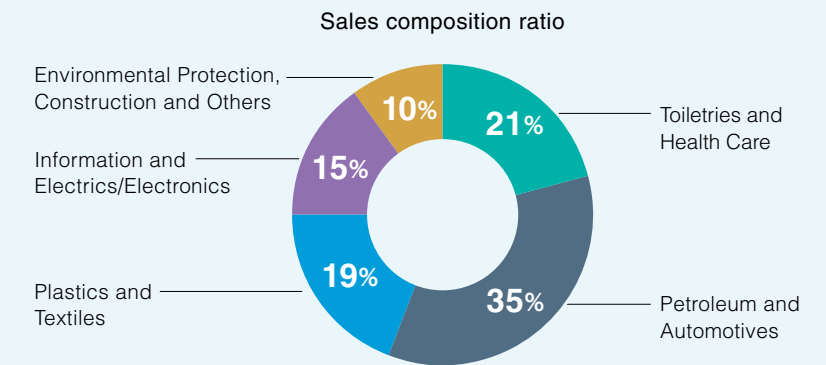


Business Overview by Segment

Net sales for FY2024 were 142.2 billion yen (down 10.8% year on year) due to the withdrawal from the superabsorbent polymer business (“SAP business”). In terms of profits, operating profit was 8.43 billion yen (up 72.7% year on year) and ordinary profit was 9.67 billion yen (up 18.1% year on year) mainly due to strong performance in the advanced semiconductor field, expanded sales of high-value-added products, and improved profitability through structural reforms. Profit attributable to owners of parent was 4.15 billion yen due to the recording of a loss on valuation of investments in capital and business structural reform costs (a loss of 8.5 billion yen in FY2023 due to the recording of business structural reform costs of 12.05 billion yen). Losses related to the above business structural reforms, which were projected to total 20 billion yen over multiple fiscal years from the previous consolidated fiscal year, were about 12 billion yen in the previous consolidated fiscal year, and about 1.2 billion yen in the current consolidated fiscal year, including the impairment loss on San-Dia Polymers (Nantong) Co., Ltd.

Net sales:
142.2 billion yen

Operating profit:
8.4 billion yen



Overview of segments for the current fiscal year



Toiletries and Health Care

In the Toiletries segment, sales were strong due to a recovery in the domestic and global markets for polyethylene glycol. In the Health Care segment, sales fell significantly following the withdrawal from the SAP business. Total net sales in this segment were 30.68 billion yen (down 33.2% year on year), and operating profit was 0.176 billion yen (an operating loss of 1.421 billion yen in FY2023).



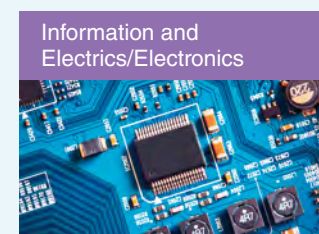
Petroleum and Automotives

In the Petroleum segment, sales remained steady due to a recovery in demand for lubricating oil additives. In the Automotives segment, sales were sluggish due to flat automobile production figures, a decline in sales of polyurethane foams used in domestic automobile seats due to the influx of low-cost overseas products, and a decrease in sales of thermoplastic polyurethane beads for the interior parts of automobiles for overseas markets. Total net sales in this segment were 49.232 billion yen (down 2.5% year on year), and operating profit was 3.979 billion yen (up 41.2% year on year).



Plastics and Textiles

In the Plastics segment, sales increased due to a recovery in demand for permanent antistatic agents, and sales of paint coating agents and additives also remained strong, resulting in strong sales. In the Textiles segment, sales of spin finish oil used in the manufacturing of tire cord yarns increased significantly due to a recovery in demand in China, and sales of chemicals for carbon fibers used in wind turbines for wind power generation also recovered. However, sales of chemicals for synthetic leather remained sluggish, resulting in flat sales. Total net sales in this segment were 26.839 billion yen (up 6.4% year on year), and operating profit was 2.867 billion yen (up 21.1% year on year).



Information and Electrics/Electronics

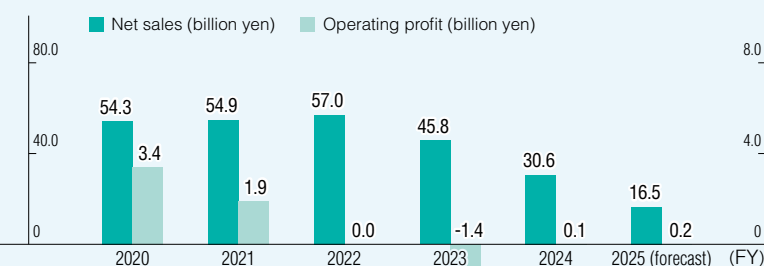
In the Information segment, while demand for toner resins was on the rise, sales of polymerization toner materials were sluggish due to the withdrawal of production business in China, resulting in a significant decline in sales. In the Electrics/Electronics segment, although sales of electrolytes for aluminum electrolytic capacitors were sluggish due to the delayed recovery of the EV market, sales of cutting-edge semiconductor-related materials increased due to the solid performance of the market, resulting in an increase in net sales. Total net sales in this segment were 20.911 billion yen (down 8.6% year on year), and operating profit was 2.532 billion yen (up 38.3% year on year).



Environmental Protection, Construction and Others

In the Environmental Protection segment, sales were weak due to sluggish domestic market conditions for cationic monomers used in polymer flocculants. In the Construction segment, although sales of cement chemicals were low due to sluggish demand, there was a recovery in sales of raw materials for polyurethane foams used in furniture and heat insulating materials, resulting in flat sales. Total net sales in this segment were 14.594 billion yen (down 2.9% year on year), and operating profit was 0.004 billion yen (down 99.2% year on year).

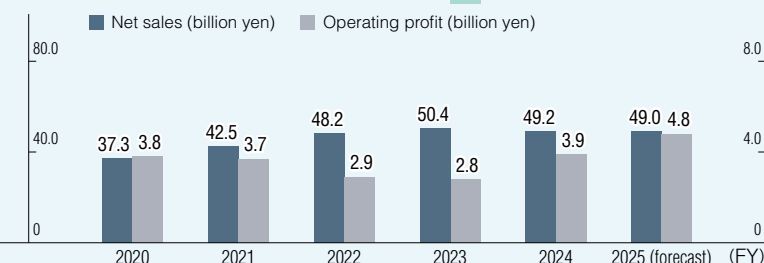
Net sales / Operating profit by segment



Main products

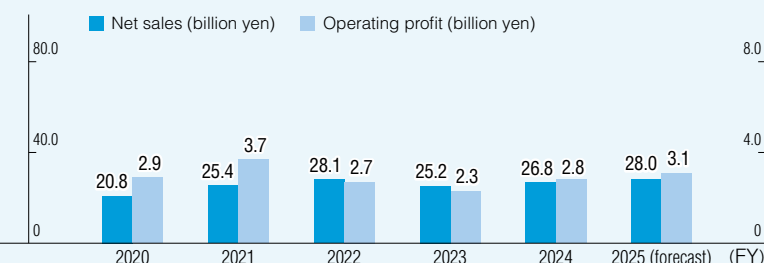
High value-added products: Raw materials for pharmaceuticals

Basic products: Surfactants for detergents, surfactants for hair care products, agents for papermaking, germicides/disinfectants, surgical hemostatic agents, clinical diagnostic reagents for enzyme immunoassay (EIA), potting resins for artificial kidneys



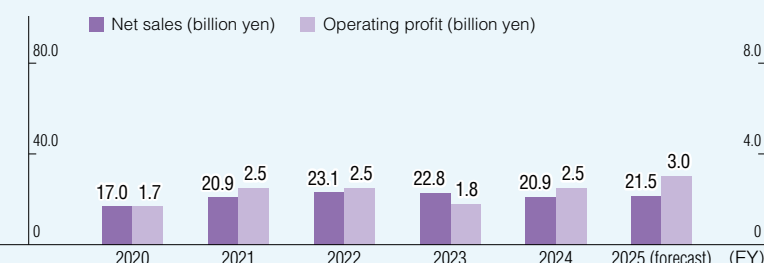
High value-added products: Lubricating oil additives

Basic products: Thermoplastic polyurethane beads for the interior parts of automobiles (TUBs), raw materials for polyurethane foams (PPG), additives for fuel oil, water-soluble cutting fluid, halogen-free cleaning agents, base materials for synthetic lubricants, paste resins for design models, resins for automobile paints



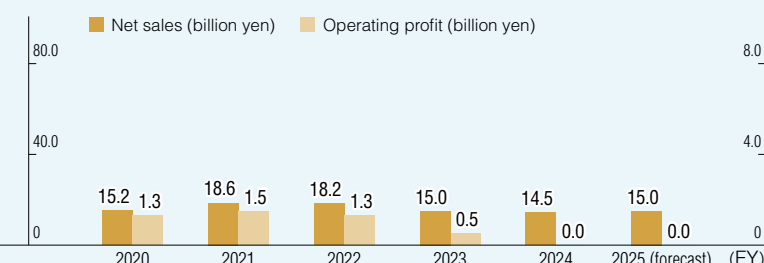
High value-added products: Permanent antistatic agents, chemicals for carbon fibers

Basic products: Pigment dispersants, resin modifiers, paint resins, defoaming agents, base materials for polyurethane elastomers, chemical board for models, agents for textile manufacturing, agents for fiberglass, polyurethane resins for artificial and synthetic leather



High value-added products: Electrolytes for aluminum electrolytic capacitors

Base products: Polymerization toner materials, toner resins, adhesives for electronic materials, chemicals for use in electronic parts manufacturing, UV/EB curing resins



Basic products: Polymer flocculants for wastewater treatment, cationic monomers, PPG for furniture and heat insulating materials, slurry agents, reactive hot-melt adhesives, raw materials for building sealants, cement chemicals

(Note) Operating profit for each reportable segment is calculated without including R&D expenses related to new businesses that do not belong to each segment.