

April 7, 2023

Presentation Materials for Financial Results for the First Quarter of the Fiscal Year Ending November 30, 2023

(December 1, 2022 – February 28, 2023)

Tokyo Stock Exchange, Prime Market: 4187



OSAKA ORGANIC CHEMICAL INDUSTRY LTD.

Our products are invisible, but used around you.



(English Translation)

This English translation is an abridged version of the original document in Japanese.
In the event of any discrepancy, the Japanese version prevail.

Operating environment

As restrictions on social activities associated with COVID-19 are relaxed, a move toward normalization of economic activities has started. However, the economy continues to face uncertainties, including soaring raw material prices, sharp fluctuations in foreign exchange markets, and the protracted situation in Ukraine.

Net sales

While the specialty chemicals business was firm, sales of chemical products and electronics materials decreased as demand for displays and semiconductors remained weak. As a result, net sales for the first quarter decreased 15.4% year on year to ¥6,870 million.

Operating profit

Operating profit for the first quarter decreased 39.6% year on year to ¥1,005 million due to the decrease in net sales and soaring raw material prices.

(million yen)

	1Q FY11/22 results	1Q FY11/23 results	YoY change	
			Amount	%
Net sales	8,125	6,870	-1,255	-15.4%
Operating profit	1,665	1,005	-660	-39.6%
Ordinary profit	1,733	1,040	-693	-40.0%
Profit attributable to owners of parent	1,211	726	-485	-40.0%
Price of naphtha in Japan (Yen/KL)	64,600	68,000	—	—
Exchange rates (Yen/USD)	115	133	—	—

1Q FY11/23 Financial Summary

Due to decreases in sales of chemical products and electronics materials and increases in expenses for fuel and electric power, operating profit for the first quarter decreased by ¥0.66 billion from the same period of the previous fiscal year.

Decrease in net sales
-¥1.25 billion ↓

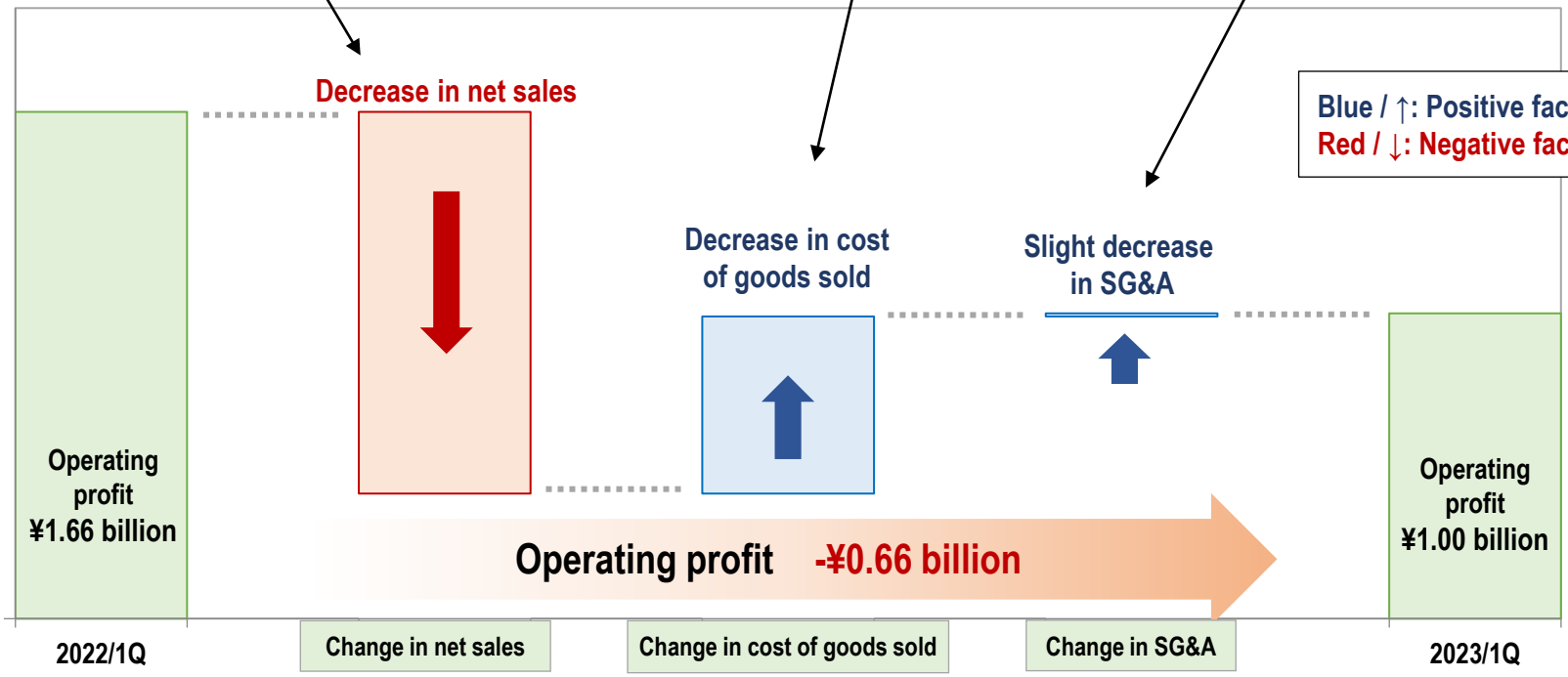
Decrease in cost of goods sold
-¥0.58 billion ↑

Decrease in SG&A
-¥0.01 billion ↑

Chemical products **-¥0.72 billion**
Electronics materials **-¥0.63 billion**
Specialty chemicals **+¥0.1 billion**

Decrease in cost of raw materials **-¥0.65 billion**
Increase in fuel and electricity costs **+¥0.07 billion**
Decrease in depreciation **-¥0.02 billion**
Others

Decrease in transportation expenses **-¥0.01 billion**
Others



Blue / ↑: Positive factors
Red / ↓: Negative factors

1Q net sales

FY11/23 full-year forecast

Progress ratio vs. full-year forecast

Net sales / operating margin

(Forecast revised on April 7)

¥2.11 bn

¥9.47 bn

22.3%

● Operating environment

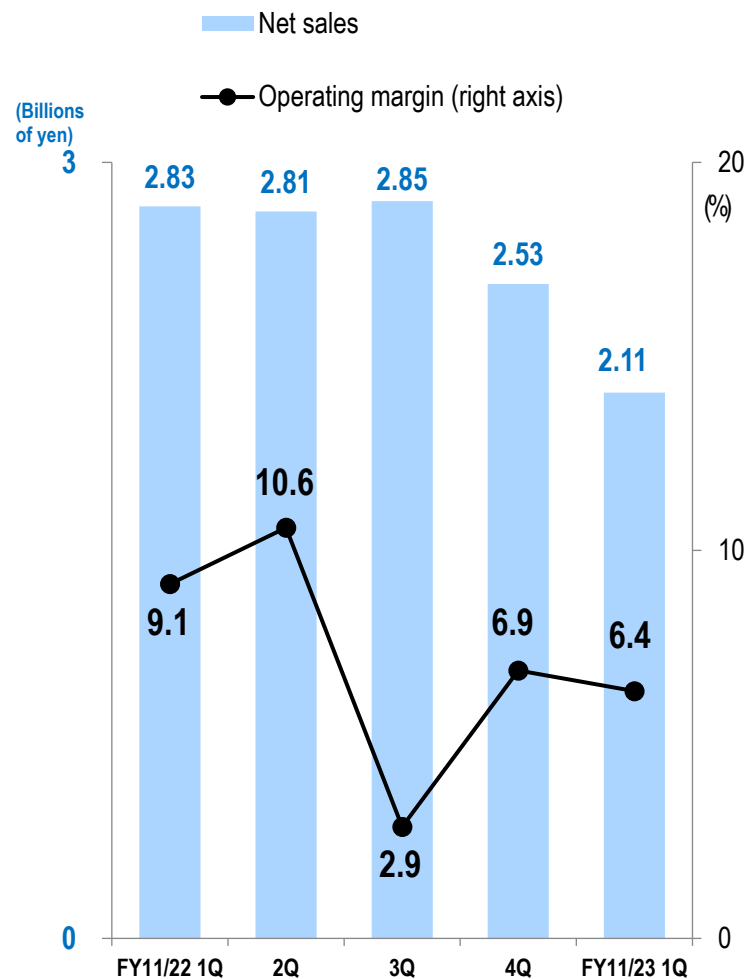
- As restrictions associated with COVID-19 are gradually relaxed, there are signs of recovery in economic activities. However, soaring raw material prices continue to suppress corporate earnings.

● OOC

- Sales of esters used in automotive coatings remained firm.
- Sales of esters used in display adhesives and chemical products used in UV inkjet printers remained weak.

● Market risks

- Crude oil prices remain high.
- Higher cost of raw materials derived from natural resources.



1Q net sales

FY11/23 full-year forecast

Progress ratio vs. full-year forecast

Net sales / operating margin

¥3.23 bn

(Forecast revised on April 7)

¥13.41 bn

24.1%

Operating environment

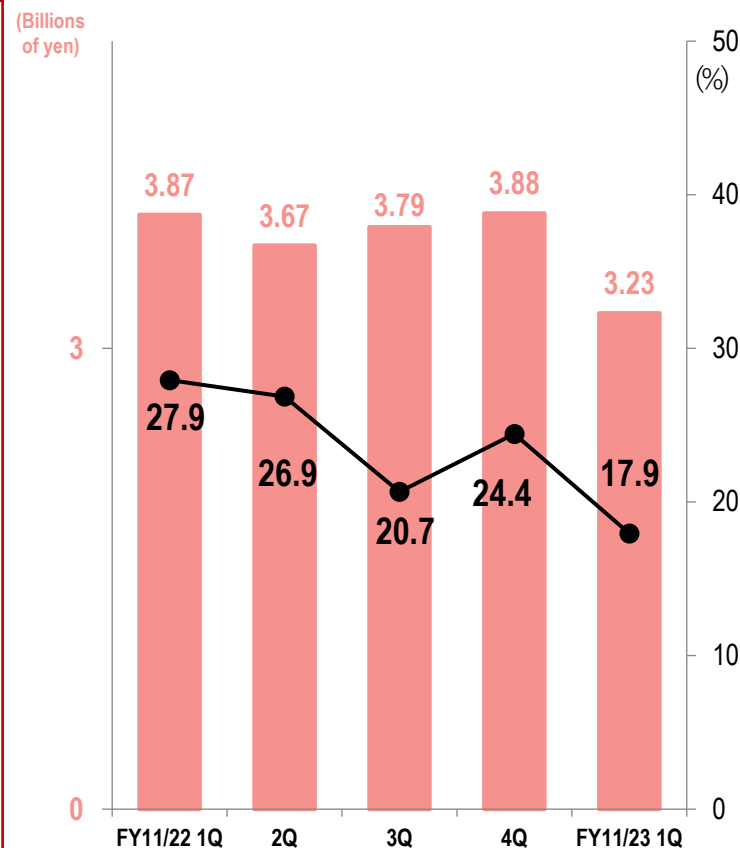
- As negative growth is forecasted for the semiconductor market in 2023, the condition of the market has notably deteriorated.
- Progress is continuing with the practical use of state-of-the-art EUV lithography.
- The display market continues to be weak, but is on a moderate recovery trend.

OOO

- Sales of raw materials used to manufacture ArF photoresist, the primary product of this segment, remained flat as demand in the end market softened.
- As for display materials, sales remained weak due to sluggish demand for displays.
- Sales of EUV materials continued to be healthy.

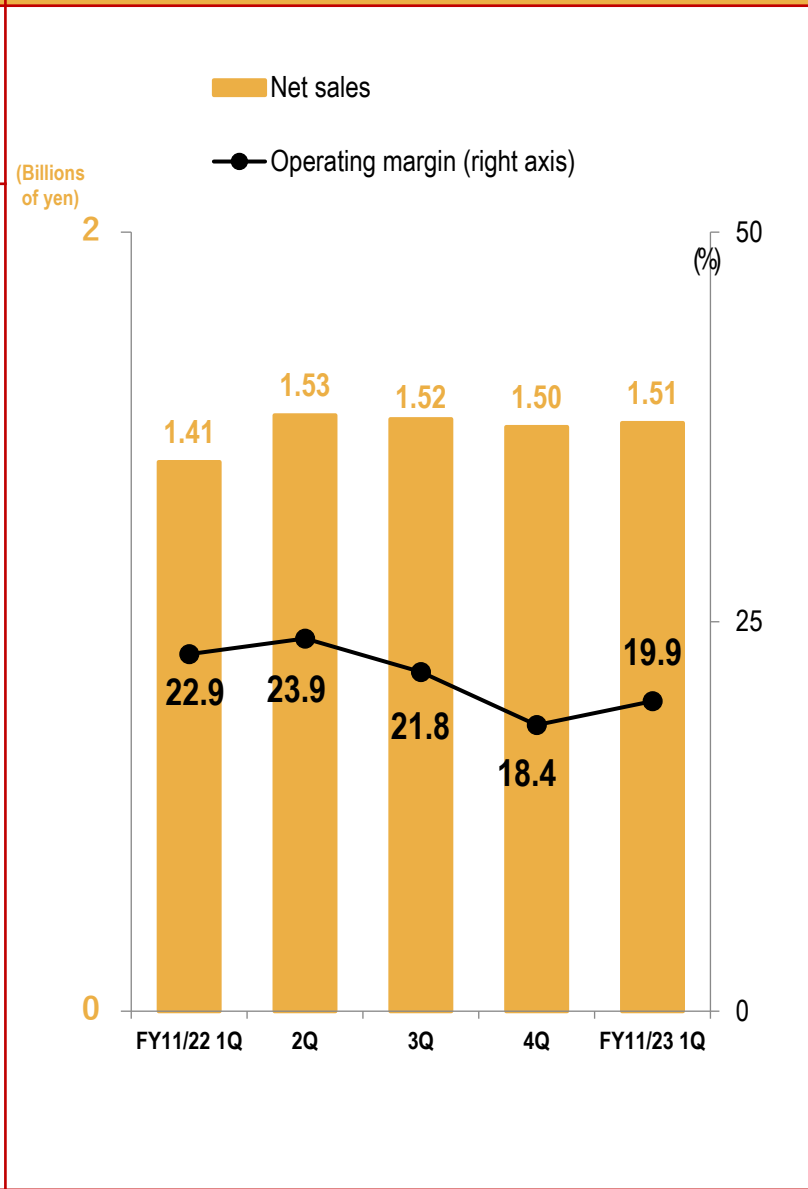
Market risks

- Escalation of the U.S. - China economic confrontation.



1Q net sales	FY11/23 full-year forecast	Progress ratio vs. full-year forecast
¥1.51 bn	(Forecast revised on April 7) ¥6.1 bn	24.8%

Net sales / operating margin



Operating environment

- The Chinese cosmetics market is expanding, despite the COVID-19 crisis.
- Japan's cosmetics markets are also recovering, particularly in the area of skincare.

OOC

- Raw materials for cosmetics recorded strong sales abroad.
- As for functional materials, sales of products made for other companies remained weak.
- Sales of high-purity specialty solvents produced by a subsidiary remained solid.

Market risks

- Increasing presence of new manufacturers in the Chinese market.

<Precautions for outlooks>

- The forecasts in this presentation are current estimates and are based on judgments derived from information available to date.
- Accordingly, actual results of operations may differ significantly from these forecasts due to various factors and risks, and Osaka Organic Chemical Industry makes no guarantee whatsoever regarding these forecasts.

[Contact information]
IR & PR Group, Administration Division
TEL: +81-6-6264-5071 (main number)



We lead the world with specialty acrylates

OSAKA ORGANIC CHEMICAL INDUSTRY LTD.

Tokyo Stock Exchange, Prime Market: 4187