

Business Overview of the Hodogaya Chemical Group



Functional Colorants Segment

<https://www.hodogaya.co.jp/english/products/segment01/>



Three Strengths

Ability to embody the needs of customers in the global arena by making full use of the DNA of the Group including our organic composite technology

Lineup that makes it possible for total solutions via all the various types of OLED materials

Aluminum coloring dyes leading global market share

The world's "Only One" hair dyes

Description of Business

• OLED Materials

Demand for OLED materials is growing because of their use in displays for smartphones, tablets and smartwatches, and they are also expected to be introduced for TVs and automotive applications. The materials for PCR diagnostic kits have been rated highly, including reporter, quencher dyes, and probes. The materials were developed independently by the Hodogaya Chemical Group as an application of OLED material technology, and the Group is expanding into new fields.

• Imaging materials

They are essential for copiers and printers to function, helping to enhance precision in the office automation environment.

• Dyes and colors

Our products, developed with unique technologies, are highly regarded as high-quality products in Japan and worldwide. (Mainly used for aluminum coloring, stationery ink, hair dyes, color filters, etc.)

• Natural food dyes

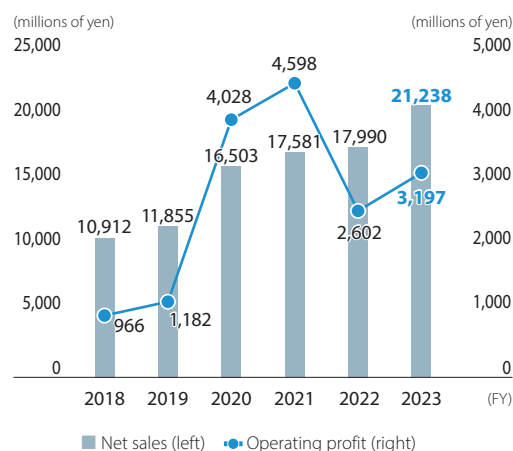
Play an important role in making food appear more appetizing by adding color to food products. As a pioneer in this field, the Hodogaya Chemical Group contributes to culinary performances that enhance the enjoyment and deliciousness of food. Natural dyes are also used for coloring mainly home appliances, expanding its environmentally friendly applications.

Progress of the Mid-term Management Plan

For the OLED materials business, sales are growing for various reasons, including broader use of OLED displays and the adoption of our materials in new display models. Further growth in this field is expected due to their broader use, such as for tablets, and we will continue to strengthen research and development because of demands for high performance and low costs as development-related competition with rival companies grows fiercer.

In the colorants materials business, there is both firm overseas demand for textile dyes and strong demand for aluminum coloring dyes. We aim to grow sales through various initiatives, including developing environment-friendly products.

Net sales / Operating profit



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

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

Location: 89, Gwahaksaneop 5-ro, Ochang-eup, Cheongwon-gu Cheongju-si, Chungcheongbuk-do, Korea 28122
Webpage: https://sfc-dye.com/?page_id=18997



Business Overview of the Hodogaya Chemical Group



Specialty Polymers Segment

<https://www.hodogaya.co.jp/english/products/segment02/>



Three Strengths

Ability to deliver specialty products to global markets by making full use of our phosgenation technology, etc.

Urethane materials that make full use of world-leading organic composite technology

Environmentally friendly waterproofing materials free of specified chemical substances

Polymer materials, pharmaceutical intermediates and specialty fiber materials leading global market share

Description of Business

• Polymer materials

Polymer materials consist mainly of a material called PTG, which is required to give urethane ductility and elasticity (characteristics like those of rubber). Urethane is used in many fields, including clothing, automotive parts and leisure products. In addition, we are focusing on Bio-PTG, whose main raw materials were switched from petroleum-derived to plant-derived, as a product that possesses a quality similar that of the traditional PTG but is environmentally friendly.

• Construction materials

The mainstay of construction materials is urethane waterproofing. Our urethane waterproofing materials are used widely to waterproof the roofs of office buildings, schools, and multi-story parking buildings of large-scale retail facilities.

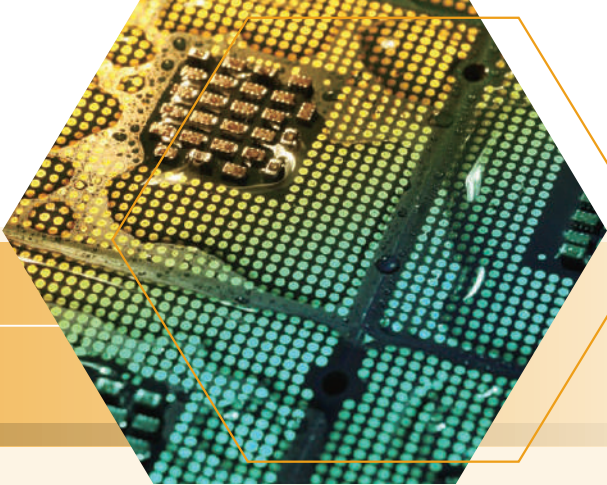
• Specialty chemicals

Specialty chemicals include intermediates and additives, fully using our organic composite technology and unique phosgenation technology accumulated over many years. We supply products tailored to customers' specific requests in various fields such as pharmaceuticals and cosmetics.



Basic Chemicals Segment

<https://www.hodogaya.co.jp/english/products/segment03/>



Three Strengths

Creativity to explore new applications based on the hydrogen peroxide production technology accumulated over many years

Experience and knowledge on hydrogen peroxide production accumulated over 50 years

R&D expertise to produce peracetic acid, veterinary medicines, and various derivatives

Creativity to explore new applications such as soil improvement to protect the global environment

Description of Business

• Hodogaya Chemical has been engaged in the development, manufacturing and sales of hydrogen peroxide and its derivatives for over 50 years.

• Hydrogen peroxide decomposes into water and oxygen, and this property supports our everyday lives as clean and environmentally friendly products for a variety of uses. Hydrogen peroxide has been used for paper pulp bleaching and industrial chemicals, but in recent years, we have aggressively expanded the sales into new fields such as veterinary medicines.

• Derivatives of hydrogen peroxide include sodium percarbonate and peracetic acid. Sodium percarbonate is used for bleaching agents and detergents. As for peracetic acid, we were the first in Japan to obtain approval for the production for use in food production applications, and we are working to accelerate its use.

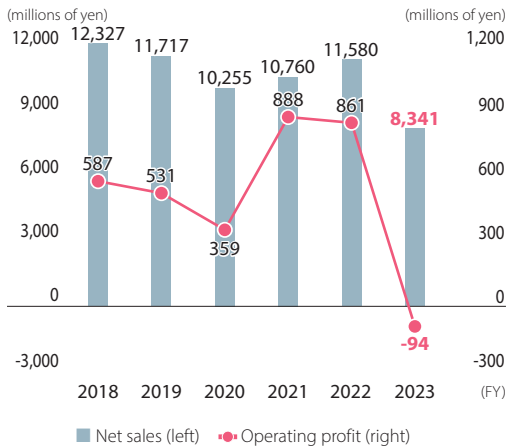
Progress of the Mid-term Management Plan

For the functional polymers business, sales declined as a result of the discontinuation of some products, urethane material inventory adjustments by overseas customers, and similar developments, but we aim to increase sales of bio-based products and similar products.

The specialty chemicals business saw continuing weak demand related to products for both pharmaceuticals and release agents, but we aim to grow sales by reinforcing some facilities and newly installing prototype manufacturing equipment.

Turning to the construction material business, overall sales, particularly of materials, are firm, and we aim to increase sales of such products as next-generation waterproofing materials.

Net sales / Operating profit



Related Group company: **Hodogaya Construction Products Co., Ltd**
Description of business: Manufacturing and sales of construction products

Location: 1-9-2, Higashi-Shimbashi, Minato-ku, Tokyo 105-0021 Japan
TEL: +81-3-6852-0478 (Main switchboard)
Webpage: <http://www.hodogaya-cp.com> (Japanese only)

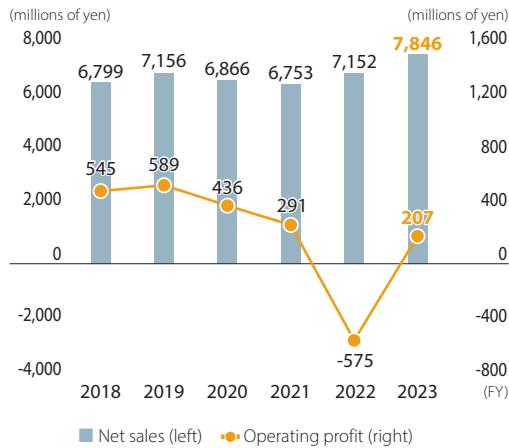


Progress of the Mid-term Management Plan

Sales of hydrogen peroxide were little changed from the previous fiscal year because we passed on cost increases even though demand for some products fell. For sodium percarbonate, sales rose dramatically as a result of not only price pass through but also a recovery in demand and new customers.

Although the impact of higher raw material and fuel prices will likely persist, we aim to improve business earnings by promoting various cost cuts and to capture customers for and expand sales of peracetic acid for food additives, which is expected to be a new market for the products.

Net sales / Operating profit



Related Group company: **KATSURA SANGYO CO., LTD.**
Description of business: Sales and marketing of chemical products

Location: 1-9-2, Higashi-Shimbashi, Minato-ku, Tokyo 105-0021 Japan
TEL: +81-3-6852-0490 (Main switchboard)
Webpage: <http://www.katsura-ks.co.jp/> (Japanese only)



Business Overview of the Hodogaya Chemical Group

Agro-Science Segment

<https://www.hodogaya.co.jp/english/products/segment04/>



Three Strengths

Ability to develop attractive products based on our formulation techniques

Herbicides for home gardening leading market share in Japan

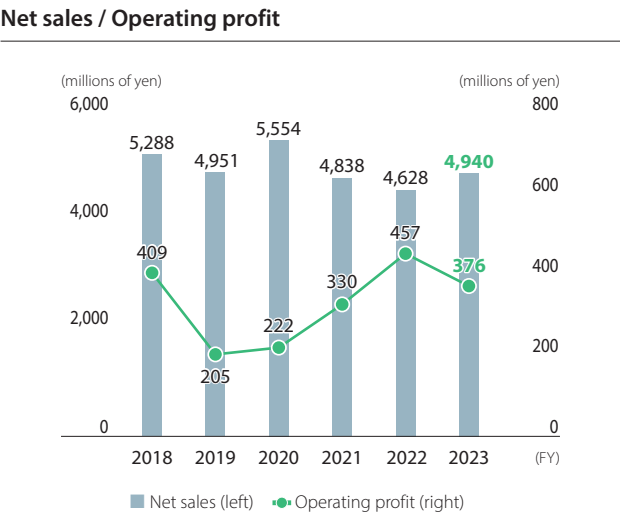
Strength to constantly propose new products to the market

R&D expertise to develop areas other than herbicides such as agricultural oxidizers

Description of Business

- The products offered by the Agro-Science segment are used in a wide range of fields, from controlling weeds to insect pest management and environmental conservation for cropland, living environments, railways, forests, and golf courses.
- Using a variety of intermediates, primarily those developed in-house, we have continued to develop new formulations that combine ease of use with safety and that are tailored to the needs of the location and the customer. In particular, we have a world-leading market share in herbicides used for home gardening and in green space management.
- In order to improve soil environments that have deteriorated as a result of weather conditions, and other factors, we are manufacturing oxidizers for use as soil improvement agents that can lead to stable production of crops, and working on developing this market.

Progress of the Mid-term Management Plan
Demand for herbicides for home gardening and herbicides for golf course were firm.
In the field spanning the Basic Chemicals and Agro-Science segment, we will jointly develop new composite agricultural materials that incorporate oxygen supply materials that use hydrogen peroxide from Hodogaya Chemical and compost from Asahi Agria Co., Ltd., and will be looking into commercialization going forward as an important measure for new business areas: environmentally friendly agricultural materials.
To maintain or increase business earnings, we will work to introduce attractive products such as peroxide agricultural materials, which could entail partnering with other companies.



Related Group company: **HODOGAYA UPL Co., Ltd.**
Description of business: Manufacturing and sales of agricultural chemicals
Location: 1-9-2, Higashi-Shimbashi, Minato-ku, Tokyo 105-0021 Japan
TEL: +81-3-6852-0500 (Main switchboard)
Webpage: <http://www.hodogaya-upl.com/> (Japanese only)

Related group company: **HODOGAYA AGROTECH Co., Ltd.**
Description of business: Manufacturing and sales of agricultural chemicals
Location: 1-9-2, Higashi-Shimbashi, Minato-ku, Tokyo 105-0021 Japan
TEL: +82-3-6852-0510 (Main switchboard)
Webpage: <http://www.hodogaya-agrotech.co.jp/> (Japanese only)

Logistics Segment

<https://www.hodogaya.co.jp/english/products/segment05/>



Three Strengths

Ability to transport security and safety based on its expertise on handling hazardous substances and chemicals

Hazardous substance handling know-how accumulated as Japan's first manufacturer of caustic soda

Storing and transporting services that draw on the locational advantages of Yokohama, Koriyama, and Nanyo

Provide door-to-door services tailored to our customers' needs

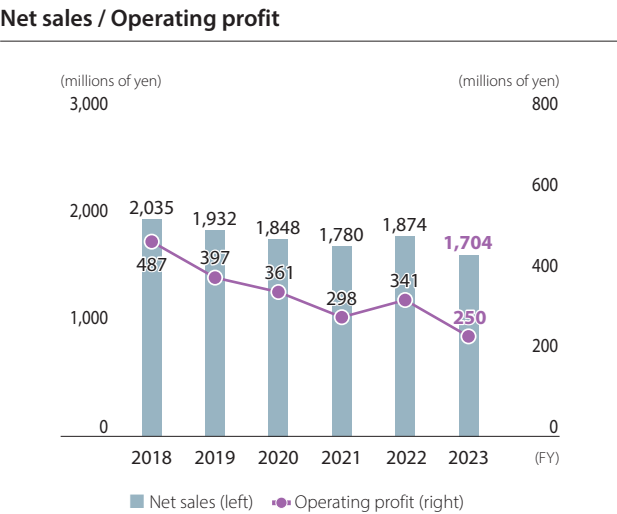
Description of Business

- The logistics business of the Hodogaya Chemical Group has been handling hazardous substances and chemicals for over a century. Drawing on this extensive expertise, it offers services highly regarded by customers in various fields beyond the chemical industry.
- We have large-scale facilities in Yokohama, Koriyama and Nanyo. In particular, the Yokohama Branch is conveniently located close to Japan's leading port of Yokohama and is used by many customers as a base for imports and exports. Our Koriyama and Nanyo distribution sites also offer storage and transportation services optimized for chemical products, heavy cargo, machinery and plants.
- In October 2021, the Nanyo Branch launched a business involving the storage and heating business handling ISO tank containers for hazardous and toxic materials, which is unique in Japan.

Progress of the Mid-term Management Plan
Sales declined due to stagnant exports as a result of weakening economies overseas, including China.
As a logistics business for chemical manufacturers, we started operating an ISO tank container storage business in October 2021, utilizing our expertise in handling hazardous and toxic materials. We are also working to acquire more customers.



Related Group company: **Hodogaya Logistics Co., Ltd.**
Description of business: Warehousing and logistics



Location: 1-9-2, Higashi-Shimbashi, Minato-ku, Tokyo 105-0021 Japan
TEL: +81 3-6852-0520 (Main switchboard)
Webpage: <http://www.hodogaya.co.jp/hlc/> (Japanese only)