

6-year Financial Summary

(millions of yen)

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Net sales	37,548	37,771	41,199	41,879	43,324	44,261
Functional Colorants	10,912	11,855	16,503	17,581	17,990	21,238
Specialty Polymers	12,327	11,717	10,255	10,760	11,580	8,341
Basic Chemicals	6,799	7,156	6,866	6,753	7,152	7,846
Agro-Science	5,288	4,951	5,554	4,838	4,628	4,940
Logistics	2,035	1,932	1,848	1,780	1,874	1,704
Operating profit	3,028	2,902	5,444	6,421	3,701	3,951
Functional Colorants	966	1,182	4,028	4,598	2,602	3,197
Specialty Polymers	587	531	359	888	861	(94)
Basic Chemicals	545	589	436	291	(575)	207
Agro-Science	409	205	222	330	457	376
Logistics	487	397	361	298	341	250
Ordinary profit	3,104	3,058	5,841	6,914	4,211	4,711
Profit attributable to owners of parent	1,883	1,858	3,119	3,251	2,223	2,480
Total assets	57,140	54,903	62,609	66,448	72,051	81,157
Net assets	36,860	37,040	43,654	47,912	49,897	57,443
Net assets per share (yen)	4,299.75	4,294.69	4,885.72	5,230.81	5,405.73	6,014.71
Earnings per share (yen)	238.40	235.15	394.25	410.69	280.65	312.63
Equity ratio (%)	59.5	61.8	61.8	62.3	59.5	58.8
ROE	5.6	5.5	8.6	8.1	5.3	5.5
Cash flows from operating activities	2,525	3,597	5,380	6,143	1,058	8,343
Cash flows from investing activities	(2,351)	(2,060)	(2,689)	(3,569)	(7,036)	(3,950)
Cash flows from financing activities	668	(2,049)	(424)	(1,848)	2,288	(2,067)
Dividends per share (yen)	50.0	50.0	50.0	60.0	65.0	75.0
DOE	1.4	1.3	1.2	1.3	1.4	1.6
Dividend payout ratio (%)	20.9	21.2	12.6	14.6	23.1	24.0
PBR	0.75	0.72	0.99	0.84	0.56	0.61

Statement of Authenticity

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 2024 includes an explanation of financial and non-financial initiatives aimed at achieving the Hodogaya Chemical Group's vision as steady progress is being made to achieve our target figure (FY2025) and ideal figure (FY2030) appearing in the 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 continue our disclosure of information on our serious efforts to tackle climate change as a chemical company 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.

Director and Managing Executive Officer **Shinichi Sato**

Primary ESG Data

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
FTSE Russell score (published in June of each year)	2.2	2.3	2.4	2.7	3.0	3.6
E						
Energy consumption (kl)	28,129	27,440	27,312	29,215	27,562	21,920
Energy intensity (kl/millions of yen in sales)	0.7491	0.7265	0.6629	0.6976	0.6362	0.4952
Greenhouse gas emissions						
Greenhouse gas emissions Scope 1 (t-CO ₂)	25,794	24,999	24,729	26,093	25,064	18,365
Greenhouse gas emissions Scope 2 (t-CO ₂)	24,737	23,827	23,301	23,154	20,658	17,284
Scope 1 + Scope 2 (t-CO ₂)	50,531	48,826	48,030	49,247	45,722	35,649
Greenhouse gas emission intensity (t-CO ₂ /millions of yen in sales)	1.3458	1.2927	1.1658	1.1759	1.0554	0.8054
Prevention of air pollution						
SOx (sulfur oxide) emissions (t)	0	0	0	0	0	0
NOx (nitrogen oxide) emissions (t)	4.92	4.72	4.99	4.94	3.17	2.84
Dust emissions (t)	0.08	0.04	0.03	0.02	0.00	0.00
Prevention of water pollution						
Water usage (kt)	10,505	10,334	10,552	10,781	10,680	9,853
Water discharge volume (kt)	10,162	9,858	10,130	10,643	10,684	9,873
COD (chemical oxygen demand) emissions (t)	54.3	46.3	54.4	50.8	64.2	54.6
Industrial waste						
Industrial waste volumes (t)	2,452	2,753	3,017	2,746	3,477	2,523
Industrial waste from plastic products (t)	Started calculating from FY2022				126	110
Industrial waste recycle volume (t)	1,471	1,090	1,736	1,615	2,190	1,503
Industrial waste final disposal volume (t)	430	257	200	52	85	144
S						
Employees (persons)	731	739	789	834	890	922
Percentage of female managers (%)	11.0	10.8	11.2	10.8	11.0	11.3
Percentage of female employees (%)	17.9	18.4	18.6	18.0	19.5	20.5
Percentage of non-Japanese employees (%)	18	21	23	26	31	32
Percentage of mid-career hires* (%)	33	32	33	34	35	35
Percentage of disability employment* (%)	1.5	1.9	2.3	2.5	2.6	2.6
Female personnel taking long-term childcare leave* (persons)	1	3	1	6	1	0
Percentage of female personnel taking long-term childcare leave* (%)	100	100	100	100	100	0
Male personnel taking long-term childcare leave* (persons)	0	4	1	9	10	12
Percentage of male personnel taking long-term childcare leave* (%)	0	24	14	56	83	109
Long-term nursing care leave (persons)	0	0	0	0	0	0
Gender wage gap* (%)	Started calculating from FY2022				84.8	82.9
Average monthly overtime per employee* (hours)	11.9	12.0	10.3	11.6	11.3	10.0
Percentage of personnel taking paid holidays* (%)	68	68	65	69	71	74
Percentage of personnel taking refreshment leave* (%)	95	94	93	93	93	96
Average annual training hours per employee* (hours)	Started calculating from FY2021			109.0	106.6	96.2
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)* (%)	1.5	3.2	1.5	3.3	1.6	1.9
G						
Percentage of Outside Directors (%)	42.9	42.9	42.9	42.9	42.9	42.9
Number of Board of Directors meetings	15	17	16	16	12	13
Number of Nominating and Compensation Committee meetings	—	7	10	12	14	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 Data* (Unit: Million JPY)

	FY2021		FY2022		FY2023	
	Investment	Expense	Investment	Expense	Investment	Expense
Business area cost	120	179	125	230	59	185
(1) Pollution prevention cost	20	43	38	30	14	40
(2) Global environmental conservation cost	100	16	87	11	45	7
(3) Resource circulation cost	—	120	—	189	—	138
Upstream/downstream costs	—	5	—	9	—	7
Administration cost	—	2	—	4	—	5
R&D cost	—	92	—	46	—	22
Social activity cost	—	13	4	15	7	13
Environmental remediation cost	—	—	—	—	—	—
Total	120	291	129	304	66	232

* Based on the “Environmental Accounting Guidelines 2005” of the Ministry of the Environment

Corporate Data

Corporate data (As of March 31, 2024)

Company Name	Hodogaya Chemical Co., Ltd.
Head Office	1-9-2, Higashi-Shimbashi, Minato-ku, Tokyo 105-0021 Japan TEL +81-3-6852-0300 (Main Switchboard)
Foundation	December 11, 1916
Paid-in Capital	11,196 million yen
Employees	922 (Consolidated), 489 (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.

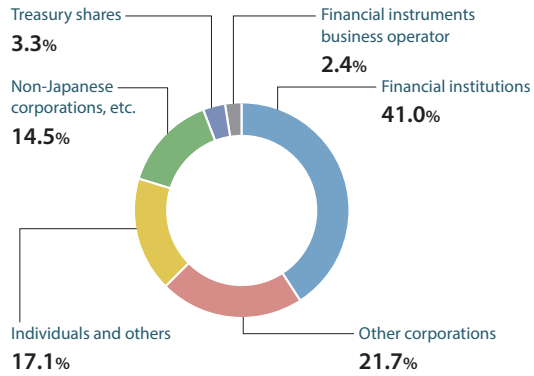
Offices

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, 2024)

- (1) Total number of authorized shares 20,000,000
- (2) Total number of shares issued 8,413,726
(including 274,374 treasury shares)
- (3) Number of shareholders 6,534 (-596 year over year)

Distribution of shares by shareholder



Main independent evaluations

Health & Productivity
Management Outstanding
Organization 2024



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 Russel score: 3.0 (FY2023)
(FTSE Blossom Japan Sector Relative Index constituent)



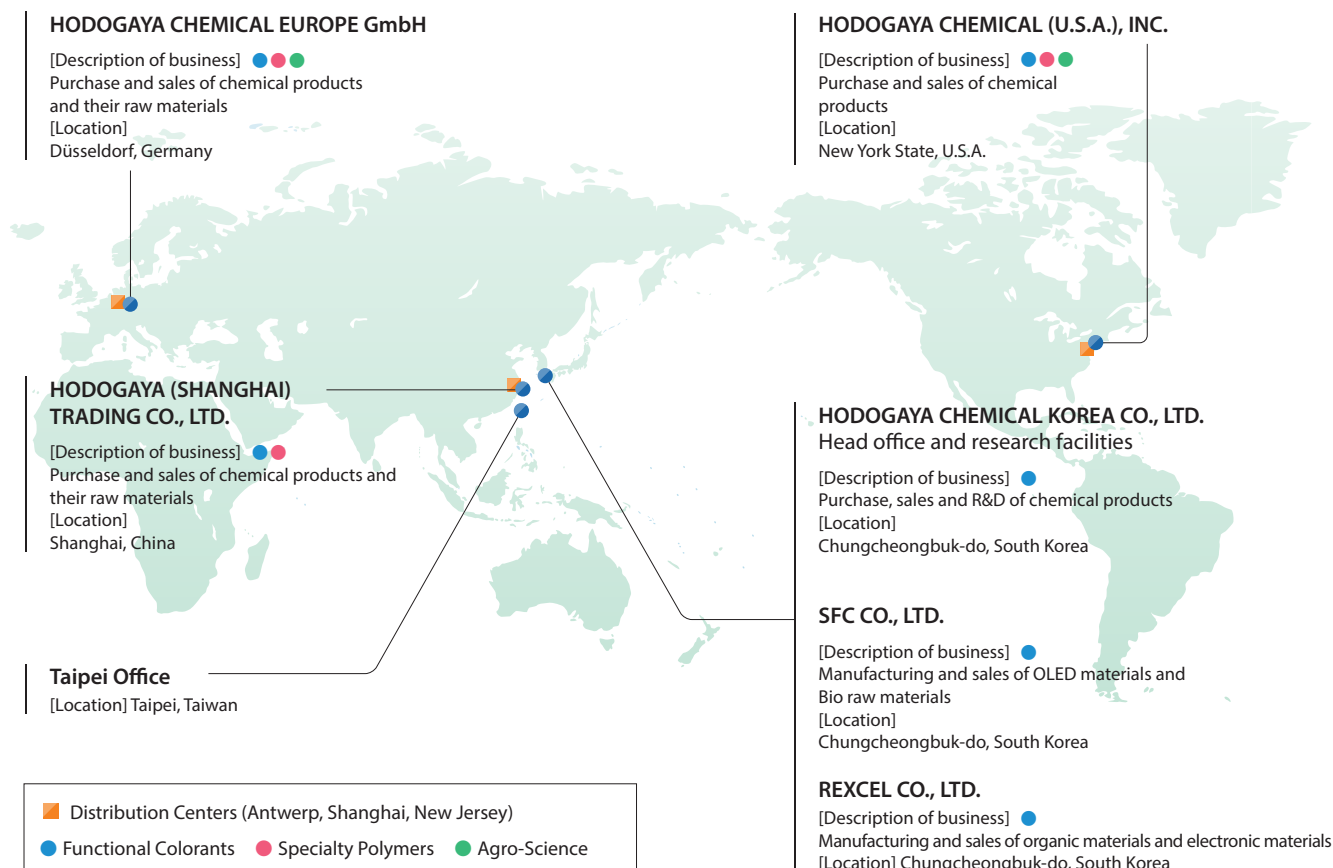
FTSE Russell confirms that Hodogaya Chemical Co., Ltd. has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Sector Relative Index. The FTSE Blossom Japan Sector Relative Index is used by a wide variety of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

* The Company is already included as a constituent stock of the FTSE Blossom Japan Sector Relative Index, too.

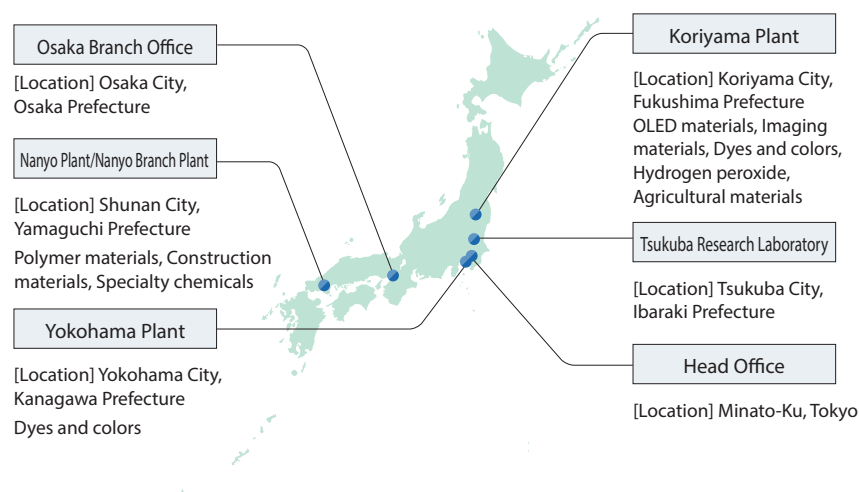
EcoVadis



Overseas Network



Domestic Network



Major Domestic Group Companies

- ▶ **KATSURA SANGYO CO., LTD.**
Purchase and sales of chemical products
- ▶ **Hodogaya Construction Products Co., Ltd.**
Manufacturing and sales of construction products
- ▶ **Hodogaya Contract Laboratory Co., Ltd.**
Contract-based analysis and development of chemical products
- ▶ **Hodogaya Logistics Co., Ltd.**
Warehousing and logistics
- ▶ **HODOGAYA UPL Co., Ltd.**
Manufacturing and sales of agricultural chemicals
- ▶ **HODOGAYA AGROTECH Co., Ltd.**
Manufacturing and sales of agricultural chemicals

* As of March 31, 2024



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