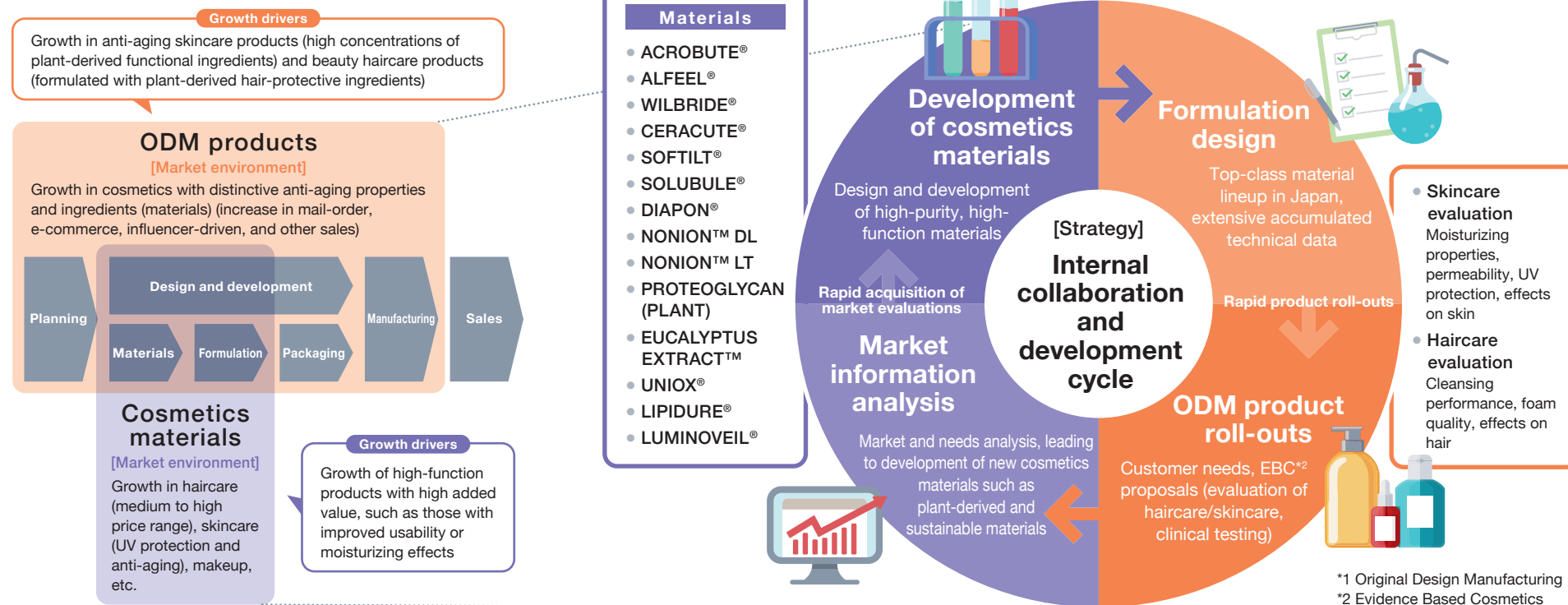


Creating a virtuous cycle of business growth driven by both cosmetics materials and ODM*1 products

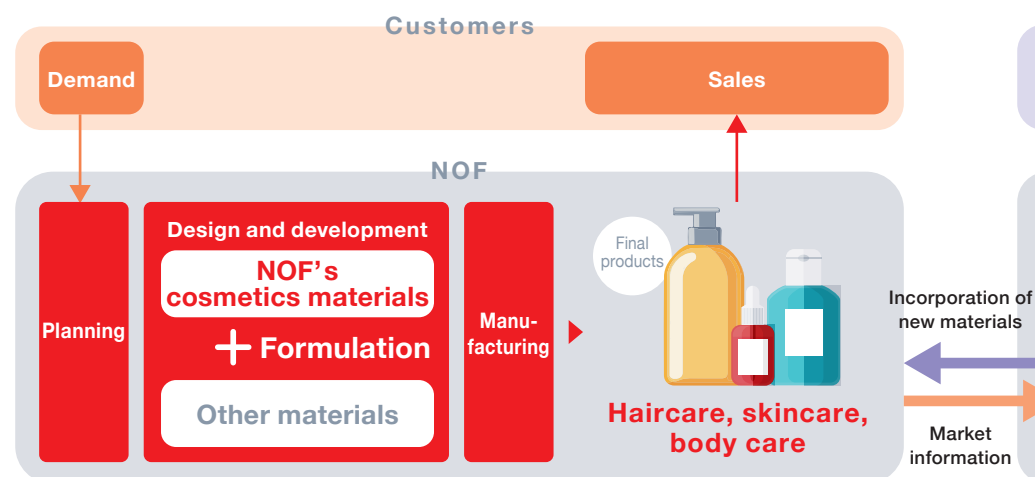
A distinguishing feature of NOF's cosmetics-related business is that it handles not only materials, but also ODM products. As shown in the diagram below, the business starts with the development of cosmetics materials, then design of formulations, which are subsequently rolled out as ODM products. The market information obtained in this process is analyzed to develop new cosmetics materials, leading to further expansion. By accelerating this cycle and enhancing both development capabilities and speed, our business strategy aims to maintain and raise our competitive edge in both cosmetics materials and ODM products.

[Development scope and strategy of the NOF Group]



Functional Chemicals Segment

ODM products



Capabilities for product proposals grounded in dermatological science

From planning to design, development, and manufacturing, one of our strengths lies in providing comprehensive product proposals grounded in dermatological science to meet customer demand. Leveraging NOF's top-class lineup of materials in the nation and new materials developed based on market information, we can offer customized proposals tailored to each customer.

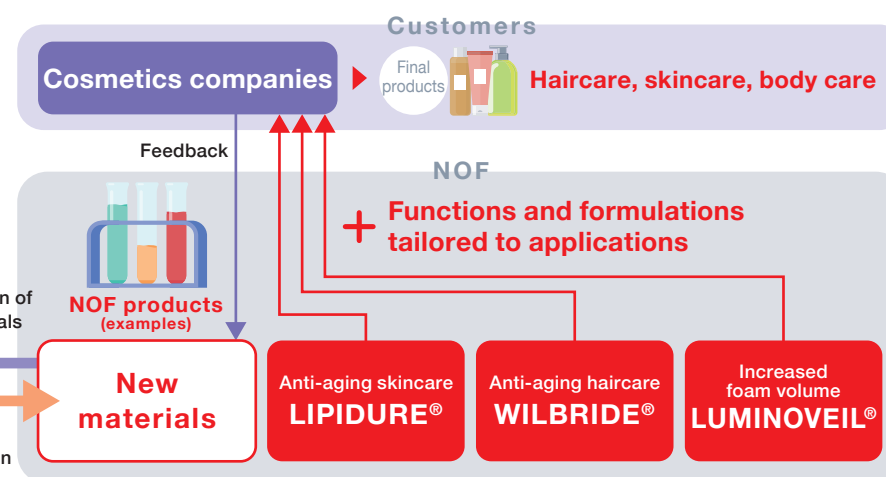
Promoting the development of even more high-function and environmentally friendly products



We offer products with high added value that align with customer demand, including high-function UV protection products that offer strong UV blocking effects and water resistance despite not using chemical UV blockers, cosmetic products with higher moisturizing properties than ever before, and cosmetics with high natural origin indexes.* To meet growing demand, we are investing in our Aichi Works, with new filling equipment scheduled for completion in January 2026.

* Indicate the percentage of natural and naturally derived materials in a product (as defined by ISO 16128 international standards).

Cosmetics materials



Material development aligned with market needs

With about 500 products, we hold the no.1 market share in cosmetics materials in Japan (according to TPC Marketing Research Corp.). Our strength lies in development capabilities leveraging market trend analysis data. We provide materials that enhance properties such as moisturization and smoothness to manufacturers of haircare, skincare, and body care products.

Focusing on developing environmentally friendly materials



We are developing new ingredients by reusing plant-derived materials that would otherwise be discarded, such as rice bran and fruit juice residues. In the cosmetics industry, the number of end users with a preference for natural products is increasing, and the adoption rate of naturally derived materials is on the rise. To swiftly respond to these needs, we will continue to strengthen our material development capabilities.