

(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.

3Q FY11/24

October 11, 2024

Presentation Materials for Financial Results for the Third Quarter of the Fiscal Year Ending November 30, 2024

(December 1, 2023 - August 31, 2024)



OSAKA ORGANIC CHEMICAL INDUSTRY LTD.

Operating environment

While the domestic economy continues to recover moderately, the outlook remains uncertain due to the high level of interest rates in Europe and the United States, stagnation in the real estate market in China, rising prices, impacts surrounding the Middle East region, and changes in the financial and capital markets.

Net sales

There was a sharp increase in raw materials for adhesives for displays. Semiconductor materials, which had been affected by sluggish demand, have gradually recovered. As a result, net sales increased 9.3% year on year to 23,784 million yen.

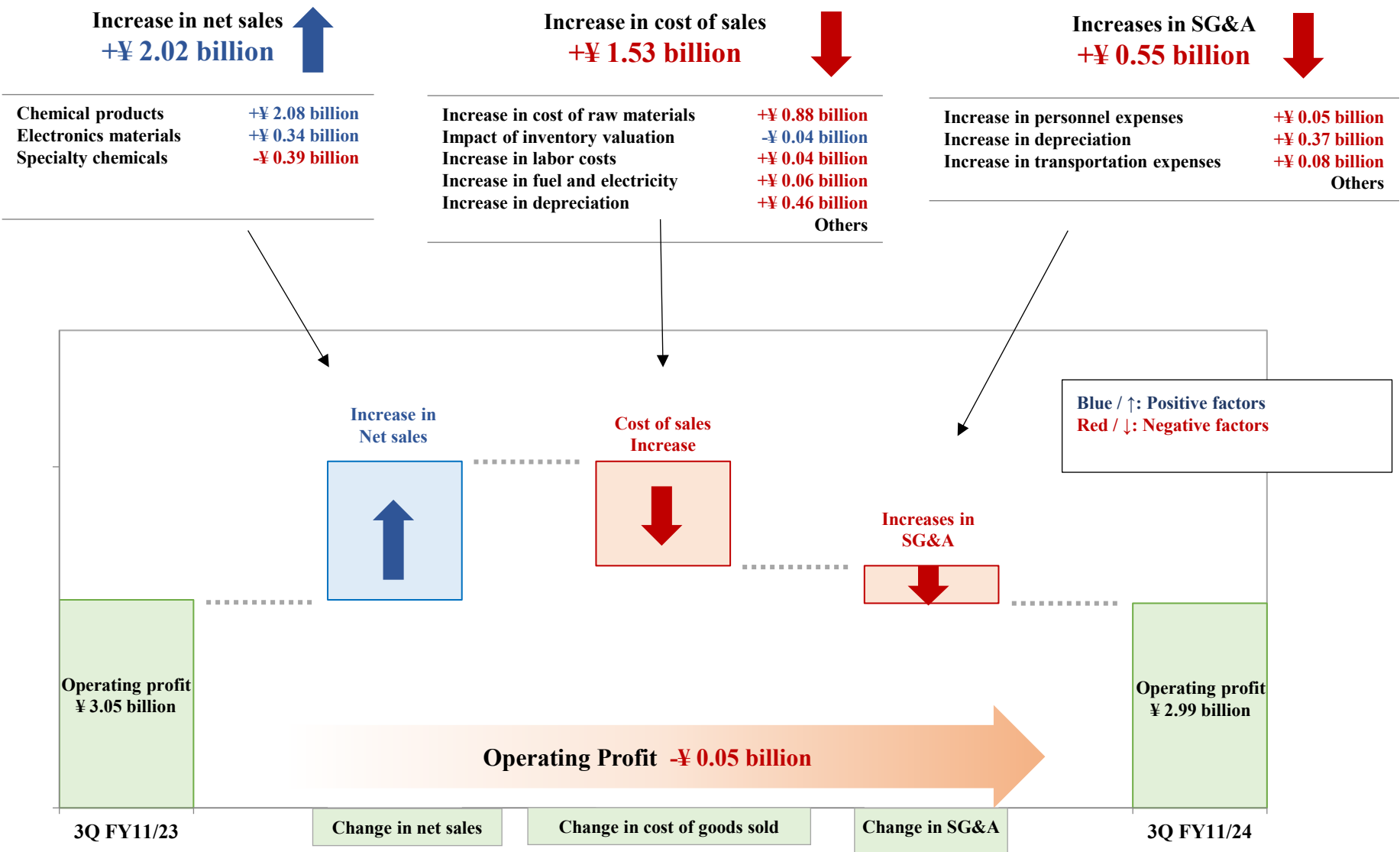
Operating profit

Operating profit decreased 1.9% year on year to 2,997 million yen due to factors such as the significant downward pressure on profits from depreciation and amortization of semiconductor materials manufacturing facilities completed last year.

(Millions of yen)

	3Q FY11/23 results	3Q FY11/24 results	YoY change		Comparison with forecast	
			Amount	%	FY11/23 Forecast	3Q Progress rate
Net sales	21,754	23,784	+2,029	+9.3%	32,000	74.3%
Operating profit	3,056	2,997	-58	-1.9%	4,200	71.4%
Ordinary profit	3,298	3,067	-230	-7.0%	4,400	69.7%
Profit attributable to owners of parent	2,682	2,813	+130	+4.9%	3,700	76.0%
Price of naphtha in Japan (Yen/KL) (Our estimated value)	66,000	77,167	—	—	70,000	—
Exchange rate (Yen/USD)	137	151	—	—	145	—

Operating profit decreased by ¥0.05 billion yen from the same quarter of the previous year, mainly due to an increase in depreciation and amortization, despite a significant increase in sales in the Chemicals business.



3Q FY11/24 Net sales	FY11/24 Full-year forecast	Progress rate Vs Full-year forecast	Net sales / operating margin
¥ 9.36 bn	¥ 12.00 bn	78.1 %	<div><div>Net sales</div><div>Operating margin(right axis)</div><div><div>(billions of yen)</div><div>6.0</div><div>0.0</div><div>2.11</div><div>2.46</div><div>2.70</div><div>3.01</div><div>2.70</div><div>3.28</div><div>3.37</div><div>2.96</div><div>3.05</div><div>6.4</div><div>7.5</div><div>11.9</div><div>10.2</div><div>9.6</div><div>17.9</div><div>18.5</div><div>1Q FY11/23</div><div>2Q</div><div>3Q</div><div>4Q</div><div>1Q FY11/24</div><div>2Q</div><div>3Q</div><div>4Q</div><div>(Dotted line: Forecast)</div></div></div>
<div><div>● Operating environment</div><div>• Automobile production is stagnant domestically and generally strong globally, but Japanese manufacturers are struggling in China.</div><div>• In display-related products, sales of large-scale TVs and other products were strong.</div><div>● OOC</div><div>• Sales for automotive paints declined, and overall sales for coating applications were firm.</div><div>• Sales of adhesives for displays substantial increase.</div><div>• Sales of materials for UV inkjet inks were also strong.</div><div>● Market risks</div><div>• Crude oil prices remain high.</div><div>• Higher cost of raw materials derived from natural resources.</div><div>• Rapid fluctuations in exchange rates.</div></div>			

3Q FY11/24 Net sales	FY11/24 Full-year forecast	Progress rate Vs Full-year forecast
¥ 10.33 bn	¥ 14.70 bn	70.3 %

● Operating environment

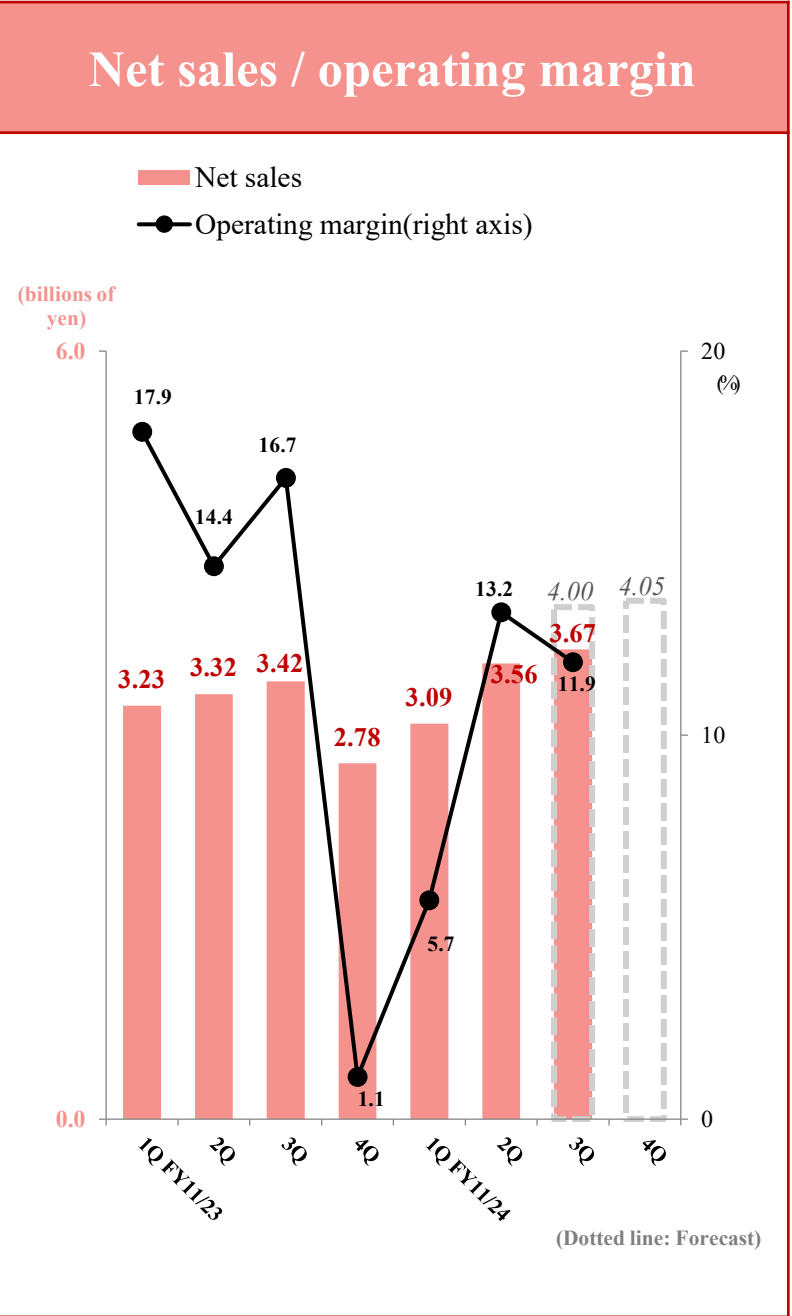
- The semiconductor market gradually recovered.
- Cutting-edge EUV lithography is becoming increasingly practical.
- The display business is shifting from LCD to OLED.

● OOC

- Sales of our mainstay ArF resist raw materials are showing signs of recovery.
- Materials for EUV applications increased steadily.
- New display-related product materials grew.

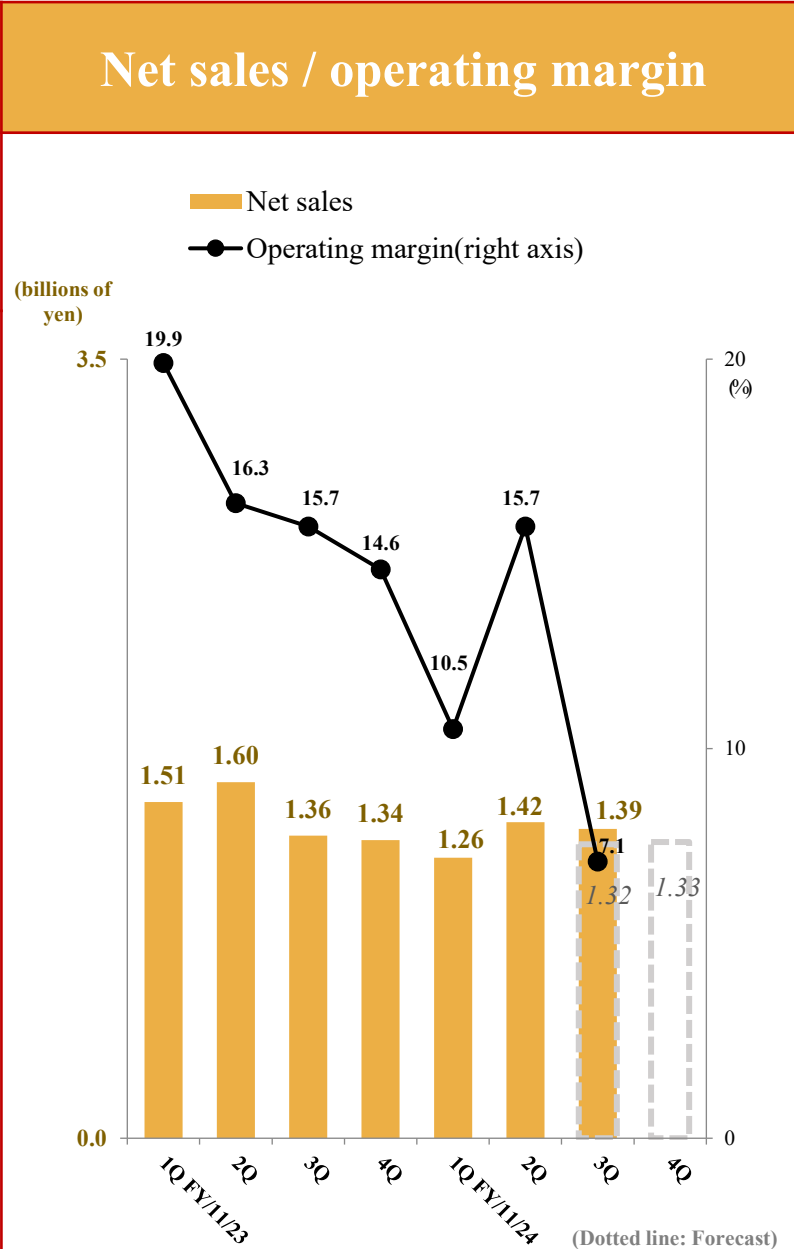
● Market risks

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

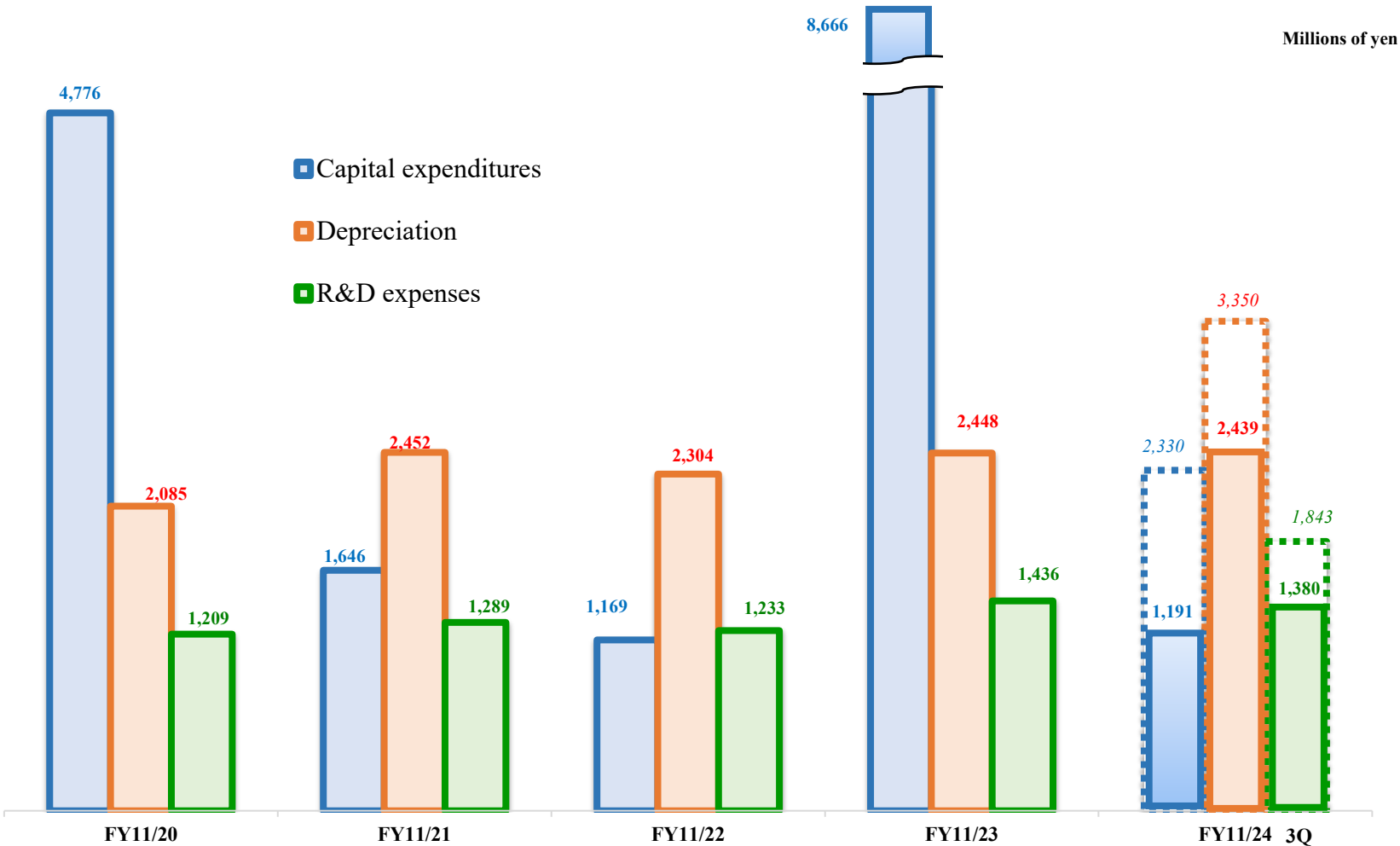


3Q FY11/24 Net sales	FY11/24 Full-year forecast	Progress rate Vs Full-year forecast
¥ 4.08 bn	¥ 5.30 bn	77.0 %

- Operating environment
 - The domestic cosmetics market remained steady.
 - In China, in addition to the economic slowdown, the rise of local manufacturers The competitive environment is changing.
- OOC
 - Raw materials for cosmetics recorded strong sales abroad.
 - In the functional materials group, sales decreased due to a decrease in sales of contracted products.
 - Sales of specialty solvents produced by a subsidiary remained recovery trend.
 - In the third quarter, profit margins declined due to a decrease in sales of high value-added products, an increase in depreciation expenses, and disposal of non-conforming products.
- Market risks
 - Delayed market recovery in China.



In 2023, we invested ¥8.66 billion in equipment such as semiconductor materials manufacturing facilities. Depreciation and amortization are expected to increase in 2024, reaching ¥3.35 billion for the full year.



*(Dotted line: Forecast)

<Caution Regarding Forward-Looking Statements>

The performance forecasts and business plans described in this document are current forecasts and plans based on currently available information. Therefore, actual results may differ significantly due to various factors and risks, and no promises or guarantees are made.

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