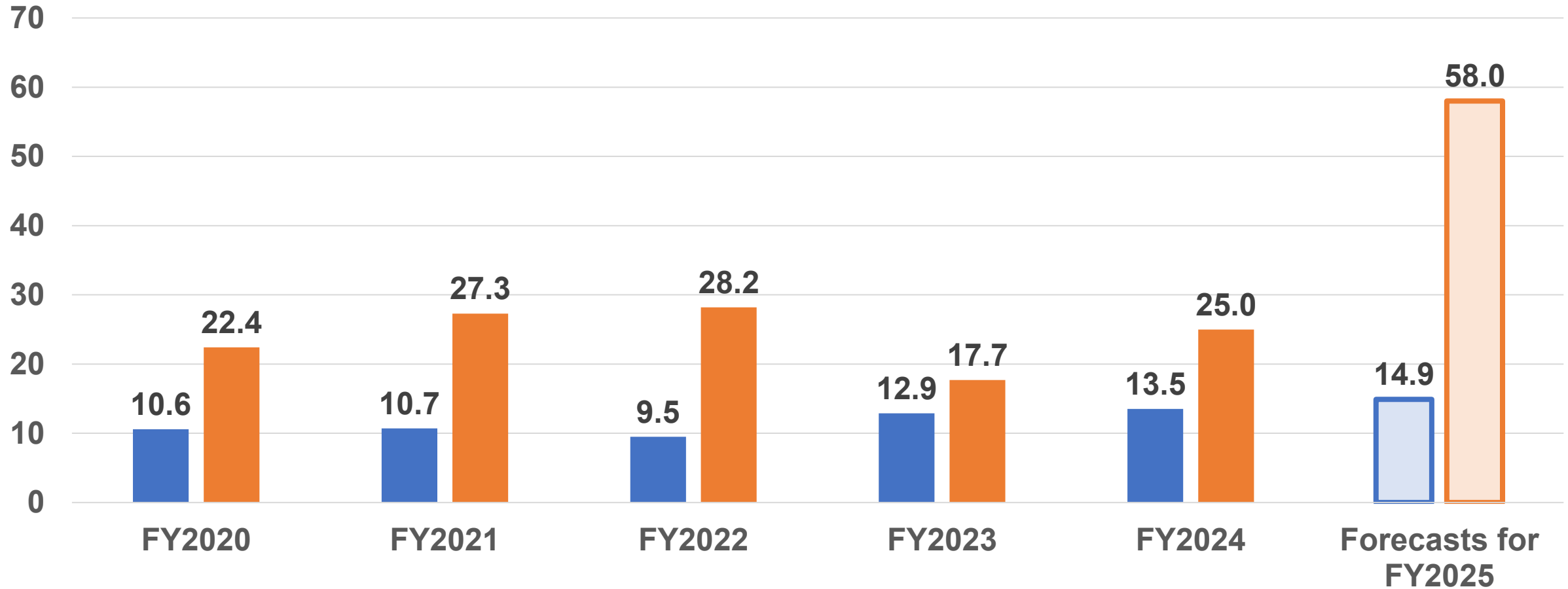
3. Investment in Facilities and R&D

4. Capital Policies and Shareholder Returns

Capital Investment

(100 millions of yen)

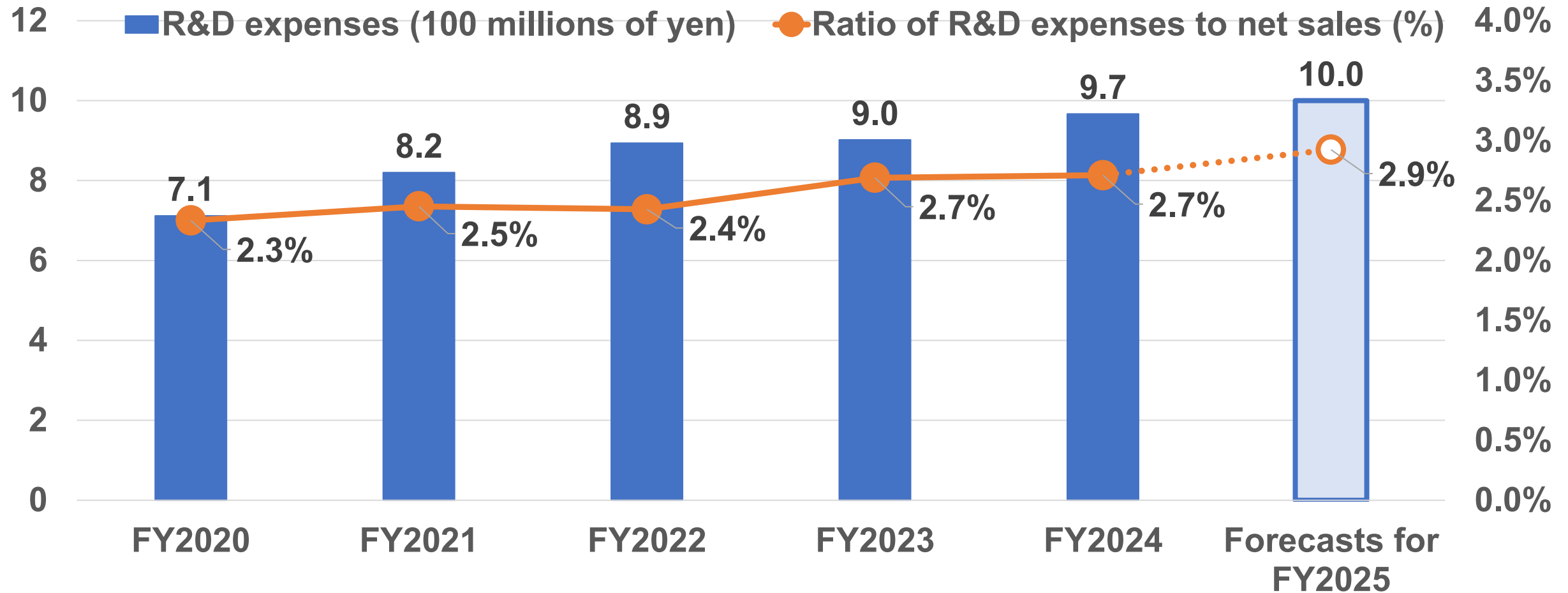
■ Depreciation ■ Capital investment



Main capital investment

- FY2024 Construction of the new administration and welfare building (in Kakogawa-higashi)
- FY2025 Construction of the new cosmetics ingredients plant (scheduled to start operation in 2029)

Investment in R&D



Main focus themes

- Realize sustainable production activities through implementation of the materialities
- Create future core technologies (consideration of practical application of flow reactor)

Table of Contents

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Capital Policies

	Results for FY2020	Results for FY2021	Results for FY2022	Results for FY2023	Results for FY2024	Forecasts for FY2025	FY2026 initial plan	FY2026 revision (*1)
DOE (%)	2.1	3.0	3.0	3.5	3.5	4.3 (Approx.)	3.5 (Approx.)	4.3 (Approx.)
Dividends per share (Yen)	35	54	57	70	74	94	80	100
Total return ratio (%)	30	45	79	77	43	—	50% or more on average (*2)	
Ratio of cross- shareholdings (%)	28	24	25	24	21	—	17 or less	

(*1) Review of the Medium-term Management Plan

(*2) 50% or more on average during the period covered by the 14th Medium-term Management Plan
(4-year period from 2023 to 2026)

■ Sale of cross-shareholdings in FY2024: ¥450 million

■ Total dividend payments: ¥1,660 million

■ No acquisition of treasury shares

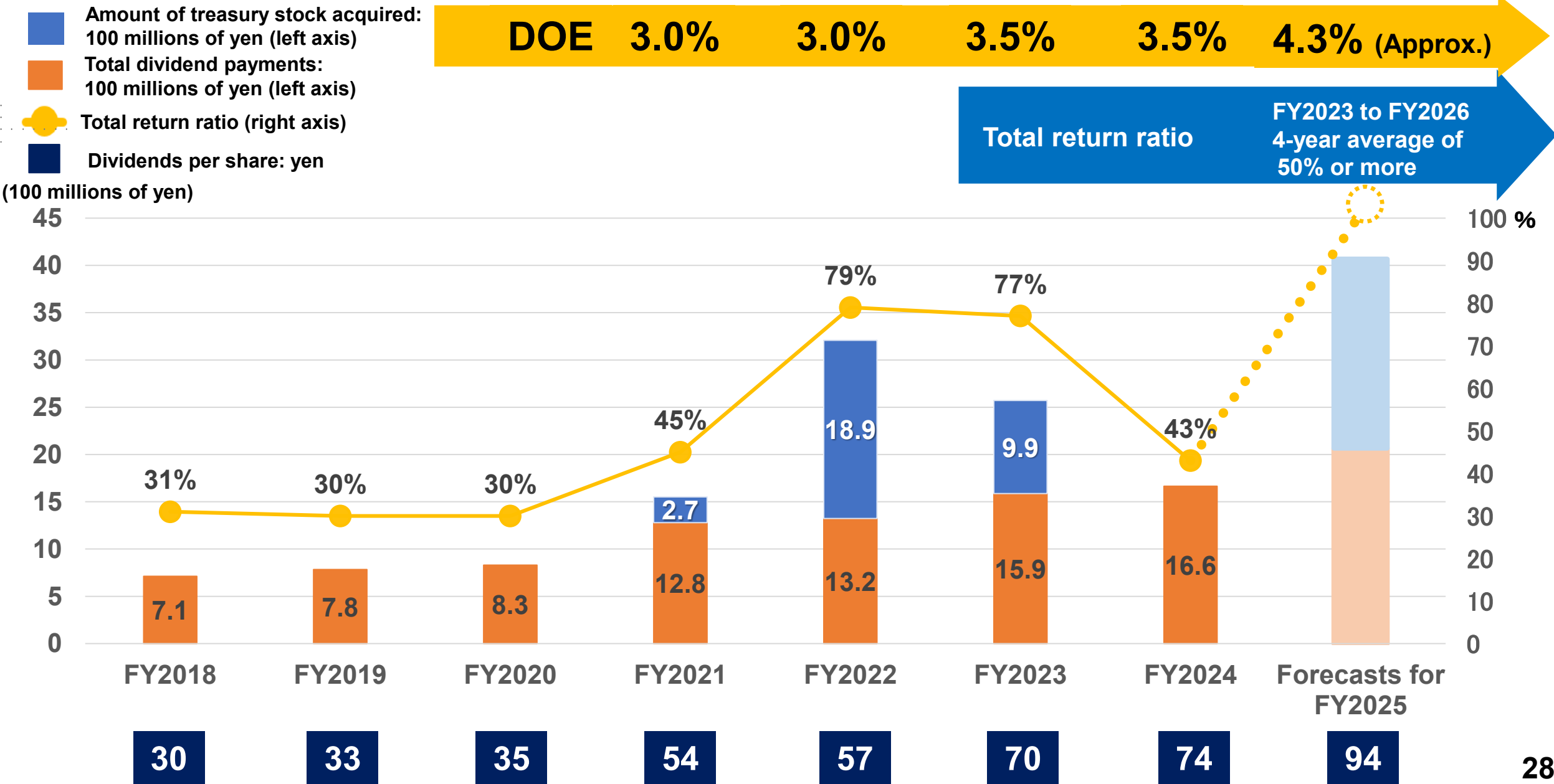
■ Dividends are expected to increase for 9th consecutive fiscal year

* DOE: Dividend on equity (Total amount of annual dividends / consolidated net assets, or payout ratio x ROE)

Total return ratio: (total amount of dividends + amount of treasury share purchased) / profit attributable to owners of parent

Ratio of cross-shareholdings: percentage of the “carrying amount” of the “investment shares held for purposes other than pure investment” against consolidated net assets

Shareholder Returns



- Statements regarding earnings forecasts, etc. described in this document are based on the information obtained by the Company at the time of preparation of each document and certain assumptions that it deems reasonable, and are not intended to promise that they will be realized.
- Please be aware that, due to various factors, actual business results may vary from these forecasts.