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## **Presentation Materials for Financial Results for the Fiscal Year Ended November 30, 2024**

Our products are invisible, but used around you.





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Operating environment

While the domestic economy is showing gradual recovery, the high level of interest rates in Europe and the United States, and the stagnation in the real estate market in China pose risks. Furthermore, the outlook remains uncertain due to factors such as rising prices, impacts surrounding the Middle East region, and changes in the financial and capital markets.

Net sales

Net sales increased by 13.1% year on year to 32,698 million yen, driven by strong sales performance in the Chemicals Business and a recovery in the sales of the Electronics Materials Business.

Operating profit

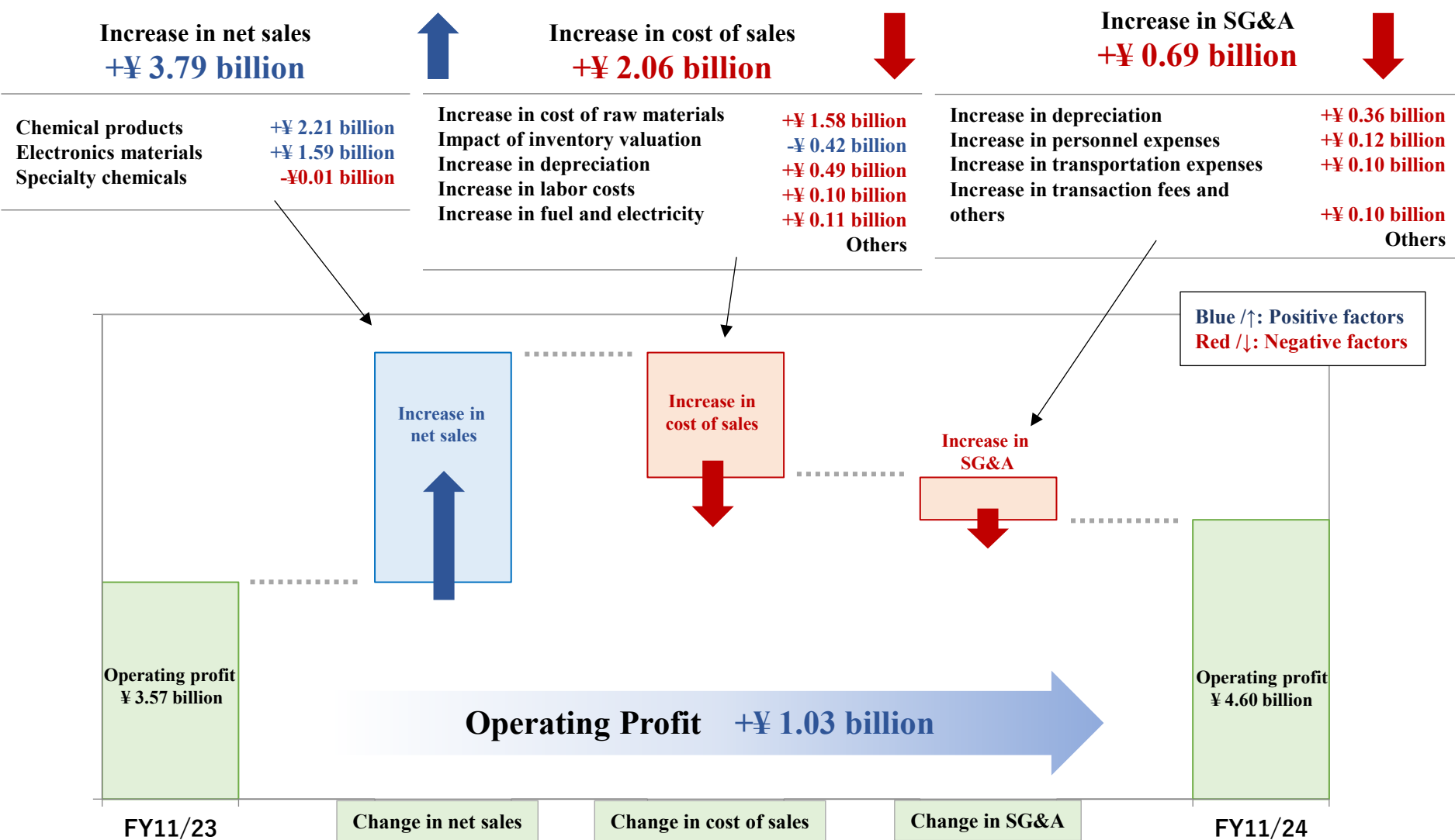
Despite an increase in depreciation, operating profit increased by 28.8% year on year to 4,608 million yen, primarily due to net sales increase.

(Millions of yen)

	FY11/23 results	FY11/24 forecast	FY11/24 results	YoY change	
				Amount	%
Net sales	28,907	32,000	32,698	+3,791	+13.1%
Operating profit	3,577	4,200	4,608	+1,031	+28.8%
Ordinary profit	3,877	4,400	4,753	+876	+22.6%
Profit attributable to owners of parent	3,270	3,700	4,044	+773	+23.7%
Price of naphtha in Japan (Yen/KL) <small>(Our estimated value)</small>	68,150	70,000	75,600	—	—
Exchange rate (Yen/USD)	140	145	150	—	—

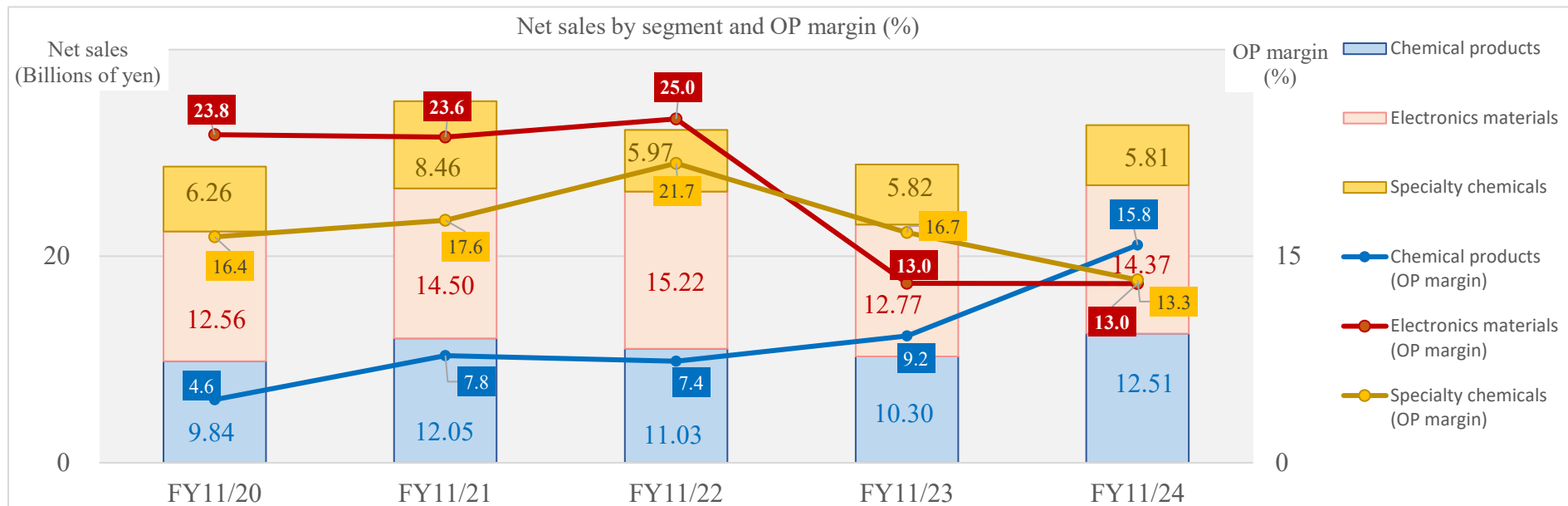
# Factors Affecting Operating Profit

While inventory valuation had a positive impact on profits, both the cost of sales and selling, general and administrative expenses increased due to an increase in depreciation, labor costs, fuel and electricity cost, and transportation expenses. However, operating profit increased by 1.03 billion yen from the previous fiscal year, primarily driven by significant growth in net sales of chemical products and electronics materials.



# Results by Segment

	Chemical products	Electronics materials	Specialty chemicals
<b>Summary</b>	<ul style="list-style-type: none"> <li>◇ Sales of products for automotive coatings decreased.</li> <li>◇ Sales of products for display adhesives significantly increased.</li> <li>◇ Sales of products for UV inkjet inks also increased.</li> <li>◇ Sales of methacrylate remained strong.</li> </ul>	<ul style="list-style-type: none"> <li>◇ The semiconductor materials group saw a significant sales increase in its cutting-edge raw materials for EUV resists. Sales of mainstay raw materials for ArF resists fell short of our expectations, despite showing a recovery trend.</li> <li>◇ In the display materials group, despite an increase in sales for insulating films for touch panels, group-wide sales were flat.</li> </ul>	<ul style="list-style-type: none"> <li>◇ In the cosmetics materials group, sales were strong overseas.</li> <li>◇ As for functional materials, contract products were sluggish.</li> <li>◇ Sales of high-purity specialty solvents produced by a subsidiary remained solid.</li> </ul>
<b>Net sales</b>	¥ 12.51 billion (YoY: +21.5%)	¥ 14.37 billion (YoY: +12.5%)	¥ 5.81 billion (YoY: -0.3%)
<b>Operating profit</b>	¥ 1.97 billion (YoY: +108.7%)	¥ 1.86 billion (YoY: +12.4%)	¥ 0.77 billion (YoY: -20.8%)



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



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FY11/25 Forecast

In the fiscal year ending November 30, 2025, we forecast net sales of 34.0 billion yen, an increase of 1.3 billion yen, based on expectations of a gradual recovery in the semiconductor market from its bottom in 2023 and steady performance in the market of chemical products and specialty chemicals. Operating profit is expected to increase by 0.39 billion yen to 5.0 billion yen, primarily due to decreased depreciation.  
(\*The decrease in profit is mainly due to the significant extraordinary income recorded in the previous period.)

(Millions of yen)

	FY11/24 results	FY11/25 forecast	YoY change	
			Amount	Rate of change
Net sales	32,698	34,000	+1,302	+4.0%
Operating profit	4,608	5,000	+392	+8.5%
Ordinary profit	4,753	5,200	+447	+9.4%
Profit attributable to owners of parent	4,044	3,500	-544	-13.5%
Price of naphtha in Japan (Yen/KL) <small>(Our estimated value)</small>	75,600	75,000	—	—
Exchange rate (Yen/USD)	150	155	—	—

FY11/24 Net sales	FY11/25 Forecasts	Rate 2024 vs. 2025 (forecast)	Net sales / operating margin
¥ 12.51 billion	¥ 12.90 billion	+3.1%	<div><div><div>Net sales</div><div>Operating margin (right axis)</div></div><div><div>(Billions of yen)</div><div>(%)</div></div><div><div><div><div>11.03</div><div>10.30</div><div>12.51</div><div>12.90</div></div><div><div>7.4</div><div>9.2</div><div>15.8</div><div></div></div></div><div><div>FY11/22</div><div>FY11/23</div><div>FY11/24</div><div>FY11/25</div></div><div><div>0.0</div><div>15.0</div><div>20</div><div>0</div></div><div><div>(Dotted line: Forecast)</div></div></div></div>
<div><div>Operating environment</div><div><div>Automobile production showed gradual recovery in Japan, while maintaining overall steady performance globally.</div><div>In display-related products, the market of large-scale TVs is slightly stagnating.</div></div><div>OOC</div><div><div>Focusing on sales recovery for automotive coatings.</div><div>Sales of products for display adhesives remained at high levels due to increased market share.</div><div>Sales of materials for UV inkjet inks remained steady.</div></div><div>Market risks</div><div><div>Potential tariff increases associated with the U.S. administration transition.</div><div>Higher cost of raw materials derived from natural resources.</div><div>Rapid fluctuations in exchange rates.</div></div></div>			

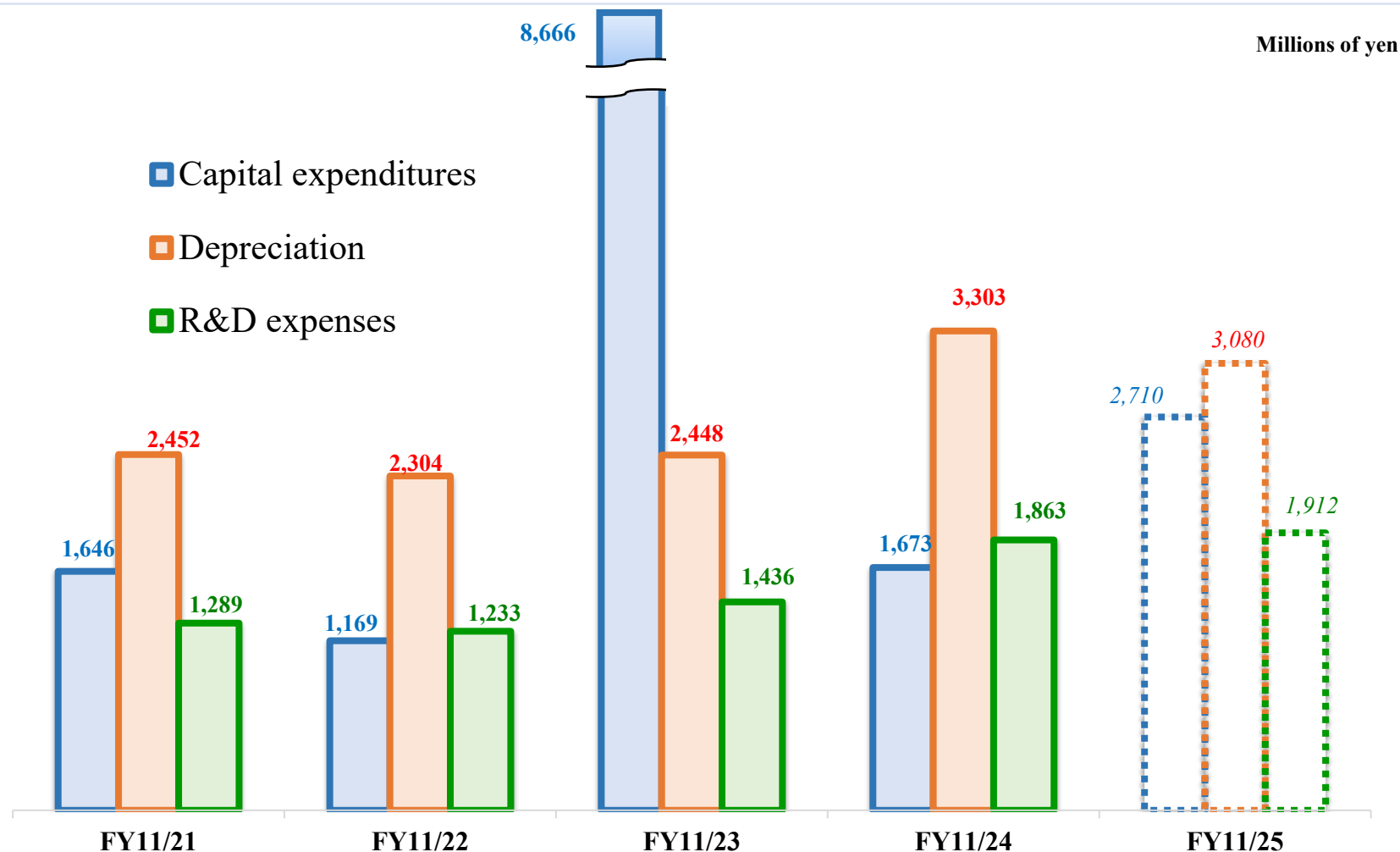


FY11/24 Net sales	FY11/25 Forecasts	Rate 2024 vs. 2025 (forecast)	Net sales / operating margin
¥ 14.37 billion	¥ 15.50 billion	+7.8%	<div><div><div>Net sales</div><div>Operating margin (right axis)</div></div><div><div><div>(Billions of yen)</div><div>(%)</div></div><div><div><div>16.0</div><div>15.22</div><div>12.77</div><div>14.37</div><div>15.50</div></div><div><div>25.0</div><div>13.0</div><div>13.0</div></div><div><div>FY11/22</div><div>FY11/23</div><div>FY11/24</div><div>FY11/25</div></div></div><div><div>(Dotted line: Forecast)</div></div></div></div>
<div><div>Operating environment</div><div><div>The semiconductor market gradually recovered.</div><div>Cutting-edge EUV raw materials continued to remain strong.</div><div>The display business is shifting from LCD to OLED.</div></div></div> <div><div>OCC</div><div><div>Sales of our mainstay ArF resist raw materials are recovering.</div><div>Materials for EUV applications continued to be strong.</div><div>New display-related product materials grew.</div></div></div> <div><div>Market risks</div><div><div>Escalation of the U.S.-China economic confrontation.</div></div></div>			

FY11/24 Net sales	FY11/25 Forecasts	Rate 2024 vs. 2025 (forecast)	Net sales / operating margin
¥5.81 billion	¥5.60 billion	-3.6%	<div><div>Net sales</div><div>Operating margin (right axis)</div><div><div>(Billions of yen)</div><div>(%)</div><div><div>7.0</div><div>50</div><div>0.0</div><div>0</div></div><div><div>FY11/22</div><div>FY11/23</div><div>FY11/24</div><div>FY11/25</div></div><div><div>5.97</div><div>5.82</div><div>5.81</div><div>5.60</div></div><div><div>21.7</div><div>16.7</div><div>13.3</div><div></div></div><div><div>(Dotted line: Forecast)</div></div></div></div>
<div><div>Operating environment</div><div><div>The domestic cosmetics market remained steady.</div><div>In China, in addition to the economic slow down, the competitive environment is changing due to the rise of local manufacturers.</div></div><div><div>OOO</div><div><div>Although cosmetics raw materials are struggling due to price competition, we will continue to actively expand overseas sales.</div><div>Sales of consignment products in functional materials are slow.</div><div>The subsidiary's sales of specialty solvents are on a recovery trend.</div></div><div><div>Market risks</div><div><div>Delayed market recovery in China.</div></div></div></div></div>			

# Capital Expenditures, Depreciation, R&D Expenses

For 2025, we are planning capital investments of 2.71 billion yen, focusing on capacity expansion for core products in the Chemicals Business. Depreciation and amortization expenses are expected to decrease by 0.22 billion yen to 3.08 billion yen, and research and development expenses are projected to be 1.91 billion yen (5.6% of net sales).



\*(Dotted line: Full-year forecast)



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Medium-Term Business Plan(P&D 2030)

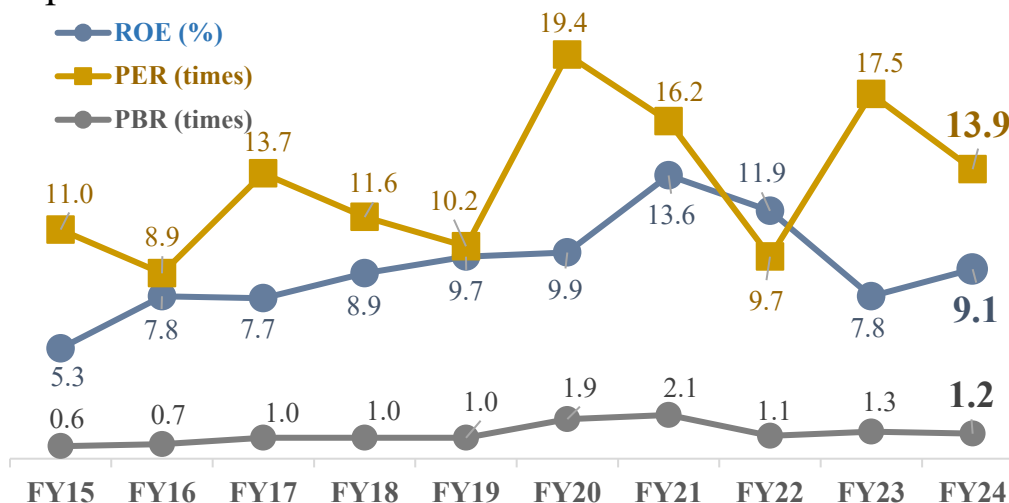
Progress & Development 2030

Stage 1 (3 years: 2024 to 2026)	Stage 2 (4 years: 2027 to 2030)
<div><div>• Gain results from the NS-10</div><div>• Plan and train for Stage 2</div></div>	<div><div>• Gain results from Stage 1</div><div>• Plan and train for outcomes toward the next medium-term business plan</div><div>• Expand new businesses developed through NS10 and P&amp;D2030</div></div>

	FY11/23 Results	FY11/24 *first year results	FY11/25 *second year forecast	FY11/26 Stage1 Target	FY11/30 Stage2 Target
Net sales	¥ 28.9 billion	¥ 32.6 billion	¥ 34.0 billion	¥ 40.0 billion or more	¥ 50.0 billion or more
Operating profit	¥ 3.5 billion	¥ 4.6 billion	¥ 5.0 billion	¥ 5.6 billion or more	¥ 7.5 billion or more
OP margin	12.4%	14.1%	14.7%	14% or above	15% or above
Strategic investments and business investments	—	¥ 1.6 billion	¥ 2.7 billion	Cumulative total of more than ¥ 30.0 billion	
ROE	7.8%	9.1%	—	10% or above	12% or above
ROIC	5.4%	6.6%	—	8% or above	9% or above
Dividend payout ratio	36.6%	34.5%	41.1%	Approx. 40 %	

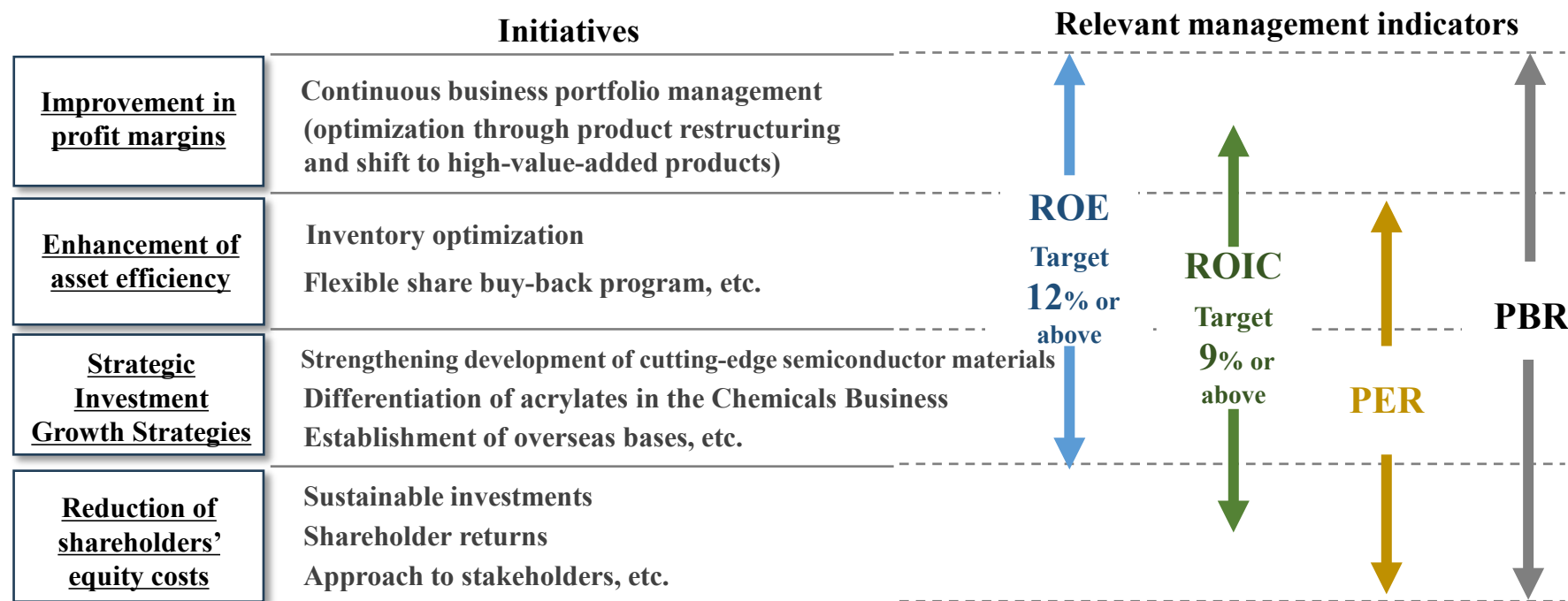
# Initiatives to Improve Corporate Value

In line with our Medium-Term Business Plan, we will pursue profit growth and business efficiency to improve ROE and ROIC.



PER fluctuates due to EPS impacts. We are striving for stability through reduction in cost of capital.

Under the previous Medium-Term Plan, we optimized our portfolio and improved ROE (with a temporary decline in FY23). Through the following initiatives in the current Plan, we are targeting ROE of 12% or above and ROIC of 9% or above.



We will make strategic investments in focus areas and promote business expansion.

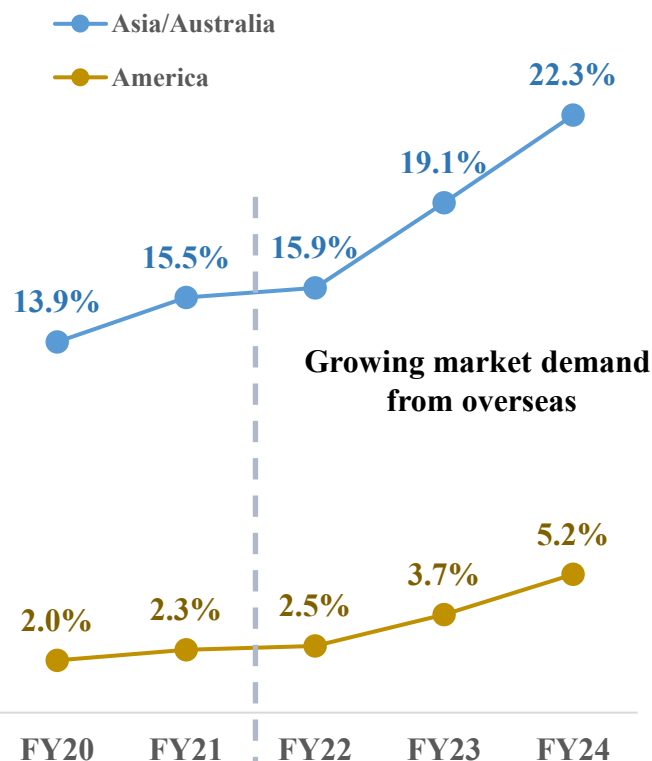
	Target	Investments/Initiatives
Chemical Products	Develop and launch 100% BRC* biomass acrylate	New product development through new processes (joint research with universities)
	Strengthen supply system for core product 4-HBA	Construct a new manufacturing plant Enhance plant production capacity
Specialty Chemicals	Expand application for water-soluble polymers	Acquisition/development of one-part technique for LAMBIC hydrophilic materials for enhanced functionality Development of CMP slurry additives (joint research with universities)
Electronics Materials	Strengthen the development of cutting-edge semiconductor materials	Speedy R&D through to development prototyping
	Expansion into peripheral materials and back-end process materials	Renovation/strengthening of existing manufacturing facilities
	Expand negative-tone resist materials into new applications	Adaptation of resists for thick films, thin films, and low-temperature curing
Business Development Office	Launch/mass production of organic-inorganic composite materials and piezoelectric materials	Promotion of joint development with universities and companies Needs development through academic conferences, exhibitions, and media announcements
Strengthen Overseas Sales	Strengthen sales in overseas markets	Establishment of North American base Channel strategy through Korean, Shanghai, and North American bases

\*BRC : Bio Renewable Carbon

# Strengthen Overseas Strategy

We established our Korean base in 2024 and are planning to expand with a new North American facility. In conjunction with our existing Chinese operations, we are committed to increasing our sales in Asian and American markets, expanding our global sales presence.

## <Overseas sales ratio (%)>



Revenue recognition standards applied

2014-

Osaka Organic Chemical (Shanghai) Trading Ltd.



2024-

Osaka Organic Chemical Industry Korea Ltd.



Exploring establishment of North American base



**Company name:** Osaka Organic Chemical Industry Korea Ltd.  
**Location:** Seoul, South Korea  
**Representative:** Motomi Ogasahara (General Manager of Business Operation Division of our company)  
**Business:** Trade and sales of organic chemicals-related products, etc.  
**Capital:** 800,000,000 won  
**Investment ratio:** 100% owned by our company



# Capital Allocation

We will maximize profits through business growth and operational efficiency, while appropriately allocating resources through growth investments and shareholder returns.

## Cumulative operating CF

**Approx.  
¥ 60.0 billion or more**

\*after adjustments for investments in expenses, etc., before tax payments

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

- Securities trading, etc.
- Financing CF other than shareholder returns

## Cumulative investment

**Approx.  
¥ 30.0 billion or more**

- Growth investment    ¥ 18.0 billion or more
- Maintenance investment    Approx. ¥ 12.0 billion



## Shareholder Returns

- Target dividend payout ratio of 40%
- Flexible share buyback program

## Other

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

## Strategic investment, growth strategies

- Strengthen production of materials for EUV
- Establish medium-scale experimental facility
- Strengthen production of 4-HBA
- Establish overseas bases, etc.

## Sustainable investments

- Construct waste oil recycling boiler
- Development of acrylic acid esters through new process (joint research)

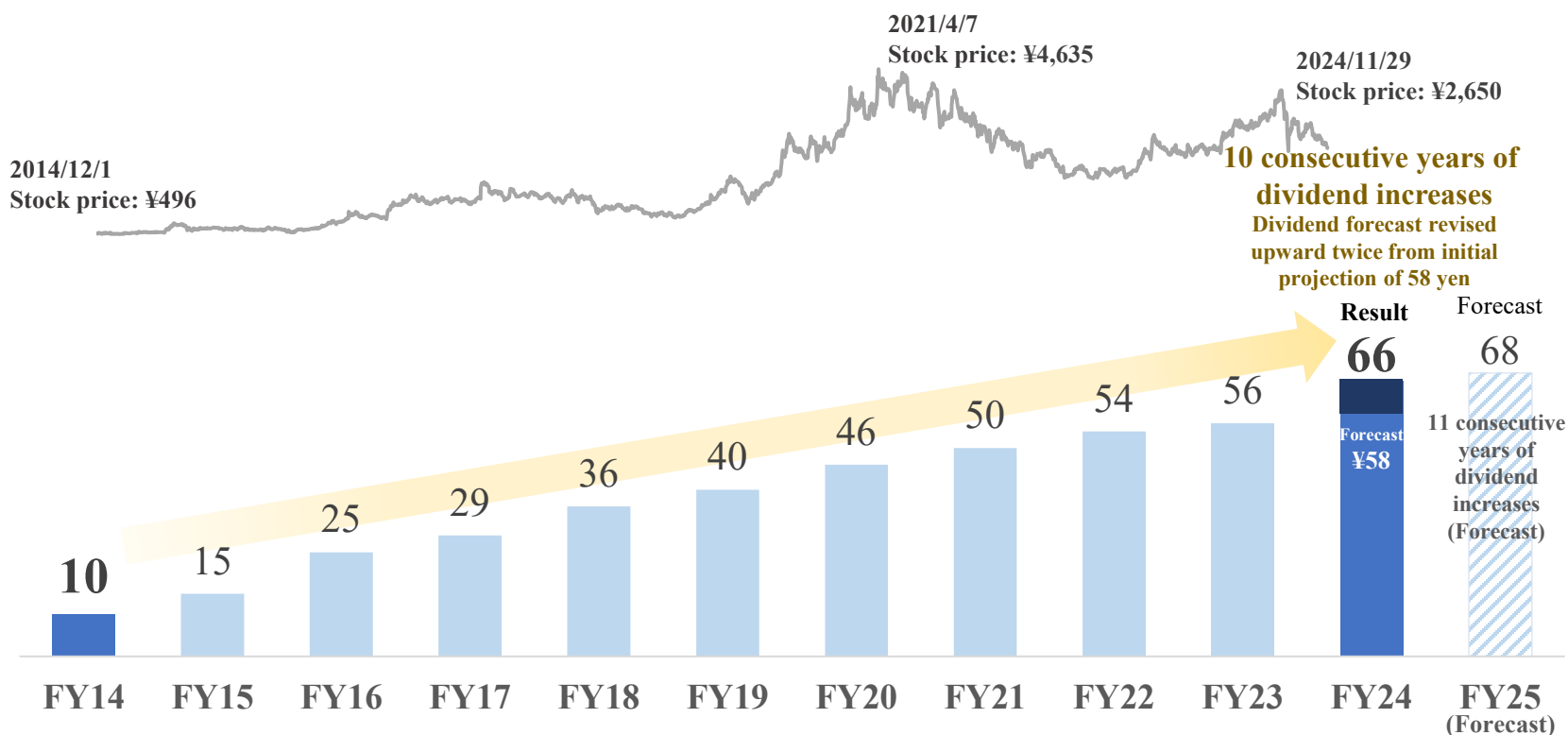
## FY2024 Results

- Dividend: 66 yen \*10 consecutive years of dividend increases
- EPS: 191 yen
- Dividend payout ratio: 34.5 %
- Share buyback: 143,500 shares

# Shareholder Returns and Stock Price Trends

In FY2024, we significantly increased our dividend, marking our 10th consecutive year of dividend growth. We forecast a further dividend increase for FY2025.

We aim to maintain a dividend payout ratio of approx. 40%, while enhancing shareholder returns through flexible share buybacks.



Annual dividend (¥/share)	10	15	25	29	36	40	46	50	54	56	66	68
EPS (¥)	39	57	91	97	121	137	150	226	217	153	191	175
Dividend payout ratio (%)	25.7	26.4	27.5	30.0	29.8	29.2	30.8	22.2	24.9	36.6	34.5	41.1
Total shareholder return ratio (%)	25.7	37.9	36.4	30.0	46.5	29.2	30.8	22.2	60.7	54.7	45.0	—
Share buyback (Millions of yen)	-	-	336	-	449	-	-	-	1,698	598	426	-



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	(Millions of yen)				
	2023/11	2024/11	Change	Major factors	Amount
Assets					
Current assets	27,101	34,287	+7,185	Cash and deposits Accounts receivable - trade	+5,156 +2,513
Property, plant and equipment	20,443	18,415	-2,028	Machinery, equipment and vehicles, net	-1,143
Intangible assets	102	73	-28		
Investments and other assets	6,988	7,188	+199		
Liabilities					
Current liabilities	7,098	11,729	+4,631	Notes and accounts payable - trade	+2,122
Non-current liabilities	3,909	2,094	-1,814	Long-term borrowings	-1,831
Net assets	43,629	46,139	+2,510	Retained earnings	+2,773
Total assets	54,636	59,964	+5,327		

Financial indicators	As of November 30, 2024
Equity ratio	75.8%
Short-term liquidity ratio	4.2 months
Debt-equity ratio	0.08
Net debt-equity ratio	-0.22
Interest coverage ratio	951

Non-operating income and expenses

Non-operating income decreased due to the impact of foreign exchange gains and insurance claim income received last year.

Non-operating expenses increased due to foreign exchange losses and donations.

Extraordinary income or losses

Extraordinary income increased mainly due to the sale of strategic shareholdings.

(Millions of yen)					
<div>Blue: Positive factors</div> <div>Red: Negative factors</div>	2023/11	2024/11	Change	Major factors	Amount
Non-operating income	313	205	-108	Foreign exchange gains	-34
				Insurance claim income	-72
Non-operating expenses	13	60	+47	Foreign exchange losses	+20
				Donations	+27
Extraordinary income	587	815	+227	Gain on sale of investment securities	+228
Extraordinary losses	9	1	-8		

(Millions of yen)				
	2023/11	2024/11	Major factors	
Cash flows from operating activities	4,370	8,600	Profit before income taxes	5,567
			Depreciation	3,283
			Decrease (increase) in accounts receivable - trade, and contract assets	-2,655
			Increase (decrease) in trade payables	2,121
			Increase/decrease in consumption taxes payable/consumption taxes refund receivable	1,231
Cash flows from investing activities	-4,127	-298	Purchase of property, plant and equipment	-1,027
			Proceeds from sale of investment securities	1,054
Cash flows from financing activities	-476	-3,127	Repayment of long-term borrowings	-1,771
			Dividends paid	-1,271
Effect of exchange rate change on cash and cash equivalents	58	-18		
Net increase (decrease) in cash and cash equivalents	-173	5,156		
Cash and cash equivalents at end of period	7,890	13,047		

<Note regarding forward-looking 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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