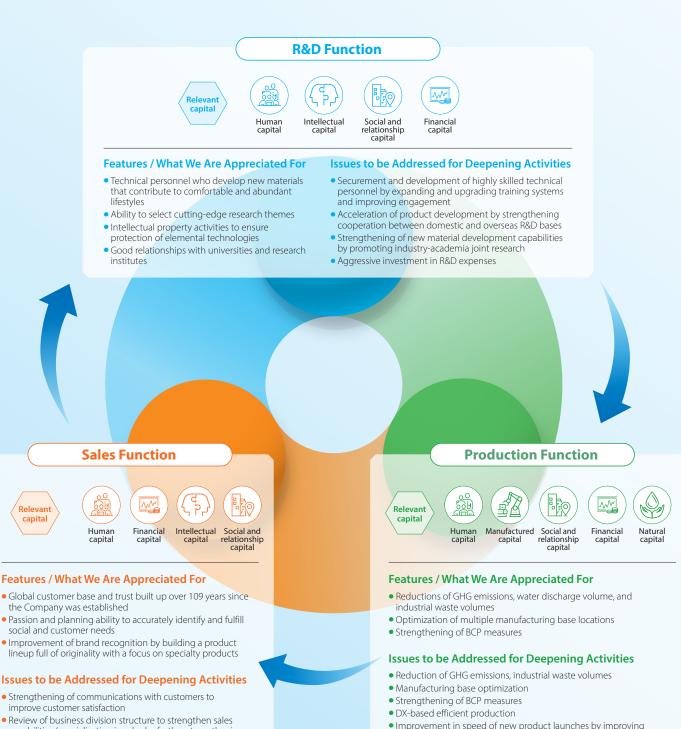
Explanation of Value Creation Process

Business Model

The Hodogaya Chemical Group has built a three-pronged business model in which the R&D, production, and sales functions all collaborate to quickly ascertain the diversifying needs of society and respond quickly to the differing needs of its various customers. Utilizing the Company intranet, the R&D, production, and sales functions share information efficiently and quickly regardless of location, leading to product development. In addition to working to improve efficiency by holding monthly production and sales meetings, we share customer requests and needs obtained by sales departments with business divisions and production bases. We also have in place a system that allows us to quickly select the systems necessary for product improvement and new R&D themes.



process development capabilities

engagement

• Securement and development of highly skilled technical

personnel by expanding and upgrading training and improving

capital

capabilities (specialization in sales by further strengthening

Sales channel diversification and overseas sales increase by

strengthening of internal and external collaboration

sales support organization)