

Global Expansion of the Hodogaya Chemical Group

Message from executive officer in charge of business



As over 50% of our Group's net sales originate abroad, it is vital that we meet each region's needs through the combination of our strengths, initiatives, and partners to continue growing in increasingly important global markets. We have done so in order to strengthen the Functional Colorants Segment and to expand the business. We will continue to address the needs of each business segment and region by creating attractive 'initiatives' and acquiring promising 'partners,' thereby advancing the construction of an appropriate business portfolio as outlined in 'SPEED 25/30'.

Takeshi Nakano Managing Executive Officer

State of initiatives

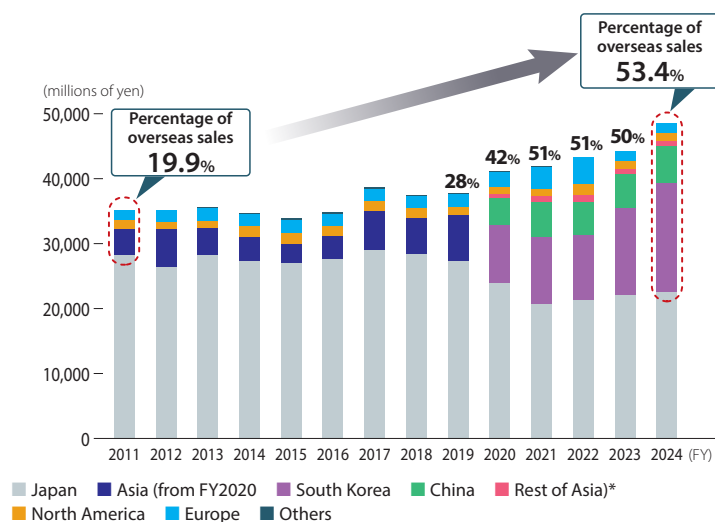
To address the diverse needs of our global customers, the Hodogaya Chemical Group is strengthening its overseas expansion through bases in five regions: North America, Europe, China, South Korea, and Taiwan. Leveraging these bases, we have raised the overseas sales ratio for the Group overall from 42% in FY2020 to 53% in FY2024. Sales of core products including OLED materials for displays and aluminum coloring dyes for mobile devices and other applications are steadily growing overseas, and overseas demand for phosgene derivatives is also increasing.

Our Group company in South Korea is growing significantly under expanding applications for OLED materials, contributing significantly to profit growth for the Hodogaya Chemical Group overall. At BioPark, which began operation in South Korea in 2023, we are also undertaking production of oligonucleotide

products for diagnostic kit materials and oligonucleotide products for nucleic acid medicine raw materials, which are next-generation drugs. As strategic investments in a growth field, we have also established new plants in Chungju and Eumseong in South Korea and are developing semiconductor materials utilizing our proprietary applied refining technology.

In the Specialty Polymers Segment, we will accelerate selection and concentration and will advance into global markets with plant-derived, high-performance urethane materials and phosgene derivatives for pharmaceutical applications. By leveraging our unique technological capabilities and global network in every field to constantly provide high-quality products and services, we will continue to meet the needs of customers in Japan and overseas.

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



* Sales in South 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

