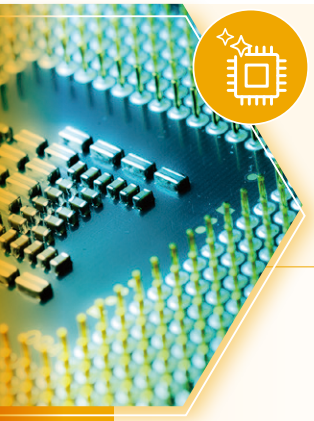
Basic Chemicals Segment

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



Three Strengths

Creativity to explore new applications demanded by the times—from clothing, food, and shelter to cutting-edge fields—drawing on our long-held hydrogen peroxide production technologies and a robust stable supply network

- 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.

Peracetic acid formulation

The peracetic acid formulation OXYATTACK (disinfectant agent for food products), a hydrogen peroxide derivative, was introduced into the market in 2017. While having powerful anti-bacterial effects on vegetables, fruit and meat, it is broken down into acetic acid and water after use, and does not generate chlorine either, making it an environmentally friendly product that has won the approval of customers.



Basic Strategies and Initiatives under the Mid-term Management Plan

Under the previous Mid-term Management Plan, the segment was affected by soaring raw material and fuel prices. However, prompt price pass-through and thorough cost reductions have enabled the business to recover, and it is currently maintaining a stable level of profit.

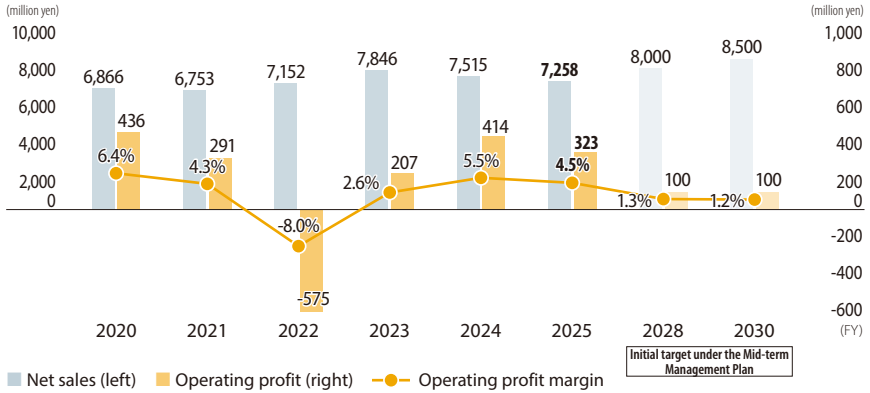
Although the paper pulp market is expected to continue shrinking, the hydrogen peroxide business is expected to remain firm, supported by growth in the semiconductor market.

Under the Mid-term Management Plan, we will build a robust and stable supply system, including through investment in new facilities at the Nanyo Plant, to reliably capture demand for high-purity hydrogen peroxide.

For hydrogen peroxide derivatives, we will maintain our share of business with existing customers while actively expanding sales in new applications.

Going forward, with market demand trends in mind, we will seek to maximize profit by pursuing thorough reductions in manufacturing costs and swiftly implementing appropriate price pass-through.

Net sales / Operating profit / Operating profit margin



Related Group company: **KATSURA SANGYO CO., LTD.**
Description of business: Sales and marketing of chemical products

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