

Global Expansion of the Hodogaya Chemical Group

Message from executive officer in charge of business



I consider the combination of our strengths, systems, and partners, whether in Japan or overseas, in response to needs as a single element to expand the business, and particularly for global expansion, an important point is creating business models and capturing partners locally.

Through our in-house and external global network, we will move forward with implementing the Mid-Term Management Plan SPEED 25/30 by creating attractive business models and capturing promising partners for each region's needs after taking into full consideration such factors as marketability, future possibility, and profitability.

Takeshi Nakano Managing Executive Officer

State of initiatives

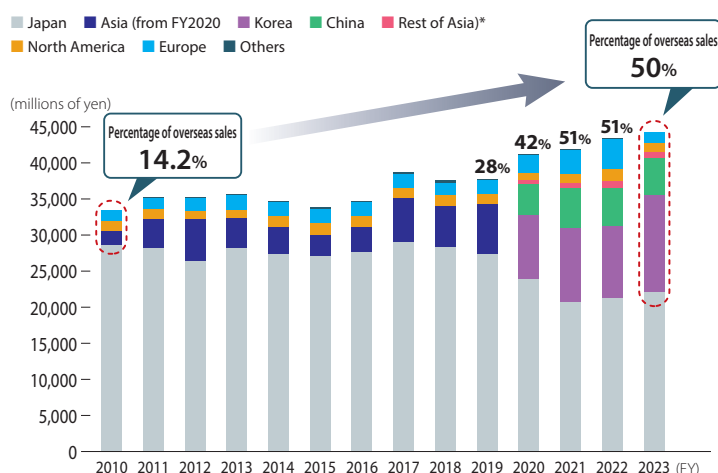
Hodogaya Chemical Group is enhancing its overseas presence to meet the diverse needs of our global customers. We have established local subsidiaries in our key markets, including North America, Europe, and China. Additionally, with the expanding applications of OLED materials, our group company in South Korea is experiencing growth in business scale, resulting in an overseas sales ratio of 50% for the Hodogaya Chemical Group.

As a result of growing exports from Japan and working on expanding our overseas network, our overseas sales of imaging materials, such as charge control agents for toners, aluminum coloring dyes for mobile devices, and OLED materials for displays have increased steadily. Also, sales of materials for PCR diagnostic kits, developed independently by Korea-based SFC as an application technology for OLED materials, have grown

dramatically since FY2020 because of the COVID-19 pandemic. In November 2023, we constructed the new BioPark, which boasts both R&D and production facilities, in Korea in order to further expand the bio business. In these ways we are working to manufacture products in the field of nucleic acid medicine, next generation pharmaceuticals, in addition to diagnostic oligo products. For the specialty polymers business, we are also moving forward with a partnership with a large European chemical company to expand sales of urethane materials and phosgene derivatives based on plant-derived raw materials out of consideration of the environment.

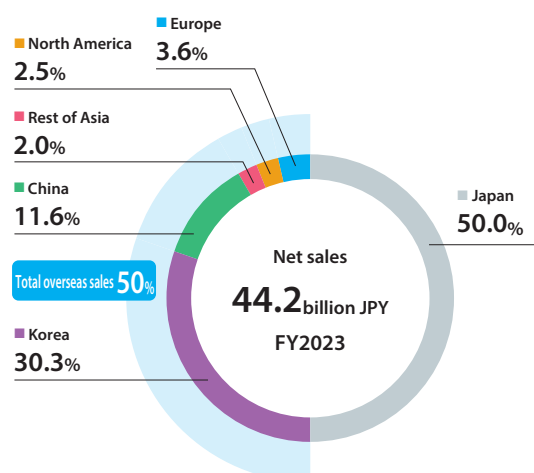
The Group will meet customer needs in Japan and overseas by constantly providing high-quality products and services, taking advantage of its unique technological capabilities and global networks in all fields.

Trends in the Hodogaya Chemical Group's net sales by region



* Sales in Korea and China, which were included in Asia until FY2019, are now listed independently as these markets have increased in importance.

Net sales composition by region of the Hodogaya Chemical Group



Related Group company: **REXCEL CO., LTD.**

Description of business: Manufacturing and sales of OLED materials and electronic materials

Location: 51 Megapolliseu-ro, Daesowon-myeon, Chungju-si, Chungcheongbuk-do, Korea 27461

Webpage: <https://www.hodogaya.co.jp/english/company/group/#grp13>

