Specialty Polymers Segment

https://www.hodogaya.co.jp/english/products/segment02/



Three Strengths

Ability to deliver high value-added specialty products globally, achieving both prosperous lifestyles and environmental harmony, by establishing a Global Niche Top position centered on our phosgenation technology

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

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 to 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.

ODI (Phosgene derivative)

Octadecyl isocyanate (ODI), a raw material for release agents, paints, and coating materials, is made from vegetable oil and fat, and meets the needs of customers from all over the world.

Because it is derived from vegetables, it helps control the occurrence of environmental CO_2, which is said to be a cause of climate change.

In addition, in April 2024, we obtained RSPO certification*.

*RSPO: Roundtable on Sustainable Palm Oil



Basic Strategies and Initiatives under the Mid-term Management Plan

Under the previous Mid-term Management Plan, the polymer materials business was significantly affected by sluggish market conditions and continued to record operating losses, making a fundamental improvement in profitability an urgent priority.

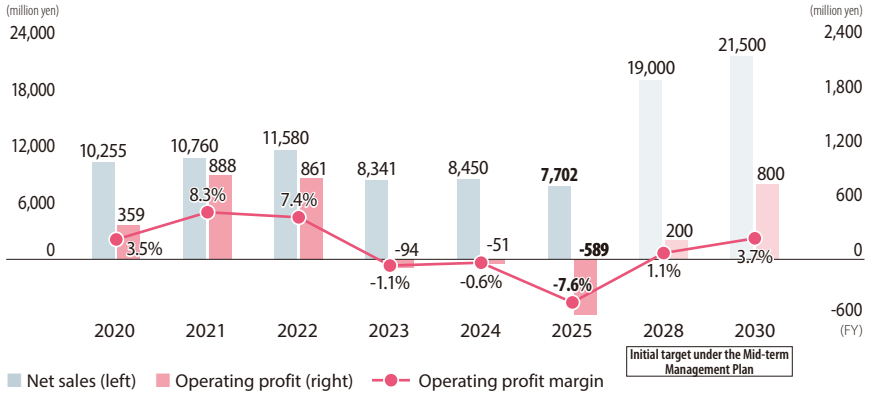
Against this backdrop, under the Mid-term Management Plan, we will work to rapidly move the business out of its loss-making position and secure stable returns on capital.

To strengthen and further expand the specialty chemicals business, we decided to acquire Hungary-based Framochem and make it a wholly owned subsidiary.

Leveraging the Group's proprietary phosgenation technologies, rigorous safety management, and advanced professional expertise, we will further strengthen the phosgene derivatives business. Through this cross-border M&A, we will accelerate our global expansion through a dual-hub structure spanning Japan and Europe and solidify our position as a global niche top player.

While keeping future business restructuring in view, the polymer materials and construction materials businesses will give top priority to improving profitability by expanding sales channels through a shift toward specialty products and ensuring appropriate price pass-through.

Net sales / Operating profit / Operating profit margin



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)

Related Group company: **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: Szerviz utca 5, 3700 Kazincbarcika, Hungary
TEL +36-48-311-991
Webpage: https://framochem.com/