

Business Overview Summary

		Net sales	Gross profit/ Percentage of net sales	SG&A expenses/ Percentage of net sales	Operating profit/ Percentage of net sales
 Prescription Pharmaceutical Wholesale Business	The Prescription Pharmaceutical Wholesale Business faced a challenging environment due to drug price revisions and declining demand for infectious disease treatments and test reagents. However, the market expanded with the regular administration of COVID-19 vaccines, catch-up Human Papillomavirus (HPV) vaccinations, and the recovery of patient visits to medical institutions. The Group companies in the pharmaceutical segment, including MEDICEO CORPORATION, leveraged specialized personnel such as Women's Coordinators (focused on women's health) and RD-MRs* (specializing in rare diseases) to collaborate with medical institutions, dispensing pharmacies, and municipalities in providing information and promoting disease awareness. On the logistics side, we utilized ALCs* to build high-performance distribution systems and improve efficiency, achieving cost reductions.	(Billions of yen) 2,189.6 2,295.7 2,370.2 2022 2023 2024 (FY)	(Billions of yen) 132.2 144.1 150.3 2022 2023 2024 (FY) Percentage of net sales (%) 6.04 6.28 6.34	(Billions of yen) 110.3 126.6 125.1 2022 2023 2024 (FY) Percentage of net sales (%) 5.04 5.52 5.28	(Billions of yen) 21.9 17.4 25.2 2022 2023 2024 (FY) Percentage of net sales (%) 1.00 0.76 1.06
 Cosmetics, Daily Necessities and OTC Pharmaceutical Wholesale Business	The Cosmetics, Daily Necessities and OTC Pharmaceutical Wholesale Business saw some demand growth due to increased opportunities for going out and the recovery of inbound demand. However, the business environment remained challenging, impacted by rising price-consciousness amid rising prices and soaring logistics costs. On the sales side, the business was affected by the decline in demand for infection-related products and restrained purchasing of supplements and similar items. Amid these conditions, through data analysis, we accurately captured behavioral changes and market trends, implementing sales initiatives aimed at introducing new products and stimulating demand.	(Billions of yen) 1,104.1 1,151.9 1,188.0 2022 2023 2024 (FY)	(Billions of yen) 82.3 86.3 88.9 2022 2023 2024 (FY) Percentage of net sales (%) 7.46 7.50 7.49	(Billions of yen) 57.9 59.1 60.9 2022 2023 2024 (FY) Percentage of net sales (%) 5.25 5.14 5.13	(Billions of yen) 24.4 27.1 28.0 2022 2023 2024 (FY) Percentage of net sales (%) 2.22 2.36 2.36
 Animal Health Products and Food Processing Raw Materials Wholesale and Related Business	The Animal Health Products Wholesale Business continued to face a challenging environment as the prolonged high prices of production materials, such as feed and energy, driven by the weaker yen, dampened customer purchasing appetite. To improve profitability, we focused on expanding transactions with new manufacturers, promoting sales of high value-added products such as our own planned items, and broadening business with major customers. Meanwhile, the Food Processing Raw Materials Wholesale and Related Business remained steady, and the markets for electronic chemicals and industrial chemicals showed signs of recovery. However, rising import costs due to the weaker yen put pressure on profits, prompting us to review selling prices.	(Billions of yen) 73.9 114.0 116.8 2022 2023 2024 (FY)	(Billions of yen) 9.7 16.2 16.4 2022 2023 2024 (FY) Percentage of net sales (%) 13.17 14.26 14.07	(Billions of yen) 7.2 13.5 14.0 2022 2023 2024 (FY) Percentage of net sales (%) 9.75 11.87 11.98	(Billions of yen) 2.5 2.7 2.4 2022 2023 2024 (FY) Percentage of net sales (%) 3.41 2.39 2.09

* Please refer to page 72 for explanations of technical terms.

Prescription Pharmaceutical Wholesale Business



Yasuhiro Choufuku

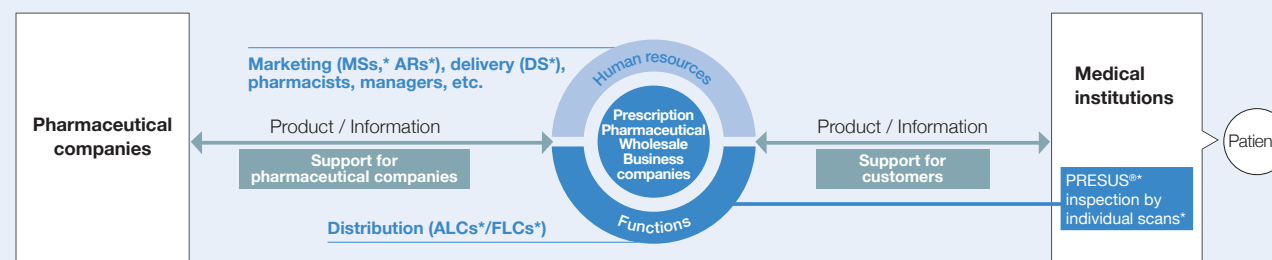
Representative Director, Vice President
In charge of Pharmaceutical Business
MEDIPAL HOLDINGS CORPORATION

Creating new value and social contributions by leveraging our advanced logistics and sales capabilities

The Prescription Pharmaceutical Wholesale Business contributes to maintaining and improving people's health by ensuring the stable distribution of essential pharmaceuticals, medical equipment, tools and clinical materials.

At the same time, social challenges such as the declining birthrate, aging population, and rising social security costs are impacting the business environment. In response to these changes, the MEDIPAL Group is pursuing initiatives aimed at sustainable growth and transformation from a medium- to long-term perspective.

Business Model (Value Chain)



Support for Pharmaceutical Companies

Specialized AR* personnel, including NS-MRs* focusing on neurology and psychiatry, RD-MRs* specializing in rare diseases, and Women's Coordinators dedicated to women's health, combine expertise with agility to provide comprehensive information on prevention, diagnosis, and treatment. They also promote disease awareness, identify potential patients, and serve as a bridge to specialist physicians.

In addition, we undertake PMS* services on behalf of pharmaceutical companies and operates the PFM** model, in which we invest in the early development of orphan drugs and other therapies. Upon launch, this model generates investment returns while enabling preferential sales and distribution to medical institutions.

Support for Customers

Through the adoption of PRESUS*, a dispensing pharmacy operations support system that leverages the functions and expertise of ALCs*, as well as inspection by individual scans* and sequential shelf-location deliveries, the MEDIPAL Group provides medical professionals, our valued customers, with the time and environment that allow them to focus entirely on their patients.

* Please refer to page 72 for explanations of technical terms.

Business environment overview

Japan's prescription pharmaceutical market, while negatively impacted by drug price revisions each year, has maintained steady growth in recent years, supported by increasing demand driven by an aging population and the launch of new drugs.

At the same time, the prolonged supply adjustments of generic drugs continue to pose challenges, and from 2024, new regulations

concerning workstyle reforms for physicians have also come into effect. These changes require pharmaceutical wholesalers to respond with greater efficiency and flexibility.

In addition, advances in treatment technologies and digital technology innovation are giving rise to breakthrough therapies and digitally enabled healthcare services, leading to rapidly evolving needs among medical institutions and patients alike.

Review of FY2024

The prescription pharmaceutical market has been steadily expanding, and the MEDIPAL Group has achieved results that outpace this market growth.

To address healthcare challenges in local communities, we have advanced initiatives through Regional Medical Coordinators, connecting medical institutions and municipalities and building medical cooperation networks. In addition, RD-MRs* specializing in rare diseases and Women's Coordinators specializing in women's health are carrying out disease awareness activities in their respective specialties, identifying potential patients, and bridging them to specialist physicians.

To enhance operational efficiency for our valued customers and optimize logistics, our sales and logistics functions have worked together to drive reforms leveraging the distribution capabilities of ALC.*

In the pre-disease and preventive business, we have been expanding the reach of diagnostic services offered by PreMedica Inc., which joined the Group in FY2024, to medical institutions, and pharmaceutical manufacturers. Furthermore, in February 2025, we began an industry-university joint research with Juntendo University utilizing the Flora Scan® gut microbiota test to contribute to women's health research.

Outlook for FY2025 and future direction

We will leverage the two A's of ALCs and ARs* to deliver distribution value suited to a new era while strengthening our earnings foundation.

For ALCs, we remain committed to ensuring the stable and efficient supply of prescription pharmaceuticals and related products. In addition, through MEDISKET CORPORATION, we are advancing the development of a sharing logistics platform to optimize the supply of pharmaceuticals and testing materials as well as the collection of specimens for clinical practice, clinical trials, and research, thereby taking on the challenge of providing high-quality logistics services. Furthermore, we will work to create new earnings opportunities through contract logistics services for external companies.

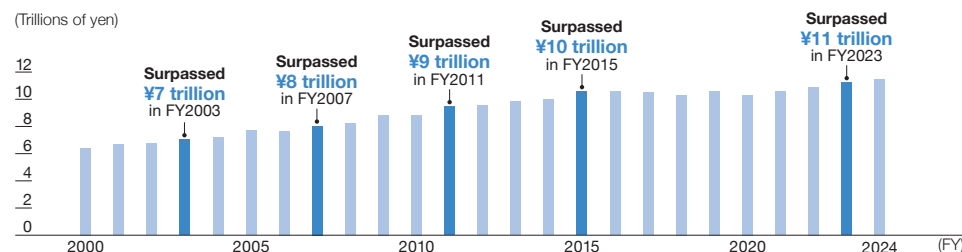
We now have some 2,300 ARs who are engaged in sales activities to deliver comprehensive information to medical professionals and find solutions to regional healthcare issues. Demand and expectations from pharmaceutical manufacturers and biotech ventures for these functions are expected to continue rising, and we will keep building new partnerships.

In this business, we also handle not only prescription pharmaceuticals but also medical equipment, tools and clinical materials, clinical diagnostics, and digital healthcare services, with subsidiaries that possess high levels of expertise actively engaged in these fields. Furthermore, we are leveraging our strong relationships with partner companies that possess outstanding products and technologies to expand our business through collaboration.

Going forward, we will strengthen activities aligned with the growth strategies of this medium-term vision, enhance corporate value, and focus on initiatives that support people's health as Regional Medical Coordinators.

Trends in Japan's prescription pharmaceutical market in FY2000–FY2024

(Trillions of yen)



Note: Prepared based on IQVIA pharmaceutical market statistics

SWOT Analysis

- State-of-the-art, high-efficiency nationwide distribution platform (ALCs*/FLCs*)
- Human resources with expertise (ARs,* DMRs,* etc.)
- Pharmaceutical distribution technology under special temperature zones
- Measures for BCP that anticipates various risks

S
Strengths

- Expanding the high value-added services
- Further improvement in labor productivity
- Building an environmentally friendly distribution optimization model and reducing environmental impacts
- Ensure complete traceability
- Creating and monetizing digital healthcare platforms

W
Weaknesses

- Growing public awareness of prevention, pre-disease care, and overall healthcare
- Market expansion driven by increasing and diversifying medical needs
- Expansion of the medical market through advances in medical DX (digital transformation)
- Rising demand due to the progress of specialty pharmaceuticals and the entry of pharmaceutical ventures into Japan
- Heightened expectations for ARs as pharmaceutical manufacturers reduce their numbers of MRs*

O
Opportunities

- Decreasing competitiveness due to the declining labor force and difficulties in securing human resources
- Decline in business continuity due to natural disasters and the spread of infectious diseases
- Decreasing profit margins as business operating costs rapidly increase, such as rising prices and costs
- Occurrence of bad debt losses and reduction in working capital due to bankruptcies and deteriorating management of medical institutions and dispensing pharmacies

T
Threats

* Please refer to page 72 for explanations of technical terms.

— Focus

Distribution and Sales of an Intractable Wound Treatment System through Four Group Pharmaceutical Wholesalers

Beginning January 14, 2025, the Group commenced distribution and sales of the AutoloGel System, an intractable wound treatment system manufactured and marketed by ROHTO Pharmaceutical Co., Ltd.

Intractable wounds, which frequently occur in the lower extremities, are difficult to heal naturally and are associated with prolonged treatment, reduced quality of life (QOL), and in some cases, risk of amputation or even life-threatening complications.

The AutoloGel System provides therapy using autologous platelet-rich plasma (PRP),¹ offering a new treatment option for wounds that do not respond to conventional therapies and raising expectations as a breakthrough for patients

suffering from intractable wounds.

The Group exclusively handles distribution, sales, and promotional activities for the AutoloGel System targeted to medical institutions, driving its adoption in medical settings.

By leveraging our strengths such as human capital, including ARs,* and our distribution facilities capital through ALCs,* we provide and gather information for physicians, pharmacists, and other medical professionals to ensure proper use and a stable supply of the AutoloGel System. Through these efforts, we are contributing to improving treatment environments for patients whose daily lives are impacted by intractable wounds.



Nationwide Expansion of Sharing Logistics

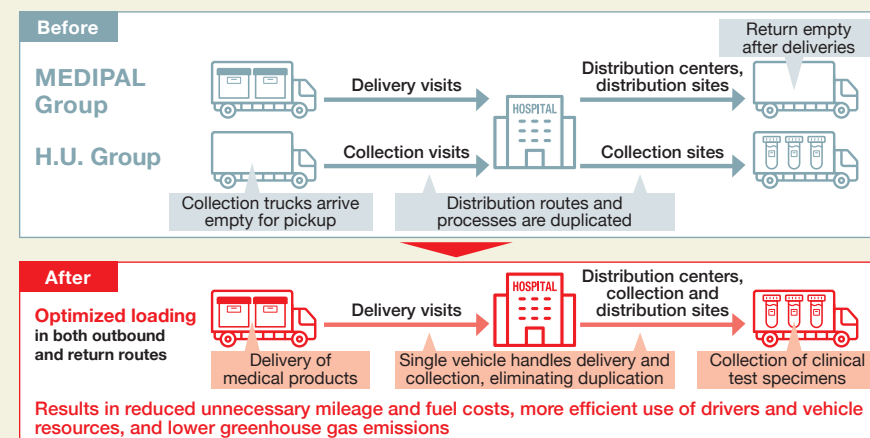
In the logistics sector, in addition to addressing labor shortages and increasing shipment volumes, reducing environmental impact has now become an urgent challenge. In the medical sector, the enforcement of the Work Style Reform Laws has also created the need to properly regulate the working hours of physicians, nurses, pharmacists, and other healthcare professionals. In light of this, MEDISKET CORPORATION, established in March 2022 by the MEDIPAL HOLDINGS CORPORATION and H.U. Group Holdings, Inc., is working to address workstyle reforms, improve customer convenience, and reduce greenhouse gas emissions through a sharing logistics approach to the delivery of prescription pharmaceuticals and laboratory test materials and the collection of test specimens for clinical laboratories, clinical trials, and research.

In addition to ensuring a stable supply through ALCs equipped with safe, reliable, and efficient functions, we also provide efficient services such as inspection by individual scans,* contributing to operational efficiency and environmental considerations for medical institutions and dispensing pharmacies.

Furthermore, we have rolled out sharing logistics combining pharmaceutical delivery on outbound routes with specimen collection on return routes mainly in the Tokyo metropolitan and Kansai areas, and completed the transfer of all approximately 300 sites nationwide by the end of March 2025.

Through these initiatives, we aim to generate outcomes that address social challenges, enhance customer convenience, and promote environmental sustainability.

MEDISKET CORPORATION's sharing logistics system



1. This therapy involves separating and concentrating platelets from a patient's own blood and injecting the autologous platelet-rich plasma into damaged tissue. The high concentration of various growth factors contained in the autologous platelet-rich plasma promotes tissue regeneration.

* Please refer to page 72 for explanations of technical terms.

Cosmetics, Daily Necessities and OTC Pharmaceutical Wholesale Business

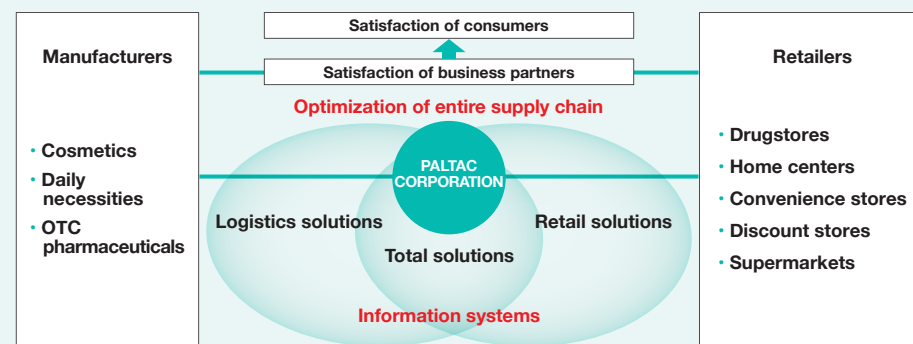
Through distribution, we contribute to the prosperity of our business partners and plentiful, comfortable lives for people.

PALTAC CORPORATION plays a key role in ensuring the stable delivery of products to consumers nationwide as a wholesaler handling daily necessities in the business fields of “Beauty and Health.” Today, the society is undergoing a period of major change, marked by population decline, diversification of values, climate change, and advances in digitalization. Even under these circumstances, we remain committed to enriching and enhancing people’s lives. We will further refine the “power of connections” we have cultivated as an intermediary distributor and take on the challenge of driving innovation in distribution.



Takuya Yoshida
Representative Director, President
PALTAC CORPORATION

Business Model (Value Chain)



Logistics Solutions

Our company operates 16 RDC* large-scale distribution centers nationwide, which boast a delivery accuracy of 99.999%. We have achieved increased efficiency in distribution across the entire supply chain, from production to distribution and delivery to stores, through exhaustive rationalization including introduction of a unit load system¹ for mechanized and automated loading and unloading.

Retail Solutions

We do more than just deliver products. Expert staff provide comprehensive analysis of retailers’ store locations, POS information, etc., and help improve the productivity of sales floors through efficient and effective in-store merchandising, from product composition and shelf space allocation to inventory management and handling of new and discontinued products.

Understanding the business environment

Since the easing of the impact of COVID-19, consumer activity has been on a recovery trend. However, diversification of values and stronger frugality driven by rising prices have made consumer behavior increasingly complex.

At the same time, as the decline in the working population continues, there is growing demand for highly efficient logistics capable of responding flexibly to changing needs, as well as for accurate and extensive information to optimize the entire distribution process.

SWOT Analysis

- Highly efficient large-scale distribution centers
- Cost competitiveness
- Cash flow generation capabilities (investment capabilities)
- Extensive distribution information
- Information systems development capabilities
- Human resources with the ability to persevere (grit)
- Know-how to improve delivery efficiency and reduce returns which contributes to a reduced environmental impact

S
Strengths

W
Weaknesses

- Increasing needs for highly efficient distribution
- Uptake of data-driven distribution solutions
- Rising needs for health and hygiene products
- Increasing demand for personalized products
- Improving economic value of sustainable businesses

O
Opportunities

T
Threats

- Economic contraction and falling profit due to population decline in Japan
- Decreasing profit margins as business operating costs soar
- Decreasing competitiveness due to the outflow of human capital and difficulties in securing human capital
- Growing threats to sustainability of distribution

Progress of the PALTAC VISION 2027

1. Improving profitability of existing business

We are responding to increasingly diverse demand and driving the introduction of new, high-margin products. By proactively procuring highly differentiated items from Japan and overseas and increasing their share of our sales mix, we are improving our ratio of gross profit to sales. In FY2025, we are strengthening sales of products from new domestic manufacturers as well as local brands in Korea and Southeast Asia, accelerating their rollout in the Japanese

market. On the logistics front, in response to the rising delivery cost ratio, we are promoting delivery-data visibility and joint deliveries through collaboration both within and beyond the industry, with the twin aims of near-term cost control and building a sustainable, medium- to long-term supply chain.

2. Taking on the challenge to create new value

To achieve far and away the best distribution productivity, we have completed the basic design of a new logistics model and are now

1. A system to increase the efficiency of transportation, storage, and other operations. It aggregates individual cargo items into fixed units using pallets, containers, and other distribution tools.

* Please refer to page 72 for explanations of technical terms.

advancing detailed design and prototyping of material-handling equipment. In September 2024, we introduced a new logistics scheme that handles non-food items and ambient-temperature food products together, and it is now operating stably. This initiative is improving delivery efficiency and helping to reduce greenhouse gas emissions. In addition, leveraging our local subsidiaries in Vietnam and Indonesia as hubs, we have launched multilateral logistics, beginning supply from Indonesia to Mongolia and introducing local brands to the Japanese market. In this way, we are strengthening our global distribution network.

3. Improving sustainability

We have advanced initiatives to secure and develop diverse talent and to establish flexible work styles for the maximization of human capital value. Through mid-career recruitment and use of our alumni network, we are acquiring people with a wide range of skills. By expanding in-person training and learning content, we support self-directed growth, and the introduction of flextime and hour-based paid leave has strengthened our ability to accommodate life events. As engagement improvement initiatives, we held level-specific workshops and dialogues with senior management, resulting in a 3.1-point increase in our engagement score. To strengthen our DX foundation, we are continuing to improve digital literacy by rolling out generative AI company-wide and supporting employees in obtaining IT Passport certification. We are also continuing to reinforce our information security

framework. On the environmental front, through the acquisition of environmental certificates, the introduction of eco-friendly vehicles, and the deployment of solar power, we reduced greenhouse gas emissions by 18.7% in FY2024 and are steadily progressing toward our FY2030 target of a 50% reduction.

4. Undertaking management to enhance capital efficiency

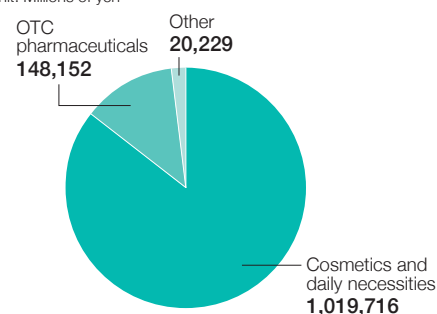
Profitability improved as we advanced our priority strategies and sold cross-shareholdings. Strengthened shareholder returns via dividend increases and share repurchases lifted ROE by 0.4 percentage points, keeping it above our cost of capital.

Review of FY2024

In FY2024, the first year of our long-term vision PALTAC VISION 2027, we focused on building the foundation for transformation and steadily executed our priority strategies. Despite

Sales by product category

Unit: Millions of yen



headwinds such as rising prices and higher logistics costs, our data-driven sales strategy enabled us to respond precisely to market changes, and net sales came in at the planned level. We absorbed the rise in the SG&A expenses ratio through an improved ratio of gross profit to sales driven by the expansion of high value-added products, and operating profit met the plan.

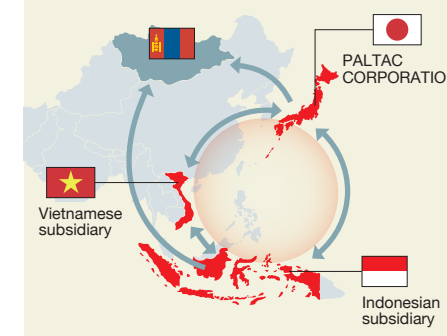
Outlook for FY2025 and future direction

In FY2025, while we expect a recovery in personal consumption driven by improving income conditions and an expansion in inbound demand, we also anticipate a continued operating environment marked by high uncertainty, including rising logistics costs due to labor shortages, demand suppressed by higher prices, and recession risks associated with shifts in trade policy. Against this backdrop, PALTAC CORPORATION will advance its priority strategies under the long-term vision and medium-term management plan, centered on the advanced use of distribution data. In existing businesses, we will raise our ratio of gross profit to sales by expanding our lineup of new products and accelerating sales of high value-added items through the use of sales and point-of-sale data. In addition, to address surging logistics costs, we will promote end-to-end delivery efficiency across the supply chain and improve productivity at our distribution centers, thereby mitigating external cost pressures, maintaining our ratio of operating profit to net sales, and targeting profit growth.

Focus

Developing a global network

Since September 2024, multilateral distribution has entered full swing, including the start of supply from Indonesia to Mongolia. In Vietnam and Indonesia, where we have local subsidiaries, we are advancing procurement from local brands that balance sustainability and quality, and have begun rolling them out in the Japanese market from FY2025. Leveraging our nationwide sales network and multi-pronged promotional initiatives, we are driving brand awareness and market penetration. Looking ahead, we will strengthen our sourcing capabilities regardless of local presence and, by building an efficient cross-border distribution framework, aim to optimize our global supply network.



Animal Health Products Wholesale Business

We aim to build a nationwide distribution network that contributes to emotional comfort and food safety and security.

MP AGRO CO., LTD. is committed to supporting the healthy growth of animals and ensuring food safety and security. Our mission extends beyond the stable supply of veterinary products, as we also strive to provide valuable information and gather customer needs to deliver even higher value-added services. Specifically, we are driving innovations such as supporting the development of groundbreaking veterinary products, offering simple and efficient ordering systems, and providing Post-Marketing Surveillance (PMS) support services.

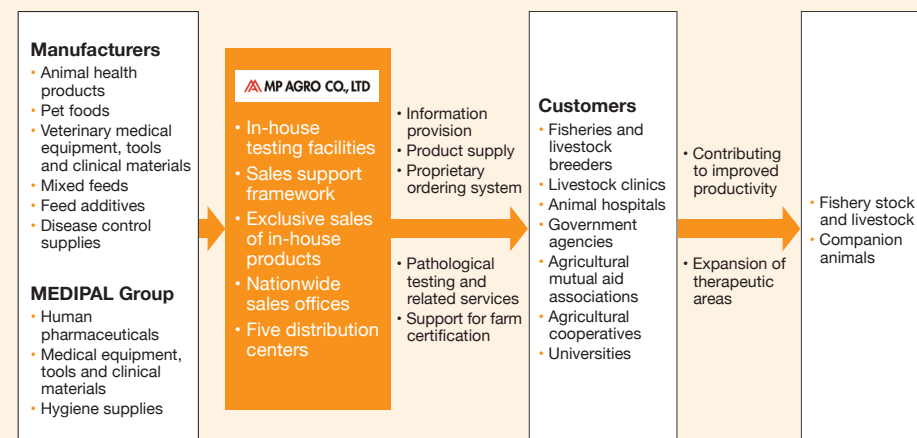
Going forward, we will continue to broaden our efforts to benefit everyone involved in the animal healthcare sector, including the fisheries and livestock field as well as the companion animal¹ field.



Yoshitaka Ichibanagi

Representative Director,
President and CEO
MP AGRO CO., LTD.

Business Model (Value Chain)



Business environment overview

In the fisheries and livestock market, the weak yen has driven up feed prices and overall production costs, dampening producers' willingness to purchase. Moreover, sales of veterinary products have declined due to the impact of the highly pathogenic avian influenza outbreak that raged from October 2024 through February 2025, creating persistently

challenging conditions.

Meanwhile, in the companion animal market, the number of pets being raised is on a downward trend; however, advances in veterinary care and the rise of indoor pet keeping have led to increased pet longevity. As a result, while no major growth is expected, the market remains stable.

SWOT Analysis

- Japan's only nationwide animal health products wholesaler
- A stable supply of products from five distribution centers nationwide
- Exclusive sales of products designed in-house
- Comprehensive hygiene management based on HACCP²

S
Strengths

W
Weaknesses

- Entry into new regions
- Increase in products designed in-house
- Expansion of treatment fields for customers
- Increase in consumer needs for safety and security

O
Opportunities

T
Threats

- Market entry of companies from other industries
- Changes in distribution formats
- Population decline
- Natural disasters and infectious disease outbreaks
- Impact of the weak yen

Growth strategies in the 2027 MEDIPAL Medium-Term Vision

We focused on expanding our portfolio of domestically exclusive pharmaceuticals and supplements for the companion animal market. In the fisheries and livestock segment, we also began importing mixed feed for livestock for the first time in the company's history, launching sales as an original in-house product.

Review of FY2024

In the companion animal market, sales of canine antiparasitic drugs performed well, and we also worked to develop partnerships with new manufacturers and promote sales. In the fisheries and livestock market, despite the challenging business environment such as the ongoing impact of the weak yen, we focused on

key priority products while actively promoting the sale of products that help improve our customers' productivity.

Outlook for FY2025 and future direction

In the companion animal market, we will continue actively expanding into the growing antiparasitic and dermatology markets while continuing to develop partnerships with new manufacturers and promote sales. By offering a broader product lineup, we aim to meet the diverse needs of our customers. In the fisheries and livestock market, although the business environment is expected to remain challenging, we will focus on promoting domestically exclusive products that contribute to improving our customers' productivity.

1. An animal that has a companion-like presence and a close relationship with humans in daily life
2. A scientifically based method by which food business operators manage hazards that can cause food poisoning or otherwise harm health throughout the entire process from the reception of raw materials to the shipping of products.

Food Processing Raw Materials Wholesale and Related Business

Creating and delivering “new value” and contributing to improving the health and lifestyles of people in a wide range of areas, from food ingredients to chemical raw materials.

The mission of MP Gokyo Food & Chemical Co., Ltd. is to continually provide valuable goods and products leveraging its commitment to R&D capabilities and quality and its strengths in information provision and communication, with the hope of creating a world where everyone can live in good physical and mental health.

We also seek out unmet needs that are not yet fully recognized and work together with our stakeholders to develop solutions that contribute to society.

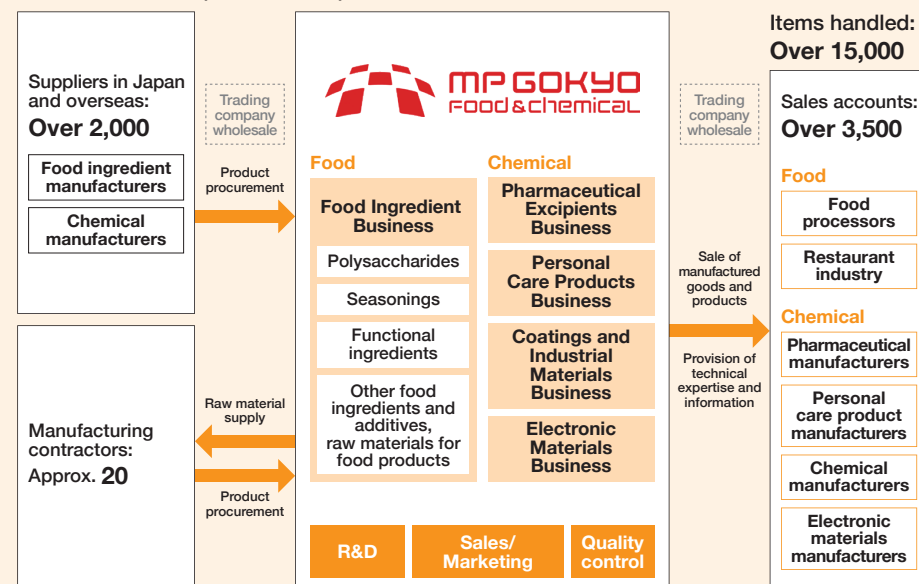
By consistently providing safe, high-quality products, we aim to serve as a trusted partner.



Hidemitsu Wakita

Representative Director,
President and CEO
MP Gokyo Food & Chemical Co., Ltd.

Business Model (Value Chain)



Business environment overview

In the food ingredients business, despite consumers becoming more budget-conscious amid price revisions across many food products driven by the weaker yen and rising logistics costs, the market saw modest growth. On the other hand, the high proportion of imported

raw materials meant that the weak yen also weighed on profits.

In the chemical products business, the semiconductor market showed signs of recovery, supported by increased investment in AI-related fields and rising demand for memory products.

SWOT Analysis

- Original natural raw materials
- Extensive product lineup
- Deepening of Group collaboration
- R&D capabilities in materials
- Quality and safety management capabilities
- Domestic and overseas networks as a specialized trading company
- Technology and expertise accumulated over many years

S
Strengths

W
Weaknesses

- Diversification of consumer needs
- Heightened consumer interest in the environment
- Heightened interest in health needs, prevention and pre-disease intervention
- Advancement of AI and IT, and acceleration of DX

O
Opportunities

T
Threats

- Rising logistics costs
- Improving productivity
- Securing and developing specialist human resources
- Overseas sales
- Difficulty in procuring raw materials due to political instability and abnormal weather
- Soaring raw material prices
- Soaring import costs due to the exchange rate fluctuations
- Falling demand due to population decline
- Natural disasters and infectious disease outbreaks

Growth strategies in the 2027 MEDIPAL Medium-Term Vision

Following our integration with MEDIPAL FOODS CORPORATION, we will leverage our enhanced partner network together with our R&D and quality control functions to deliver high value-added services and further strengthen our business foundations. In the semiconductor field, which is expected to see continued growth, we will step up strategic investment in our electronic materials business. Starting with tamarind seed gum (marketed as GLYLOID® for food applications and TAMAVISCO® for cosmetics), we will also expand overseas sales and promote the development of functional food ingredients that address preventive health and pre-disease care needs.

Review of FY2024 and future direction

The food ingredients business remained strong, exceeding the previous fiscal year's sales. The chemical products business also performed well overall, particularly in electronic chemicals and cosmetics, achieving a significant increase in sales year on year. The October 2024 integration with MEDIPAL FOODS CORPORATION strengthened our value delivery capabilities by combining both companies' sales networks and R&D capabilities. Overseas, we advanced the establishment of a sales system for GLYLOID® in Asia and launched full-scale sales of TAMAVISCO® in Europe.

Looking ahead, in both the food ingredients and chemical products businesses, which are expected to remain steady, we will accelerate our shift toward higher value-added businesses.