

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. Through collaboration across the Company, 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.

R&D Function











Financial

Features / What We Are Appreciated For

- Technical personnel who develop new materials that contribute to comfortable and abundant
- Ability to select cutting-edge research themes
- Intellectual property activities to ensure protection of elemental technologies
- Good relationships with universities and research institutes

Issues to be Addressed for Deepening Activities

- Securement and development of highly skilled technical personnel by expanding and upgrading training systems and improving engagement
- Acceleration of product development by strengthening cooperation between domestic and overseas R&D bases
- Strengthening of new material development capabilities by promoting industry-academia joint research
- Aggressive investment in R&D expenses





Sales Function











Social and relationship capital

Production Function







capital



capital





Features / What We Are Appreciated For

- Reductions of GHG emissions, water discharge volume, and industrial waste volumes
- Optimization of multiple manufacturing base locations
- Strengthening of BCP measures

Issues to be Addressed for Deepening Activities

- Reduction of GHG emissions, industrial waste volumes
- Manufacturing base optimization
- Strengthening of BCP measures
- DX-based efficient production
- Improvement in speed of new product launches by improving process development capabilities
- Securement and development of highly skilled technical personnel by expanding and upgrading training and improving engagement



Human

Features / What We Are Appreciated For









 Global customer base and trust built up over 110 years since the Company was established Passion and planning ability to accurately identify and fulfill

- social and customer needs
- Improvement of brand recognition by building a product lineup full of originality with a focus on specialty products

Issues to be Addressed for Deepening Activities

- Strengthening of communications with customers to improve customer satisfaction
- Review of business division structure to strengthen sales capabilities (specialization in sales by further strengthening sales support organization)
- Sales channel diversification and overseas sales increase by strengthening of internal and external collaboration