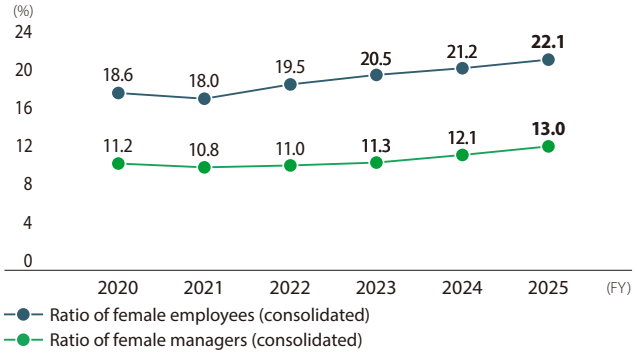
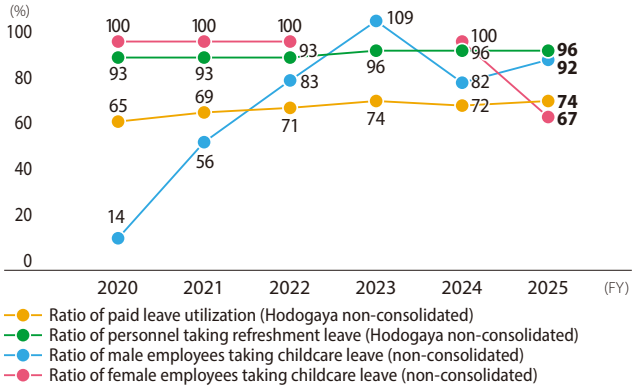
Non-Financial Highlights

Ratio of female employees, Ratio of female managers



The Hodogaya Chemical Group promotes the active participation of women. The ratio of female managers has remained at 10% or higher since FY2018 and reached 13% (consolidated) in FY2025. Under the Mid-term Management Plan CODE/CHORD 2030, we have set a target of 15% (consolidated) for the ratio of female managers and will work to foster an organizational culture in which diverse human resources can fully demonstrate their capabilities.

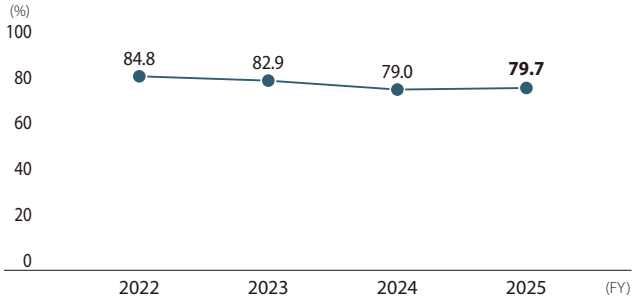
Ratio of paid leave utilization, refreshment leave, and childcare leave



Hodogaya Chemical's annual paid leave utilization rate (non-consolidated) has remained at 70% or higher for the past four years. With regard to childcare leave, we are working to create an environment in which employees can take leave more easily, including by providing allowances to employees who provide a certain level of support for colleagues taking childcare leave. The ratio of male employees taking childcare leave (non-consolidated) was 92% in FY2025. We will continue to support flexible work styles and work to enhance engagement and organizational capabilities.

* Ratio of female employees taking childcare leave had no eligible employees in FY2023. In FY2025, the rate was effectively 100% due to a timing shift in when leave was taken.
* In FY2023, the ratio of male employees taking childcare leave exceeded 100% due to a timing shift in when leave was taken.

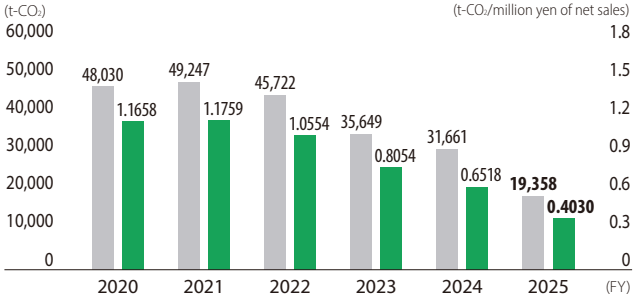
Gender wage gap



The gender pay gap (non-consolidated) reflects differences in employee composition by grade and the fact that men account for 100% of employees engaged in shift work in manufacturing departments, who are eligible for late-night work allowances and other payments. There are no gender-based differences in the Company's compensation system. We will continue to provide career support to all employees and create an environment in which they are treated fairly in line with the capabilities they demonstrate.

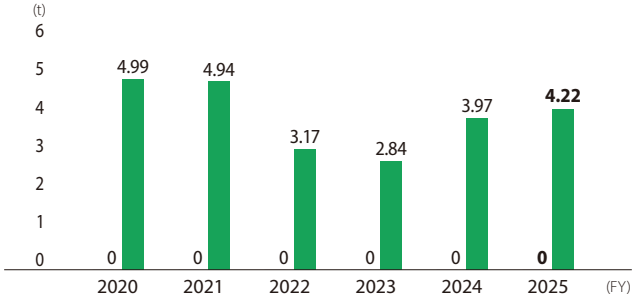
* Data collection began in FY2022.

CO_2 emissions, CO_2 emission intensity (Japan)



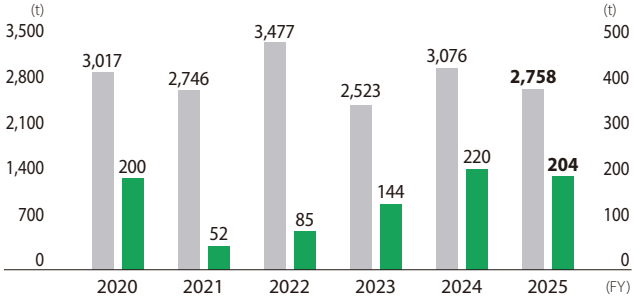
Most of the greenhouse gases (GHG) emitted by Hodogaya Chemical are CO_2. In FY2025, CO_2 emissions from energy sources decreased from FY2024 due to the expansion of sites that have introduced carbon-free electricity.

SOx emissions, NOx emissions (Japan)



The Hodogaya Chemical Group has promoted the use of city gas as a fuel source for the Group's factories. The Group has continued to maintain zero SOx emissions since FY2012, having completed the switchover in FY2011. We also implement measures to limit NOx emissions into the atmosphere.

Industrial waste generated, Final disposal amount (Japan)



Hodogaya Chemical set its FY2025 management target for target for industrial waste at no more than the previous year's volume, actively working to reduce overall emissions. In FY2025, both total generation volume and final disposal volume were lower than in FY2024, and the target was achieved. We will continue striving to reduce industrial waste.

Primary ESG Data

	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
FTSE Russell score (published in June of each year)	2.4	2.7	3.0	3.6	3.5	3.8
E						
Energy consumption (kl)	27,312	29,215	27,562	21,920	22,623	21,931
Energy intensity (kl/million yen of net sales)	0.6629	0.6976	0.6362	0.4952	0.4657	0.4565
Greenhouse gas emissions						
Direct greenhouse gas emissions Energy sources (1) ($t\text{-}CO_2$)	24,729	26,093	25,064	18,365	19,235	17,879
Direct greenhouse gas emissions Non-energy sources (2) ($t\text{-}CO_2$)	(Not covered by this report)				17,124	16,329
Indirect greenhouse gas emissions (3) ($t\text{-}CO_2$)	23,301	23,154	20,658	17,284	12,426	1,479
Total (1) + (3) ($t\text{-}CO_2$)	48,030	49,247	45,722	35,649	31,661	19,358
Total (1) + (2) + (3) ($t\text{-}CO_2$)					48,785	35,687
Greenhouse gas emission intensity ($t\text{-}CO_2$/million yen in sales)	1.1658	1.1759	1.0554	0.8054	0.6518	0.4030
Prevention of air pollution						
SOx (sulfur oxide) emissions (t)	0	0	0	0	0	0
NOx (nitrogen oxide) emissions (t)	4.99	4.94	3.17	2.84	3.97	4.22
Dust emissions (t)	0.03	0.02	0.00	0.00	0.00	0.02
Prevention of water pollution						
Water usage (kt)	10,552	10,781	10,680	9,853	9,894	9,992
Water discharge volume (kt)	10,130	10,643	10,684	9,873	9,652	9,756
COD (chemical oxygen demand) emissions (t)	54.4	50.8	64.2	54.6	53.1	49.8
Industrial waste						
Industrial waste volumes (t)	3,017	2,746	3,477	2,523	3,076	2,758
Industrial waste from plastic products (t)	Started calculating from FY2022		126	110	134	126
Industrial waste recycle volume (t)	1,736	1,615	2,190	1,503	1,741	1,786
Industrial waste final disposal volume (t)	200	52	85	144	220	204
S						
Employees (persons)	789	834	890	922	942	946
Ratio of female managers (consolidated)	11.2	10.8	11.0	11.3	12.1	13.0
Ratio of female employees (consolidated)	18.6	18.0	19.5	20.5	21.2	22.1
Ratio of non-Japanese employees (consolidated)	23	26	31	32	35	36
Ratio of mid-career hires (non-consolidated) (%)	33	34	35	35	35	36
Ratio of disability employment (non-consolidated) (%)	2.3	2.5	2.6	2.6	3.2	2.9
Female employees taking childcare leave (non-consolidated) (persons)	1	6	1	-	3	2
Ratio of female employees taking childcare leave (non-consolidated) (%)	100	100	100	-	100	67*2
Male employees taking childcare leave (non-consolidated) (persons)	1	9	10	12	9	11
Ratio of male employees taking childcare leave (non-consolidated) (%)	14	56	83	109*1	82	92
Employees taking nursing-care leave (non-consolidated) (persons)	0	0	0	0	0	0
Gender wage gap (non-consolidated) (%)	Started calculating from FY2022		84.8	82.9	79.0	79.7
Average monthly overtime per employee (non-consolidated) (hours)	10.3	11.6	11.3	10.0	12.0	11.3
Ratio of personnel taking paid holidays (non-consolidated) (%)	65	69	71	74	72	74
Ratio of personnel taking refreshment leave (non-consolidated) (%)	93	93	93	96	96	96
Average annual training hours per employee (non-consolidated) (hours)	Started calculating from FY2021	109.0	106.6	96.2	81.1	81.8
Voluntary turnover rate (non-consolidated) (%)	1.1	2.9	1.4	1.7	2.6	3.5
G						
Ratio of Outside Directors (%)	42.9	42.9	42.9	42.9	42.9	42.9
Number of Board of Directors meetings	16	16	12	13	10	16
Number of Nominating & Compensation Committee meetings	10	12	14	14	11	12
Number of anticorruption violations	0	0	0	0	0	0
Total amount of political donations (yen)	0	0	0	0	0	0

*1 Due to a timing shift in when leave was taken, the rate exceeded 100%.
*2 Due to a timing shift in when leave was taken, the rate was effectively 100%.

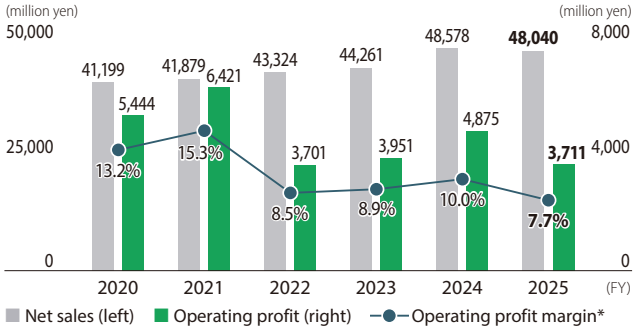
Environmental Accounting Data* (Unit: million yen)

	FY2022		FY2023		FY2024		FY2025	
	Investment	Expense	Investment	Expense	Investment	Expense	Investment	Expense
Business area cost	125	230	59	185	414	208	343	219
1) Pollution prevention cost	38	30	14	40	359	50	199	81
2) Global environmental conservation cost	87	11	45	7	55	8	144	25
3) Resource circulation cost	-	189	-	138	-	150	-	113
Upstream/downstream costs	-	9	-	7	-	12	-	26
Administration cost	-	4	-	5	-	3	-	5
R&D cost	-	46	-	22	-	40	-	93
Social activity cost	4	15	7	13	1	13	4	13
Environmental remediation cost	-	-	-	-	-	-	-	-
Other costs	-	-	-	-	-	203	-	3
Total	**129**	**304**	**66**	**232**	**415**	**479**	**347**	**359**

* Based on the "Environmental Accounting Guidelines 2005" of the Ministry of the Environment

Financial Highlights (Consolidated)

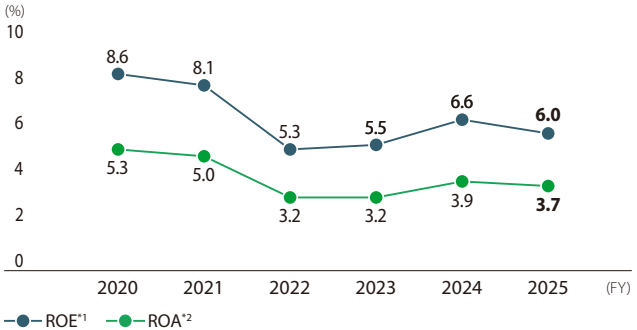
Net sales, Operating profit, Operating profit margin



* Operating profit ÷ net sales (single year)

In FY2025, net sales decreased by 537 million yen (1.1%) year on year to 48,040 million yen, as higher sales in Functional Colorants were more than offset by lower sales in Specialty Polymers, Basic Chemicals, Agro-Science, and Logistics. Operating profit decreased by 1,164 million yen (23.9%) to 3,711 million yen.

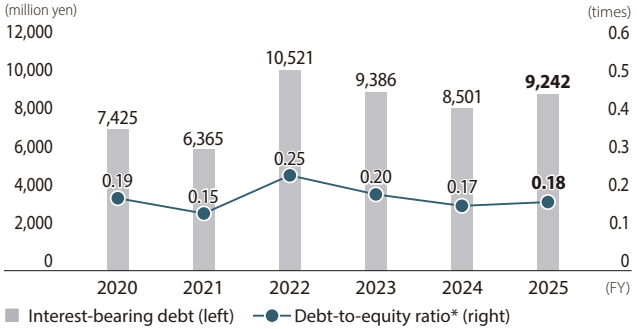
ROE, ROA



*1 Profit ÷ equity　*2 Profit ÷ total assets

In FY2025, both ROE and ROA declined due to lower profits. Looking ahead, we will continue working to expand profits while improving asset efficiency.

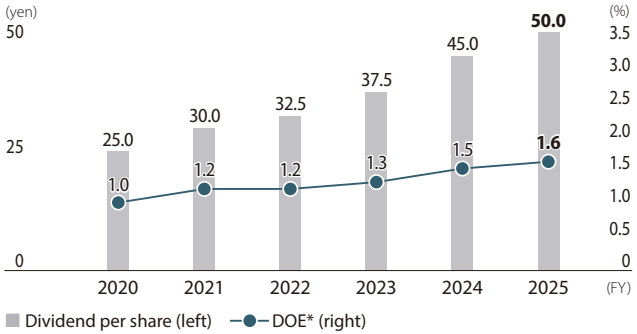
Interest-bearing debt, Debt-to-equity ratio



* Interest bearing debt ÷ equity

In FY2025, interest-bearing debt increased due to capital expenditures and other factors, but the D/E ratio remained low at 0.18 times as equity increased. We will continue to invest for future growth while maintaining financial soundness.

Dividend per Share, DOE

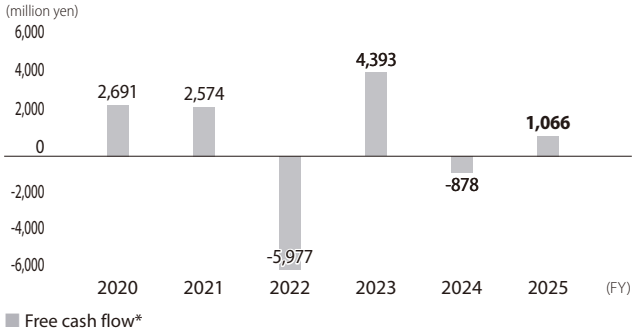


* Total dividends ÷ shareholders' equity (consolidated)

We increased dividends for the fifth consecutive fiscal year while maintaining financial soundness. To strike an optimal balance between growth investments and shareholder returns and achieve both capital efficiency and growth, we will provide shareholder returns with a DOE of 3.0% or higher in FY2030 (fiscal year ending March 31, 2031).

* Dividends per share are presented based on the number of shares after the stock split.

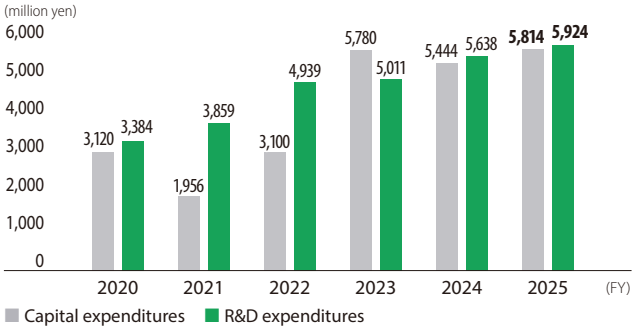
Free cash flow



* Cash flows from operating activities + cash flows from investing activities

In FY2025, cash flows from operating activities increased, and free cash flow turned positive due in part to a decrease in payments into time deposits. We will continue to maintain stable cash generation while pursuing growth investments.

Capital expenditures, R&D expenditures



Our focus is primarily on capital expenditure and R&D in the Functional Colorants segment, which is the Hodogaya Chemical Group's growth driver. We will continue investments and undertake activities that contribute to future growth.

6-Year Financial Summary / Statement of Authenticity

(million yen)

	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Net sales	41,199	41,879	43,324	44,261	48,578	48,040
Functional Colorants	16,503	17,581	17,990	21,238	25,141	26,049
Specialty Polymers	10,255	10,760	11,580	8,341	8,450	7,702
Basic Chemicals	6,866	6,753	7,152	7,846	7,515	7,258
Agro-Science	5,554	4,838	4,628	4,940	5,510	5,108
Logistics	1,848	1,780	1,874	1,704	1,780	1,775
Operating profit	5,444	6,421	3,701	3,951	4,875	3,711
Functional Colorants	4,028	4,598	2,602	3,197	3,838	3,512
Specialty Polymers	359	888	861	(94)	(51)	(589)
Basic Chemicals	436	291	(575)	207	414	323
Agro-Science	222	330	457	376	302	65
Logistics	361	298	341	250	351	361
Ordinary profit	5,841	6,914	4,211	4,711	4,770	4,228
Profit attributable to owners of parent	3,119	3,251	2,223	2,480	3,178	3,054
Total assets	62,609	66,448	72,051	81,157	79,858	86,413
Net assets	43,654	47,912	49,897	57,443	58,530	63,613
Net assets per share*1 (yen)	2,442.86	2,615.40	2,702.86	3,007.36	3,057.98	3,305.72
Earnings per share*1 (yen)	197.13	205.35	140.32	156.32	200.04	192.07
Equity ratio (%)	61.8	62.3	59.5	58.8	60.9	60.8
ROE (%)	8.6	8.1	5.3	5.5	6.6	6.0
Cash flows from operating activities	5,380	6,143	1,058	8,343	5,669	6,092
Cash flows from investing activities	(2,689)	(3,569)	(7,036)	(3,950)	(6,548)	(5,026)
Cash flows from financing activities	(424)	(1,848)	2,288	(2,067)	(1,882)	(694)
Dividends per share*2 (yen)	25.0	30.0	32.5	37.5	45.0	50.0
DOE (%)	1.0	1.2	1.2	1.3	1.5	1.6
Dividend payout ratio (%)	12.6	14.6	23.1	24.0	22.5	26.0
PBR (times)	0.99	0.84	0.56	0.61	0.51	0.75

*1 The Company carried out a 2-for-1 stock split of common shares, effective April 1, 2025. Accordingly, both earnings per share and net assets per share have been calculated as though this stock split had taken place on April 1, 2020.
*2 Dividends per share are presented based on the number of shares after the stock split.

Statement of Authenticity

The Hodogaya Chemical Group has been publishing an integrated report since FY2017. This tenth edition of the report is centered on the Group's Mid-term Management Plan, CODE/CHORD 2030, and integrates business activities, financial, and non-financial information. Its purpose is to provide stakeholders with a fair and accurate account of our Group's value creation process and our contributions toward a sustainable society.

The content of this report has been prepared through appropriate internal control processes to ensure accuracy and reliability. In its preparation, international reporting standards such as the Integrated Reporting Framework and GRI Standards were referenced, and information has been organized and disclosed with a focus on the Hodogaya Chemical Group's Materiality. Through this approach, we aim to present our Group's mid- to long-term growth strategy and initiatives addressing social challenges in a clear and understandable manner.

As the officer charged with overall responsibility for the production of this report, I hereby declare that the production process is legitimate, and the information contained herein is accurate.

We regard it as a key responsibility to pursue transparent management in order to contribute to a sustainable society and to build and maintain trusting relationships with our stakeholders.

Yasuo Murakami Managing Executive Officer

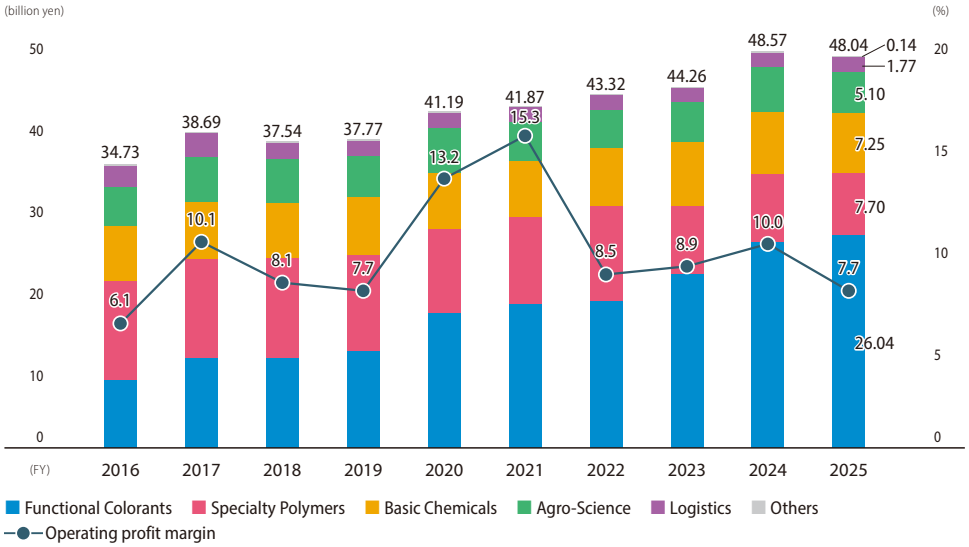
MD&A

FY2025 Performance Summary

Net sales	Operating profit	Operating profit margin	Profit attributable to owners of parent	ROE
48.04 billion yen	3.71 billion yen	7.7%	3.05 billion yen	6.0%

The Group's consolidated results for FY2025 were net sales of 48.04 billion yen, operating profit of 3.71 billion yen, an operating profit margin of 7.7%, profit attributable to owners of parent of 3.05 billion yen, and ROE of 6.0%. Net sales decreased 1.1% year on year. In the Functional Colorants Segment, sales of aluminum coloring dyes and other products in the Colorant Materials Business increased, while Specialty Polymers, Basic Chemicals, Agro-Science, and other segments were affected by customer inventory adjustments and lower demand. On the profit front, operating profit decreased 23.9% year on year due to lower sales volumes and higher selling, general and administrative expenses, among other factors.

Trends in net sales and operating profit margin



Segment Overview

In FY2025, net sales in the Functional Colorants Segment increased 3.6% year on year, supporting overall Group sales. In the OLED Materials Business, demand for Bio materials for PCR diagnostic kits and health functional foods remained steady in addition to smartphone-related demand, while the Colorant Materials Business grew on increased demand for aluminum coloring dyes and other products. In Specialty Polymers, urethane materials, construction materials, and specialty chemicals were affected by lower demand and inventory adjustments. In Basic Chemicals, demand for semiconductor applications increased, while sales to the pulp and paper industry and sales of sodium percarbonate declined. Agro-Science was affected by inventory adjustments at customers, while Logistics was impacted by sluggish cargo movements for exports and imports.

Segment	FY2025 net sales	Year on Year	FY2025 results	Future direction
Functional Colorants	26.04 billion yen	+3.6%	Sales of Imaging Materials decreased due to inventory adjustments by some customers. Meanwhile, demand for OLED materials for smartphones and Bio materials remained steady, while sales of Colorant Materials, including aluminum coloring dyes, increased.	For OLED materials, we will reduce costs and strengthen the R&D structure in response to intensifying development competition. In the Colorant Materials Business, we will expand sales and promote the development and market launch of environmentally friendly products.
Specialty Polymers	7.70 billion yen	-8.8%	Although there was demand for new products, sales declined as urethane materials, construction materials, and specialty chemicals were affected by lower demand and inventory adjustments.	In the Polymer Materials Business, we will expand sales by resuming sales of specialty-grade products and taking other measures. In the Specialty Chemicals Business, we will strengthen the business through production systems in Japan and overseas for phosgene derivatives.
Basic Chemicals	7.25 billion yen	-3.4%	Hydrogen peroxide sales remained at the previous-year level, supported by increased demand from the semiconductor industry. Sodium percarbonate sales declined due to inventory adjustments at customers.	For hydrogen peroxide and sodium percarbonate, we will pursue appropriate price pass-through and cost reductions. We will also expand sales of hydrogen peroxide to the semiconductor market.
Agro-Science	5.10 billion yen	-7.3%	Herbicide sales declined due to inventory adjustments by customers for golf course and home gardening applications.	For herbicides, in addition to existing markets for home gardening, railways, forestry, and golf courses, we will develop new markets such as public infrastructure facilities.
Logistics	1.77 billion yen	-0.2%	Although cargo movements for exports and imports were sluggish, increased handling of ISO tank containers enabled sales to remain at the previous-year level.	In the warehousing business specializing in hazardous substances and poisonous and deleterious substances, we will capture stable demand and maintain and strengthen profitability. Leveraging our expertise in handling hazardous substances, we will develop new customers and expand the business.

MD&A

Cash Flow Status

Cash and cash equivalents at the end of FY2025 totaled 8.12 billion yen, an increase of 0.52 billion yen from the end of the previous fiscal year. Net cash provided by operating activities was 6.09 billion yen, reflecting profit before income taxes of 4.59 billion yen and depreciation of 3.40 billion yen, among other factors. Net cash used in investing activities was 5.02 billion yen, mainly due to 6.32 billion yen in purchases of property, plant and equipment and intangible assets, as well as payments into and withdrawals from time deposits. Net cash used in financing activities was 0.69 billion yen. Although there were proceeds from long-term borrowings, cash outflows included repayments of borrowings, dividend payments, and purchases of treasury shares by a subsidiary.

Financial Position

At the end of FY2025, total assets were 86.41 billion yen, up 6.55 billion yen from the end of the previous fiscal year. The main increases were in property, plant and equipment, investment securities, deferred tax assets, and accounts receivable - trade. Total liabilities were 22.79 billion yen, up 1.47 billion yen, primarily due to increases in short- and long-term borrowings and accounts payable - trade. Net assets were 63.61 billion yen, up 5.08 billion yen, due to increases in retained earnings, non-controlling interests, valuation difference on available-for-sale securities, and foreign currency translation adjustment, among other factors. The equity ratio was 60.8%, remaining nearly unchanged from 60.9% at the end of the previous fiscal year.

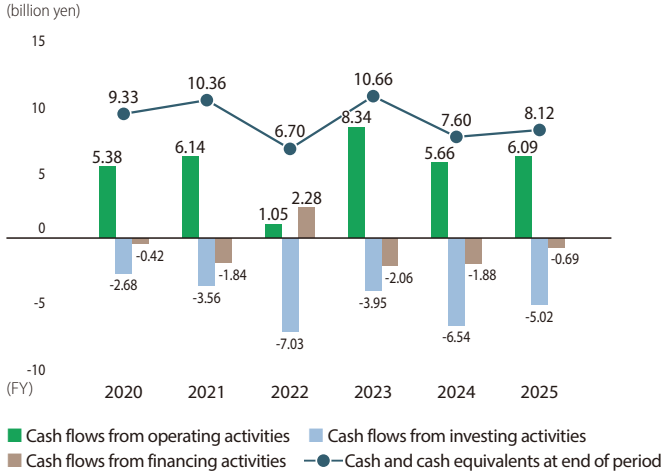
R&D Expenses

R&D expenses in FY2025 totaled 5.92 billion yen. The Group has developed R&D strategies from a long-term perspective around the themes of Agricultural & Food, Environment & Energy, Electronics & Information, Life Sciences, and Mobility. In particular, in the Functional Colorants Segment, we are advancing the development of OLED materials, perovskite solar cell materials, semiconductor resist materials, Bio materials, and other products. Under the Mid-term Management Plan CODE/CHORD 2030, we will accelerate the creation of new businesses by promoting open innovation and introducing DX into R&D.

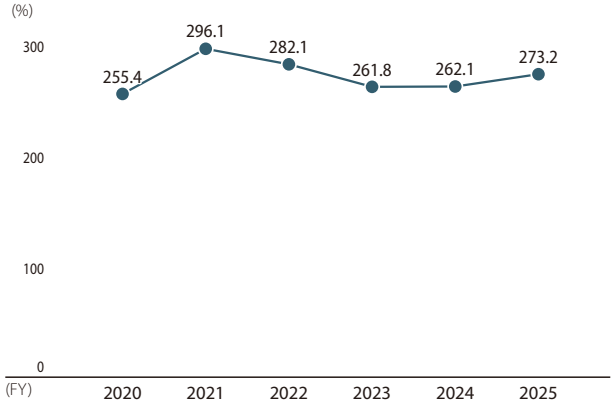
FY2026 Outlook

For FY2026, the outlook is expected to remain uncertain amid surging raw material and fuel prices, disruptions to logistics networks, concerns over an economic slowdown, and other factors stemming from heightened tensions in the Middle East. Assuming that the situation persists, our forecast incorporates these risks as well as a certain degree of progress in price optimization initiatives. We forecast net sales of 52.0 billion yen, operating profit of 3.4 billion yen, ordinary profit of 3.3 billion yen, and profit attributable to owners of parent of 1.3 billion yen. Net sales are expected to increase due to the contribution from the consolidation of Framochem, while profit is expected to reflect one-time expenses associated with the acquisition and risks arising from the external environment. As FY2026 is the first year of the Mid-term Management Plan CODE/CHORD 2030, we will work to enhance corporate value over the medium to long term through agile responses while closely monitoring changes in the external environment.

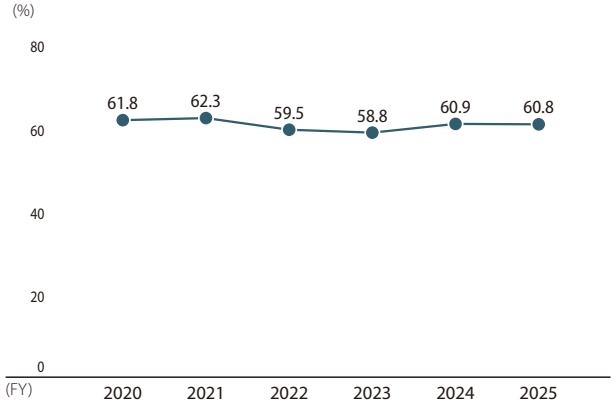
Trends in cash flows



Trends in the Current Ratio



Trends in the Equity Ratio



Company Information / Stock Information

Corporate data (As of March 31, 2026)

Company Name Hodogaya Chemical Co., Ltd.

Head Office 1-9-2, Higashi-Shimbashi, Minato-ku, Tokyo 105-0021, Japan
TEL +81-3-6852-0300 (Main Switchboard)

Foundation December 11, 1916

Paid-in Capital 11,196 million yen

Employees 946 (Consolidated),
477 (Hodogaya non-consolidated)

Description of business

Primarily producing and selling organic industrial chemicals and conducting various related businesses, including logistics and commissioned research and development.

Offices

Head Office (Minato-ku, Tokyo), Osaka Branch Office (Osaka City, Osaka Prefecture), Koriyama Plant (Koriyama City, Fukushima Prefecture), Yokohama Plant (Yokohama City, Kanagawa Prefecture), Nanyo Plant/Nanyo Branch Plant (Shunan City, Yamaguchi Prefecture), Tsukuba Research Laboratory (Tsukuba City, Ibaraki Prefecture), Taipei Office (Taipei, Taiwan)

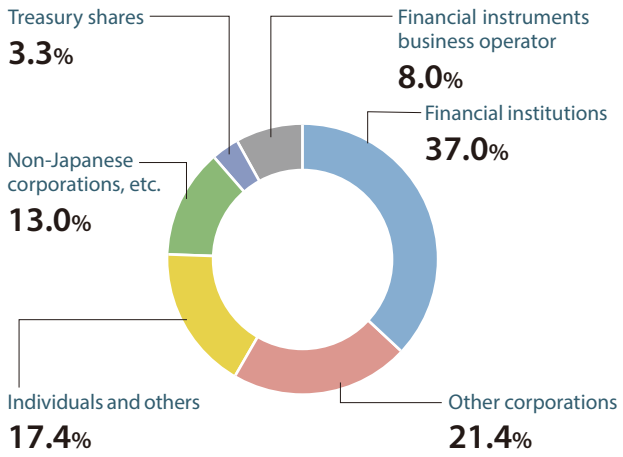
Stock information (as of March 31, 2026)

(1) Total number of authorized shares 40,000,000

(2) Total number of shares issued 16,827,452
(including 551,730 treasury shares)

(3) Number of shareholders 6,939 (-1,110 year over year)

Distribution of shares by shareholder



Major shareholders (Top 10)

Name of shareholder	Number of shares held	Percentage of shares held
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,580,700	9.71
Tosoh Corporation	1,400,000	8.60
Matsui Securities Co., Ltd.	895,200	5.50
Japan Securities Finance Co., Ltd.	711,314	4.37
Mizuho Bank, Ltd.	597,408	3.67
The Norinchukin Bank	454,860	2.79
Custody Bank of Japan, Ltd. (Trust Account E)	369,606	2.27
Custody Bank of Japan, Ltd. (Trust Account)	349,100	2.14
Meiji Yasuda Life Insurance Company	329,070	2.02
The Toho Bank, Ltd.	296,798	1.82

* The Company holds treasury shares (551,730 shares), which are excluded from the major shareholders mentioned above. Treasury shares (551,730 shares) do not include shares held in trust under Board Benefit Trust (BBT) and the Japanese Employee Stock Ownership Plan (J-ESOP) (369,606 shares).
* The shareholding ratio is calculated by excluding the number of treasury shares.

Global Network

Overseas Network

HODOGAYA CHEMICAL EUROPE GmbH

[Description of business] ● ● ●
Purchase and sales of chemical products and their raw materials

[Location]
Düsseldorf, Germany

Framochem Francia-Magyar Finomkemiai Kft.

[Description of business] ●
Manufacturing and sales of APIs, intermediates, and fine chemical products, primarily using phosgene as a raw material.

[Location]
Kazincbarcika, Hungary

HODOGAYA (SHANGHAI) TRADING CO., LTD.

[Description of business] ● ●
Purchase and sales of chemical products and their raw materials

[Location]
Shanghai, China

Taipei Office

[Location] Taipei, Taiwan

HODOGAYA CHEMICAL (U.S.A.), INC.

[Description of business] ● ● ●
Purchase and sales of chemical products and their raw materials

[Location]
New York State, U.S.A.

HODOGAYA CHEMICAL KOREA CO., LTD. Head office and research facilities

[Description of business] ●
Purchase, sales and R&D of chemical products

[Location]
Chungcheongbuk-do, South Korea

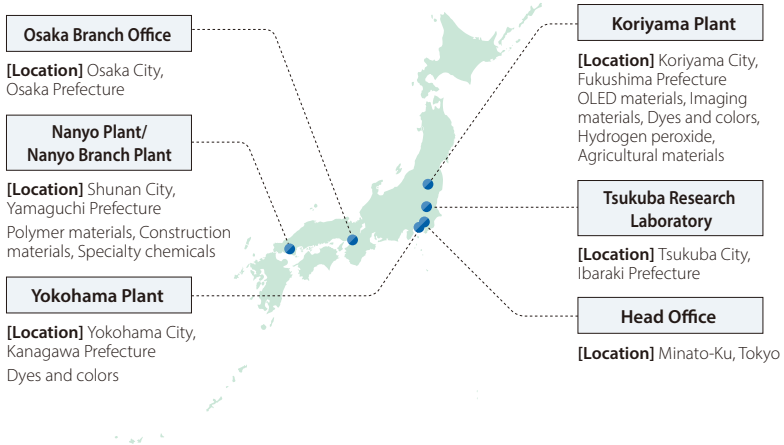
SFC CO., LTD.

[Description of business] ●
Manufacturing and sales of OLED materials and fine chemical products

[Location]
Chungcheongbuk-do, South Korea

■ Distribution Centers (Antwerp, Shanghai, New Jersey)
● Functional Colorants ● Specialty Polymers ● Agro-Science

Domestic Network



Osaka Branch Office

[Location] Osaka City, Osaka Prefecture

Nanyo Plant/ Nanyo Branch Plant

[Location] Shunan City, Yamaguchi Prefecture
Polymer materials, Construction materials, Specialty chemicals

Yokohama Plant

[Location] Yokohama City, Kanagawa Prefecture
Dyes and colors

Koriyama Plant

[Location] Koriyama City, Fukushima Prefecture
OLED materials, Imaging materials, Dyes and colors, Hydrogen peroxide, Agricultural materials

Tsukuba Research Laboratory

[Location] Tsukuba City, Ibaraki Prefecture

Head Office

[Location] Minato-Ku, Tokyo

Major Domestic Group Companies

- **KATSURA SANGYO CO., LTD.**
  Purchase and sales of chemical products
- **Hodogaya Construction Products Co., Ltd.**
  Manufacturing and sales of construction products
- **Hodogaya Contract Laboratory Co., Ltd.**
  Contract-based analysis and development of chemical products
- **Hodogaya Logistics Co., Ltd.**
  Warehousing and logistics
- **HODOGAYA UPL Co., Ltd.**
  Manufacturing and sales of agricultural chemicals
- **HODOGAYA AGROTECH Co., Ltd.**
  Manufacturing and sales of agricultural chemicals

* As of September 1, 2026