

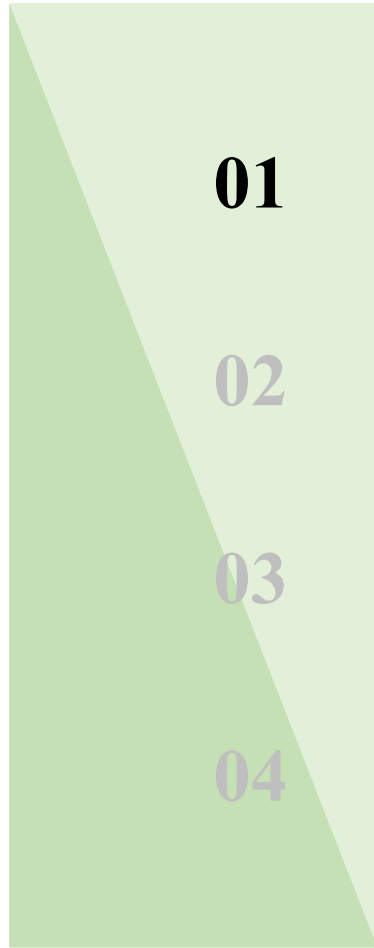
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Presentation Materials for Financial Results for the Fiscal Year Ended November 30, 2023

Our products are invisible, but used around you.





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Operating environment

The normalization of economic activity from the coronavirus pandemic has progressed, and the economy has continued to recover moderately. On the other hand, the situation remains uncertain due to the stagnation of the Chinese economy, high prices, and heightened geopolitical risks.

Net sales

Sales decreased mainly in the electronic materials business due to sluggish demand for displays and semiconductors. As a result, sales figures are prior A year-on-year decrease of 10.3%, to ¥28,907 million.

Operating profit

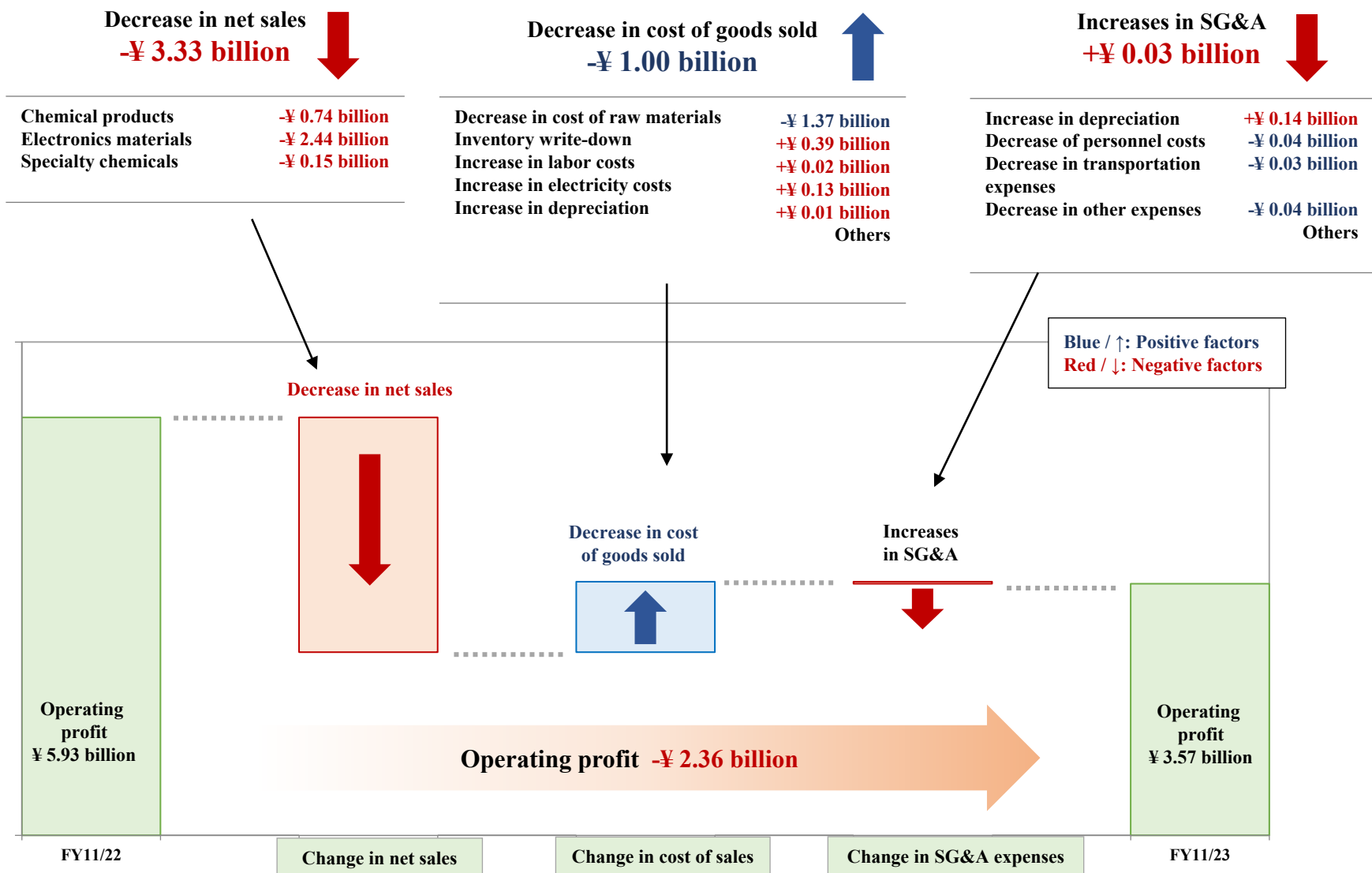
Operating profit decreased 39.7% from the same period of the previous year to ¥3,577 million due to the impact of decreased sales and persistently high raw material and fuel prices.

(million yen)

	2022/11 Results	2023/11 Forecast	2023/11 Results	YoY change	
				Amount	%
Net sales	32,236	29,000	28,907	△3,329	△10.3%
Operating profit	5,934	3,800	3,577	△2,357	△39.7%
Ordinary profit	6,365	4,000	3,877	△2,487	△39.1%
Profit attributable to owners of parent	4,725	2,800	3,270	△1,454	△30.8%
Price of naphtha in Japan (Yen/KL) (Our estimated value)	76,150	72,000	68,150	—	—
Exchange rate (Yen/USD)	129	133	140	—	—

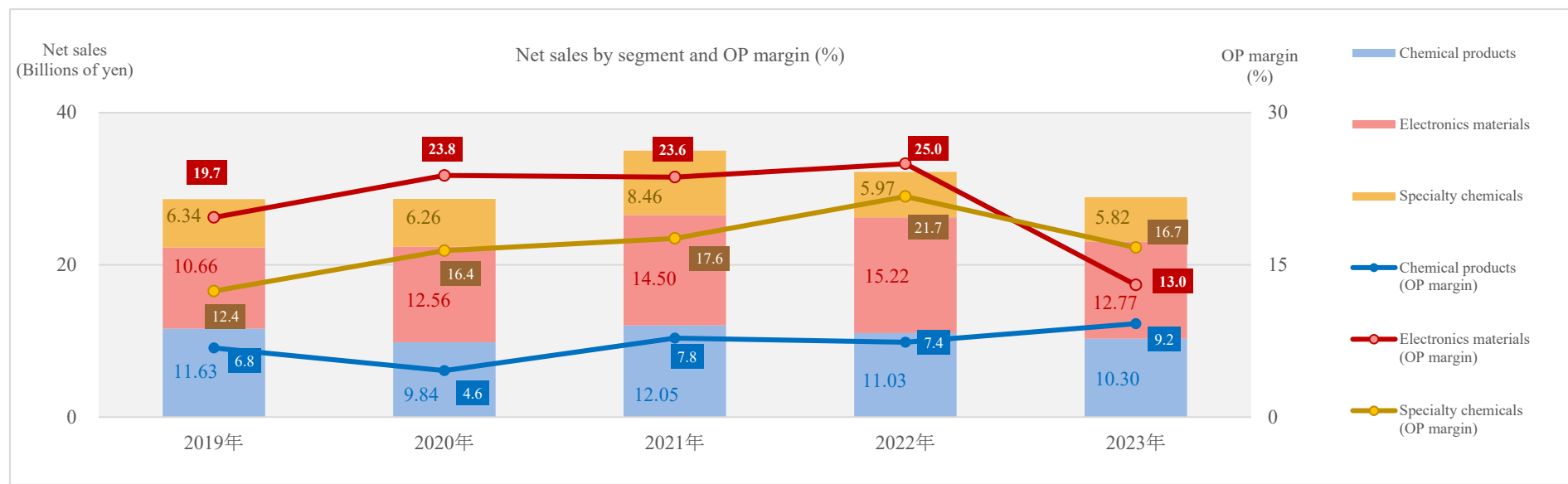
Factors change in operating profit

Operating profit decreased by 2.36 billion yen from the same period of the previous fiscal year, mainly due to a decrease in sales in the Chemicals and Electronic Materials business, a rise in cost of sales due to inventory write-downs, and an increase in depreciation and amortization.

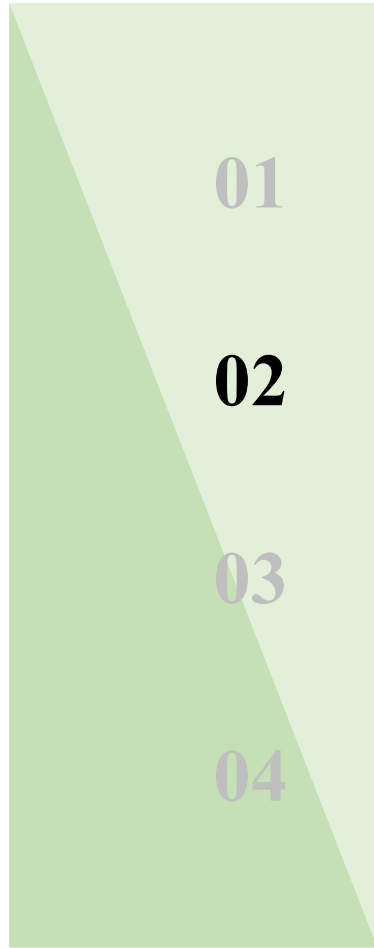


Results by Segment

	Chemical products	Electronics materials	Specialty chemicals
Summary	<ul style="list-style-type: none"> ◇Sales of products for automotive coatings were firm, reflecting a recovery in automobile production. ◇Sales of products for display adhesives and for UV inkjet inks decreased. ◇Sales of methacrylates decreased significantly. 	<ul style="list-style-type: none"> ◇The Semiconductor Materials group saw strong sales of its state-of-the-art raw materials for EUV resists. Sales of mainstay raw materials for ArF resists were sluggish, as inventories continued to adjust due to a decrease in demand. ◇The display material group was sluggish due to sluggish demand for displays. 	<ul style="list-style-type: none"> ◇In the Cosmetics Ingredients Group, sales were strong overseas. ◇As for functional materials, contract products were sluggish. ◇Sales of high-purity specialty solvents produced by a subsidiary remained solid.
Net sales	¥ 10.30 billion (YoY: -6.7%)	¥ 12.77 billion (YoY: -16.1%)	¥ 5.82 billion (YoY: -2.5%)
Operating profit	¥ 0.94 billion (YoY: +16.5%)	¥ 1.66 billion (YoY: -56.2%)	¥ 0.97 billion (YoY: -25.1%)



*Adopted the "Accounting Standard for Revenue Recognition" and other standards from fiscal 2022



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FY11/24 Forecast

In the fiscal year ending November 2024, although the semiconductor market remains sluggish, it is expected that the trend will gradually recover. In addition, the depreciation burden on semiconductor materials manufacturing facilities, which we invested in last year, will increase.

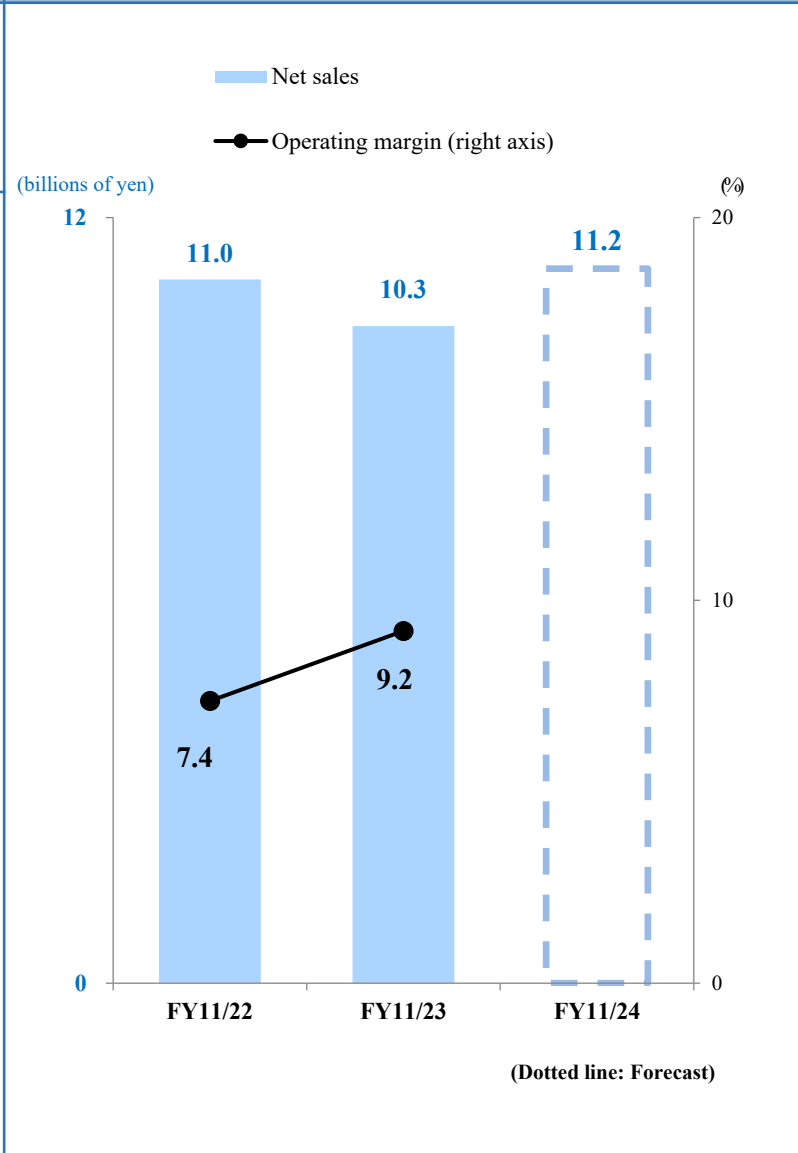
Our performance forecasts are for net sales to increase 2.0 billion yen to 31.0 billion yen and operating profit to increase 100 million yen to 3.70 billion yen.

(million yen)

	2023/11 Results	2024/11 Forecasts	YoY change	
			Amount	Rate of change
Net sales	28,907	31,000	+2,092	+7.2%
Operating profit	3,577	3,700	+122	+3.4%
Ordinary profit	3,877	3,900	+22	+0.6%
Profit attributable to owners of parent	3,270	2,700	-570	-17.5%
Price of naphtha in Japan (Yen/KL) (Our estimated value)	68,150	70,000	—	—
Exchange rate (Yen/USD)	140	145	—	—

FY11/23 Net sales	FY11/24 Forecasts	YoY
¥10.3 billion	¥11.2 billion	+8.7%

Trend graph



● Operating environment

- Automobile production is on a recovery trend.
- Inventory adjustments in display-related products such as televisions have been progressing, and the economy has been on a recovery trend, but there are signs that it is moving into an adjustment phase again.

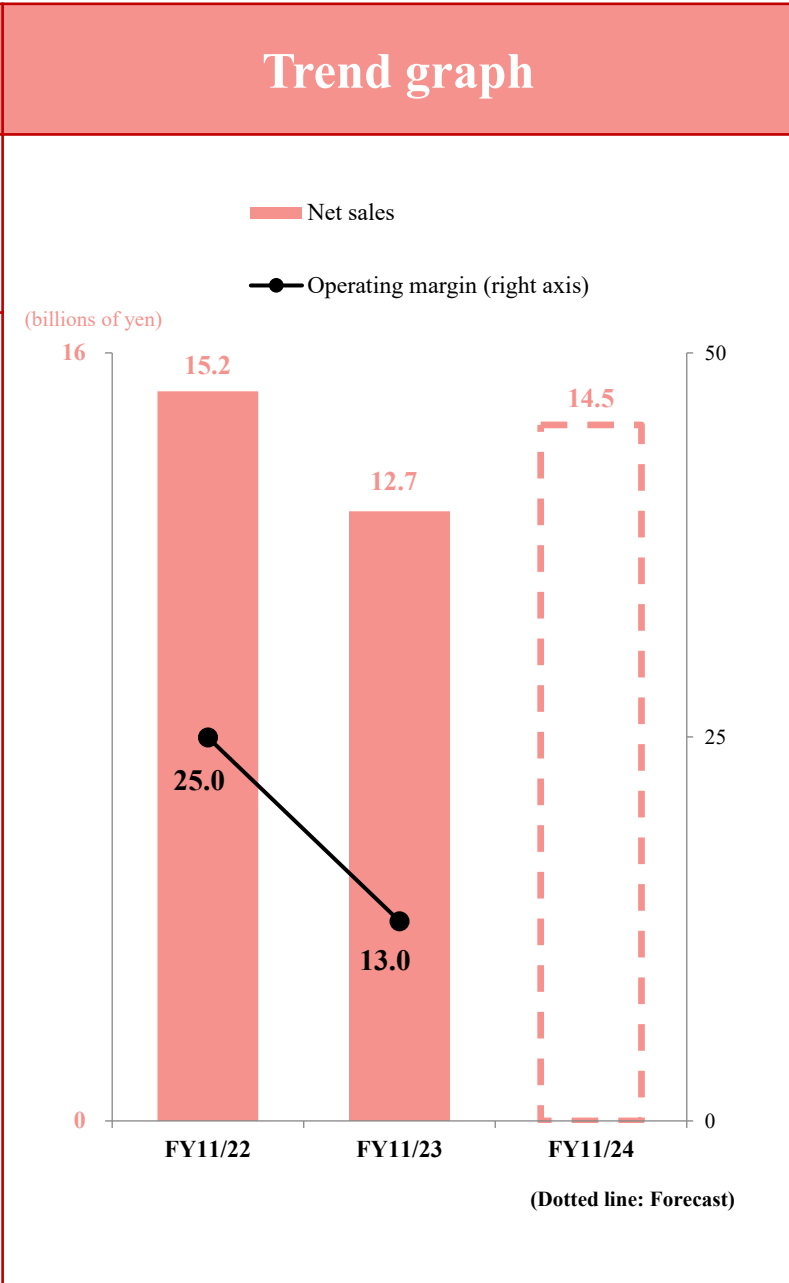
● OOC

- Sales of products for automotive coatings are firm.
- Materials for display adhesives are once again closely monitoring the impact of display adjustments.
- Focus on expanding sales of materials for UV inkjet inks.

● Market risks

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

FY11/23 Net sales	FY11/24 Forecasts	YoY
¥12.7 billion	¥14.5 billion	+13.5%



● Operating environment

- Long-term deterioration in market conditions in the semiconductor market and signs of a slower recovery than initially anticipated.
- The practical application of cutting-edge EUV materials is progressing.
- The display market was on a recovery trend, but it is now in an adjustment phase again.

● OOC

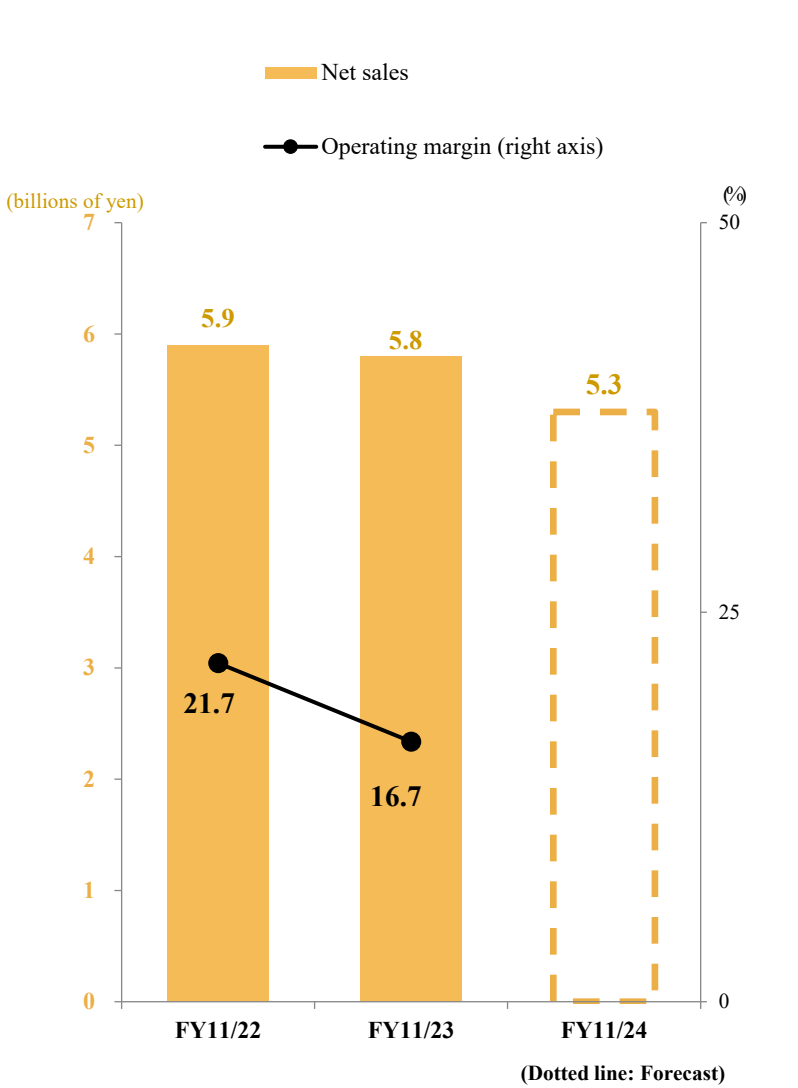
- The company will start operation of new facilities for semiconductor materials and proceed with production for customer approval.
- Sales of our mainstay ArF resist raw materials are expected to recover in the second half of the year.
- The Display Materials Group was on a recovery trend, but it is expected to start adjusting again and remain weak.

● Market risks

- Escalation of the U.S.-China economic confrontation.
- Delay in recovery of the semiconductor market.

FY11/23 Net sales	FY11/24 Forecasts	YoY
¥5.8 billion	¥5.3 billion	-9.1%

Trend graph



Operating environment

- The overseas cosmetics market is expected to recover in earnest due to the increase in opportunities to go out due to the after-corona.
- The domestic cosmetics market continues to recover.

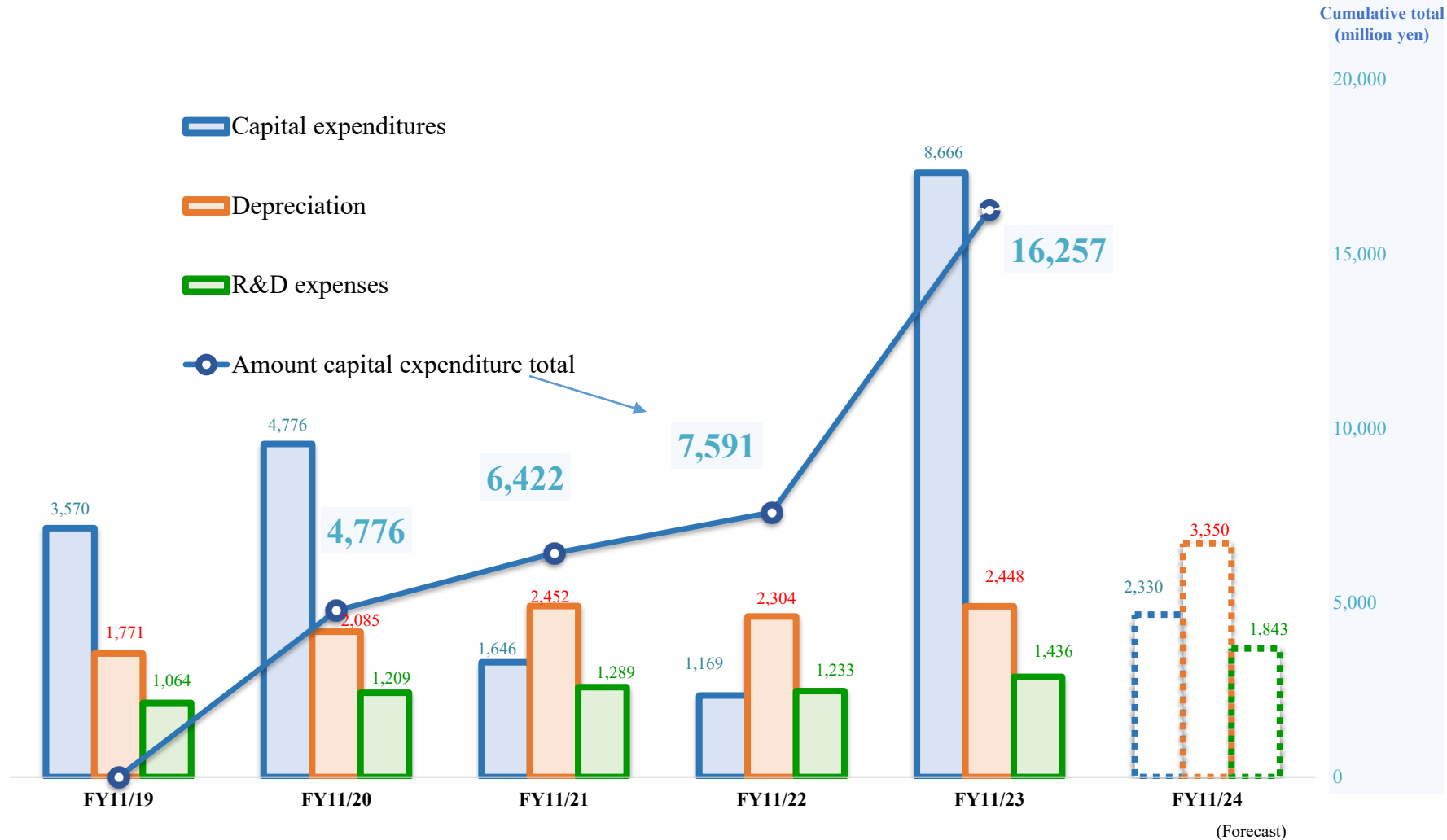
OOO

- We will continue to actively expand overseas sales of cosmetic raw materials.
- In the Functional Materials Group, sales of consignment products remained sluggish.
- The subsidiary's sales of special solvents are expected to recover in electronic material applications.

Market risks

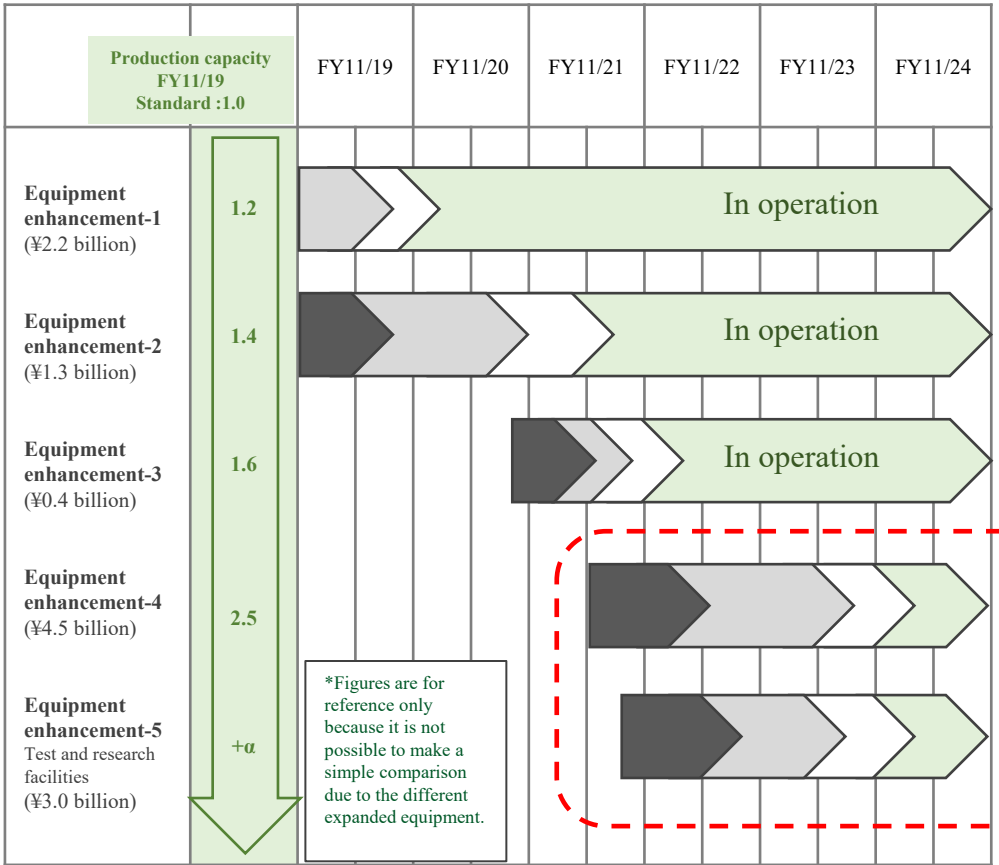
- The exacerbation of the Japanese product boycott campaign by China.

In line with our medium-term management plan, we are systematically making capital investments.
 In 2023, we invested ¥8.66 billion in equipment, including semiconductor materials manufacturing facilities.
 Depreciation and amortization are expected to increase in 2024.



- ◇The semiconductor market stagnated significantly in 2023, but is expected to return to growth in 2024.
- ◇We have also completed two large-scale facilities last year, and have put in place a system to respond to customer demands.

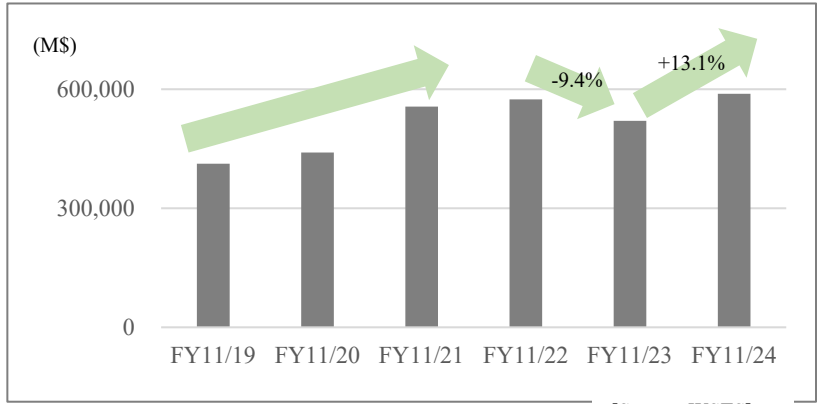
◆Transition for expansion of semiconductor materials manufacturing facilities



• Figures in parentheses are capital expenditures.



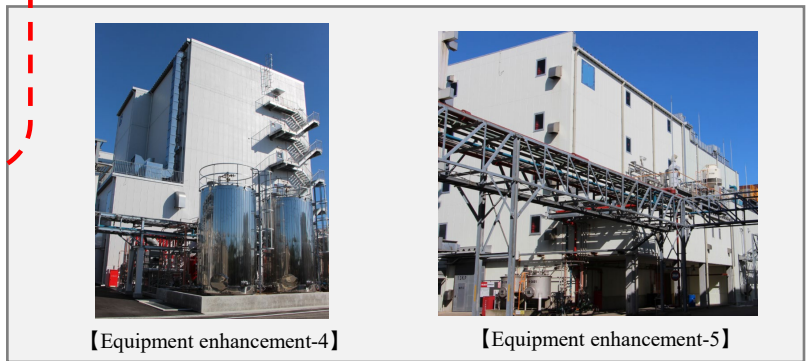
◆Global semiconductor market



[Source: WSTS]

◆Status of New Facilities

Two new facilities were completed last year. Trial production to obtain customer certification is in progress. We are preparing for the market recovery from 2024 onward.



【Equipment enhancement-4】

【Equipment enhancement-5】

Shareholder Returns and Stock Price Trends

We have implemented the measures of the Medium-to Long-Term Management Plan and steadily increased our business results.
We have steadily increased dividends in line with the growth in our business results.

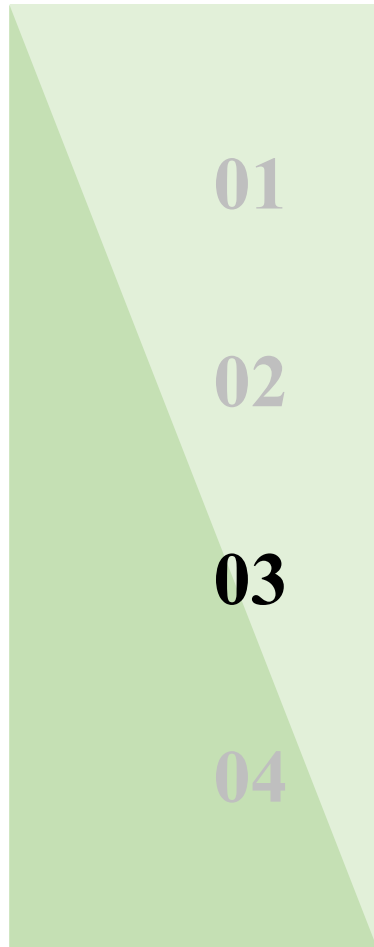
In the fiscal year ending November 2024, we forecast a total dividend of ¥58 per share, consisting of ¥29 for the interim and ¥29 for the year-end.



For the year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 (Forecast)
EPS(¥)	39	57	91	97	121	137	150	226	217	153	126
Annual dividend (¥/share)	10	15	25	29	36	40	46	50	54	56	58
Dividend payout ratio (%)	25.7	26.4	27.5	30.0	29.8	29.2	30.8	22.2	24.9	36.6	45.7
Total shareholder return ratio (%)	25.7	37.9	36.4	30.0	46.5	29.2	30.8	22.2	60.7	54.7	—

*EPS: Earnings per share

Blue letters: Share buyback



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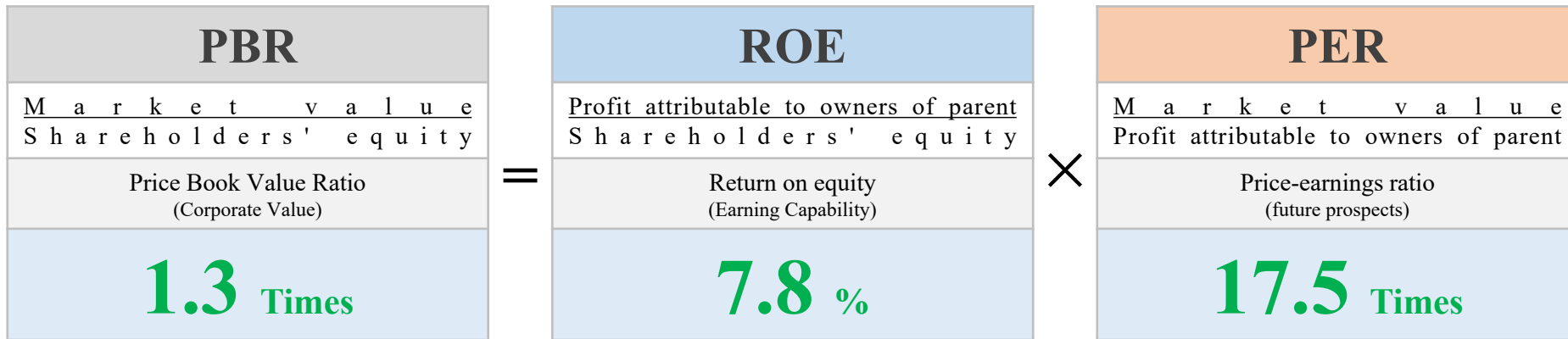
Initiatives to improve corporate value

04

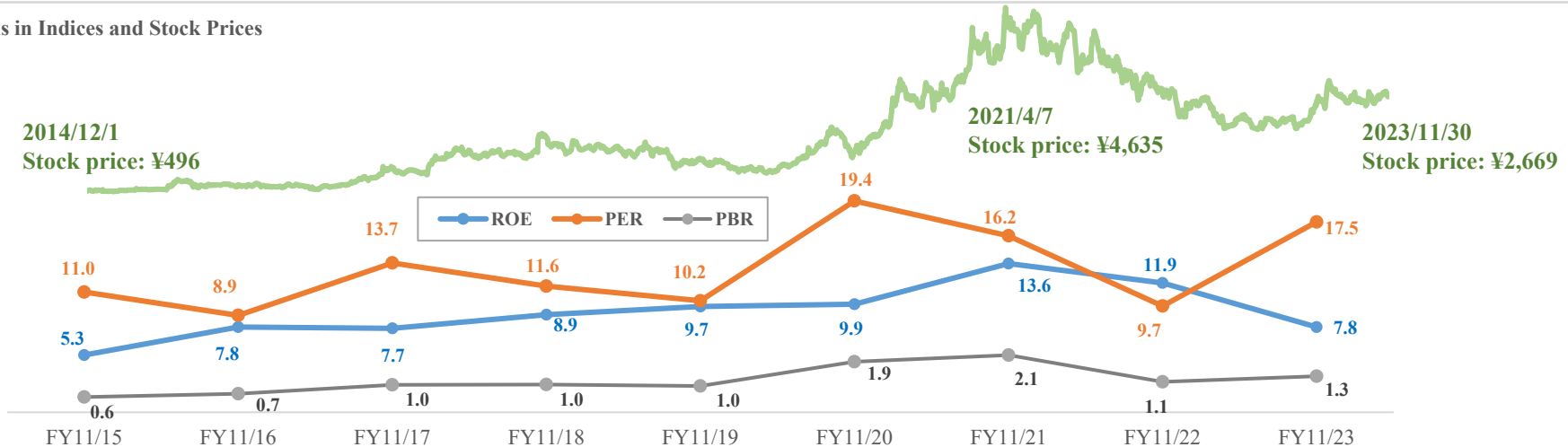
appendix

As of the end of November 2023, company PBR was 1.3x, exceeding 1x, but ROE was 7.8%, a significant drop from the previous year (11.9%). Under the next medium-term business plan, we will add new ROIC to management indicators and implement activities to improve capital-efficiency and increase corporate value.

As of November 30, 2023



◆ Trends in Indices and Stock Prices

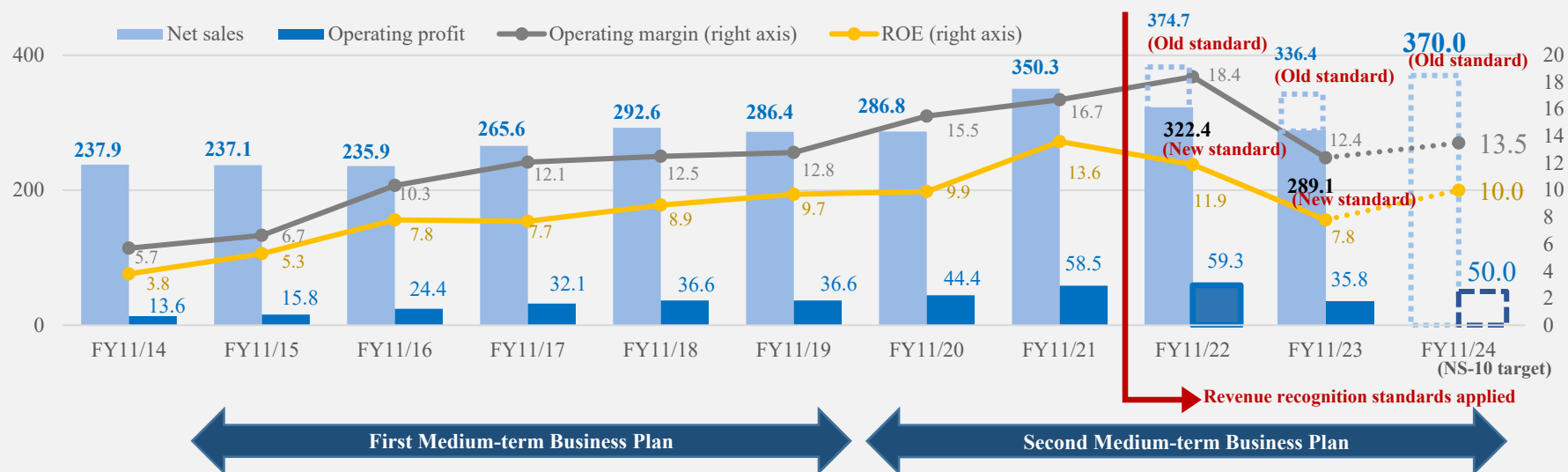


Raising corporate value

Improvement

<p>Improve earning power</p>	<ul style="list-style-type: none"> ◆ Promote the Medium-Term Business Plan ◆ Growth strategies and strategic investments to increase corporate value 	<p>R O E</p>	<p>P B R</p>
<p>To enhance capital efficiency</p>	<ul style="list-style-type: none"> ◆ Review of strategic stockholdings ◆ Promote business portfolio management ◆ Appropriate investment strategy 		
<p>Shareholder Returns</p>	<ul style="list-style-type: none"> ◆ Stable Dividends (Midium-Term Management Plan Targets) ◆ Timely and appropriate share buybacks 	<p>P E R</p>	
<p>Approach to Stakeholders</p>	<ul style="list-style-type: none"> ◆ Active dialogue with institutional investors ◆ Expansion of briefings for individual investors ◆ Enhancement of disclosure and dissemination to each stakeholder 		

Since the targets of the medium- to long-term business plan "Next Stage 10" (NS-10: FY2015-FY2024) were achieved in FY2022 and the change in accounting standards (application of the revenue recognition standard) was implemented, we believe that it is necessary to review the medium-term business plan, and NS-10 will be completed one year ahead of schedule.



Next Stage 10 Review

[Financial Results]

- Significant sales and profit growth achieved
- Semiconductor Business Grows to Mainstay Business
- Large-scale capital investment (cumulative total of ¥16 billion)

[Non-Financial Results]

- To reduce CO₂ emissions
- Strengthening Education Programs
- Review of personnel system

[Issues]

- Expansion of Priority Business Areas
- Strategic depth of technology
- Growth in overseas markets
- Environmental Initiatives
- Promotion of DX
- Human Capital Management

Medium-Term Business Plan (P&D 2030)

*Progress & Development 2030***Stage 1** (3 years: 2024 to 2026)

- Gain results from the NS-10
- Plan and train for Stage 2

Stage 2 (4 years: 2027 to 2030)

- Gain results from the Stage 1
- Plan and train for the next medium-term business plan
- Expand new businesses developed through NS10 and P&D2030.

	FY11/23 Results	FY11/26 Stage 1 Target	FY11/30 Stage 2 Target
Net sales	¥ 28.9 billion	¥ 40.0 billion or more	¥ 50.0 billion or more
Operating profit	¥ 3.5 billion	¥ 5.6 billion or more	¥ 7.5 billion or more
OP margin	12.4 %	14 % or above	15 % or above
Strategic investments and business investments	—	Cumulative total of more than ¥ 30.0 billion	
ROE	7.8%	10 % or above	12 % or above
ROIC	5.4 %	8 % or above	9 % or above
Dividend payout ratio	36.6 %	Approx. 40%	

Management Philosophy

We will place the highest value on each person's individuality and will contribute to the development of society together with our customers by providing materials with unique functions.

Management Vision

Providing value to the global market as a corporate leader in specialty acrylates

Medium-term Business Plan

Progress & Development 2030

Guidelines for Conduct (excerpts)

- We will always keep our promises to stakeholders, and will face them with a stance of sincerity and humility.
- We will make the most of each other's strengths, complement each other, and work as teams to demonstrate our abilities to their fullest.
- We will continue to provide materials with unique functions that can bring about innovation for our customers.
- We will place the highest priority on safety and will aim for zero accidents and zero disasters.

Business domains

■ Expansion of Focus Areas

- Accelerate development of cutting-edge semiconductor materials and expand semiconductor-related businesses by expanding into peripheral materials
- Development of photoresist materials for new applications
- Develop bio-compatible materials and new electronic materials using hydrophilic polymer development and evaluation technology
- Develop new materials such as organic piezoelectric materials and elastomer materials for the development of next-generation business domains

■ Material Development for the Environmental Society

- Development of acrylic acid derived from non-fossil materials and challenge of completely non-fossil-derived materials
- Development of products through resource reuse technologies and energy efficiency improvement processes
- Contributing to the environmental community by disclosing LCA about our products and making environmental impact reductions visible based on such information

■ Strengthen overseas strategy

- Establishment of sales companies in China, South Korea, and North America, and strengthening of channel strategy including local production
- Expansion of sales channels to locations in line with business domains and development of new customers

Non-business-area

■ Contribution to the environment and society

- Implementation of measures for carbon neutrality
- Contributing to a Sustainable Society by Developing Products for the Environment Market
- Developing technologies and providing technical solutions to realize a circular economy, such as waste reduction and resource reuse

■ Promotion of IT, DX

- Sophistication of data analysis through AI, MI, etc.
- Utilize and deploy accumulated data to improve quality, prevent problems, and improve safety
- Improve productivity by promoting automation and efficiency

■ Toward Human Capital Management

- Improve employee job satisfaction and engagement by optimizing work environment and work styles
- Creating a framework for job diversification and promoting DE&I
- Education and human resource development in line with the environment and strategy

■ Strengthen risk management

- Thorough Compliance
- Strengthening of the supply chain
- Enhancing the viability of BCP

Capital allocation

- Efforts will be made to expand operating CF through efficient investments, business growth through strengthening of overseas strategies, and profit-maximization through cost-cutting.
- In terms of shareholder returns, the Company targets a dividend payout ratio of 40%, which will lead to improved shareholder profits.
- In addition to business investments such as production capacity, quality, and technological development, we will invest in the environment, DX, and education to enhance our resilience as a company.

Cash-in

Cumulative operating CF

Approx. ¥60 billion

(after adjustments for investments in expenses, etc., before tax payments)

- Business growth through efficient investment
- Expand business by strengthening overseas strategy
- Improve productivity by improving efficiency and automation

- **Securities trading, etc.**
- **Finance CF other than shareholder returns**

Cash-out

Shareholder Returns

- **Target dividend payout ratio of 40%**
- **Flexible share buy-back program**

Cumulative investment

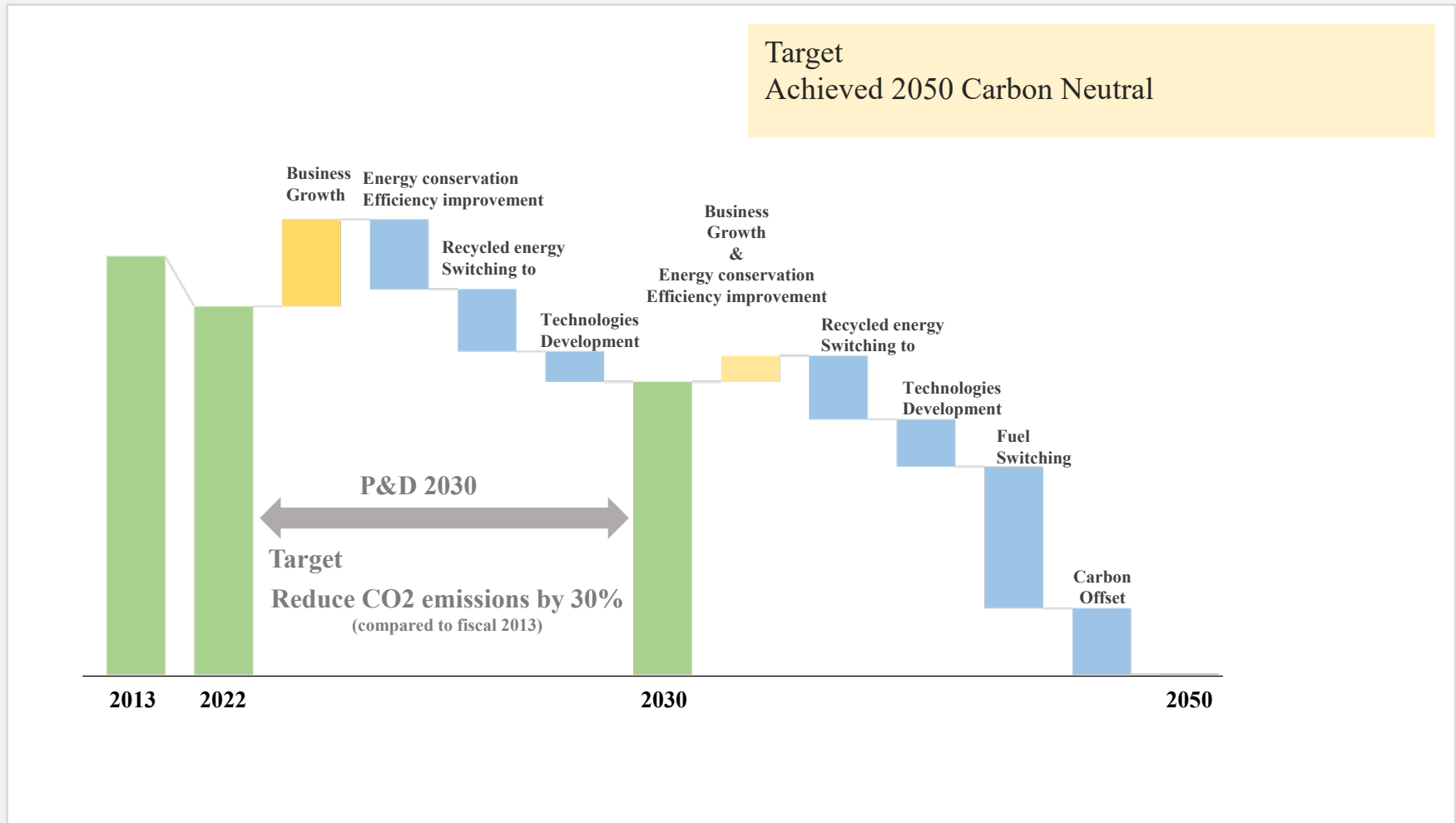
Approx. ¥30 billion or more

- **Maintenance investment Approx. ¥12.0 billion**
- **Growth investment ¥18.0 billion or more**
- Improve production capacity of semiconductor materials, etc.
- Constructing a prototype plant for a new business
- Investment in R&D and quality improvement
- Environmental investments such as reuse of waste and reuse of energy
- Investing in IT, DX

Other

- **Increase in working capital, income taxes, cash on hand, etc.**

- Until 2030, we will promote the use of renewable energy and seek measures to reduce CO2 emissions through technological development, aiming to achieve our targets.
- From 2030 onwards, we aim to achieve carbon neutrality by switching and offsetting fuels, while increasing our contribution to technological development.



- In the short term, the company will promote labor savings, streamlining, and high precision through IT to improve productivity and upgrade development. It will strengthen its existing business model by shortening lead times from acquiring customers' needs to launching products and minimizing inventory.
- Over the long term, the company will build a framework that will serve as a foothold for DX based on total optimization and take on the challenge of new business models.

To create data

Digitization of data



- ◇ **Research**
Experimental data and technical knowledge
- ◇ **Manufacturing**
Manufacturing process, actual value data
- ◇ **Sales**
Customers, needs and market information
- ◇ **SCM**
Inventory status and production schedule
Ordering Status
Product-related data
Quality-related data by product
Cost information
- ◇ **Management**
Personnel Information
Accounting information
Management information

Data Sharing

Sharing and visualization



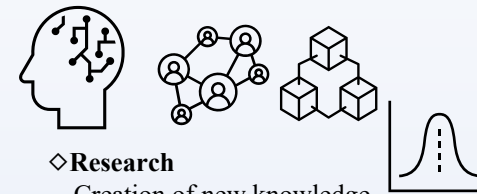
- Optimal platform
- Use of BI tools
- Sharing across departments
- Real-time visualization of information

Automation

- Automation of data storage
- Automation of routine work

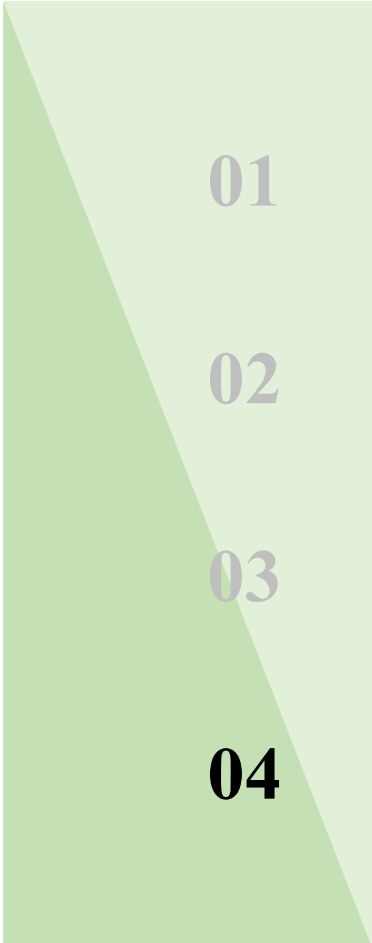
Use of data

With AI · MI Sophistication of data analysis



- ◇ **Research**
Creation of new knowledge
Improving R&D Speed
- ◇ **Manufacturing**
Optimization of Production process
- ◇ **Sales**
Strategic sales activities
Cultivating new markets and customers
Optimization of Inventory
- ◇ **SCM**
Optimization of Production plan
Optimization of Logistics process
- ◇ **Management**
Optimization of management decisions
Critical HR measures
- ◇ **Overall**
Prevention of problems and errors

Business transformation



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Non-operating income and expenses

In non-operating income, dividends received and foreign exchange gains decreased.

In non-operating expenses, the cost of acquiring treasury stock decreased.

Extraordinary gains or losses

In extraordinary income, gains on sales of non-current assets decreased and gains on sales of investment securities increased.

In extraordinary loss, loss on disposal of fixed assets decreased.

	2022/11	2023/11	(million yen) Amount		
Non-operating income	452	313	-139	→	<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> Blue: Positive factors Red: Negative factors </div> <div style="background-color: #f0f0f0; padding: 5px;"> Dividends received -¥32 million Foreign exchange gain -¥76 million Insurance income +¥72 million Others -¥68 million Others </div>
Non-operating expenses	21	13	-8	→	<div style="background-color: #f0f0f0; padding: 5px;"> Share buyback expenses -¥10 million Others </div>
Extraordinary income	462	587	+125	→	<div style="background-color: #f0f0f0; padding: 5px;"> Gain on sale of fixed assets -¥426 million Gain on sales of investment securities +¥550 million Others </div>
Extraordinary losses	18	9	-9	→	<div style="background-color: #f0f0f0; padding: 5px;"> Loss on retirement of fixed assets -¥10 million Others </div>

	(million yen)				
	2022/11	2023/11	Amount		
Assets					
Current assets	28,082	27,101	-980	Accounts receivable	-¥852 million Others
Property, plant and equipment	18,470	20,443	+1,972	Buildings and structures, net	+¥1,551 million
Intangible assets	116	102	-13	Machinery, equipment and vehicles, net	+¥4,800 million
Investments and other assets	6,166	6,988	+821	Construction in progress	-¥4,265 million Others
Liabilities					
Current liabilities	9,169	7,098	-2,071	Investment securities	+¥881 million Others
Non-current liabilities	2,272	3,909	+1,637	Notes and accounts payable	-¥719 million
Net assets	41,394	43,629	+2,234	Income taxes payable	-¥801 million Others
Total assets	52,836	54,636	+1,800	Long-term debt	+¥1,433 million Others
				Retained earnings	+¥2,093 million Others

Future financial indicators

	As of November 30, 2023	Guidelines for the future
Equity ratio	78.7%	—
Short-term liquidity ratio	2.8 months	3.0 to 4.0 months
Debt-equity ratio	0.12	0.2 or less
Net debt-equity ratio	-0.07	0 or less (effectively no debt)
Interest coverage ratio	575	200 to 400 times

(million yen)

2022/11

2023/11

[Major factors]

Operating cash flows

4,727

4,370

Net income before taxes	¥4,455 million
Depreciation	¥2,428 million
Decrease (increase) in trade receivables and contract assets	¥1,224 million
Income taxes paid (paid)	(¥1,920 million)
Others	

Investing cash flows

-4,852

-4,127

Financing cash flows

-1,564

-476

Purchase of property, plant and equipment (Semiconductor materials manufacturing facilities, etc.)	-¥4,708 million
Others	

Effect of change on cash and cash equivalents
Translation adjustments

160

58

Proceeds from long-term debt	¥3,300 million
Repayment of long-term debt	-¥1,934 million
Purchase of treasury shares	-¥602 million
Dividends paid	-¥1,177 million
Others	

Change in cash and cash equivalents
(decreased)

(1,529)

(173)

Cash and cash equivalents at of period
Year end balance

8,064

7,890

<Note regarding future information>

The earnings forecasts and business plans described in this material are current earnings forecasts and plans, and have been determined based on currently available information. Therefore, actual results may differ significantly due to various factors and risks, and we do not make promises or guarantees.

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