

Business Strategy to Achieve Value Creation

Adhesive Material

Business Profile

In the Adhesive Material business, we offer a lineup including Aron Alpha, which is synonymous with instant glues, as well as various high-performance adhesives that meet new needs in such fields as electronic materials, automobiles, and precision equipment. In particular, Aron Alpha is outstanding for its ability to bond a wide range of materials strongly with a small amount and in a short time, without the need for heating or other forms of energy. Through our adhesive technologies, we contribute to improved productivity and labor efficiency in a wide range of production activities, helping promote our customers' technological innovations and the reduction of greenhouse gas emissions.

- **Instant glues business (consumer business and global business)**
Instant glues for general consumers, such as Aron Alpha and Krazy Glue.

- **Functional adhesives business**
High-performance adhesives used in electronic materials, automobiles, precision equipment, and other applications, including reactive, light-curable, hot-melt types, and more.

Executive Officer,
General Manager,
Aron Alpha Division
Kentaro Mori

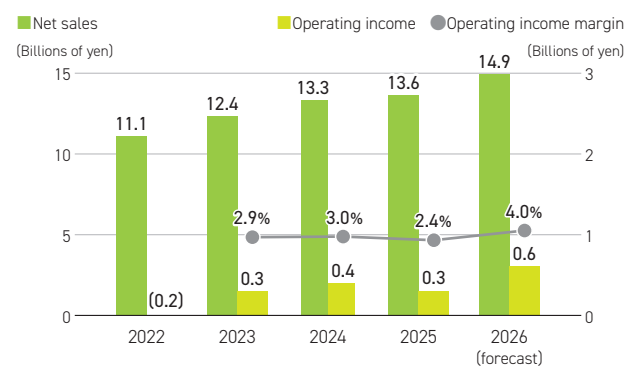


In the consumer business, in Japan, we will leverage brand strength for advertising and promotion, expand sales floors, and develop new markets through the introduction of new products. Overseas, we will strengthen sales capabilities in the United States and China, and expand into markets in Southeast Asia and other developing countries. In the industrial business, we are focusing on growth areas such as mobility and electronic materials, and promoting product rollout not only in Japan but also in overseas markets.

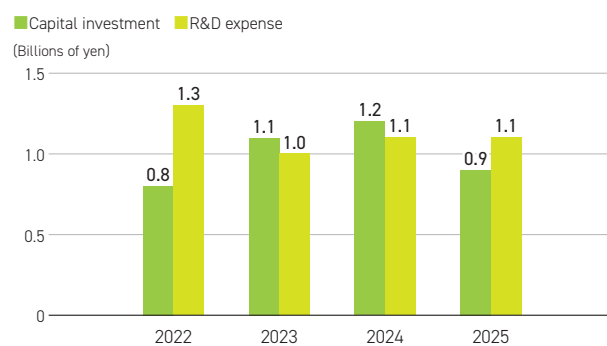
FY2025 in Review

- **Consumer business**
We carried out marketing campaigns centered on Aron Alpha Hikari. We implemented initiatives such as broadcasting TV commercials, installing monitors and POP displays at sales floors, and distributing videos via social media. It was also adopted by convenience stores, leading to an increase in the number of retail stores and shipments significantly exceeded the previous year.
- **Global business**
We are focusing on business development in the United States, China, and Southeast Asia. In the United States, the joint venture agreement was dissolved and we began independent operations. We are expanding sales of Krazy Glue by leveraging the benefits of our integrated manufacturing and sales operations. In China, in addition to e-commerce, we are working to expand sales through physical stores. Sales are growing in Thailand and the Philippines, and we also launched sales in Vietnam in 2025. We have achieved rapid business results by implementing sales strategies tailored to the characteristics of each local market.
- **Functional adhesives business**
In mobility products, sales of adhesives for bipolar nickel-hydrogen batteries have remained strong thanks to global growth in hybrid vehicle demand and the growing number of models adopting these batteries. In functional adhesive products, new adoption by overseas customers has been secured for our IC card adhesives and waterproof wire-sealing materials and we are prioritizing the expansion of overseas sales.

Segment net sales and operating income



Capital investment and R&D expense



Competitive Advantages, Issues, and Growth Opportunities

	Consumer business	Global business	Functional adhesives business
Competitive advantages	High brand strength of Aron Alpha, certified by Guinness World Records as the world's longest-selling consumer super glue brand	Brand power of Krazy Glue, which has become synonymous with instant adhesives in the United States and Aron Alpha, the number one brand in Japan	Technical capabilities to design and customize optimal formulations to meet customer requirements based on a broad product portfolio
Issues	Brand recognition among younger generations and countermeasures against low-priced products	Development and strengthening of sales networks	Expansion of product offerings and sales growth in overseas markets
Growth opportunities	Expanding shelf space by promoting Aron Alpha as a convenient adhesive for quick repairs, while also cultivating demand in hobby applications such as scale modeling and accessory making	The global consumer instant adhesive market continues to expand, and we are focusing on developing new markets, particularly in emerging countries with growing populations and increasing consumer demand.	- Proposing adhesive solutions that support the evolution of next-generation mobility - Achieving both performance and sustainability through advanced functional materials for EVs and hydrogen devices, as well as recycling and easy disassembly technologies for a recycling society

Medium- to Long-term Growth Strategy

Consumer business and global business

We will enhance the strength of the Aron Alpha brand to remain the market leader in instant adhesives. Through not only TV commercials but also various media, we will deliver the appeal of Aron Alpha and aim to acquire fans across a wide range of generations. In addition, we will introduce new products and develop new markets for Aron Alpha.

Overseas, we will further expand global sales by strengthening the Krazy Glue brand in the United States, as well as expanding the Aron Alpha brand in Asian countries.

Functional adhesives business

In the functional adhesives business, we leverage our proprietary molecular design, compounding, and analytical technologies to develop high-value-added products. Currently, we are focusing on the mobility and electronic materials fields as pillars of our growth strategy. In the mobility field, we are developing materials to support the evolution of next-generation batteries, automotive cameras and sensors, and ECU peripheral components, while in the electronic materials field, we are engaged in R&D of insulating sealing materials for circuit boards, nanoimprint resins, and next-generation optoelectronic fusion materials, thereby contributing to the commercialization of cutting-edge technologies.

FOCUS TOPICS

Release of new anime commercial Tsukunoko

To gain recognition among younger generations, we released a new anime commercial in the Kuttsuke Seishun Series for the first time in seven years, titled Tsukunoko. The video has been viewed more than 12 million times on YouTube and has been featured in many media outlets on social media news. The campaign website on X achieved 2.3 million impressions, and was able to appeal to a younger demographic. As a result, we achieved an improvement in brand recognition of Aron Alpha among people in their teens and twenties.



Introduction of new technology

Light-curable adhesive that cures even in shadowed areas



Examples of uses

Insulating and sealing of components with shadowed areas, such as FPC connectors and electronic substrates

A major feature of light-curable adhesives is that they can bond materials in seconds through light irradiation. On the other hand, when bonding opaque materials such as metals or colored resins, shadowed areas where light does not reach can occur, making it difficult to apply light-curable adhesives. Even in such cases, there have been customer needs to use light-curable adhesives.

To meet these needs, we have established a proprietary reaction mechanism in which curing proceeds even in areas not directly exposed to light, and developed a new technology that allows curing to occur even in shadow areas using only light irradiation. This enables application to components and uses that was previously difficult, and we are aiming for widespread adoption across a broad range of industrial fields.