

Working to strengthen our R&D system to accelerate structural reforms and business portfolio reforms

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Interface control technology, which constitutes the Group's core technology, has been cultivated through continuous R&D for over a century. Using this as a source of competitiveness, we are accelerating structural and portfolio reforms to achieve sustainable growth and enhance our corporate value while responding to a rapidly changing business environment.

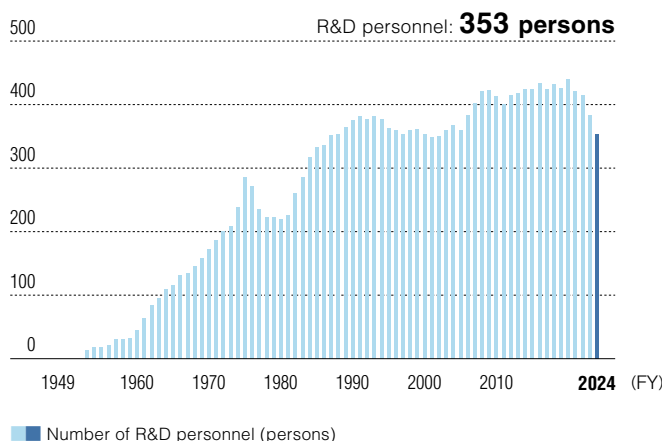
FY2025 is an important year for ensuring a smooth start to our next medium-term management plan, which will begin in FY2026. In April 2025, we reorganized the business division, ensuring that the vision of the R&D Dept. Manager permeates the entire organization and increasing personnel mobility. With the slogan "Get it done in 2025," we will see our decisions through to the end, advance product development that will contribute to the company's growth, and lead to business growth.

We are also promoting portfolio reforms, aiming to improve the quality and number of R&D topics through dialogue with customers and to develop products that meet market needs by improving researchers' skills.

Research activities that support structural reforms are also important. To address the urgent issues of aging facilities and intensifying price competition due to a massive increase in production of basic chemicals in China, we have conducted research to consolidate production facilities, streamline production and raw material procurement through alliances with other companies, optimize production locations, and promote global raw material procurement. Using the technological capabilities cultivated through such research, we provide attentive customer service. We will also work with the Monozukuri Innovation Center to transform our organization into a leaner one.

► Changes in the number of R&D personnel

Nearly 20% of our employees are involved in R&D activities.



► R&D expenses / Ratio of R&D expenses to net sales

Nearly 4% of sales are invested in R&D annually.

