





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	
<p>STEP 1. Identify changes in the external environment that will have a major impact on society</p>  <p>Global environment</p>	<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"> Contributing to aquaculture as a way to combat the decline in marine resources 	
		<ul style="list-style-type: none"> Promoting green chemistry 	
	<ul style="list-style-type: none"> Maintaining air, water, soil environments 	<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"> 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"> Contributing to insuring drinking water using treated inland waters 	
		<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"> Ensuring the safety of products and chemical substances 	<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"> Continuing to supply safe, high-quality products, the Group is regarded by partner companies 	
		<ul style="list-style-type: none"> Supporting DX and providing environment-friendly infrastructure material 	
<p>STEP 2. Identify the impact of those changes in the external environment on business</p>  <p>Society</p>	<ul style="list-style-type: none"> Improving value and reliability of products 	<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"> Extensively using Group's products to respond to infectious diseases 	
	<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"> Contributing to communities 	
	<ul style="list-style-type: none"> Improving feeling of motivation to work 	<ul style="list-style-type: none"> All officers and personnel feeling job satisfaction 	
		<ul style="list-style-type: none"> Promoting diversity 	
	<p>STEP 3. Identify issues that Hodogaya Chemical should give priority to solving</p>  <p>People (society and organization)</p>	<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"> Continuing to achieve accident-free, disaster-free operation, the Group is trusted by society
		<ul style="list-style-type: none"> Respecting human rights 	
	<p>Governance</p> 	<ul style="list-style-type: none"> Expanding corporate governance 	<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"> Spreading compliance 		<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"> Thoroughly spreading risk manage 		<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 	



FY2025 KPIs	Initiatives	FY2022 results	SDGs contributed to
—	Expand into peroxide agricultural materials	Developed a market for soil improvement agents (including joint development)	
—	Expand sales and dissemination of veterinary medicines	Continue sales expansion and dissemination	
—	Expand Bio-PTGs	Sales expansion of Bio-PTGs	
<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 	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"> SOx emissions: zero continuing Volume of industrial waste produced: less than previous year 	Promote reduction of environmental impact	<ul style="list-style-type: none"> SOx emissions: zero emissions on an ongoing basis → Achieved Volume of industrial waste produced: Less than the previous fiscal year → Not achieved 	  
—	Introduce new uses of hydrogen peroxide	Examination of application development in new fields	
Zero regulation violations	Enhance the management of chemical substances	Continue zero violations through legal and regulatory management	
—	Develop new products and next-generation topics	Establishment of next-generation core technologies and creation of new businesses	
Zero quality problems	Supply safe, high-quality products	Achieving zero quality problems	
—	Expand electronic device materials and electronic device equipment materials	Development of new materials	
—	Promote CSR in the supply chain	Implementation of the "Procurement Guidelines Implementation Status Survey"	 
—	Introduce hydrogen peroxide derivatives, phosgene derivatives, etc.	Expansion of beverage bottle cleaning and endoscope sterilization	
Number of contribution activities: more than previous year	Promote community contribution activities	Resumption of visiting classes at nearby elementary schools, and resumption of environmental support activities	  
Increase engagement score	Continue to implement measures to increase engagement	Implementation of engagement surveys and return of results	
Percentage of female managers: 13%	Promote human resource development and vitalization programs	Conducted training for female personnel / Conducted training for department general managers	 
<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 	Promote health and productivity management	Continued certification as a Health & Productivity Management Outstanding Organization	 
Zero lost-time injuries	Thoroughly implement workplace safety and health and disaster prevention	Achieved zero lost-time injuries	 
FTSE Russell score (Human Rights & Community): 4.0)	Promote human rights enlightenment activities	Continuous implementation of human rights education Received an FTSE Russell score (Human Rights & Community: 3.0)	 
—	Improve corporate governance	Public disclosure of Corporate Governance Report	 
—	Spread compliance	Ongoing compliance training sessions (four times per year)	 
—	Broadly recognize and evaluate detailed risks and implement appropriate risk reduction measures	Discussions at Risk Management Committee meetings	