



# Business Overview of the Hodogaya Chemical Group



## Functional Colorants Segment

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



### Three Strengths

**Ability to embody global customer needs and environmental responsiveness by fully utilizing the Group's DNA, including our organic synthesis technology**

Extension of our technologies as a comprehensive supplier of OLED materials to bio materials for next-generation pharmaceuticals

Metal-free, environmentally friendly aluminum coloring dyes with leading global market shares

Natural dyes that support food safety and 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. Using the proprietary bio materials we have developed through the application of OLED materials, we are moving beyond our existing oligonucleotide products for diagnostic kit materials to also develop next-generation oligonucleotide products for nucleic acid medicine.

#### ● 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.

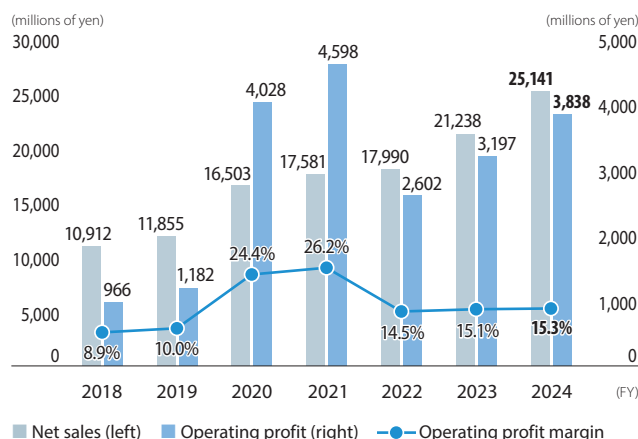
### ● Progress of the Mid-term Management Plan

Sales in our OLED material business are increasing amid growing demand and adoption in new products in the display field, particularly in the area of smartphones. In response to rising sales of materials overseas, we will further grow our business through the construction and expansion of plants and equipment as well as capital investment in the field of semiconductor materials.

In the bio business that leverages our OLED material technologies, our new BioPark base in South Korea began operation last year. We will expand sales of oligonucleotide products for diagnostic kit materials and will extend the business to next-generation oligonucleotide products for nucleic acid medicine.

In the colorant materials business, demand for aluminum coloring dyes remains strong. We will continue working to expand sales through the establishment of a stable supply structure and the development of environmentally friendly products.

### Net sales / Operating profit / Operating profit margin



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](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 globally, with a focus on environmental responsiveness, by leveraging our phosgenation technology, etc.

- Environmentally friendly urethane materials that make full use of our world-leading organic composite technology
- Specified chemical substance-free waterproof materials that enable environmentally friendly, safe, and reliable construction work
- Pharmaceutical intermediates utilizing our phosgenation technology through three-way integrated production, sales, and R&D activities

Description of Business

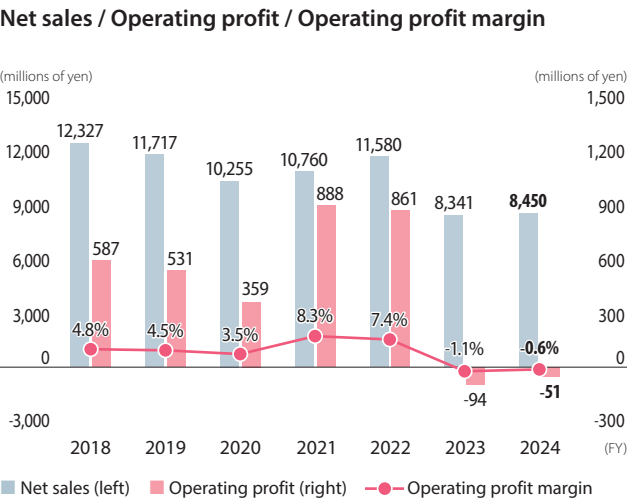
- Polymer materials**  
Polymer materials consist mainly of a material called PTG, which is required to give urethane ductility and elasticity (characteristics like those of rubber). Urethane is used in many fields, including clothing, automotive parts and leisure products. In addition, we are focusing 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.
- 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.
- 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.

Progress of the Mid-term Management Plan

While sales increased for some products in the functional polymers business, sales declined overall amid ongoing stagnation in the urethane materials market. Looking ahead, we aim to strengthen profitability by expanding sales of bio-based and other products.

In the specialty chemicals business, demand for release agents and pharmaceutical-related materials recovered overseas but demand for other applications declined, leading to a decline in sales overall. We are studying additional production capacity for specialty isocyanate, for which demand is particularly strong, and will further develop new markets through the use of prototype production bench-scale equipment that was installed for future use.

The construction materials business saw an increase in sales amid strong sales of new products and orders for urethane waterproofing work at large facilities. We will continue to steadily strengthen the business through sales of next-generation waterproofing materials and other products.



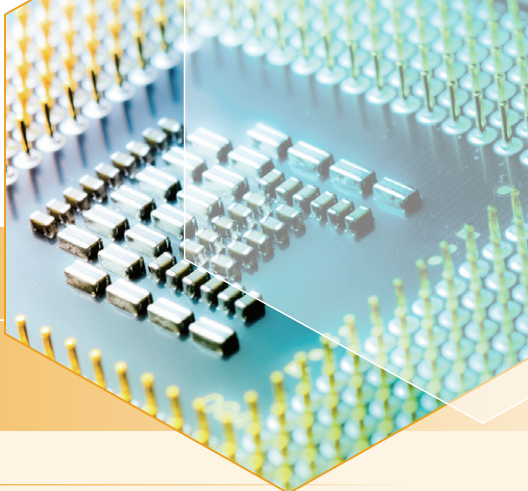
Related Group company: **Hodogaya Construction Products Co., Ltd.**  
Description of business: Manufacturing and sales of construction products

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



Basic Chemicals Segment

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



Three Strengths

Creativity to explore new applications in every aspect of clothing, food, and shelter, drawing on our long-held hydrogen peroxide production technologies

- Expansion into diverse fields spanning foods to semiconductors through hydrogen peroxide production technology grounded in experience and knowledge
- R&D capabilities that enable the extension of derivatives to wide-ranging fields including bleaches, cleaning agents, food sterilization, and veterinary medicines
- Creativity that leverages "clean" physical properties to explore new applications such as soil improvement and 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.

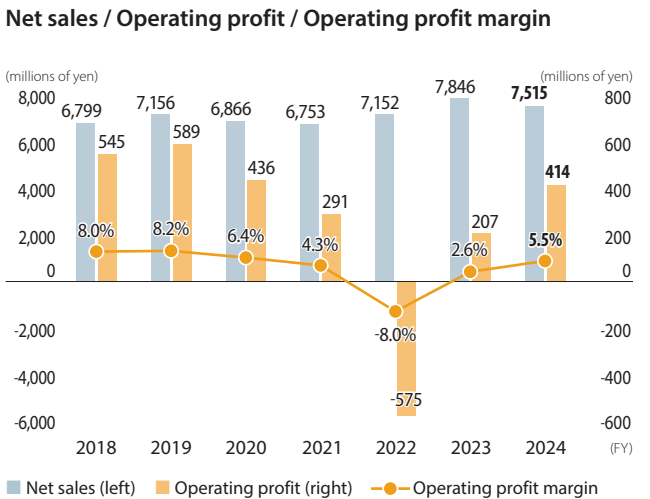
Progress of the Mid-term Management Plan

While sales of hydrogen peroxide for paper pulp increased, hydrogen peroxide sales overall remained flat from the previous fiscal year due to delayed recovery in semiconductor-related demand.

Sales of sodium percarbonate for bleach decreased, however, to maintain and expand the profitability that we improved last year, we will continue to undertake appropriate capital investment and sales expansion.

In the area of peracetic acid, we will take the approach of expanding the scope of adoption for sanitation applications and capturing new customers for food applications.

We will continue working to further maximize profit by carrying out cost cuts and sales expansion with market demand trends in mind.



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: https://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

Development capabilities to turn formulation technologies into compelling products that are useful in diverse everyday life scenarios

- Home gardening herbicides with the leading market share in Japan through development of new products tailored to needs
- Creativity and proposal capabilities to create new products that support everyday living
- R&D capabilities that improve the agricultural environment through the development of agricultural oxidizers, etc.

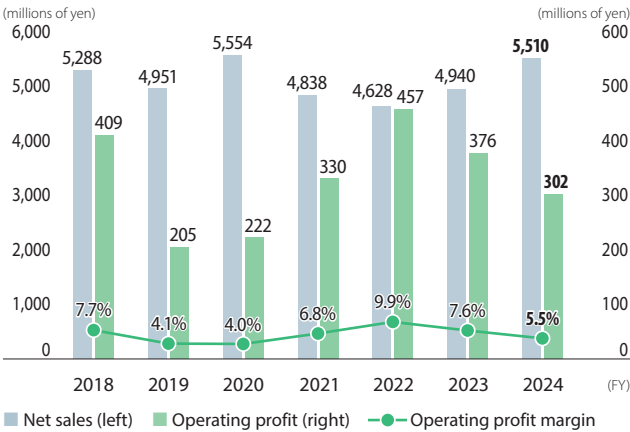
Description of Business

- 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 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 railways and home gardening remained strong while demand for golf course herbicides recovered, resulting in significant growth in sales. In fields spanning the Basic Chemicals and Agro-Science segments, we are working to expand market awareness related to our development of peracetic acid applications. We also intend to expand the business by utilizing our strengthened agricultural peroxide production equipment and by engaging in sales activities with further strengthening in mind. To maintain or increase business earnings, we will work to build a stable supply structure, develop new business channels, and introduce compelling products, possibly in collaboration with partners.

Net sales / Operating profit / Operating profit margin



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

Capabilities for secure and safe transport based on our expertise in the handling of hazardous substances and chemicals as a chemical manufacturing group

- Expansion into wide-ranging areas of logistics business through our expertise in handling chemicals, pharmaceuticals, and other hazardous substances
- Largest-in-class regional storage services and land, sea, and air transport services that draw on our locational advantages in Yokohama, Koriyama, and Nanyo
- Provision of intermodal international transport utilizing the Nanyo Branch's ISO tank container depot

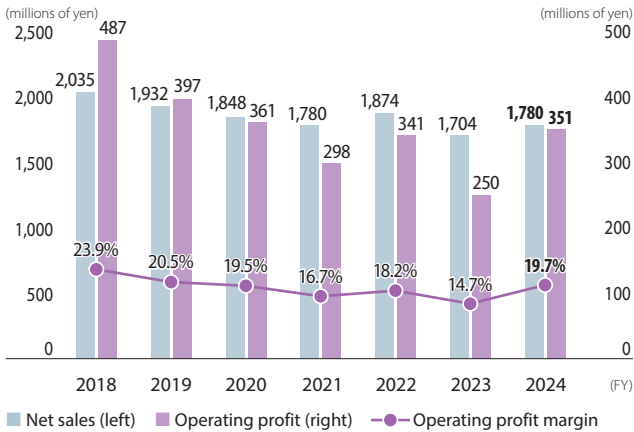
Description of Business

- 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 increased as export and other cargo activity remained strong and domestic volume increased in the hazardous materials storage business. We will continue tackling priority measures at each office. At Koriyama, we are undertaking capital investments to acquire the business that requires strict temperature control. At Yokohama, we aim to enhance our profitability by leveraging our advantageous location to increase our handling of high-quality commercial deals and import/export transactions. At Nanyo, we seek to expand the ISO tank container storage business that began in October 2021. As a logistics business for chemical manufacturers, we will continue to leverage our expertise in the handling of hazardous and toxic materials and work to acquire new customers.

Net sales / Operating profit / Operating profit margin



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: https://www.hodogaya.co.jp/hlc/ (Japanese only)

