

## The Value We Provide

### Cosmetics materials of the NOF Group

## Plant-derived raw materials gaining attention in recent years

### Business environment and NOF's measures

The cosmetics market is growing in Europe, the United States, China, and emerging countries where the middle-income population is increasing. In Japan as well, the market is trending upward due to the increase of the user base. Within this, demand is increasing for products for sensitive skin, anti-aging products, UV products, and cosmetics with distinctive ingredients.

For the NOF Group's ODM products, we focus on selling skincare products with high concentrations of functional and plant-derived raw materials, skincare products with UV protection plus additional functions, and haircare products incorporating hair beauty benefits. In cosmetics materials, sales are also increasing for products aimed at hair care (improved foamability), skincare (UV protection and anti-aging), and makeup. In particular, demand is growing for products with improved usability and products with high moisturizing properties. Going forward, we will continue to focus on the development and proposal of highly functional, high-value-added products based on market analysis.

#### Q Why is there a focus on plant-derived raw materials now?

A In the cosmetics market, the user base is expanding widely to include seniors and men, etc., due to growing interest in anti-aging and heightened beauty awareness. Therefore, demands for cosmetics go beyond mere beauty enhancement and encompass a broad range of needs, including long-term effects on the skin and suitability for individual skin types and allergies. Meanwhile, due to growing global awareness of the environment, similar demands are spreading to cosmetics. Plant-derived raw materials are drawing attention in this context. They are sought after by many users as sustainable raw materials that lead to reduced environmental impact. And by enhancing functionality in addition to being plant-derived, they become more easily selected as cosmetic ingredients.

#### Q What are the NOF Group's measures for these needs?

A The NOF Group focuses on product development that achieves texture and effects equal to or better than conventional cosmetics while being based on plant-derived raw materials. By applying our advanced synthesis technologies and chemical expertise cultivated over many years, we have created proprietary materials such as "BIOLEAM®" and "NATUWIL®," as well as botanical extracts derived from rice bran, camellia seeds, and others. These products are growing mainly in Europe, where there is a high level of interest in the environment and safety, and need is expected to expand in markets such as China and Southeast Asia, where the cosmetics market is growing. We are advancing product development by quickly capturing changes in market trends.

#### Employee comments

"BIOLEAM®" was developed as a substitute for cyclic silicones and silicone raw materials, which are regulated in Europe, and we pursued a feel similar to the substituted materials. Currently, we have started developing a new high-viscosity grade. Going forward, we will continue taking on the challenge of developing high-value-added products that offer value beyond simply being a substitute for existing raw materials, while staying keenly attuned to market trends.

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#### Employee comments

"NATUWIL®" A product developed with a commitment to being 100% plant-derived. Because we could not draw on existing knowledge, we needed to build a new reaction process and struggled to find the optimal reaction conditions. We successfully developed the product by introducing and selecting new catalysts that had no previous track record, allowing us to achieve both reduced environmental impact and high functionality.

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Q What are the new products “BIOLEAM®” and “NATUWIL®”?

| A                   |                                                                                                                                                                                                                                                                                | NATUWIL®                                                                                                                                                                                                                                                                              |                                        |
|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
| BIOLEAM®            |                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                       |                                        |
| Overview / features | A plant-derived version of the high-purity, colorless, and odorless emollient agent “PARLEAM®.” Emollient agents function to prevent the evaporation of moisture by forming a film of oil on the surface of the skin.                                                          | A new water-soluble moisturizing oil that achieves the characteristics of the conventional product “WILBRIDE®” with 100% plant-derived raw materials. It retains high water solubility, with a feature being the ability to impart the rich feel characteristic of moisturizing oils. | Feedback from customers using BIOLEAM® |
|                     |                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                       |                                        |
| Applications        | Viscosity, powdery sensation, spreadability, and other usability characteristics vary depending on the lineup. Therefore, deployment in various applications such as hair oils, cleansers, lipsticks, and mascara is possible.                                                 | Given that it blends well with both water and oil and has an excellent moisturizing effect, NATUWIL is being proposed for skincare products such as toners and milky lotions. It is a raw material with low surface tension and high affinity to the skin.                            | Feedback from customers using NATUWIL® |
|                     |                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                       |                                        |
| Functions           | Clears the issue of adjusting the feel, which was tricky with plant-derived raw materials, through the use of synthesis technology. Three new grades were developed in 2025, adding to the lineup a non-sticky feel type, and a high-viscosity type with long-lasting quality. | Prevents deterioration of usability, which had been an issue when blending moisturizing oils into toners, etc., at high concentrations, and achieves both high stability and moisturizing effects. Adding a small amount can also reduce the stickiness of glycerin and xanthan gum.  | Feedback from customers using NATUWIL® |
|                     |                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                       |                                        |
| Future outlook      | We supply to cosmetics manufacturers in Japan and overseas; overseas, our major targets are Europe, where there is strong need for plant-derived raw materials, and China, the world’s second-largest market.                                                                  | We currently sell to cosmetics manufacturers in Japan and overseas. Overseas, sales are centered on Europe, where there is a high need for plant-derived raw materials, and China, the world’s second-largest cosmetics market.                                                       |                                        |
|                     |                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                       |                                        |