Five Forms of Business in Three Segments

Functional Materials business

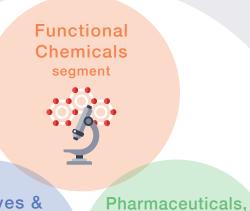
With various derivatives and petrochemical products made from oils and fats at the core, we promote business expansion in the growth fields of Life/Healthcare, Environment/Energy, and Electronics/IT.

Metal Coatings business

With our unique anti-corrosives at the core, we have accumulated cutting-edge surface treatment technologies to become the global standard for corrosion prevention treatment of vehicle parts. Eco-friendly surface treatments are our top priority.

Explosives & Propulsion business

As one of the world's leading integrated explosives manufacturers, we utilize cutting-edge pyrotechnics to advance our industrial explosives, defense and space explosives, and consumer products businesses.



Explosives & Propulsion segment



Medicals and Health

Life Science business

We develop highly functional materials for biopharmaceutical and nucleic acid drug applications, centered on the DDS field where technological innovation is advancing. We also focus on fields such as eye care, medical devices, and diagnostic drugs.

Functional Foods business

As a pioneer in edible oils and fats refining and processing technology, we develop processed edible oils and healthcare foods business. We will advance the shift to function-based business domains, and contribute to abundant diets and people's health.



2021

2022

2023

2024

2025 (FY) (Forecast)

Five Forms of Business in Three Segments

Net sales Operating income Segment Reflection on FY2024 and prediction of conditions in FY2025 Changes in business results* composition composition (Hundreds of ■□ Net sales ■□ Operating income There is strong domestic demand for cosmetics-related millions of yen) (indicates 2025 plan targets) 1,600 products, including cosmetics materials and ODM products, as well as demand in China for special anti-corrosion FY2024 FY2024 1.200 **Functional** agents, resulting in higher revenue and profits. In fiscal ¥150.9 ¥29.7 800 **Chemicals** 2025, demand for both cosmetics-related materials and billion billion +13.0% +35.6% automobile-related parts is expected to remain strong, and 400 year-on-year rear-on-year operating income is forecast to increase by ¥400 million 2021 2022 2023 2024 2025 (FY) year-on-year. (Hundreds of ■□ Net sales ■□ Operating income Net sales of biocompatible materials increased with strong millions of yen) (::: indicates 2025 plan targets) 600 demand. However, a decline in shipments of raw materials for DDS drug formulations as well as reduced sales due to the streamlining FY2024 FY2024 Pharmaceuticals. 400 of product lines in edible oils and functional food materials led to ¥48 ¥15.6 Medical, billion billion lower revenue and profits. In fiscal 2025, operating income is and Health 200 -11.0% -23.6% expected to increase by ¥300 million year-on-year, driven by ear-on-yea ear-on-year growing demand from certain customers for raw materials for DDS drug formulations and the impact of price revisions. 2024 2025 (FY) 2022 2023 (Forecast) ■□ Net sales ■□ Operating income millions of yen) There was strong demand for defense products, industrial (iiindicates 2025 plan targets) 500 explosives, and functional products, as well as increased 400 shipments of products for rockets, resulting in higher FY2024 FY2024 **Explosives** ¥38.7 revenue and profits. For fiscal 2025, continued growth in ¥3.1 & demand for defense products and sustained demand that billion billion 200 **Propulsion** +13.6% +19.1% recovered following the successful launch of the H3 rocket year-on-yea ear-on-year 100 are expected to lead to a ¥400 million year-on-year increase

in operating income.

^{*} FY2022 figures have been updated to reflect the reclassification of reported segments after the change.