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March 27, 2026

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Notice Regarding Acquisition of Equity Interests (Making a Wholly Owned Subsidiary) of Framochem Francia-Magyar Finomkemiai Kft (Hungary)

Hodogaya Chemical Co., Ltd. (the "Company" or "HCC") hereby announces that it has decided, at a meeting of the Board of Directors held today, to acquire 100% of the equity interests in Framochem Francia-Magyar Finomkemiai Kft ("Framochem"), based in Hungary, and to make it a wholly owned subsidiary of the Company (the "Acquisition"). Accordingly, HCC entered into a Quota Purchase Agreement with the equity holders of Framochem today.

Please note that the completion of the Acquisition is subject to the satisfaction of the conditions set forth in the said agreement.

1. Reasons for the Acquisition

HCC is scheduled to announce its next five-year Medium-Term Management Plan, commencing in fiscal year 2026, in May this year. As part of the business growth strategies under the new plan, the Company has been exploring opportunities to strengthen and expand its Specialty Chemicals business within the Specialty Polymers Segment. This Acquisition is a concrete step toward realizing the strategy and represents a key initiative for "Discontinuous Growth" aimed at sustainably increasing the corporate value of the Hodogaya Chemical Group.

Framochem, the subject company of this Acquisition, is a Hungarian chemical manufacturer established in 1992. It possesses world-class technical capabilities in the manufacture and sale of Active Pharmaceutical Ingredients (APIs), intermediates, and fine chemical products, primarily using phosgene as a raw material. In various phosgene derivative markets, HCC has maintained a long-standing "friendly rivalry" relationship with Framochem, whose technical expertise and customer base are highly regarded.

While phosgene is a reactant widely used in the manufacturing processes of a broad range of products, including high-performance polymers, pharmaceuticals, and agrochemicals, it is also a substance that demands rigorous safety management and advanced professional expertise. Since commencing Japan's first production of phosgene in 1926, HCC has leveraged its organic synthesis and proprietary phosgenation technologies, among others, accumulated over the past century. Today, the Company provides specialty chemicals (*), such as intermediates and additives, which are used to impart specific functionalities in the pharmaceutical and cosmetic fields.

Through this Acquisition, the Company intends to maintain and further deepen its existing high-quality production and export structure for specialty chemicals from bases in Japan. Simultaneously, by acquiring a direct manufacturing base in a high-demand area such as Europe, HCC aims to fulfill its global supply responsibilities and solidify its position as a "Global Niche Top" player in the global market.

(*) Specialty Chemicals:

- Phosgene Derivative 1) Chloroformates (CFs): Raw materials for polymerization initiators of organic peroxides, raw materials and intermediates for pharmaceuticals and agrochemicals.
- Phosgene Derivative 2) Acid Chlorides, CDI (Carbonyldiimidazole): Dehydrating condensation agents for pharmaceutical use.
- Phosgene Derivative 3) Monoisocyanates, ODI (Octadecyl Isocyanate): Raw materials for release agents (for tapes) and automotive paint modifiers.

2. Overview of the target company (Framochem)

(1) Name	Framochem Francia-Magyar Finomkemiai Kft		
(2) Address	Szerviz utca 5, 3700 Kazincbarcika, Hungary		
(3) Representative	Managing Director, Boudewijn van Lent		
(4) Business Description	The manufacture and sale of APIs, intermediates, and fine chemical products, primarily using phosgene as a raw material.		
(5) Capital	HUF 700 million (JPY 332 million)		
(6) Date of Establishment	September 29, 1992		
(7) Major Shareholders and ownership ratios	VanDeMark Chemical, B.V. 100%		
(8) Relationship with the Company	Capital relationship:	Not applicable	
	Personnel relationship:	Not applicable	
	Business Relationship:	Not applicable	
(9) The Company's operating results and financial position for the most recent three years according to Hungarian GAAP accounting standards	(Unit: Hungarian Forint in Million)		
	FY 12/2022	FY 12/2023	FY12/2024
Net Assets	3,787 (JPY 1,795 million)	7,302 (JPY 3,461 million)	11,156 (JPY 5,288 million)
Total Assets	22,431 (JPY 10,632 million)	24,434 (JPY 11,582 million)	32,337 (JPY 15,328 million)
Net Sales	21,108 (JPY 10,005 million)	18,169 (JPY 8,612 million)	18,915 (JPY 8,966 million)
Operating Profit	4,493 (JPY 2,130 million)	3,426 (JPY 1,624 million)	4,102 (JPY 1,944 million)
Net Income	6,925 (JPY 3,282 million)	3,515 (JPY 1,666 million)	3,854 (JPY 1,827 million)

Translated to Japanese Yen at HUF 1 = JPY 0.474

3. Overview of the counterparty to the acquisition of equity

(1) Name	VanDeMark Chemical, B.V.
(2) Address	Boompjes 40 3011 XB Rotterdam
(3) Representative	Boudewijn Van Lent
(4) Business Description	Ownership, management and administration of Framochem
(5) Capital	€18,000
(6) Date of Establishment	November 27, 2008
(7) Net Assets (previous fiscal year-end)	€11,702,591
(8) Total Assets (previous fiscal year-end)	€11,387,129
(9) Major Shareholders and ownership ratios	VanDeMark Chemical, Inc. 100%
(10) Relationship with the Company	Capital Relationship: Not applicable Personnel Relationship: Not applicable Business Relationship: Not applicable Related Party Relationship: Not applicable

4. Number of Acquired equity, acquisition price, and status of ownership before and after acquisition

(1) Ownership before transfer	Voting rights ownership ratio: 0%
(2) Acquisition price	Equity Value: Approximately EUR 87million(JPY16,008million) Advisory fees, etc: Approximately JPY 600 million
(3) Ownership after transfer	Voting rights ownership ratio: 100%

Translated to Japanese Yen at EUR 1 = JPY 184

5. Timetable

(1) Date of conclusion of the agreement	March 27, 2026
(2) Date of commencement of equity transfer	The Company's Fiscal Year Ending March 2027 Second Quarter (scheduled)

6. Future outlook

The impact of this matter on the Company's consolidated financial results is currently under scrutiny, and the Company will promptly notify you if any matters that need to be disclosed in the future.