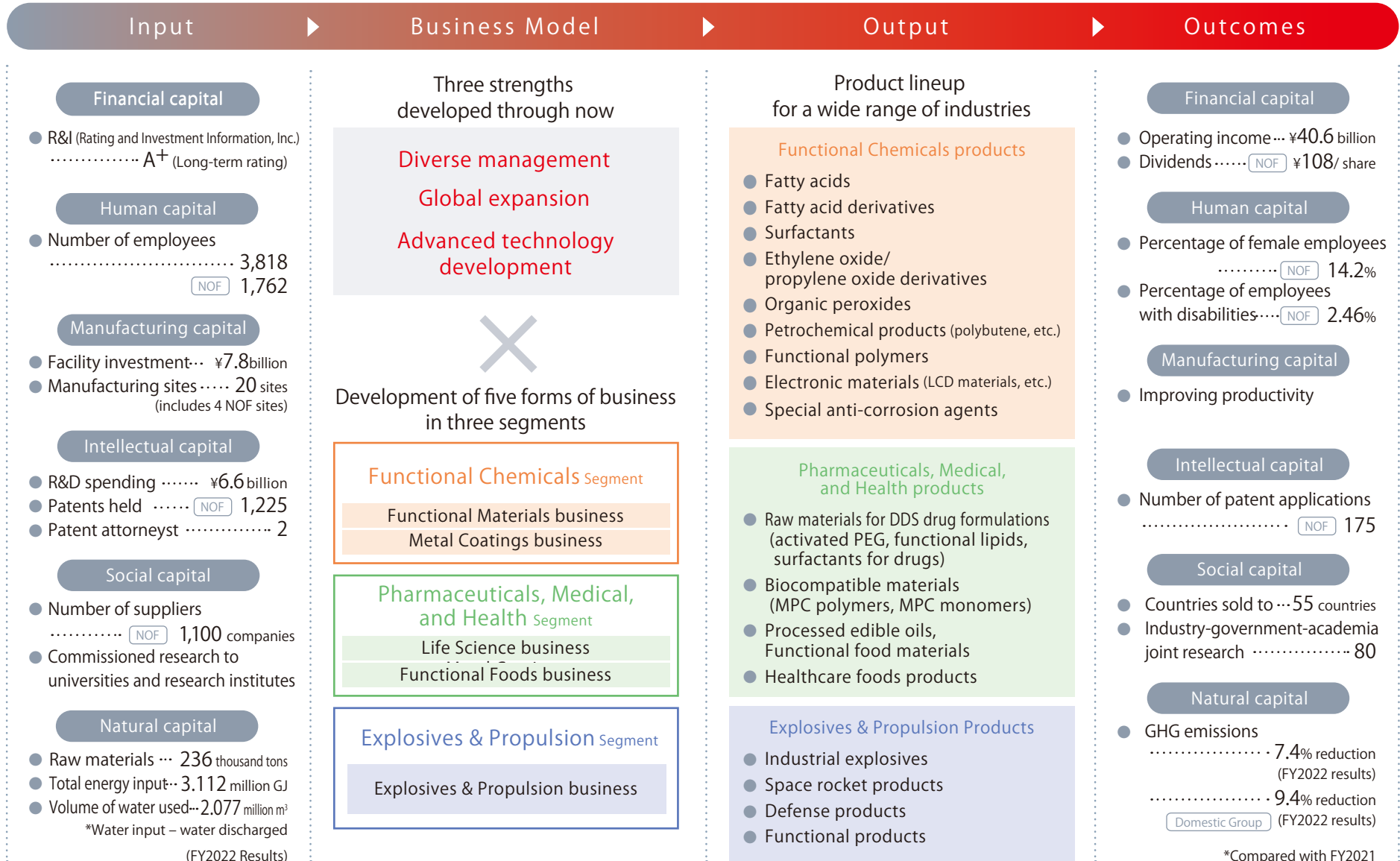


# Value Creation Process



## Input

### Financial capital

- R&I (Rating and Investment Information, Inc.) ..... A<sup>+</sup> (Long-term rating)

### Human capital

- Number of employees ..... 3,818  
(NOF) 1,762

### Manufacturing capital

- Facility investment... ¥7.8billion
- Manufacturing sites..... 20 sites  
(includes 4 NOF sites)

### Intellectual capital

- R&D spending ..... ¥6.6billion
- Patents held ..... (NOF) 1,225
- Patent attorneyst ..... 2

### Social capital

- Number of suppliers ..... (NOF) 1,100 companies
- Commissioned research to universities and research institutes

### Natural capital

- Raw materials ... 236 thousand tons
- Total energy input... 3.112 million GJ
- Volume of water used... 2,077 million m<sup>3</sup>  
\*Water input – water discharged  
(FY2022 Results)

## Business Model

Three strengths developed through now

- Diverse management
- Global expansion
- Advanced technology development



Development of five forms of business in three segments

### Functional Chemicals Segment

- Functional Materials business
- Metal Coatings business

### Pharmaceuticals, Medical, and Health Segment

- Life Science business
- Functional Foods business

### Explosives & Propulsion Segment

- Explosives & Propulsion business

## Output

Product lineup for a wide range of industries

### Functional Chemicals products

- Fatty acids
- Fatty acid derivatives
- Surfactants
- Ethylene oxide/propylene oxide derivatives
- Organic peroxides
- Petrochemical products (polybutene, etc.)
- Functional polymers
- Electronic materials (LCD materials, etc.)
- Special anti-corrosion agents

### Pharmaceuticals, Medical, and Health products

- Raw materials for DDS drug formulations (activated PEG, functional lipids, surfactants for drugs)
- Biocompatible materials (MPC polymers, MPC monomers)
- Processed edible oils, Functional food materials
- Healthcare foods products

### Explosives & Propulsion Products

- Industrial explosives
- Space rocket products
- Defense products
- Functional products

## Outcomes

### Financial capital

- Operating income... ¥40.6 billion
- Dividends..... (NOF) ¥108/ share

### Human capital

- Percentage of female employees ..... (NOF) 14.2%
- Percentage of employees with disabilities..... (NOF) 2.46%

### Manufacturing capital

- Improving productivity

### Intellectual capital

- Number of patent applications ..... (NOF) 175

### Social capital

- Countries sold to... 55 countries
- Industry-government-academia joint research ..... 80

### Natural capital

- GHG emissions ..... 7.4% reduction  
(FY2022 results)  
 ..... 9.4% reduction  
(FY2022 results)  
(Domestic Group)

\*Compared with FY2021