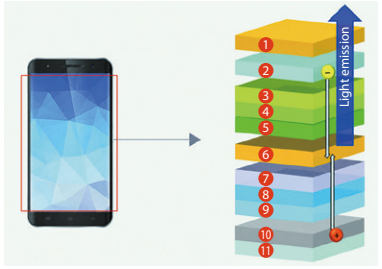
Cutting Edge

With applications expanding beyond smartphones to tablets, notebook PCs, televisions, and other devices, the OLED market is entering a phase of medium- to long-term growth. Building on more than 20 years of materials development expertise and synergies across the Group, the Hodogaya Chemical Group is strengthening its business foundation and expanding its R&D and production capabilities to support the continued growth of the OLED market.

Advancing the OLED Business and Expanding Its Scope

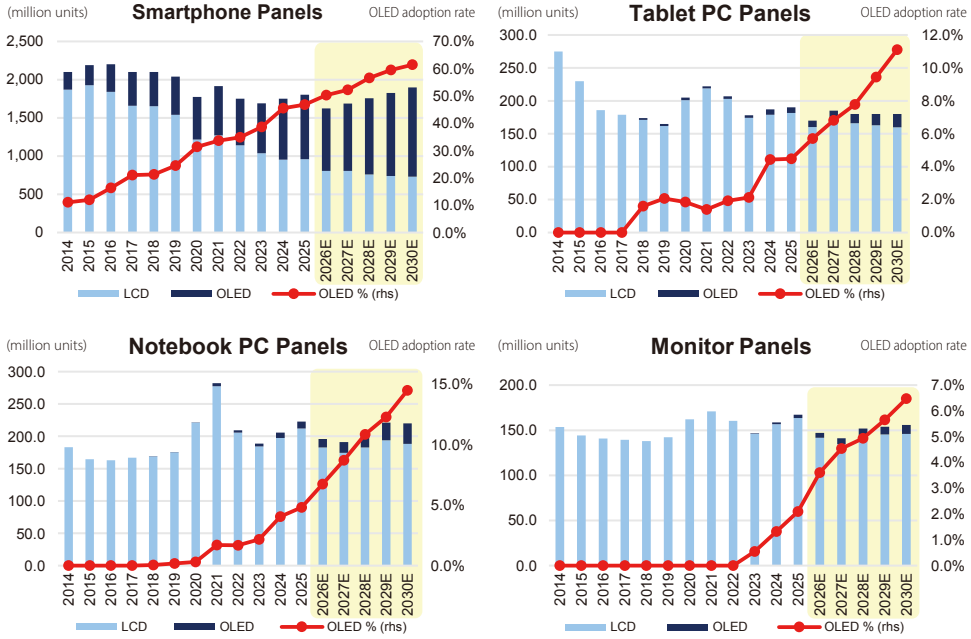
New business opportunities in an expanding market

OLEDs have become increasingly familiar in recent years. For more than 20 years, the Hodogaya Chemical Group has been engaged in R&D on materials that underpin OLED technology. In addition to being thin and lightweight, OLED panels offer excellent color reproduction and flexible form factors, making them a display technology distinct from LCD panels. OLED panels are now mainstream in the small-panel market for smartphones. Around 2026, the OLED adoption rate is expected to surpass 50%, with OLED becoming the dominant display technology and overtaking LCD. The shift from LCD to OLED is also progressing in the medium-sized panel market for tablets, notebook PCs, and gaming monitors, as well as the large-panel market for televisions, driven by demand for higher image quality and functionality. These markets are therefore expected to enter a phase of medium- to long-term growth.



OLED Structure

1 Capping layer (CPL) 2 Cathode 3 Electron injection layer (EIL) 4 Electron transport layer (ETL)
5 Hole blocking layer (HBL) 6 Emitting layer (EML) 7 Electron blocking layer (EBL)
8 Hole transport layer (HTL) 9 Hole injection layer (HIL) 10 Anode 11 Glass substrate



*Source (data and graph): Equity Research Department, Mizuho Securities Co., Ltd.

Materials development capabilities backed by proprietary technologies

The Hodogaya Chemical Group develops and manufactures materials used in the electron blocking layer (EBL), drawing on its long-established synthesis and refining technologies, expertise accumulated in charge transport materials, and advanced molecular design capabilities. These materials help extend OLED lifetimes and improve durability, while the Group is also actively developing emitting materials, hole injection materials, and other materials. In addition, we are developing high- and low-refractive-index capping layer (CPL) materials by leveraging optical simulation and other technologies. The core technologies behind these developments are applications of charge transport materials (CTM), one of our imaging materials.

Competitive advantage through co-creation

A major competitive advantage is our ability to offer distinctive OLED materials by combining Hodogaya Chemical's strength in hole transport materials with emitting materials created through proven technological capabilities in South Korea. As a leading company in OLED materials, we will continue supplying materials to major panel manufacturers in Japan and overseas. From dyes to imaging materials, from imaging materials to OLED materials, and onward to materials for nucleic acid medicines and semiconductor materials. The Hodogaya Chemical Group continues to evolve with the times.

Expanding investment in people and facilities in South Korea

Our competitive OLED materials, including blue-emitting materials, are expected to deliver further growth as OLED displays, currently driven mainly by smartphone demand, expand into medium-sized displays for tablets, PCs, and other devices.

To capture this opportunity, we are strengthening our already extensive production capacity in South Korea by constructing a plant and enhancing the business structure for OLED materials. We have also established and begun operating a new R&D and production base for the Bio business, applying technologies cultivated in the OLED materials business to expand into new business domains. In addition, by expanding our storage center for shipping and other logistics operations, as well as office and meeting space, while continuing to recruit outstanding talent, we believe we can further accelerate R&D on new materials and other areas.

Cutting Edge

Expanding into New Businesses Beyond Our Existing Trajectory

Building on the organic synthesis technologies and manufacturing capabilities cultivated over many years, the Hodogaya Chemical Group is taking on new growth fields through collaboration with partners and global business development. We are steadily advancing initiatives that put the growth strategies of CODE/CHORD 2030 into action, including expansion into nucleic acid medicines, innovation through industry-academia co-creation, and the strengthening of our business foundation through strategic M&A.

Collaboration with YUKI GOSEI KOGYO in nucleic acid medicines

Nucleic acid medicines, which use oligonucleotides as their basic framework, are attracting attention as next-generation pharmaceuticals with the potential to treat hereditary diseases, rare diseases, cancer, and other conditions that have been difficult to address with conventional small-molecule and antibody drugs. In the bio materials field, the Hodogaya Chemical Group has applied technologies cultivated in the OLED business to develop proprietary raw materials and conduct contract synthesis of research-grade and non-GMP oligonucleotides, building strengths in agile small-batch, high-variety production and manufacturing infrastructure. YUKI GOSEI KOGYO CO., LTD., through its many years of experience in small-molecule drug manufacturing, has advanced manufacturing and quality control systems compliant with GMP standards, as well as expertise and know-how in the manufacture of nucleic acid-related compounds. By combining the strengths of both companies through this collaboration, we aim to provide global stakeholders, including academia and pharmaceutical companies, with one-stop solutions covering everything from raw materials for nucleic acid medicines through GMP manufacturing.

The Hodogaya Chemical Group has also decided to establish an integrated framework capable of handling everything from raw materials for nucleic acid medicines through GMP manufacturing. A new building equipped with synthesis equipment, cleanrooms, and other facilities is planned at the Koriyama Plant, the Group's main production site.



Conceptual rendering of GMP facility

Co-creation research with Tohoku University



In June 2026, as the first initiative under the open innovation strategy set out in the Mid-term Management Plan, the Company established the Hodogaya Chemical Co., Ltd. × Tohoku University Co-Creation Research Center for Contributing to a Sustainable Society through Manufacturing within Tohoku University's Institute of Multidisciplinary Research for Advanced Materials. Under the three-year program, Company researchers will participate as specially appointed faculty members through a cross-appointment system.

Functional organic materials, one of the Company's strengths, not only absorb light but also perform a wide range of functions involving the conversion and release of energy in forms such as light, heat, and electricity. They play an essential role across modern society, including electronics, life sciences, the environment, and infrastructure. Rapid market changes and evolving social demands are creating an increasing need to move research outcomes into practical use more quickly in order to realize a sustainable society. At the Co-Creation Research Center, we will combine Tohoku University's advanced academic knowledge with Hodogaya Chemical's manufacturing technologies, transforming the conventional step-by-step development process into an integrated framework that seamlessly connects research with social implementation. Specifically, we will address environmental challenges involving trace amounts of hazardous substances and pursue the development of materials for highly durable devices. Through cross-sector collaboration between industry and academia, we will accelerate the creation of new materials while developing the next generation of R&D leaders through hands-on experience, thereby contributing to the realization of a sustainable society.

Acquisition of Framochem (Hungary)

In March 2026, the Company decided to acquire all equity interests in Hungary-based Framochem Francia-Magyar Finomkemiai Kft. (Framochem) and make it a wholly owned subsidiary.

Under the Mid-term Management Plan CODE/CHORD 2030, the Company has positioned the strengthening and expansion of the specialty chemicals business in the Specialty Polymers Segment as one of its key business growth strategies.

The acquisition puts this growth strategy into action and represents an important measure for achieving discontinuous growth that will sustainably enhance the Hodogaya Chemical Group's corporate value.

By integrating Framochem's strong reputation in Europe and distinctive product portfolio into our global network, we will build a robust platform for growth. At the same time, by establishing a two-site production structure in both Japan and Europe for phosgene derivatives, which require advanced manufacturing technologies, we will solidify our position as a Global Niche Top player.



Framochem site