Hodogaya Chemical Group Value Creation Process

The Hodogaya Chemical Group, based on changes in the internal and external environment as well as the demands of our stakeholders, has established a corporate image that we aspire to be: A corporation that contributes to establish a sustainable society by means of our original portfolio and environmentally friendly manufacturing, with a focus on specialty products. We will continue to solve social issues and contribute to the realization of a sustainable society through the value created by our business activities under the catchphrase Your Dream is Our Business.

PURPOSE - Manage-

Through constant innovation of high-quality products and services creation of an environmentally

ment Philosophy -

chemical technology, we will provide throughout the world and contribute to the conscious society.

VISION - Target Corporate Image -

A corporation that contributes to establish a sustainable society by means of our original portfolio and nvironmentally friendly manufacturing, with a focus on specialty products.



External Environment

Society





Risks and Opportunities ▶ P.17-18

Inputs (FY2022) Financial capital Financial foundation and investments that 49.897million JPY Net assets per share 5,405.73 JPY 42,835million JPY • Interest-bearing debt 10.521million JPY **Human** capital Personnel who can learn, think, and act on their own Number of employees 890 Percentage of overseas personnel 30.6% Labor costs 2,505 million JPY · Investment in education per employee 72 thousand JPY (non-consolidated) Average training hours per employee 106.6 hours Intellectual capital Technology and collaborative foundation that underpins global competitiveness Participate in industry-academia collaborations (development of new materials) R&D expenses 4 939 million IPY • Ratio of R&D expenses to net sales 11.4% • Know-how regarding protecting intellectual property Manufactured capital Global production base network · Global production base network (3 domestic 1 overseas) 3 100 million IPY Capital expenditures Ratio of capital expenditures to net sales 7.2% Use of environment-friendly materials Social and relationship capital

Long-term customer base and relationships of trust

through co-creation with various stake

• Purchasing policy for both Hodogaya

Sales subsidiaries (6 domestic, 4 overseas).

· Development and production of secure, safe

•Trust and the HCC brand built up over a 106-

Natural capital

Efficient use of resources

27.562kl

10.680 kt

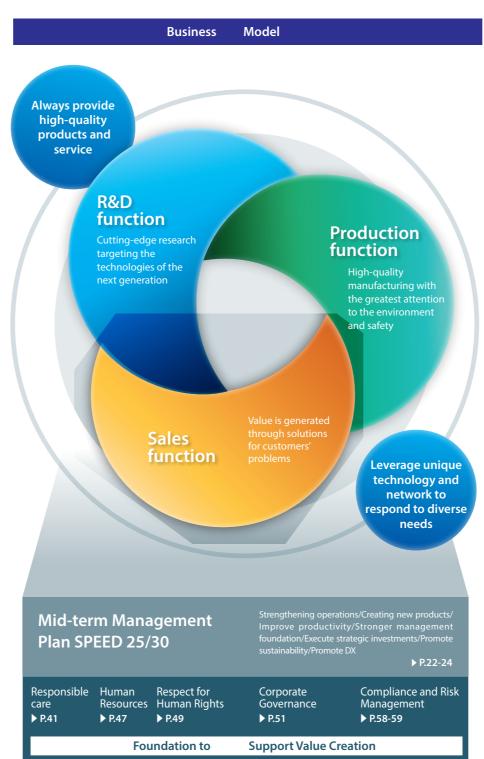
• Energy use (crude oil equivalent)

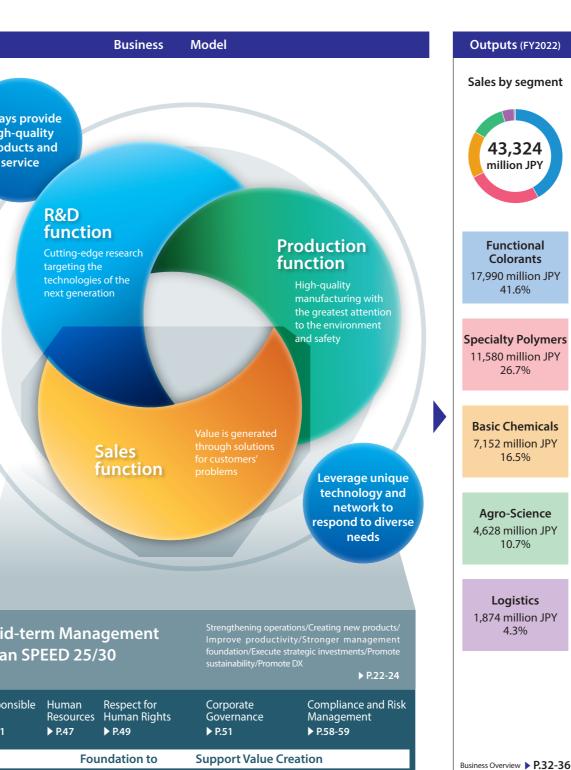
Chemical and partners

vear history

Water use













Impacts IT and **Telecommunication**

Contributing to the

Medicine and Healthcare

contributing to the provision of safe and secure medical service

Building and Infrastructure

mproving the safety an durability of building nrough the provision of building materials

Food Production

 Contributing to the alization of a safe, secur and prosperous dietary lifestyle

Daily Necessities

Supporting safe, secure and comfortable living

Transportation and Logistics

Providing safe logistics

Materiality > P.19-20