Business Briefing
–Overview of the FY2025 Financial Results and the Next Medium-Term Management Plan (2026–2028)–
Q&A [Summary]

May 21, 2026

[About the Building Materials Business]

Q1. Profit margins have declined significantly in FY2025. What specific countermeasures are you considering?

A1. Factors pressuring profits included rising logistics, labor, and material costs, as well as being forced to seek new outsourcing partners to ensure on-time delivery. As a measure to improve profitability, we are striving to develop relationships with new vendors that can provide a more cost-effective and reliable supply. Furthermore, as procurement costs continue to rise, we are systematically conducting price negotiations.

Q2. With new detached housing starts declining, do you have any new initiatives, such as introducing products into the pre-owned housing and condominium markets?

A2. While the used housing market remains one of our key focus areas, our top priority is to explore introducing new products into non-residential sectors. For instance, amid the shrinking housing market, we are exploring various possibilities from multiple angles, such as whether our metal processing technology can be applied to non-residential sectors and agricultural civil engineering.

[About the Recycling Business]

Q1. With the contract manufacturing of lithium-ion battery cathode materials coming to an end, will this affect the recycling business? Specifically, will there be any changes to the business model?

A1. The termination of contract manufacturing and the launch of the recycling pilot plant have entirely different strategic positioning. Although the contract manufacturing of NCA cathode materials is terminating at this time, we will continue to explore new contract manufacturing opportunities for different product varieties, as well as in-house production.

[About the Medium-term Management Plan]

Q1. Operating income for the chemicals business is projected to increase significantly from FY2026 to FY2027. What are the key factors behind this growth? Please explain in detail.

A1. By segment, operating income for the chemicals business is projected to increase from 1.7 billion yen in FY2026 to 2.5 billion yen in FY2027. Our strategy is to increase profitability through the expansion of existing product sales and the introduction of new ones, while fully capitalizing on our strengths: (1) low-volume, high-mix production capabilities, (2) responsiveness to customer requirements, and (3) niche-leading products.

Q2. You anticipate investing approximately 20 billion yen by 2030. How do you view the expected returns on this investment?

A2. We believe that our operating income target of 5 billion yen for FY2030 should be achieved through a dual-pronged management approach that involves revitalizing existing businesses and creating new ones. Going forward, we plan to focus our funding on creating new businesses, such as recycling automotive rechargeable batteries and strengthening our overseas market expansion, and to reap the investment returns well into FY2030 and beyond.