

**1H FY11/25**

**July 10, 2025**

# **Presentation Materials for Financial Results for the First Half of the Fiscal Year Ending November 30, 2025**

**(December 1, 2024 – May 31, 2025)**



**OSAKA ORGANIC CHEMICAL INDUSTRY LTD.**

**(Tokyo Stock Exchange, Prime Market: 4187)**



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# ■ 1H FY11/25 Financial Summary

- Operating environment

Although the economy is on a gradual recovery trend, some areas are showing signs of stagnation due to factors such as sluggish personal consumption caused by rising prices. The outlook remains uncertain due to the impact of U.S. trade policy, the situation in the Middle East, and other issues.
- Net sales

Net sales increased year on year in each business of Chemical Products, Electronic Materials and Specialty Chemicals. As a result, net sales increased by 13.4% year on year to 17,400 million yen.
- Operating profit

Operating profit increased by 57.2% year on year to 2,922 million yen due to factors such as a decrease in depreciation, in addition to a significant increase in net sales.

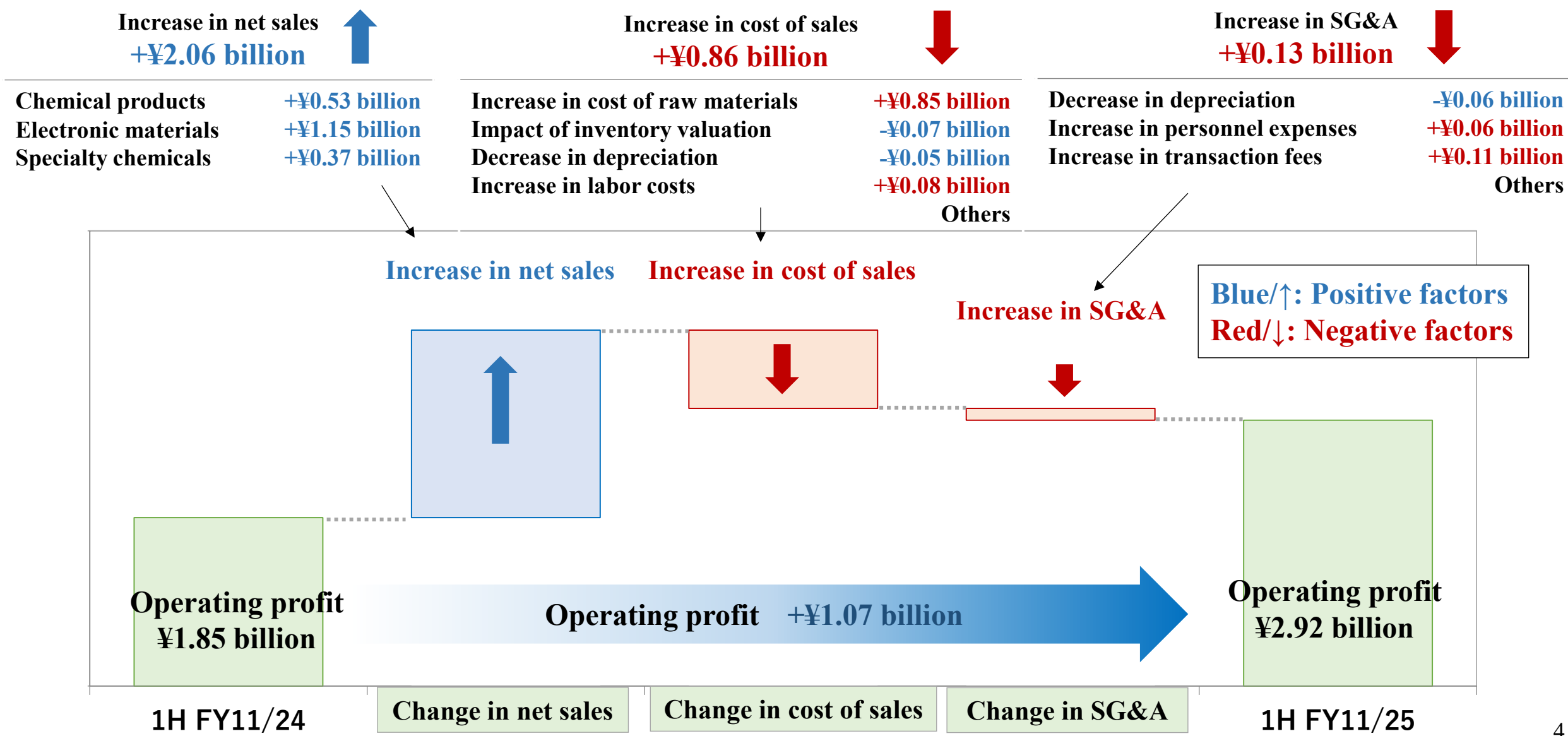
	1H FY11/24 results	1H FY11/25 forecast	1H FY11/25 results	(Millions of yen)	
				YoY change	
				Amount	%
Net sales	15,338	16,800	17,400	+2,062	+13.4%
Operating profit	1,859	2,500	2,922	+1,063	+57.2%
Ordinary profit	1,988	2,600	3,040	+1,052	+52.9%
Profit*	2,020	1,700	2,132	+112	+5.6%
Price of naphtha in Japan (Yen/KL) <small>(Our estimated value)</small>	75,750	75,000	69,950	—	—
Exchange rate (Yen/USD)	150	155	150	—	—

\*Profit attributable to owners of parent

# Factors Affecting Operating Profit

Increase/  
decrease  
factors

Net sales significantly increased centering on electronic materials. While both the cost of sales and selling, general and administrative expenses increased, a decrease in depreciation and inventory valuation contributed to an increase in profit. As a result, operating profit increased by 1.07 billion yen.



# Results by Segment

## Chemical products

Sales of products for automotive coatings were on a recovery trend, while sales of products for display adhesives and UV inkjet inks remained strong. As a result, both net sales and operating profit increased significantly year on year.

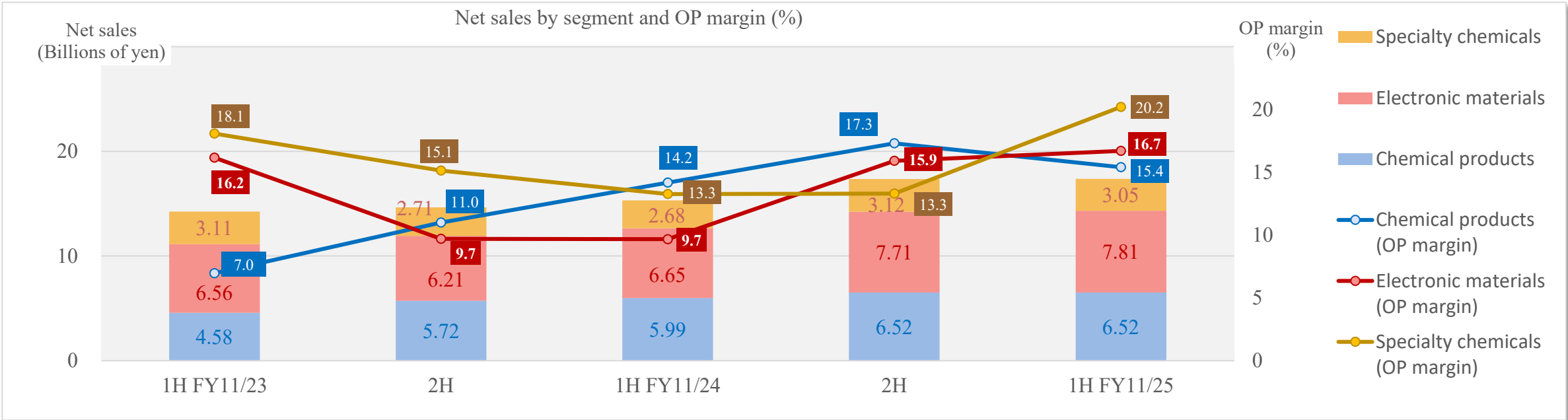
## Electronic materials

In semiconductor materials, sales of raw materials for cutting-edge EUV resists decreased, but sales of the Company’s mainstay raw materials for ArF resists increased significantly. In display materials, sales for insulating films for touch panels were robust. As a result, net sales and operating profit increased significantly year on year.

## Specialty chemicals

Sales were flat in the cosmetics materials group and the functional materials group, but sales of high-purity specialty solvents produced by a subsidiary remained strong. As a result, both net sales and operating profit increased significantly year on year.

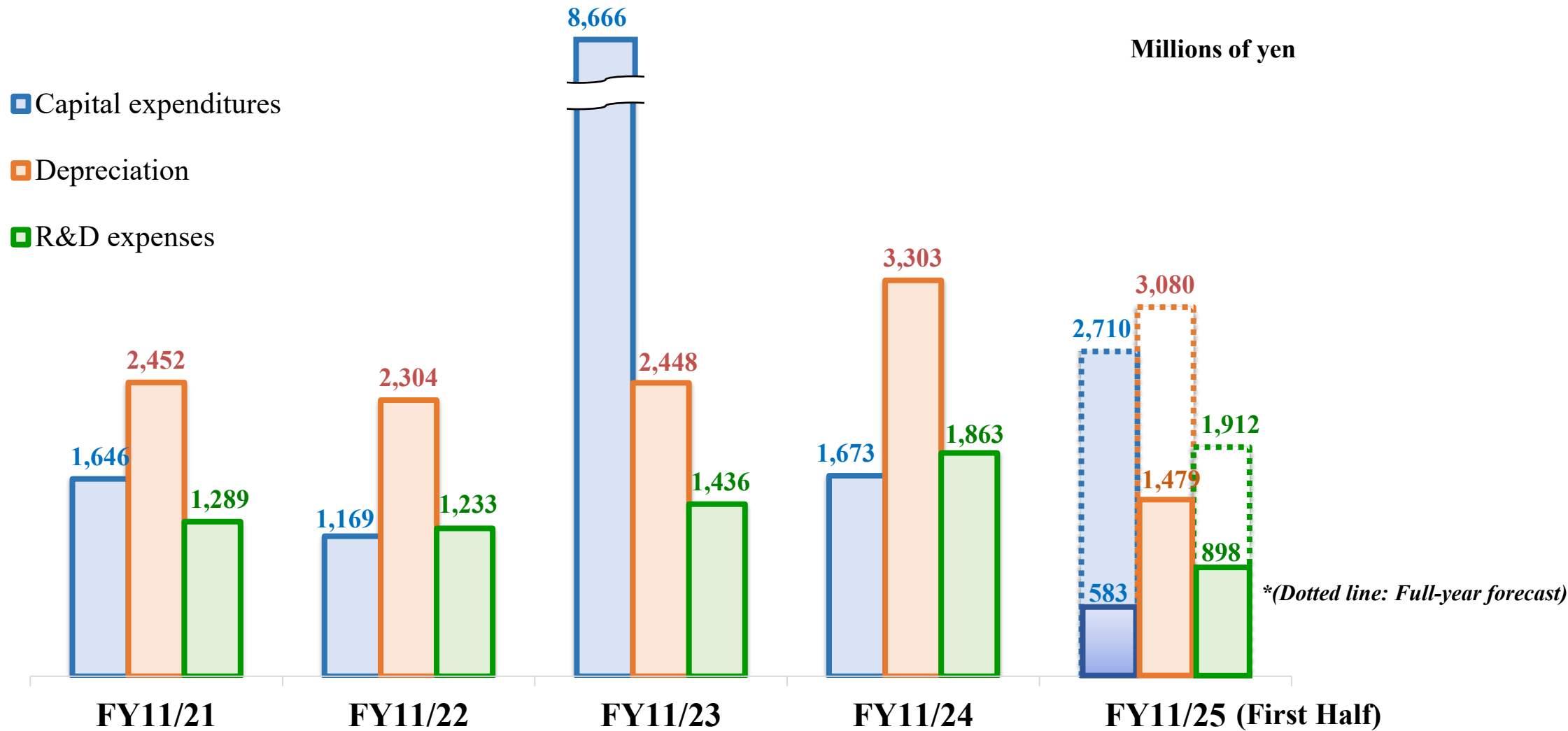
	(Billions of yen)		
	Chemical products	Electronic materials	Specialty chemicals
Net sales	6.52 (YoY: +8.9%)	7.81 (YoY: +17.4%)	3.05 (YoY: +13.8%)
Operating profit	1.00 (YoY: +18.3%)	1.30 (YoY: +102.2%)	0.61 (YoY: +73.3%)



# ■ Capital Expenditures, Depreciation, R&D Expenses

Summary

In 2023, we invested 8.66 billion yen in equipment such as semiconductor materials manufacturing facilities. Depreciation and amortization expenses have been decreasing since its peak in 2024, amounted to 1.47 billion yen in the first half of FY2025, and are projected to reach 3.08 billion yen over the full year. Capital expenditures are expected to increase in the second half of the fiscal year, but in the first half they have remained at 580 million yen.



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# ■ Progress Against Forecast

The full-year forecast for the fiscal year ending November 2025 is net sales of 34.0 billion yen and operating profit of 5.0 billion yen. In the first half of the fiscal year, net sales reached 51.2% of the forecast and operating profit reached 58.5% of the forecast, showing favorable progress.

(Millions of yen)						
	FY11/24 results	FY11/25 forecast	YoY change		1H FY11/25 results	1H progress ratio
			Amount	%		
Net sales	32,698	34,000	+1,301	+4.0%	17,400	51.2%
Operating profit	4,608	5,000	+391	+8.5%	2,922	58.5%
Ordinary profit	4,753	5,200	+446	+9.4%	3,040	58.5%
Profit*	4,044	3,500	-544	-13.5%	2,132	60.9%
Price of naphtha in Japan (Yen/KL) (Our estimated value)	75,600	75,000	—	—	69,950	—
Exchange rate (Yen/USD)	150	155	—	—	150	—

\*Profit attributable to owners of parent



1H FY11/25 Net sales	FY11/25 Full-year forecast	Progress rate vs Full-year forecast	Net sales / Operating margin
¥6.52 billion	¥12.90 billion	50.6%	<div><div>Net sales</div><div>Operating margin (right axis)</div><div><div>(Billions of yen)</div><div>8.00</div><div>4.00</div><div>0.00</div><div>4.58</div><div>5.72</div><div>5.99</div><div>6.52</div><div>6.52</div><div>6.50</div><div>7.0</div><div>11.0</div><div>14.2</div><div>17.3</div><div>15.4</div><div></div><div>0</div><div>10</div><div>20</div><div>1H FY11/23</div><div>2H</div><div>1H FY11/24</div><div>2H</div><div>1H FY11/25</div><div>2H (initial forecast value)</div></div></div>
<div><div>Operating environment</div><div><div>Automobile production was on a recovery trend, albeit moderate.</div><div>In display-related products, the situation remained firm due to subsidy policies in China and other factors.</div></div></div> <div><div>OOO</div><div><div>Sales of products for automotive coatings were on a recovery trend.</div><div>Sales of products for display adhesives and materials for UV inkjet inks remained strong.</div></div></div> <div><div>Market risks</div><div><div>Impacts of U.S. tariff policies.</div><div>Higher cost of raw materials derived from natural resources.</div><div>Rapid fluctuations in exchange rates.</div></div></div>			

1H FY11/25 Net sales	FY11/25 Full-year forecast	Progress rate vs Full-year forecast	Net sales / Operating margin																					
¥7.81 billion	¥15.50 billion	50.4%	<div><div>Net sales (Billions of yen)</div><div>Operating margin (right axis) (%)</div><table><tr><th>Period</th><th>Net sales (Billions of yen)</th><th>Operating margin (%)</th></tr><tr><td>1H FY11/23</td><td>6.56</td><td>16.2</td></tr><tr><td>2H FY11/23</td><td>6.21</td><td>9.7</td></tr><tr><td>1H FY11/24</td><td>6.65</td><td>9.7</td></tr><tr><td>2H FY11/24</td><td>7.71</td><td>15.9</td></tr><tr><td>1H FY11/25</td><td>7.81</td><td>16.7</td></tr><tr><td>2H FY11/25 (initial forecast value)</td><td>7.90</td><td>-</td></tr></table></div>	Period	Net sales (Billions of yen)	Operating margin (%)	1H FY11/23	6.56	16.2	2H FY11/23	6.21	9.7	1H FY11/24	6.65	9.7	2H FY11/24	7.71	15.9	1H FY11/25	7.81	16.7	2H FY11/25 (initial forecast value)	7.90	-
Period	Net sales (Billions of yen)	Operating margin (%)																						
1H FY11/23	6.56	16.2																						
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1H FY11/25	7.81	16.7																						
2H FY11/25 (initial forecast value)	7.90	-																						
<div><div>Operating environment</div><div><div>The semiconductor market continued to be on a recovery trend, driven by cutting-edge materials.</div><div>The LCD display market continued to shift to China.</div></div></div> <div><div>OOC</div><div><div>Sales of our mainstay ArF resist raw materials continued recovering, showing a significant increase year on year.</div><div>Sales of materials for EUV resists swing wildly due to many products being developed, and this fiscal year, sales have decreased.</div><div>The display materials group remained solid.</div></div></div> <div><div>Market risks</div><div><div>Escalation of the U.S.-China economic confrontation.</div><div>Progress in in-house production of semiconductors in China.</div></div></div>																								

1H FY11/25 Net sales	FY11/25 Full-year forecast	Progress rate vs Full-year forecast	Net sales / Operating margin																					
¥3.05 billion	¥5.60 billion	54.6%	<div><div>Net sales (Billions of yen)</div><div>Operating margin (right axis) (%)</div><table><tr><th>Period</th><th>Net sales (Billions of yen)</th><th>Operating margin (%)</th></tr><tr><td>1H FY11/23</td><td>3.11</td><td>18.1</td></tr><tr><td>2H</td><td>2.71</td><td>15.1</td></tr><tr><td>1H FY11/24</td><td>2.68</td><td>13.3</td></tr><tr><td>2H</td><td>3.12</td><td>13.3</td></tr><tr><td>1H FY11/25</td><td>3.05</td><td>20.2</td></tr><tr><td>2H (initial forecast value)</td><td>2.80</td><td>0</td></tr></table></div>	Period	Net sales (Billions of yen)	Operating margin (%)	1H FY11/23	3.11	18.1	2H	2.71	15.1	1H FY11/24	2.68	13.3	2H	3.12	13.3	1H FY11/25	3.05	20.2	2H (initial forecast value)	2.80	0
Period	Net sales (Billions of yen)	Operating margin (%)																						
1H FY11/23	3.11	18.1																						
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2H	3.12	13.3																						
1H FY11/25	3.05	20.2																						
2H (initial forecast value)	2.80	0																						
<div><div>Operating environment</div><div><div>The domestic cosmetics market remained steady.</div><div>In China, in addition to the economic slowdown, the competitive environment is changing due to the rise of local manufacturers.</div></div></div> <div><div>OOC</div><div><div>Sales of cosmetics raw materials remained steady.</div><div>Sales of high-purity specialty solvents produced by a subsidiary remained strong.</div></div></div> <div><div>Market risks</div><div><div>Delayed market recovery in China.</div></div></div>																								

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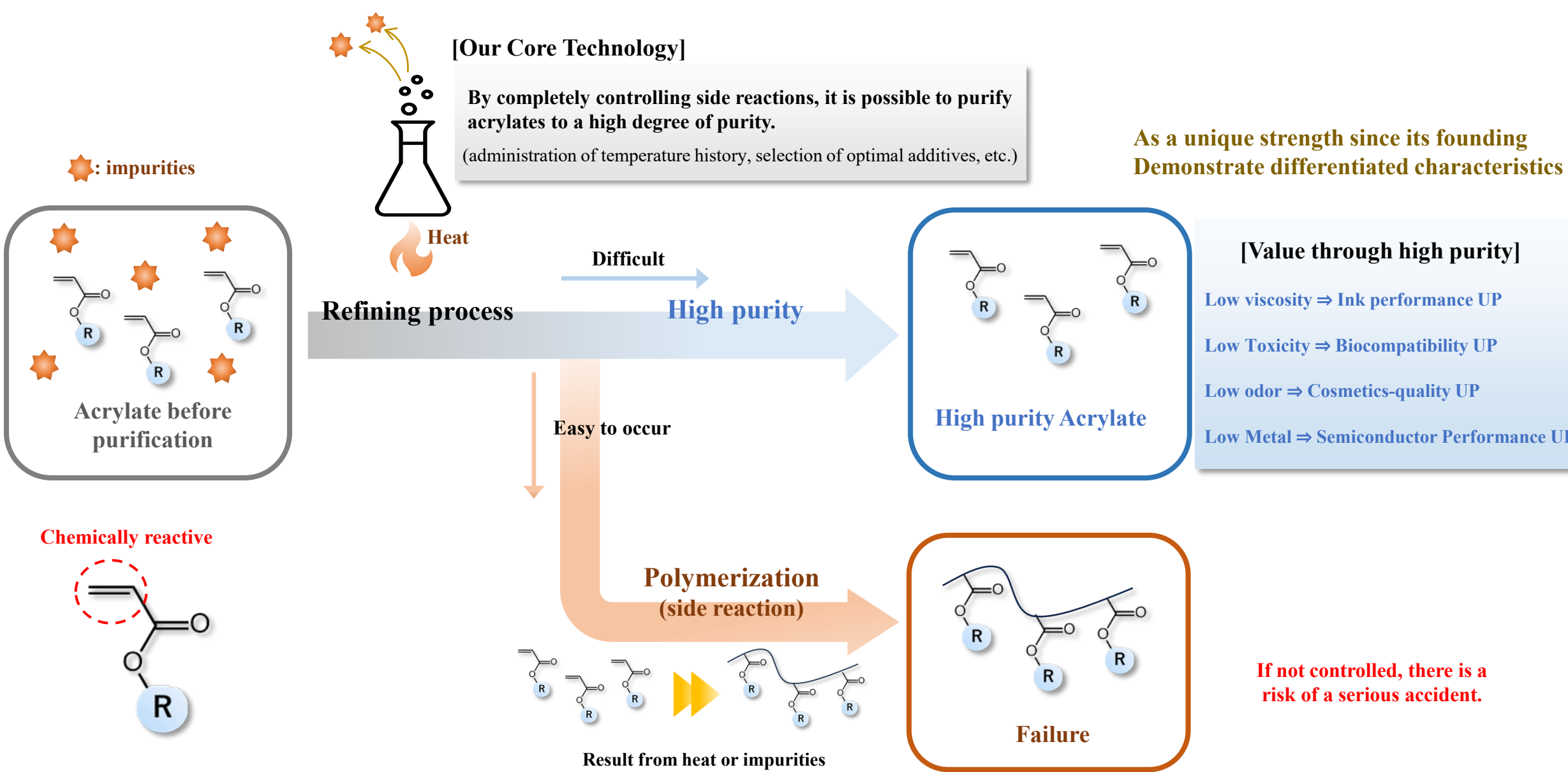
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**Achieving the Medium-Term management Plan**

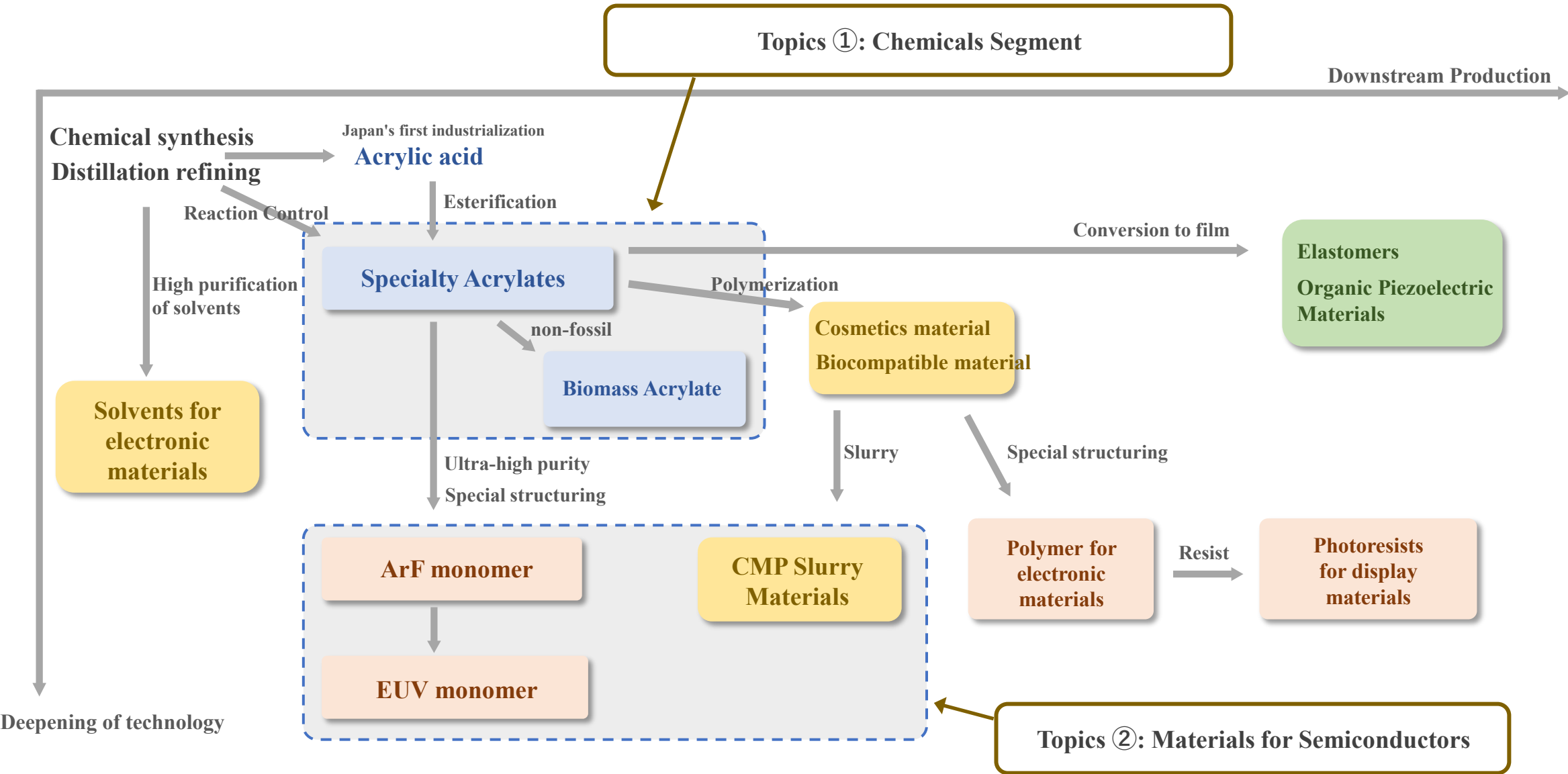
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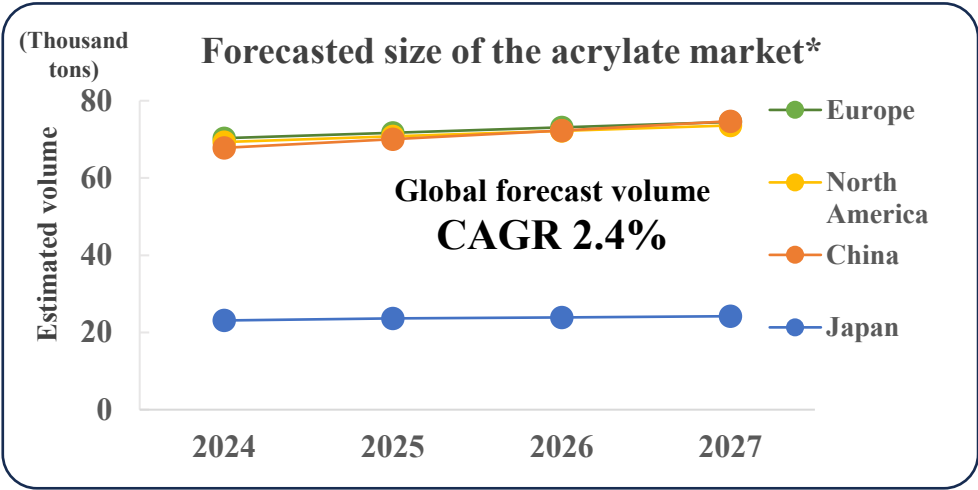
# Our Business Area Map and Today's Topics

With high-purity specialty acrylates as our core technology, we are committed to promoting downstream products and deepening our technology. We will further develop these businesses through our medium-term management plan "Progress & Development 2030."



# Initiatives in the Chemicals Segment's Medium-Term Plan

Although this is a product group with a long history, we are working to further develop it through strong collaboration between our technology, sales, and manufacturing divisions.



Expanding share in overseas markets



## Expansion of sales channels

- Expansion of sales channels overseas
- North American sales office with SHIN-NAKAMURA CHEMICAL

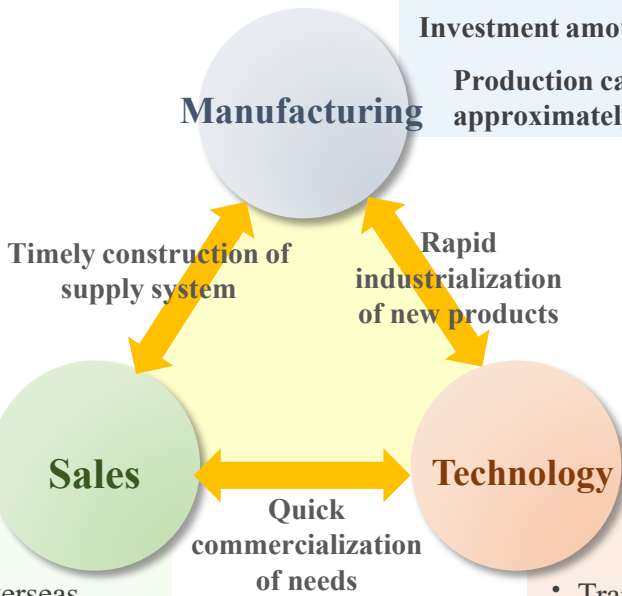
1H FY11/25

Signing of a joint venture agreement

2H FY11/25

Planned establishment of a joint venture company

Responsive supply system



## Expansion of production capacity

- Improve production capacity by investing in plants
- Improve production efficiency by reforming processes

Investment amount in the medium-term business plan P&D2030 ¥530 million

Production capacity including BzA, V#200, and 4-HBA increased by approximately 1.1 times

## Continuation of technological development

- Transition to the most efficient production methods (e.g., ester exchange method)
- Expansion of product lineup through development of new compounds
- Development of 100% biomass acrylates



\*This graph was created by the Company based on Fuji Keizai's "Overview of the market for optical functional materials and products"

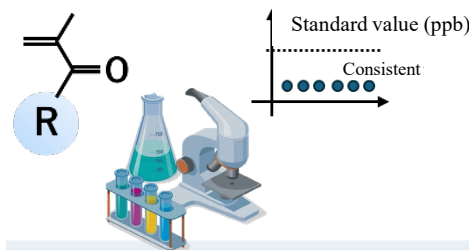
# Initiatives in Semiconductor Materials

In order to further strengthen our responsiveness, we plan to construct and commence operations of a medium-scale laboratory in 2025. We are also venturing into applications other than photoresist materials.

## Our Strengths in Semiconductor Materials

### Strength 1: Proposal capabilities for special monomers

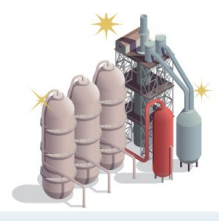
- Proposing chemical structures that meet customer needs
- Monomer synthesis technology that creates structures
- Ultra-high purity and consistent quality



R&D



Prototype



Commercialization

### Strength 2: Timely investment



Investments **¥19.5 billion**  
(cumulative from FY19 to FY23)

### Strength 3: Swift and detailed response

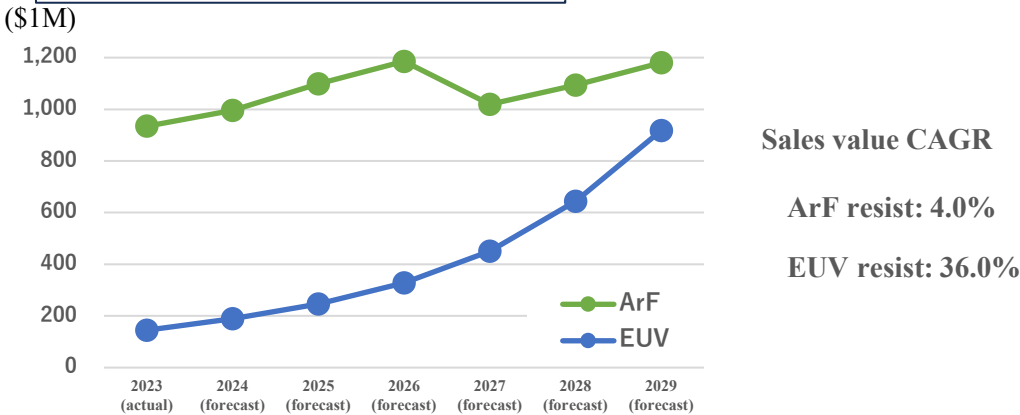
- Faster cycle of review with customers
- Rapid commercialization, legal compliance, and raw material procurement
- Chemical structure and quality standards for each customer/resist



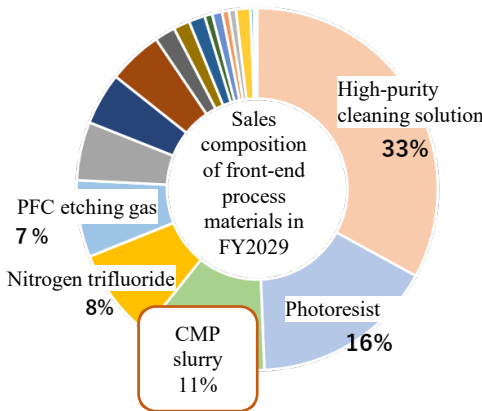
Evaluation and verification with customers

Further enhancement: Planning to construct and commence operations of a medium-scale laboratory (for EUV) in 2025

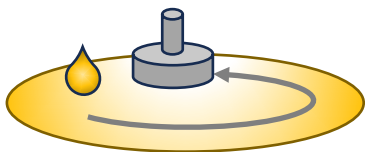
## Market for photoresists※



## Expansion into peripheral materials



Currently considering expansion into related materials such as CMP slurry materials and back-end process materials.



\*This graph was created by the Company based on Fuji Keizai's "Current status and future outlook for the semiconductor materials market in 2024" 16



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■ Balance Sheet

	(Millions of yen)				
	2024/11	2025/05	Change	Major factors	Change
Assets					
Current assets	34,287	33,998	-288	Cash and deposits	-459
Property, plant and equipment	18,415	17,573	-842	Machinery, equipment and vehicles, net	-657
Intangible assets	73	56	-17		
Investments and other assets	7,188	7,009	-178	Investment securities	-205
Liabilities					
Current liabilities	11,729	11,738	+8	Notes and accounts payable - trade	+204
Non-current liabilities	2,094	1,741	-353	Long-term borrowings	-273
Net assets	46,139	45,157	-982	Retained earnings Treasury shares	+1,406 -2,196
Total assets	59,964	58,637	-1,327		
	Financial indicators		As of May 31, 2025		
	Equity ratio		75.7%		
	Short-term liquidity ratio		3.8 months		
	Debt-equity ratio		0.07		
	Net debt-equity ratio		-0.23		
	Interest coverage ratio		836 times		

# ■ Statement of Income

Non-operating income and expenses	Non-operating income increased year on year due to the impact of insurance claim income and other factors. Non-operating expenses increased due to the impact of foreign exchange losses and other factors.
Extraordinary income or losses	Extraordinary income decreased year on year due to the gain on sale of strategic shareholdings received last year.

		(Millions of yen)			
		2024/05	2025/05	Change	Major factors
Non-operating income	154	221	+66	Foreign exchange gains	-67
				Insurance claim income	+101
Non-operating expenses	25	103	+77	Foreign exchange losses	+96
				Donations	-20
Extraordinary income	815	—	-815	Gain on sale of investment securities	-815
Extraordinary losses	1	0	-0		

■ Cash Flows

			(Millions of yen)	
	2024/05	2025/05	Major factors	
Cash flows from operating activities	5,473	3,650	Profit before income taxes	3,040
			Depreciation	1,469
			Income taxes paid	-906
Cash flows from investing activities	460	-711	Purchase of property, plant and equipment	-572
Cash flows from financing activities	-1,906	-3,375	Purchase of treasury shares	-2,226
			Dividends paid	-718
Effect of exchange rate change on cash and cash equivalents	77	-101		
Net increase (decrease) in cash and cash equivalents	4,104	-537		
Cash and cash equivalents at end of period	11,995	12,587		

<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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