



**Consolidated Financial Results for the First Quarter of the
Fiscal Year Ending November 30, 2021 (FY11/21)
(Three Months Ended February 28, 2021)**

[Japanese GAAP]

April 2, 2021

Company name: OSAKA ORGANIC CHEMICAL INDUSTRY LTD.
 Listing: Tokyo Stock Exchange, First Section
 Securities code: 4187 URL: <https://www.ooc.co.jp/>
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Scheduled date of filing of Quarterly Report: April 2, 2021

Scheduled date of dividend payment: -

Preparation of supplementary materials for quarterly financial results: None

Holding of quarterly financial results meeting: None

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the First Quarter of FY11/21 (December 1, 2020 to February 28, 2021)

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended Feb. 28, 2021	8,090	17.2	1,533	36.9	1,672	39.5	1,167	44.7
Three months ended Feb. 29, 2020	6,902	(1.2)	1,119	23.7	1,199	25.5	806	23.2

Note: Comprehensive income (millions of yen) Three months ended Feb. 28, 2021: 1,262 (up 149.8%)

Three months ended Feb. 29, 2020: 505 (up 8.2%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Three months ended Feb. 28, 2021	52.70		-	
Three months ended Feb. 29, 2020	36.41		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Feb. 28, 2021	46,810	35,769	75.6
As of Nov. 30, 2020	45,324	35,025	76.5

Reference: Shareholders' equity (millions of yen) As of Feb. 28, 2021: 35,382 As of Nov. 30, 2020: 34,658

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Nov. 30, 2020	-	23.00	-	23.00	46.00
Fiscal year ending Nov. 30, 2021	-	-	-	-	-
Fiscal year ending Nov. 30, 2021 (Forecast)	-	24.00	-	24.00	48.00

Note: Revisions to the most recently announced dividend forecast: None

3. Consolidated Forecast for FY11/21 (December 1, 2020 to November 30, 2021)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	14,877	3.7	2,263	(5.1)	2,482	1.0	1,692	(0.0)	76.34
Full year	30,740	7.2	4,550	2.4	4,845	5.0	3,316	0.1	149.69

Note: Revisions to the most recently announced consolidated forecast: None

*** Notes**

(1) Changes in significant subsidiaries during the period (change in scope of consolidation): None

Newly added: -

Excluded: -

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of shares issued (common shares)

1) Number of shares issued at the end of the period (including treasury shares)

As of Feb. 28, 2021:	22,410,038 shares	As of Nov. 30, 2020:	22,410,038 shares
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2) Number of treasury shares at the end of the period

As of Feb. 28, 2021:	258,309 shares	As of Nov. 30, 2020:	258,203 shares
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3) Average number of shares during the period

Three months ended Feb. 28, 2021:	22,151,755 shares	Three months ended Feb. 29, 2020:	22,147,927 shares
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* The current quarterly financial report is not subject to quarterly review by certified public accountants or auditing firms.

* Cautionary statement with respect to forward-looking statements and other special items

The above forecasts are based on information available to the Company's management at the time the materials were prepared and include a variety of uncertainties. Actual results may differ from the forecasts due to changes in the business environment and other factors. Please refer to "Explanation of Consolidated Forecast and Other Forward-looking Statements" on page 3 for items pertaining to the forecasts stated above.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

The COVID-19 pandemic continued to impact the Japanese economy during the first quarter of the current fiscal year. However, there are benefits of measures by the Japanese government to support the economy and the economies of some countries and regions are improving.

The Osaka Organic Chemical Industry Group started its Second Five-year Medium-term Business Plan in the fiscal year that ended in November 2020. This plan is the second half of Next Stage 10, a long-term business plan covering the 10-year period that began with the fiscal year that ended in November 2015. Many activities are under way to accomplish the goals of this plan. In the chemical products business, we are focusing on improving profitability by concentrating investments on carefully selected categories in order to revitalize the product lineup. Another priority is increasing sales of raw materials for specialty ink for UV inkjet printers as the market for these printers grows worldwide. In the electronics materials business, we are strengthening activities for developing next-generation semiconductor materials to be the market leader in targeted categories and for increasing sales of new display materials. In the specialty chemicals business, there are measures to develop functional polymers and increase sales of raw materials for cosmetics and of high-purity specialty solvents.

Net sales increased 17.2% year-on-year to 8,090 million yen, operating profit increased 36.9% to 1,533 million yen, ordinary profit was up 39.5% to 1,672 million yen, and profit attributable to owners of parent increased 44.7% to 1,167 million yen.

Business segment performance was as follows with segment sales excluding inter-segment sales.

As is explained in “2. Quarterly Consolidated Financial Statements and Notes, (3) Notes to Quarterly Consolidated Financial Statements, Segment and Other Information, II. First three months of FY11/21 (Dec. 1, 2020 – Feb. 28, 2021), 3. Information related to changes in reportable segments,” the method used to calculate the profit or loss of reportable segments has been revised beginning with the first quarter of the current fiscal year.

1) Chemical products

Acrylic acid ester sales were higher than one year earlier primarily because of a recovery in sales of these esters used in automotive coatings, a category where sales fell sharply due to COVID-19, and sales of chemical products used in adhesives for optical materials. Sales of methacrylic acid esters increased mainly because of higher sales of these esters used in paint and adhesives. Earnings were much higher because of strong sales. As a result, net sales increased 8.9% year-on-year to 2,857 million yen and segment profit increased 40.5% to 245 million yen.

2) Electronics materials

Sales of semiconductor materials increased because of consistently strong sales for raw materials used to manufacture ArF photoresist, the primary product of this segment. Sales of display materials were higher as teleworking, remote learning and other activities increased demand involving the use of displays. Earnings were much higher because of strong sales. Net sales increased 27.0% year-on-year to 3,543 million yen and segment profit increased 37.2% to 972 million yen.

3) Specialty chemicals

Sales of raw materials for cosmetics increased due to a slow recovery in demand following the decline in demand caused by COVID-19. Sales of functional materials increased because of strong sales of products made for other companies. Earnings significantly rose because of an increase in the share of sales from high-margin products. As a result, net sales increased 13.6% year-on-year to 1,689 million yen and segment profit increased 35.8% to 321 million yen.

(2) Explanation of Financial Position

Total assets increased 1,486 million yen from the end of the previous fiscal year to 46,810 million yen as of the end of the first quarter. This was mainly attributable to a decrease of 491 million yen in cash and deposits, an increase of 1,628 million yen in notes and accounts receivable-trade mainly due to higher sales and because the end of the first quarter was a day when banks are closed, and an increase of 410 million yen in raw materials and supplies.

Total liabilities increased 741 million yen from the end of the previous fiscal year to 11,040 million yen as of the end of the first quarter. This was mainly attributable to an increase of 1,265 million yen in notes and accounts payable-trade mainly due to higher purchasing costs and because the end of the first quarter was a day when banks are closed, and a decrease of 177 million yen in long-term borrowings.

Net assets increased 744 million yen from the end of the previous fiscal year to 35,769 million yen as of the end of the first quarter. This was mainly attributable to increases of 657 million yen in retained earnings and 46 million yen in the valuation difference on available-for-sale securities involving stocks held for the purpose of maintaining sound business relationships.

(3) Explanation of Consolidated Forecast and Other Forward-looking Statements

The consolidated forecasts announced on January 7, 2021 remain unchanged.

Regarding the impact of the spread of the COVID-19 pandemic on operations, we will continue to carefully monitor the business environment and business performance. An announcement will be made promptly when it is determined that a forecast revision is required.

2. Quarterly Consolidated Financial Statements and Notes**(1) Quarterly Consolidated Balance Sheet**

	(Thousands of yen)	
	FY11/20 (As of Nov. 30, 2020)	First quarter of FY11/21 (As of Feb. 28, 2021)
Assets		
Current assets		
Cash and deposits	7,521,760	7,030,189
Notes and accounts receivable-trade	7,699,661	9,328,419
Electronically recorded monetary claims-operating	465,049	594,368
Securities	200,250	200,132
Finished goods	3,688,947	3,791,683
Work in process	2,013,799	1,847,748
Raw materials and supplies	1,476,641	1,887,202
Other	80,681	105,087
Allowance for doubtful accounts	(12,387)	(14,859)
Total current assets	23,134,405	24,769,972
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,750,118	7,631,675
Machinery, equipment and vehicles, net	5,051,227	4,768,288
Land	2,225,335	2,222,716
Construction in progress	564,575	711,294
Other, net	708,065	658,299
Total property, plant and equipment	16,299,321	15,992,274
Intangible assets		
Goodwill	-	98,333
Other	70,728	65,793
Total intangible assets	70,728	164,127
Investments and other assets		
Investment securities	5,458,084	5,514,317
Retirement benefit asset	83,972	88,868
Deferred tax assets	34,184	41,837
Other	243,694	239,118
Total investments and other assets	5,819,935	5,884,141
Total non-current assets	22,189,985	22,040,543
Total assets	45,324,390	46,810,516

	(Thousands of yen)	
	FY11/20 (As of Nov. 30, 2020)	First quarter of FY11/21 (As of Feb. 28, 2021)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	3,201,121	4,466,902
Current portion of long-term borrowings	968,666	853,261
Accounts payable-other	1,913,480	1,824,038
Income taxes payable	715,869	591,978
Provision for bonuses	43,000	234,323
Provision for bonuses for directors (and other officers)	64,080	12,450
Other	647,446	563,265
Total current liabilities	7,553,664	8,546,220
Non-current liabilities		
Long-term borrowings	2,029,377	1,851,904
Deferred tax liabilities	555,388	488,518
Other	160,686	154,175
Total non-current liabilities	2,745,452	2,494,597
Total liabilities	10,299,117	11,040,818
Net assets		
Shareholders' equity		
Share capital	3,600,295	3,600,295
Capital surplus	3,508,891	3,508,891
Retained earnings	26,068,688	26,726,532
Treasury shares	(435,195)	(435,513)
Total shareholders' equity	32,742,680	33,400,206
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,168,185	2,214,845
Foreign currency translation adjustment	(15,242)	(3,766)
Remeasurements of defined benefit plans	(237,610)	(228,516)
Total accumulated other comprehensive income	1,915,333	1,982,562
Non-controlling interests	367,259	386,927
Total net assets	35,025,273	35,769,697
Total liabilities and net assets	45,324,390	46,810,516

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**Quarterly Consolidated Statement of Income
For the Three-month Period**

(Thousands of yen)

	First three months of FY11/20 (Dec. 1, 2019 – Feb. 29, 2020)	First three months of FY11/21 (Dec. 1, 2020 – Feb. 28, 2021)
Net sales	6,902,192	8,090,482
Cost of sales	4,837,346	5,561,278
Gross profit	2,064,845	2,529,203
Selling, general and administrative expenses	945,267	996,097
Operating profit	1,119,578	1,533,105
Non-operating income		
Interest income	447	464
Dividend income	47,356	37,441
Foreign exchange gains	632	18,425
Subsidy income	-	68,000
Other	33,244	16,909
Total non-operating income	81,680	141,240
Non-operating expenses		
Interest expenses	2,196	1,926
Total non-operating expenses	2,196	1,926
Ordinary profit	1,199,062	1,672,420
Extraordinary income		
Gain on sales of non-current assets	-	1,041
Gain on sales of investment securities	-	757
Total extraordinary income	-	1,799
Extraordinary losses		
Loss on retirement of non-current assets	49,367	1,271
Total extraordinary losses	49,367	1,271
Profit before income taxes	1,149,695	1,672,947
Income taxes-current	417,133	565,705
Income taxes-deferred	(89,928)	(86,700)
Total income taxes	327,205	479,004
Profit	822,489	1,193,943
Profit attributable to non-controlling interests	15,989	26,606
Profit attributable to owners of parent	806,500	1,167,336

Quarterly Consolidated Statement of Comprehensive Income
For the Three-month Period

(Thousands of yen)

	First three months of FY11/20 (Dec. 1, 2019 – Feb. 29, 2020)	First three months of FY11/21 (Dec. 1, 2020 – Feb. 28, 2021)
Profit	822,489	1,193,943
Other comprehensive income		
Valuation difference on available-for-sale securities	(325,016)	47,941
Foreign currency translation adjustment	399	11,476
Remeasurements of defined benefit plans, net of tax	7,621	9,297
Total other comprehensive income	(316,995)	68,714
Comprehensive income	505,494	1,262,657
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	490,786	1,234,565
Comprehensive income attributable to non-controlling interests	14,707	28,092

(3) Notes to Quarterly Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Additional Information

Impact of the spread of the COVID-19 pandemic on accounting estimates

There are no significant changes regarding the accounting estimates associated with the COVID-19 pandemic that are explained in the Securities Report (supplementary information) for the fiscal year that ended in November 2020.

Segment and Other Information

I. First three months of FY11/20 (Dec. 1, 2019 – Feb. 29, 2020)

1. Information related to net sales and profit or loss for each reportable segment

(Thousands of yen)

	Reportable segment				Adjustment (Note 1)	Amounts shown on quarterly consolidated statement of income (Note 2)
	Chemical products	Electronics materials	Specialty chemicals	Total		
Net sales						
External sales	2,624,629	2,790,496	1,487,066	6,902,192	-	6,902,192
Inter-segment sales and transfers	-	-	69,613	69,613	(69,613)	-
Total	2,624,629	2,790,496	1,556,679	6,971,805	(69,613)	6,902,192
Segment profit	174,329	708,471	236,433	1,119,233	344	1,119,578

Notes: 1. Segment profit in the above adjustment represents eliminations for inter-segment transactions.

2. Segment profit is adjusted to be consistent with the operating profit on the quarterly consolidated statement of income.

2. Information related to impairment losses on non-current assets or goodwill, etc. for each reportable segment

Not applicable.

II. First three months of FY11/21 (Dec. 1, 2020 – Feb. 28, 2021)

1. Information related to net sales and profit or loss for each reportable segment

(Thousands of yen)

	Reportable segment				Adjustment (Note 1)	Amounts shown on quarterly consolidated statement of income (Note 2)
	Chemical products	Electronics materials	Specialty chemicals	Total		
Net sales						
External sales	2,857,452	3,543,575	1,689,453	8,090,482	-	8,090,482
Inter-segment sales and transfers	-	-	96,379	96,379	(96,379)	-
Total	2,857,452	3,543,575	1,785,832	8,186,861	(96,379)	8,090,482
Segment profit	245,005	972,370	321,109	1,538,485	(5,379)	1,533,105

Notes: 1. Segment profit in the above adjustment represents eliminations for inter-segment transactions.

2. Segment profit is adjusted to be consistent with the operating profit on the quarterly consolidated statement of income.

2. Information related to impairment losses on non-current assets or goodwill, etc. for each reportable segment

Significant change in goodwill

In the first quarter of FY11/21, Osaka Organic Chemical Industry acquired from Mitsubishi Chemical Corporation a business that manufactures and sells acrylic resin used in hair care products. This business is included in the specialty chemicals segment. The acquisition of this business increased goodwill by 100 million yen.

3. Information related to changes in reportable segments

Beginning with the first quarter of FY11/21, the method used to calculate the profit or loss of reportable segments has changed due to a reexamination of the allocation of corporate expenses for the purpose of better evaluating the performance of individual segments.

Segment profit in the first three months of FY11/20 uses the revised method to calculate the profit or loss of reportable segments.

This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.