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Guide to This Report

What VISION does the Hodogaya Chemical Group seek to realize?

The Group has established a new VISION: "Refining Originality, Co-creating the Future: With our pioneering DNA of Honpo Koshi, we create value and turn dreams into reality." Taking our 110th anniversary as a new starting point, this VISION sets out our aspiration to achieve discontinuous growth through co-creation with diverse stakeholders.

►Mid-term Management Plan Basic Policies of CODE/CHORD 2030 P.13

How will we build a stronger earnings base?

Alongside the OLED materials business that drives our growth, we are transforming our business portfolio to establish second and third pillars of earnings. We outline the growth scenarios and challenges for each segment, including expansion into nucleic acid medicines and semiconductor materials, strengthening the specialty chemicals business through an overseas acquisition, and fundamental structural reforms.

►Message from the President PP.5-8 ►Business Overview: Challenges and Measures PP.24-28

What is our approach to investment and finance going forward?

To accelerate growth investments, we are evolving our capital policy to make appropriate use of leverage while maintaining financial soundness. We provide details on our cash allocation over the period of the Mid-term Management Plan and our shareholder return policy, which targets a DOE of 3.0% or higher in the fiscal year ending March 31, 2031.

►Financial Strategy and Capital Policy PP.19-20

What are the sources of value creation that support discontinuous growth?

Our pioneering spirit of Honpo Koshi and the distinctive technological capabilities we have cultivated over many years are the sources of our value creation. We introduce our integrated R&D, production, and sales business model, the shift in our investment paradigm, and our efforts to promote co-creation with stakeholders, together with our strategy for leveraging these strengths to develop the next pillars of earnings.

►Message from the President PP.5-8 ►Cutting Edge PP.15-16

What governance framework supports the sustainable enhancement of corporate value?

Under our structure as a company with an Audit & Supervisory Committee, which enables swift management decision-making, we are advancing a monitoring model that emphasizes the supervisory function. We describe initiatives to enhance the independence and diversity of the Board of Directors, including the establishment of the Nominating & Compensation Committee chaired by an Outside Director, the appointment of a female Outside Director, and the appointment of a female Executive Officer.

►Governance Supporting Strategy Execution PP.38-47

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