

(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.

**FY2024 1Q**

**April 12, 2024**

# **Presentation Materials for Financial Results for the First Quarter of the Fiscal Year Ending November 30, 2024**

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**(December 1, 2023 – February 29, 2024)**



**OSAKA ORGANIC CHEMICAL INDUSTRY LTD.**

**Operating environment**

Although the economy continued to recover moderately due to improvements in the employment and income environment and other factors, the outlook remains uncertain due in part to the risk of downward pressure on the domestic economy, including the uncertainty in overseas economies and the impact of global monetary tightening.

**Net sales**

Sales in the chemical products business were strong, but decreased in the electronic materials and functional chemicals businesses. As a result, net sales increased 2.8% year on year to ¥7,066 million.

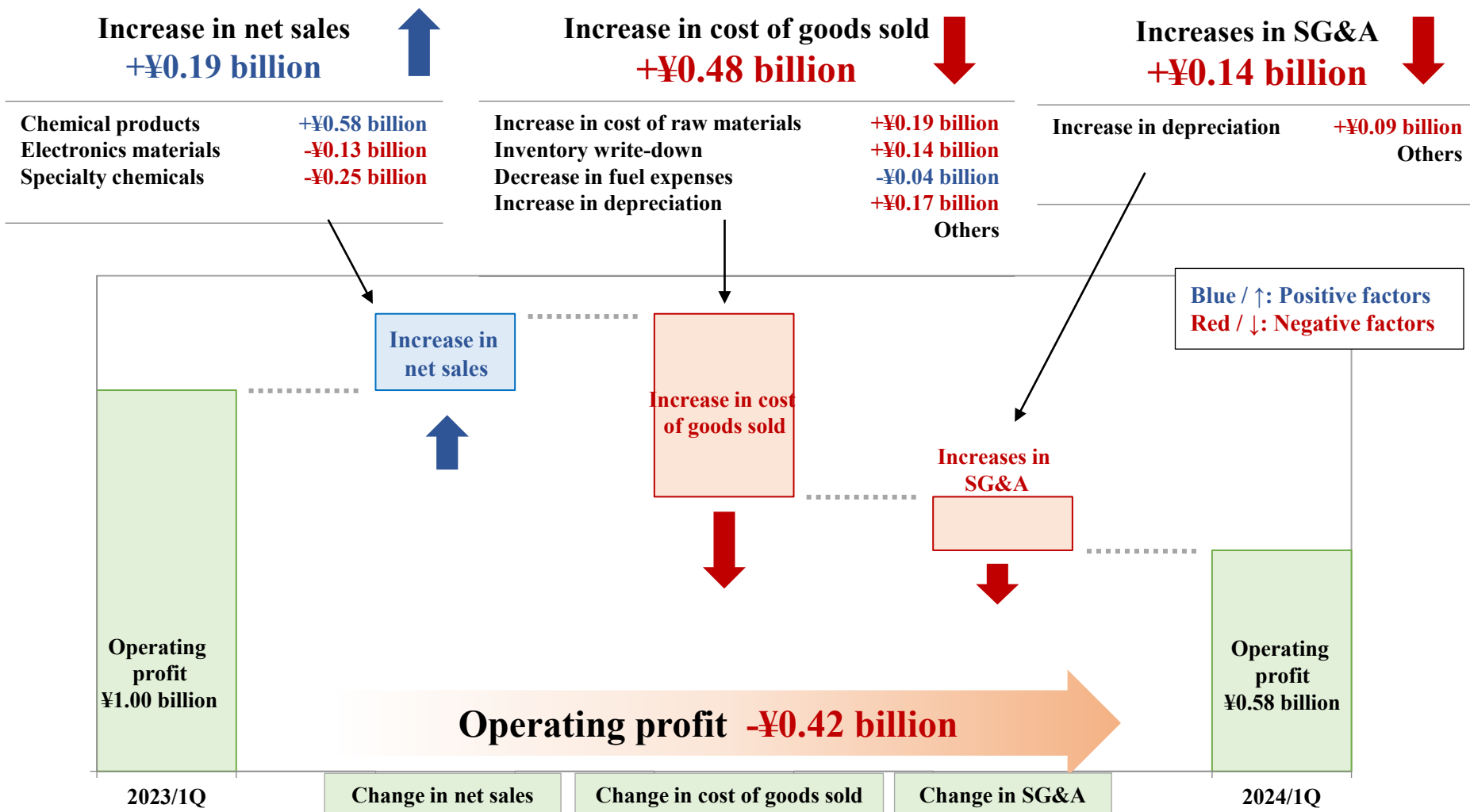
**Operating profit**

Operating profit decreased 42.3% year on year to ¥580 million due to factors such as an increase in depreciation and amortization and a decrease in sales of highly profitable products.

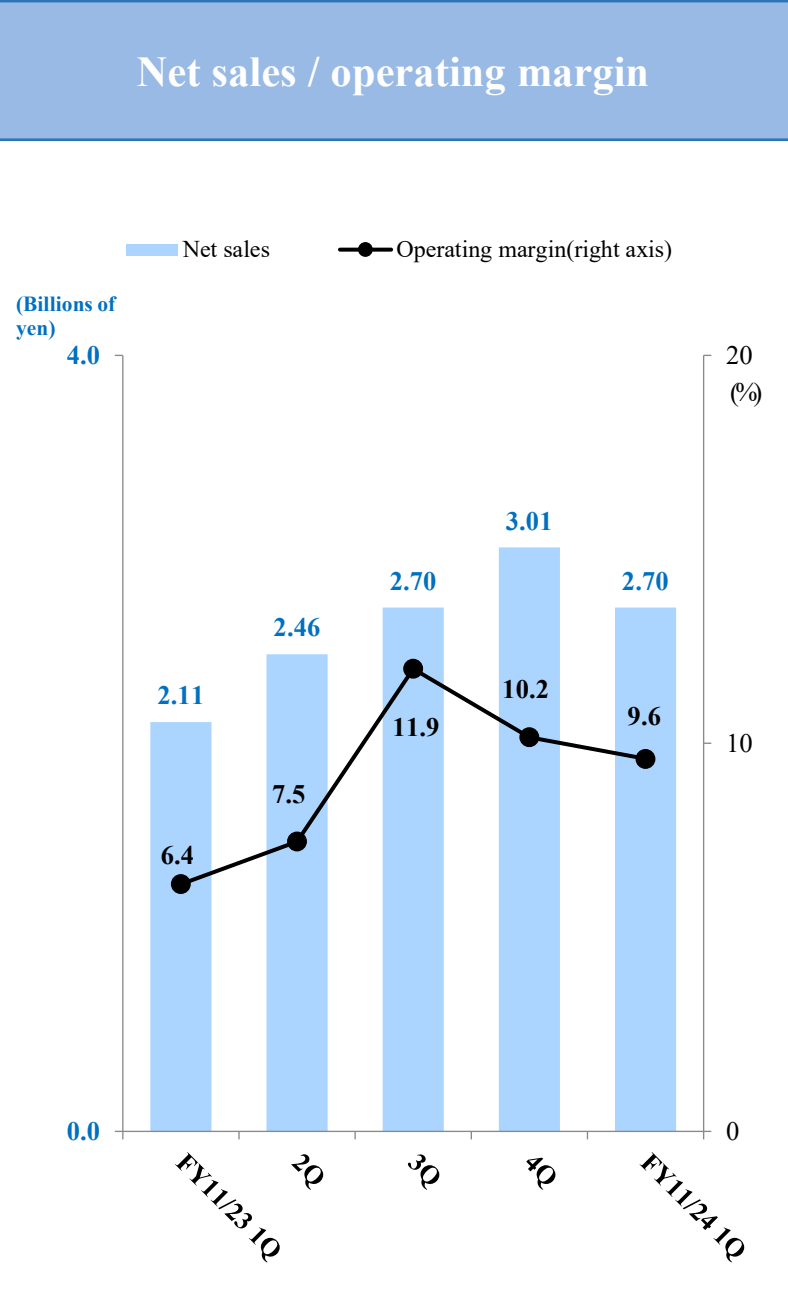
(million yen)

	1Q FY11/23 results	1Q FY11/24 results	YoY change		Comparison with 1H forecast	
			Amount	%	First half forecast	Progress rate
<b>Net sales</b>	<b>6,870</b>	<b>7,066</b>	<b>+195</b>	<b>+2.8%</b>	<b>14,500</b>	<b>48.7%</b>
<b>Operating profit</b>	<b>1,005</b>	<b>580</b>	<b>-424</b>	<b>-42.3%</b>	<b>1,400</b>	<b>41.5%</b>
<b>Ordinary profit</b>	<b>1,040</b>	<b>640</b>	<b>-399</b>	<b>-38.4%</b>	<b>1,500</b>	<b>42.7%</b>
<b>Profit attributable to owners of parent</b>	<b>726</b>	<b>603</b>	<b>-123</b>	<b>-17.0%</b>	<b>1,000</b>	<b>60.3%</b>
<b>Price of naphtha in Japan</b> (Yen/KL) (Company estimates)	<b>68,000</b>	<b>74,000</b>	—	—	—	—
<b>Exchange rate</b> (Yen/USD)	<b>133</b>	<b>146</b>	—	—	—	—

Although net sales increased as a whole, operating income decreased by ¥0.42 billion from the same quarter of the previous year due to a decrease in electronic materials and functional chemicals and an increase in expenses such as depreciation and amortization.



1Q net sales	FY11/24 full-year forecast	Progress rate vs. full-year forecast
¥2.70 bn	¥11.20 bn	24.1%



● **Operating environment**

- Automotive production continues to recover.
- Although there are some signs of recovery in the display-related industry, demand remains sluggish.

● **OOO**

- Sales of automotive paints, display adhesives, and UV inkjet inks all increased compared to the same period last year.
- Due to the effects of seasonality and shipping timing, sales decreased compared to the previous quarter.

● **Market risks**

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

1Q net sales	FY11/24 full-year forecast	Progress rate vs. full-year forecast
¥3.09 bn	¥14.50 bn	21.4%



- **Operating environment**
  - As the semiconductor market continues to slump, cutting-edge EUV materials are being put into practical use.
  - Although there are some signs of recovery in the display-related industry, demand remains sluggish.
- **OOC**
  - Raw materials for cutting-edge EUV resists increased significantly.
  - Sales of mainstay raw materials for ArF resists decreased due to prolonged inventory cutbacks.
  - The display materials group generally remained at the same level as the previous year.
- **Market risks**
  - Escalation of the U.S.-China economic confrontation.
  - Delay in recovery of the semiconductor market.

1Q net sales	FY11/24 full-year forecast	Progress rate vs. full-year forecast
¥1.26 bn	¥5.30 bn	23.8%

**Operating environment**

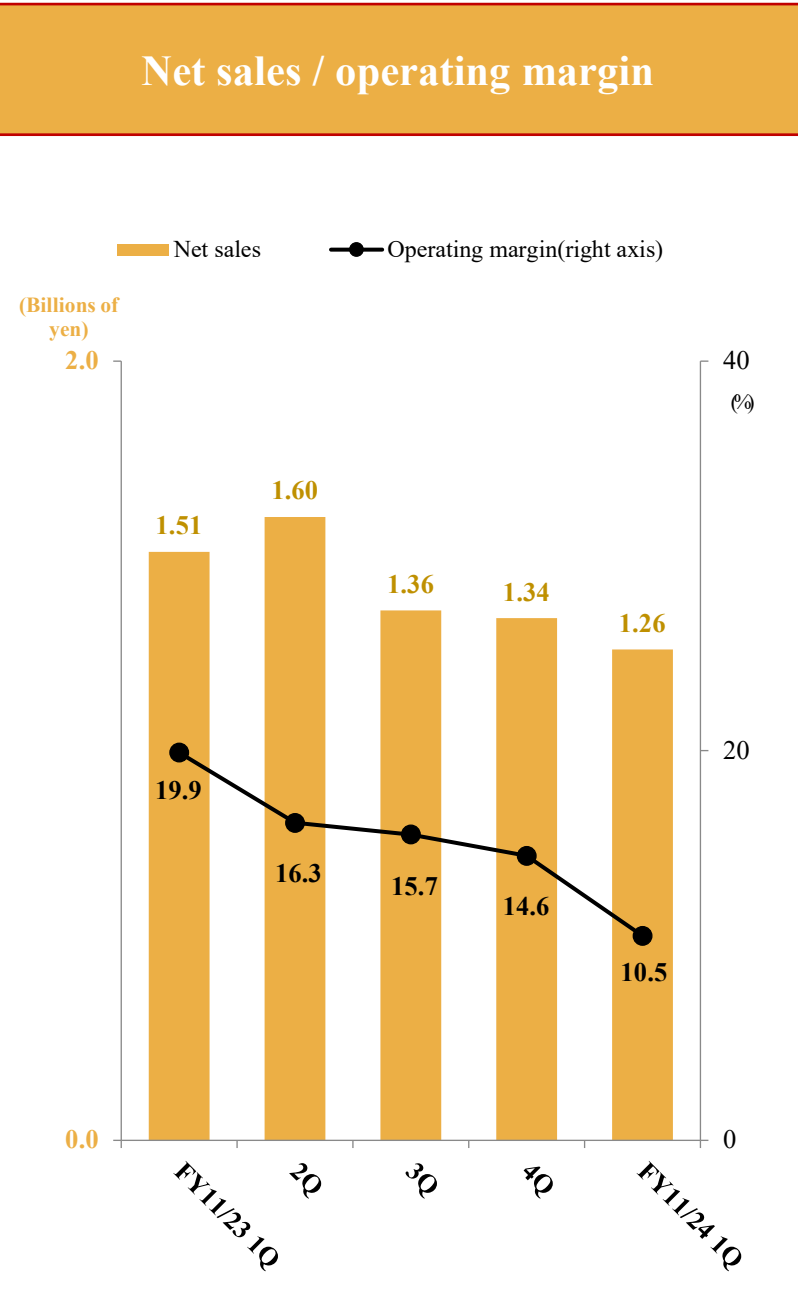
- The cosmetics market continues to show a gradual recovery trend both domestically and overseas.

**OOC**

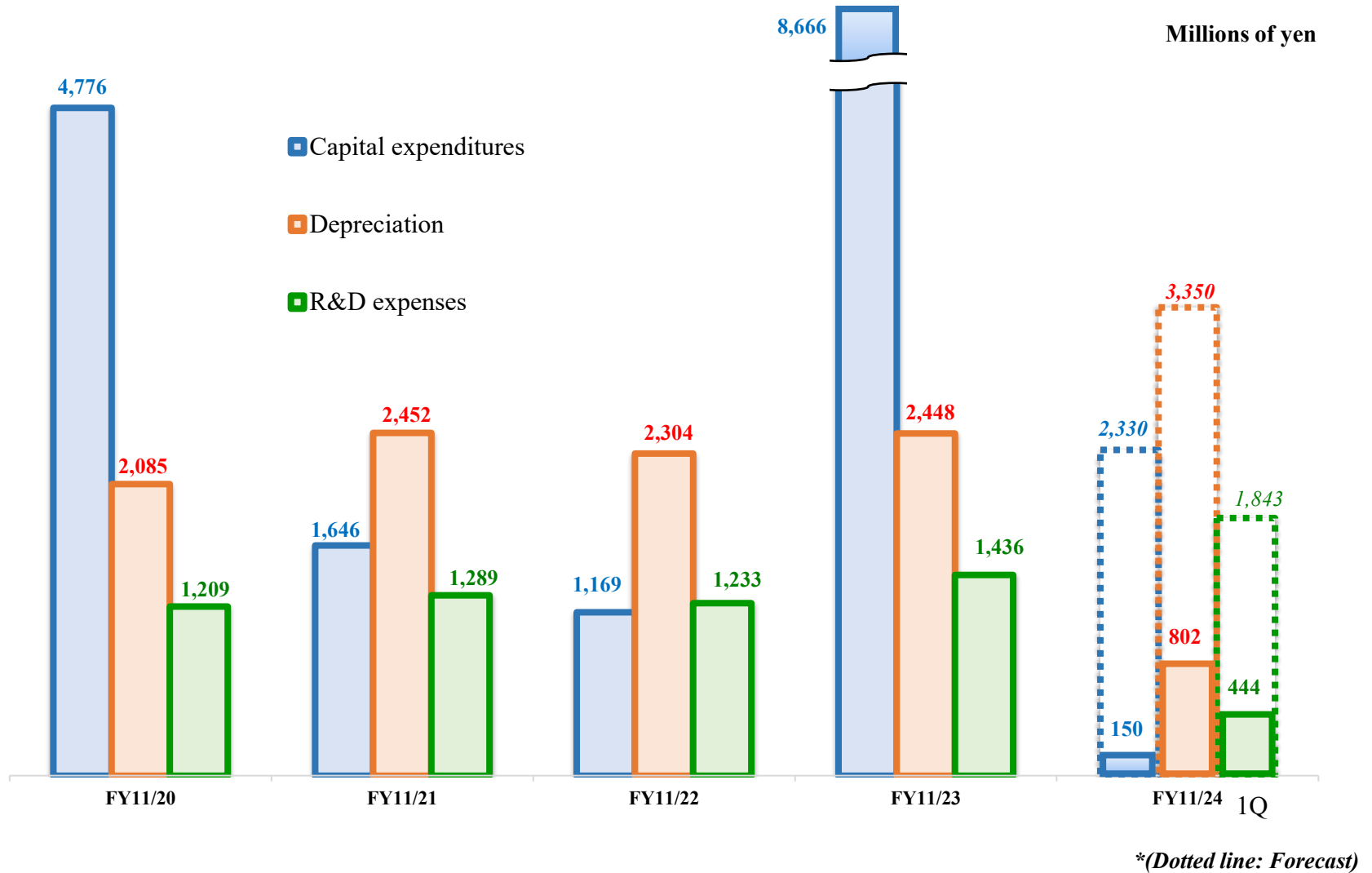
- In cosmetic ingredients, overseas sales were firm.
- In the Functional Materials Group, sales of consignment products decreased.
- Sales of high-purity special solvents manufactured by subsidiaries decreased.

**Market risks**

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



In 2023, we invested ¥8,666 million in equipment such as semiconductor materials manufacturing facilities. Depreciation expenses are expected to increase in 2024, and the first quarter actual amount was 802 million yen.



<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.

Inquiries  
Administration Division, IR & PR Group  
TEL: +81-6-6264-5071 (main switchboard)



We lead the world with specialty acrylates  
**OSAKA ORGANIC CHEMICAL INDUSTRY LTD.**

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