








Materiality

In the process of formulating SPEED 25/30, the Hodogaya Chemical Group identified issues of materiality from its management philosophy-based business activities and set concrete numerical targets. The materiality we have identified are the premise for the basic

strategy of SPEED 25/30. We are committed to addressing them as a medium- to long-term business issues on a company-wide basis, together with the FY2030 ideal figure formulated under SPEED 25/30.

	External environment	Materiality	FY2030 ideal figure	FY2025 KPIs	Initiatives	FY2022 results	SDGs contributed to		
<p>STEP 1. Identify changes in the external environment that will have a major impact on society</p>	 Global environment	<ul style="list-style-type: none"> • Responding to climate change 	<ul style="list-style-type: none"> • Contributing to greater agricultural productivity and soil improvement 	—	<ul style="list-style-type: none"> • Expand into peroxide agricultural materials 	<ul style="list-style-type: none"> • Developed a market for soil improvement agents (including joint development) 			
			<ul style="list-style-type: none"> • Contributing to aquaculture as a way to combat the decline in marine resources 	—	<ul style="list-style-type: none"> • Expand sales and dissemination of veterinary medicines 	<ul style="list-style-type: none"> • Continue sales expansion and dissemination 			
			<ul style="list-style-type: none"> • Promoting green chemistry 	—	<ul style="list-style-type: none"> • Expand Bio-PTGs 	<ul style="list-style-type: none"> • Sales expansion of Bio-PTGs 			
			<ul style="list-style-type: none"> • Contributing to society by reducing water resources use and energy use in terms of intensity and total emissions 	<ul style="list-style-type: none"> • Energy intensity: 0.606 kl/million JPY of net sales • CO₂ emissions: 43,400 tons or intensity: 0.868 tons/million JPY of net sales 	<ul style="list-style-type: none"> • Promotion of energy-saving and resource-saving 	<ul style="list-style-type: none"> • Switched to CO₂-free electric power • Internal Carbon Pricing (ICP): Secured investment results 	 		
			<ul style="list-style-type: none"> • Winning high praise from society by reducing environmental impact (reduce CO₂ emission, limit chemical substance discharges, reduce waste, etc.) 	<ul style="list-style-type: none"> • SO_x emissions: zero continuing • Volume of industrial waste produced: less than previous year 	<ul style="list-style-type: none"> • Promote reduction of environmental impact 	<ul style="list-style-type: none"> • SO_x emissions: zero emissions on an ongoing basis → Achieved • Volume of industrial waste produced: Less than the previous fiscal year → Not achieved 	  		
			<ul style="list-style-type: none"> • Contributing to insuring drinking water using treated inland waters 	—	<ul style="list-style-type: none"> • Introduce new uses of hydrogen peroxide 	<ul style="list-style-type: none"> • Examination of application development in new fields 			
		<ul style="list-style-type: none"> • Maintaining air, water, soil environments 	<ul style="list-style-type: none"> • Ensuring the safety of products and chemical substances 	<ul style="list-style-type: none"> • Complying with laws and regulations on chemical substances, and appropriately managing chemical substances 	<ul style="list-style-type: none"> • Zero regulation violations 	<ul style="list-style-type: none"> • Enhance the management of chemical substances 	<ul style="list-style-type: none"> • Continue zero violations through legal and regulatory management 		
				<ul style="list-style-type: none"> • Developing and propagating products that contribute to the environment and society, the Group is regarded by partner companies 	—	<ul style="list-style-type: none"> • Develop new products and next-generation topics 	<ul style="list-style-type: none"> • Establishment of next-generation core technologies and creation of new businesses 		
				<ul style="list-style-type: none"> • Continuing to supply safe, high-quality products, the Group is regarded by partner companies 	<ul style="list-style-type: none"> • Zero quality problems 	<ul style="list-style-type: none"> • Supply safe, high-quality products 	<ul style="list-style-type: none"> • Achieving zero quality problems 		
				<ul style="list-style-type: none"> • Supporting DX and providing environment-friendly infrastructure material 	—	<ul style="list-style-type: none"> • Expand electronic device materials and electronic device equipment materials 	<ul style="list-style-type: none"> • Development of new materials 		
				<ul style="list-style-type: none"> • Working with clients to conduct purchasing that promotes CSR activities in line with Procurement Guidelines 	—	<ul style="list-style-type: none"> • Promote CSR in the supply chain 	<ul style="list-style-type: none"> • Implementation of the "Procurement Guidelines Implementation Status Survey" 	 	
				<ul style="list-style-type: none"> • Extensively using Group's products to respond to infectious diseases 	—	<ul style="list-style-type: none"> • Introduce hydrogen peroxide derivatives, phosgene derivatives, etc. 	<ul style="list-style-type: none"> • Expansion of beverage bottle cleaning and endoscope sterilization 		
<p>STEP 2. Identify the impact of those changes in the external environment on business</p>	 Society	<ul style="list-style-type: none"> • Helping maintain health 	<ul style="list-style-type: none"> • Having promoted social contribution activities in the offices, the Group is acknowledged and regarded in the community 	<ul style="list-style-type: none"> • Number of contribution activities: more than previous year 	<ul style="list-style-type: none"> • Promote community contribution activities 	<ul style="list-style-type: none"> • Resumption of visiting classes at nearby elementary schools, and resumption of environmental support activities 	  		
			<ul style="list-style-type: none"> • All officers and personnel feeling job satisfaction 	<ul style="list-style-type: none"> • Increase engagement score 	<ul style="list-style-type: none"> • Continue to implement measures to increase engagement 	<ul style="list-style-type: none"> • Implementation of engagement surveys and return of results 			
			<ul style="list-style-type: none"> • Promoting diversity, fair, and just treatment of personnel to invigorate the workplace and foster a global workforce 	<ul style="list-style-type: none"> • Percentage of female managers: 13% 	<ul style="list-style-type: none"> • Promote human resource development and vitalization programs 	<ul style="list-style-type: none"> • Conducted training for female personnel / Conducted training for department general managers 	 		
		<ul style="list-style-type: none"> • Promoting health and productivity management and workplace safety and health 	<ul style="list-style-type: none"> • Promoting health and productivity management and workplace safety and health 	<ul style="list-style-type: none"> • Having promoted work-life balance, personnel are successfully combining work and daily living (including child-raising and nursing care) 	<ul style="list-style-type: none"> • Health & Productivity Management Outstanding Organization: certified • Increase percentage of personnel taking paid holidays • Increase percentage of personnel taking refreshment leave 	<ul style="list-style-type: none"> • Promote health and productivity management 	<ul style="list-style-type: none"> • Continued certification as a Health & Productivity Management Outstanding Organization 	 	
				<ul style="list-style-type: none"> • Continuing to achieve accident-free, disaster-free operation, the Group is trusted by society 	<ul style="list-style-type: none"> • Zero lost-time injuries 	<ul style="list-style-type: none"> • Thoroughly implement workplace safety and health and disaster prevention 	<ul style="list-style-type: none"> • Achieved zero lost-time injuries 	 	
				<ul style="list-style-type: none"> • Thorough awareness of human rights and respect, no incidents of harassment, etc. 	<ul style="list-style-type: none"> • FTSE Russell score (Human Rights & Community): 4.0 	<ul style="list-style-type: none"> • Promote human rights enlightenment activities 	<ul style="list-style-type: none"> • Continuous implementation of human rights education • Received an FTSE Russell score (Human Rights & Community: 3.0) 	 	
		<ul style="list-style-type: none"> • Expanding corporate governance 	<ul style="list-style-type: none"> • Spreading compliance 	<ul style="list-style-type: none"> • Sustained growth through "defensive governance" to avoid risks and "offensive governance" to capture upside opportunities 	—	<ul style="list-style-type: none"> • Improve corporate governance 	<ul style="list-style-type: none"> • Public disclosure of Corporate Governance Report 	 	
				<ul style="list-style-type: none"> • Compliance awareness is widespread, and the Group is capable of responding to the changing social norms 	—	<ul style="list-style-type: none"> • Spread compliance 	<ul style="list-style-type: none"> • Ongoing compliance training sessions (four times per year) 	 	
				<ul style="list-style-type: none"> • Discovering opportunities from related risks while minimizing losses in that area and tying that to business and profit opportunities 	—	<ul style="list-style-type: none"> • Broadly recognize and evaluate detailed risks and implement appropriate risk reduction measures 	<ul style="list-style-type: none"> • Discussions at Risk Management Committee meetings 	 	
		<p>STEP 3. Identify issues that Hodogaya Chemical should give priority to solving</p>	 Governance	<ul style="list-style-type: none"> • Thoroughly spreading risk manage 	—	—	—	—	—
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