

# 6-year Financial Summary

(millions of yen)

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Net sales	38,693	37,548	37,771	41,199	41,879	43,324
Functional Colorants	10,997	10,912	11,855	16,503	17,581	17,990
Specialty Polymers	12,046	12,327	11,717	10,255	10,760	11,580
Basic Chemicals	7,024	6,799	7,156	6,866	6,753	7,152
Agro-Science	5,580	5,288	4,951	5,554	4,838	4,628
Logistics	2,820	2,035	1,932	1,848	1,780	1,874
Operating profit	3,903	3,028	2,902	5,444	6,421	3,701
Functional Colorants	1,413	966	1,182	4,028	4,598	2,602
Specialty Polymers	653	587	531	359	888	861
Basic Chemicals	805	545	589	436	291	(575)
Agro-Science	350	409	205	222	330	457
Logistics	631	487	397	361	298	341
Ordinary profit	4,169	3,104	3,058	5,841	6,914	4,211
Profit attributable to owners of parent	2,862	1,883	1,858	3,119	3,251	2,223
Total assets	54,737	57,140	54,903	62,609	66,448	72,051
Net assets	35,869	36,860	37,040	43,654	47,912	49,897
Net assets per share (yen)	4,210.82	4,299.75	4,294.69	4,885.72	5,230.81	5,405.73
Earnings per share (yen)	362.29	238.40	235.15	394.25	410.69	280.65
Equity ratio (%)	60.8	59.5	61.8	61.8	62.3	59.5
ROE	8.8	5.6	5.5	8.6	8.1	5.3
Cash flows from operating activities	4,215	2,525	3,597	5,380	6,143	1,058
Cash flows from investing activities	(960)	(2,351)	(2,060)	(2,689)	(3,569)	(7,036)
Cash flows from financing activities	(3,210)	668	(2,049)	(424)	(1,848)	2,288
Dividends per share (yen)	50.0	50.0	50.0	50.0	60.0	65.0
DOE	1.5	1.4	1.3	1.2	1.3	1.4
Dividend payout ratio (%)	13.8	20.9	21.2	12.6	14.6	23.1
PBR	1.14	0.75	0.72	0.99	0.84	0.56

## Statement of Responsibility

The Hodogaya Chemical Group has been publishing an integrated report since FY2017 in order to enable all our stakeholders to better understand our mid- to long-term growth and improvement of corporate value.

The Hodogaya Chemical Group Integrated Report 2023 introduces the financial and non-financial initiatives aimed at realizing the vision of the Hodogaya Chemical Group, based on the progress of the third year of our Mid-term Management Plan. In addition to explaining the issues that the Hodogaya Chemical Group is currently prioritizing in order to follow our corporate motto of Your Dream is Our Business for the next 100 years, we have presented a value creation story that links sustainability initiatives and other measures to financial value and expanded our disclosure of information in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to fulfill our responsibilities as a chemical manufacturer.

As the officer charged with overall responsibility for the production of this report, I hereby declare that the production process is legitimate, and the information contained herein is accurate.

We hope that this report will help all our stakeholders, including shareholders and investors, to understand the Hodogaya Chemical Group's efforts to achieve sustainable growth and realize a sustainable society.

**Shinichi Sato** Managing Executive Officer

# Primary ESG Data

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
FTSE Russell score (published in June of each year)	-	2.2	2.3	2.4	2.7	3.0
<b>E</b>						
Energy consumption (kl)	28,510	28,129	27,440	27,312	29,215	27,562
Energy intensity (kl/millions of yen in sales)	0.7379	0.7491	0.7265	0.6629	0.6976	0.6362
Greenhouse gas emissions						
Greenhouse gas emissions Scope 1 (t-CO <sub>2</sub> )	25,554	25,794	24,999	24,729	26,093	25,064
Greenhouse gas emissions Scope 2 (t-CO <sub>2</sub> )	25,999	24,737	23,827	23,301	23,154	20,658
Scope 1 + Scope 2 (t-CO <sub>2</sub> )	51,553	50,531	48,826	48,030	49,247	45,722
Greenhouse gas emission intensity (t-CO <sub>2</sub> /millions of yen in sales)	1.3342	1.3458	1.2927	1.1658	1.1759	1.0554
Prevention of air pollution						
SOx (sulfur oxide) emissions (t)	0	0	0	0	0	0
NOx (nitrogen oxide) emissions (t)	6.54	4.92	4.72	4.99	4.94	3.17
Dust emissions (t)	0.08	0.08	0.04	0.03	0.02	0.00
Prevention of water pollution						
Water usage (kt)	10,794	10,505	10,334	10,552	10,781	10,680
Water discharge volume (kt)	10,519	10,162	9,858	10,130	10,643	10,684
COD (chemical oxygen demand) emissions (t)	55.0	54.3	46.3	54.4	50.8	64.2
Industrial waste						
Industrial waste volumes (t)	2,569	2,452	2,753	3,017	2,746	3,477
Industrial waste from plastic products (t)	Started calculating from FY2022					126
Industrial waste recycle volume (t)	976	1,471	1,090	1,736	1,615	2,190
Industrial waste final disposal volume (t)	440	430	257	200	52	85
<b>S</b>						
Employees (persons)	719	731	739	789	834	890
Percentage of female managers (%)	8.9	11.0	10.8	11.2	10.8	11.0
Percentage of female employees (%)	17.7	17.9	18.4	18.6	18.0	19.5
Percentage of non-Japanese employees (%)	17	18	21	23	26	31
Percentage of mid-career hires* (%)	32	33	32	33	34	35
Percentage of disability employment* (%)	1.3	1.5	1.9	2.3	2.5	2.6
Female personnel taking long-term childcare leave* (persons)	2	1	3	1	6	1
Percentage of female personnel taking long-term childcare leave* (%)	100	100	100	100	100	100
Male personnel taking long-term childcare leave* (persons)	0	0	4	1	9	10
Percentage of male personnel taking long-term childcare leave* (%)	0	0	24	14	56	83
Long-term nursing care leave (persons)	0	0	0	0	0	0
Gender wage gap* (%)	Started calculating from FY2022					84.8
Average monthly overtime per employee* (hours)	11.2	11.9	12.0	10.3	11.6	11.3
Percentage of personnel taking paid holidays* (%)	66	68	68	65	69	71
Percentage of personnel taking refreshment leave* (%)	—	95	94	93	93	95
Average annual training hours per employee* (hours)	Started calculating from FY2021					109.0
Separation rate (calculated using number of regular employees who leave the company during the year and excluding employees who joined the company during the year)* (%)	0.7	1.5	3.2	1.5	3.3	1.6
<b>G</b>						
Percentage of Outside Directors (%)	37.8	42.9	42.9	42.9	42.9	42.9
Number of Board of Directors meetings	16	15	17	16	16	12
Number of Nominating and Compensation Committee meetings	—	—	7	10	12	14
Number of anticorruption violations	0	0	0	0	0	0
Total amount of political donations (yen)	0	0	0	0	0	0

\* Data available for Hodogaya Chemical only

## Environmental Accounting\* (Unit: Million JPY)

	FY2021		FY2022	
	Investment	Expense	Investment	Expense
Business area cost	120	179	125	230
(1) Pollution prevention cost	20	43	38	30
(2) Global environmental conservation cost	100	16	87	11
(3) Resource circulation cost	-	120	-	189
Upstream/downstream costs	-	5	-	9
Administration cost	-	2	-	4
R&D cost	-	92	-	46
Social activity cost	-	13	4	15
Environmental remediation cost	-	-	-	-
<b>Total</b>	<b>120</b>	<b>291</b>	<b>129</b>	<b>304</b>

\* Based on the "Environmental Accounting Guidelines 2005" of the Ministry of the Environment

# Corporate Data

## Corporate data (As of March 31, 2023)

<b>Company Name</b>	Hodogaya Chemical Co., Ltd.
<b>Head Office</b>	1-9-2, Higashi-Shimbashi, Minato-ku, Tokyo 105-0021 Japan TEL +81-3-6852-0300 (Main Switchboard)
<b>Foundation</b>	December 11, 1916
<b>Paid-in Capital</b>	11,196 million yen
<b>Employees</b>	890 (Consolidated), 471 (Hodogaya non-consolidated)

## Description of business

Primarily producing and selling organic industrial chemicals and conducting various related businesses, including logistics and commissioned research and development.

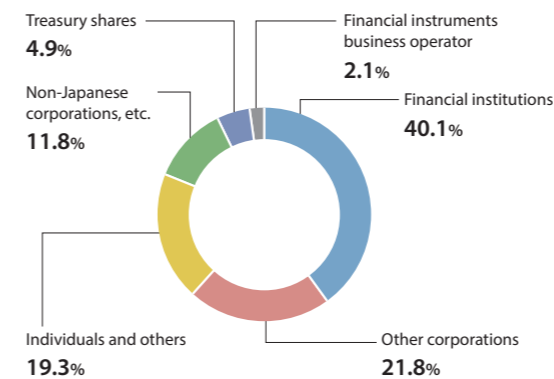
## Offices

Head Office (Minato-Ku, Tokyo), Osaka Branch Office (Osaka City, Osaka Prefecture), Koriyama Plant (Koriyama City, Fukushima Prefecture), Yokohama Plant (Yokohama City, Kanagawa Prefecture), Nanyo Plant/Nanyo Branch Plant (Shunan City, Yamaguchi Prefecture), Tsukuba Research Laboratory (Tsukuba City, Ibaraki Prefecture), Taipei Office (Taipei, Taiwan)

## Stock information (as of March 31, 2023)

- Total number of authorized shares 20,000,000
- Total number of shares issued 8,413,726 (including 409,635 treasury shares)
- Number of shareholders 7,130 (+588 year over year)

## Distribution of shares by shareholder



## Main independent evaluations

Health & Productivity  
Management Outstanding  
Organization 2023



## Eco Rail Mark

- Received Eco Mark Certification  
Hodogaya Chemical Co., Ltd.  
Hodogaya Construction Products Co., Ltd.
- Certified Products  
Sakana Guard, Peracetic acid, Sodium percarbonate,  
Charge control agent TP-415, Chloro-IPC, Eco Proof



FTSE Russell score: 3.0 (FY2022)  
(FTSE Blossom Japan Sector Relative Index constituent)



FTSE Blossom  
Japan Sector  
Relative Index

FTSE Russell confirms that Hodogaya Chemical Co., Ltd. has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Sector Relative Index. The FTSE Blossom Japan Sector Relative Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

## EcoVadis

