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**Consolidated Financial Results for the First Quarter of the
Fiscal Year Ending November 30, 2022 (FY11/22)
(Three Months Ended February 28, 2022)**

[Japanese GAAP]
April 8, 2022

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 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 FY11/22 (December 1, 2021 to February 28, 2022)

(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, 2022	8,125	—	1,665	8.7	1,733	3.7	1,211	3.8
Three months ended Feb. 28, 2021	8,090	17.2	1,533	36.9	1,672	39.5	1,167	44.7

Note: Comprehensive income (millions of yen) Three months ended Feb. 28, 2022: 1,188 (down 5.9%)
 Three months ended Feb. 28, 2021: 1,262 (up 149.8%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Three months ended Feb. 28, 2022	54.97		-	
Three months ended Feb. 28, 2021	52.70		-	

Note: "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. have been applied since the beginning of the first quarter of the consolidated fiscal year ending November, 2022, and the figures stated for the period under review are adjusted following the application of the above-mentioned accounting standard, etc. Therefore, the year-on-year change of net sales for the period under review is omitted.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Feb. 28, 2022	48,551	39,051	79.4
As of Nov. 30, 2021	49,868	39,125	77.5

Reference: Shareholders' equity (millions of yen) As of Feb. 28, 2022: 38,567 As of Nov. 30, 2021: 38,645

Note: "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. have been applied since the beginning of the first quarter of the consolidated fiscal year ending November, 2022, and the figures stated for the period under review are adjusted following the application of the above-mentioned accounting standard, etc.

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Nov. 30, 2021	-	25.00	-	25.00	50.00
Fiscal year ending Nov. 30, 2022	-	-	-	-	-
Fiscal year ending Nov. 30, 2022 (Forecast)	-	26.00	-	26.00	52.00

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

3. Consolidated Forecast for FY11/22 (December 1, 2021 to November 30, 2022)

(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	16,200	—	2,900	2.0	3,000	(2.8)	2,050	(8.8)	92.54
Full year	33,000	—	5,900	0.8	6,150	(1.7)	4,200	(16.0)	189.59

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

Note: “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. have been applied since the beginning of the first quarter of the consolidated fiscal year ending November, 2022, and the forecast figures stated for the period under review are adjusted following the application of the above-mentioned accounting standard, etc. Therefore, changes in net sales compared with the previous consolidated fiscal year and the first six-month period of the previous consolidated fiscal year are omitted.

* 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: Yes

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

3) Changes in accounting-based estimates: None

4) Restatements: None

Note: For details, please refer to “2. Quarterly Consolidated Financial Statements and Notes; (3) Notes to Quarterly Consolidated Financial Statements (Changes in Accounting Policies)” on page 8 (Attachment) of this quarterly financial report.

(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, 2022: 22,410,038 shares As of Nov. 30, 2021: 22,410,038 shares

2) Number of treasury shares at the end of the period

As of Feb. 28, 2022: 562,617 shares As of Nov. 30, 2021: 256,517 shares

3) Average number of shares during the period

Three months ended Feb. 28, 2022: 22,045,471 shares Three months ended Feb. 29, 2021: 22,151,755 shares

* 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 forward-looking statements contained in this material 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 (Attachment) of this quarterly financial report for items pertaining to the forecasts stated above.

Contents of Attachments

1. Qualitative Information on Quarterly Consolidated Financial Performance	2
(1) Explanation of Results of Operations	2
(2) Explanation of Financial Position	3
(3) Explanation of Consolidated Forecast and Other Forward-looking Statements	3
2. Quarterly Consolidated Financial Statements and Notes	4
(1) Quarterly Consolidated Balance Sheet	4
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	6
(3) Notes to Quarterly Consolidated Financial Statements	8
Going Concern Assumption	8
Significant Changes in Shareholders' Equity	8
Changes in Accounting Policies	8
Additional Information	9
Segment and Other Information	10

1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

In the first quarter of the consolidated fiscal year ending November 30, 2022, despite a trend of economic recovery, the Japanese economy continued to face severe conditions due to the rapid spread of new variants of COVID-19, soaring raw materials costs arising from an increase in oil prices, disruptions of global marine transportation, and a steep rise in transportation costs.

Under these circumstances, The Osaka Organic Chemical Industry Group started its Second Five-year Medium-term Business Plan in the fiscal year ended in November 2020. This plan is the second half of Next Stage 10, a long-term business plan covering the 10-year period. Many activities are under way to accomplish the goals of this plan. In the chemical products business, we focused 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 strengthened activities for developing next-generation semiconductor materials to become the market leader in targeted categories and for increasing sales of new display materials. In the specialty chemicals business, our efforts were concentrated in developing functional polymers and increasing sales of raw materials for cosmetics and of high-purity specialty solvents.

As a result, net sales for the period under review were 8,125 million yen (-% year on year), operating profit was 1,665 million yen (up 8.7% year on year), ordinary profit was 1,733 million yen (up 3.7% year on year), and profit attributable to owners of parent was 1,211 million yen (up 3.8% year on year).

It should be noted that “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020; hereinafter, “Accounting Standard for Revenue Recognition”), etc. have been applied since the beginning of the first quarter under review in accordance with a transitional treatment. As a result, net sales decreased by 1,522 million yen, cost of sales shrank 1,424 million yen, operating profit, ordinary profit and profit before income taxes dropped 98 million yen, respectively, compared with those calculated according to the conventional accounting treatment method. Furthermore, the year-on-year change of net sales is omitted. For more information, please refer to “2-(3). Notes to Quarterly Consolidated Financial Statements (Changes in Accounting Policies).”

Business results by segment are explained below (excluding inter-segment transactions).

1) Chemical products

Regarding acrylic acid ester, the esters used in automotive coatings and chemical products used in adhesives for optical materials saw robust sales. Methacrylic acid esters recorded strong sales primarily because of higher sales of these esters used in paint and adhesives. As a result, net sales were 2,839 million yen (-% year on year) and segment profit increased 5.8% year on year, to 259 million yen. Net sales decreased by 260 million yen due to the application of the Accounting Standard for Revenue Recognition, etc.

2) Electronics materials

Sales of semiconductor materials remained robust because of consistently strong sales of raw materials used to manufacture ArF photoresist, the primary product of this segment. The display materials faced eased demands for displays used in teleworking, remote learning and other activities. As a result, net sales stood at 3,871 million yen (-% year on year) and segment profit was 1,081 million yen (up 11.2% year on year). Net sales decreased by 355 million yen due to the application of the Accounting Standard for Revenue Recognition, etc.

3) Specialty chemicals

As to raw materials for cosmetics, the acrylic resin for hair care products, which is a business we acquired from Mitsubishi Chemical Corporation last year, recorded strong sales abroad. Sales of functional materials were solid because of strong sales of products made for other companies. High-purity specialty solvents produced by a subsidiary also recorded robust sales. As a result, net sales were 1,415 million yen (-% year on year) and segment profit was 324 million yen (up 1.0% year on year). Net sales decreased by 906 million yen due to the application of the Accounting Standard for Revenue Recognition, etc.

(2) Explanation of Financial Position

Total assets as of the end of the three-month period under review stood at 48,551 million yen, a decrease of 1,317 million yen from the end of the previous consolidated fiscal year. This was mainly attributable to a decrease of 1,858 million yen in cash and deposits and an increase of 994 million yen in notes, accounts receivable-trade and contract assets (presented as “notes and accounts receivable-trade” at the end of the previous consolidated fiscal year).

Total liabilities as of the end of the three-month period under review were 9,499 million yen, a decrease of 1,243 million yen from the end of the previous consolidated fiscal year. This was mainly attributable to an increase of 558 million yen in notes and accounts payable-trade, a decrease of 721 million yen in accounts payable-other and a decrease of 960 million yen in income taxes payable.

Total net assets as of the end of the three-month period under review was 39,051 million yen, shrinking 73 million yen from the end of the previous consolidated fiscal year. This was mainly attributable to increases of 932 million yen in retained earnings and 964 million yen in treasury shares. Retained earnings at the beginning of the period under review increased by 274 million yen due to the application of the Accounting Standard for Revenue Recognition, etc.

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

There is no revision to the consolidated forecast announced on January 12, 2022.

Regarding the impact of the spread of COVID-19 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)

	FY11/21 (As of Nov. 30, 2021)	First quarter of FY11/22 (As of Feb. 28, 2022)
Assets		
Current assets		
Cash and deposits	9,923,730	8,065,307
Notes and accounts receivable-trade	9,054,341	—
Notes, accounts receivable-trade and contract assets	—	10,048,584
Electronically recorded monetary claims-operating	419,513	410,996
Finished goods	4,886,661	4,050,817
Work in process	2,038,298	1,823,223
Raw materials and supplies	1,706,178	1,925,979
Other	74,077	1,056,212
Allowance for doubtful accounts	(14,101)	(14,554)
Total current assets	28,088,700	27,366,565
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,691,154	7,559,292
Machinery, equipment and vehicles, net	4,350,559	4,075,701
Land	2,179,304	2,179,304
Construction in progress	807,185	816,151
Other, net	581,484	581,067
Total property, plant and equipment	15,609,688	15,211,517
Intangible assets		
Goodwill	83,333	78,333
Other	58,263	57,787
Total intangible assets	141,596	136,120
Investments and other assets		
Investment securities	5,642,873	5,529,306
Retirement benefit asset	146,509	152,611
Deferred tax assets	36,052	24,724
Other	202,932	130,239
Total investments and other assets	6,028,369	5,836,881
Total non-current assets	21,779,654	21,184,518
Total assets	49,868,355	48,551,084

	(Thousands of yen)	
	FY11/21 (As of Nov. 30, 2021)	First quarter of FY11/22 (As of Feb. 28, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	4,192,756	4,751,521
Current portion of long-term borrowings	759,920	754,922
Accounts payable-other	1,399,135	677,247
Income taxes payable	1,615,908	655,726
Provision for bonuses	—	244,309
Provision for bonuses for directors (and other officers)	73,200	10,045
Other	646,916	609,769
Total current liabilities	8,687,838	7,703,541
Non-current liabilities		
Long-term borrowings	1,494,463	1,309,491
Deferred tax liabilities	458,403	386,810
Other	102,591	99,510
Total non-current liabilities	2,055,458	1,795,812
Total liabilities	10,743,296	9,499,353
Net assets		
Shareholders' equity		
Share capital	3,600,295	3,600,295
Capital surplus	3,512,539	3,512,539
Retained earnings	30,004,244	30,936,251
Treasury shares	(433,016)	(1,397,804)
Total shareholders' equity	36,684,063	36,651,283
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,101,591	2,035,188
Foreign currency translation adjustment	33,236	45,733
Remeasurements of defined benefit plans	(173,194)	(164,988)
Total accumulated other comprehensive income	1,961,634	1,915,933
Non-controlling interests	479,361	484,514
Total net assets	39,125,059	39,051,730
Total liabilities and net assets	49,868,355	48,551,084

(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 FY11/21 (Dec. 1, 2020 – Feb. 28, 2021)	First three months of FY11/22 (Dec. 1, 2021 – Feb. 28, 2022)
Net sales	8,090,482	8,125,764
Cost of sales	5,561,278	5,381,754
Gross profit	2,529,203	2,744,009
Selling, general and administrative expenses	996,097	1,078,194
Operating profit	1,533,105	1,665,814
Non-operating income		
Interest income	464	285
Dividend income	37,441	40,122
Foreign exchange gains	18,425	9,033
Subsidy income	68,000	—
Insurance premiums refunded cancellation	—	23,049
Other	16,909	6,103
Total non-operating income	141,240	78,594
Non-operating expenses		
Interest expenses	1,926	1,859
Commission for purchase of treasury stock	—	6,753
Other	—	1,853
Total non-operating expenses	1,926	10,466
Ordinary profit	1,672,420	1,733,942
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	1,271	831
Total extraordinary losses	1,271	831
Profit before income taxes	1,672,947	1,733,111
Income taxes-current	565,705	636,003
Income taxes-deferred	(86,700)	(135,825)
Total income taxes	479,004	500,178
Profit	1,193,943	1,232,932
Profit attributable to non-controlling interests	26,606	21,176
Profit attributable to owners of parent	1,167,336	1,211,756

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

(Thousands of yen)

	First three months of FY11/21 (Dec. 1, 2020 – Feb. 28, 2021)	First three months of FY11/22 (Dec. 1, 2021 – Feb. 28, 2022)
Profit	1,193,943	1,232,932
Other comprehensive income		
Valuation difference on available-for-sale securities	47,941	(65,084)
Foreign currency translation adjustment	11,476	12,497
Remeasurements of defined benefit plans, net of tax	9,297	8,383
Total other comprehensive income	68,714	(44,204)
Comprehensive income	1,262,657	1,188,728
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,234,565	1,166,055
Comprehensive income attributable to non-controlling interests	28,092	22,672

(3) Notes to Quarterly Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

In accordance with the resolution of the Board of Directors' meeting held on January 12, 2022, the Company repurchased its own shares. Accordingly, treasury shares increased by 964,787,000 yen, to 1,397,804,000 yen as of the end of the period under review.

Changes in Accounting Policies

(Application of Accounting Standard for Revenue Recognition, etc.)

We decided to apply "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020; hereinafter, "Accounting Standard for Revenue Recognition"), etc. from the beginning of the first quarter of the current fiscal year ending November 2022, and recognize revenue at the amount estimated to be received in exchange for the relevant goods or services when we have satisfied a performance obligation of promised goods or services and transferred the control to a customer.

Accordingly, we have changed the method of revenue recognition for some transactions in which revenues had been recognized in accordance with the provisions of contractual transfer of ownership, to the method of revenue recognition when a substantial control is transferred to a customer. As to supplies provided by a supplier under a buy-sell transaction with a repurchase obligation, we had recorded sales and cost of sales when the goods were sold back to the supplier, but we have changed the method of revenue recognition to recognizing only the net amount equivalent to processing fees as revenue. In addition, as to the term-end balance of inventories of the supplies provided by suppliers under the buy-sell transactions with a repurchase obligation, we had presented them including in the items "Finished goods," "Work in process" and "Raw materials and supplies" under "Current assets," but we now include them in "Other." It should be noted that in the case of domestic sale of products, we recognize revenue at the time of shipping by applying an alternative treatment as provided for in Article 98 of the Practical Guidance on the Accounting Standards for Revenue Recognition if the length of period for transfer of the control of the relevant goods or products from shipping to a customer is deemed to be ordinary.

For the application of the Accounting Standards for Revenue Recognition, etc., we have followed the transitional treatments as provided for in the proviso of Article 84 of the Accounting Standard for Revenue Recognition. Accordingly, we have applied the new accounting policy to the balance of retained earnings at the beginning of the first quarter under review by adding or deducting the amount of cumulative effect which is assumed to have occurred if the new accounting policy was applied retroactively prior to the beginning of the current first quarter period, to or from retained earnings at the beginning of the current first quarter period.

As a result, net sales for the first quarter under review decreased by 1,522 million yen, cost of sales decreased by 1,424 million yen, and operating profit, ordinary profit and profit before income taxes decreased by 98 million yen, respectively. Finished goods as of the end of the first quarter decreased by 103 million yen, work in process decreased by 419 million yen, raw materials and supplies decreased by 177 million yen whereas other under current assets increased by 701 million yen. The balance of retained earnings at the beginning of the term under review increased by 274 million yen.

Following the application of the Accounting Standards for Revenue Recognition, notes and accounts receivable-trade which was presented under current assets in the consolidated balance sheet of the previous consolidated fiscal year are presented in notes, accounts receivable-trade and contract assets from the first quarter of the current consolidated fiscal year.

In accordance with the transitional treatments as provided for in Article 89-2 of the Accounting Standard for Revenue Recognition, the financial statements of the previous consolidated fiscal year are not reclassified to conform with the new presentation method. Furthermore, in accordance with the transitional treatments as provided for in Article 28-15 of the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12, March 31, 2020), information on disaggregation of revenue generated from contracts with customers during the first quarter of the previous consolidated fiscal year is not presented.

(Application of the Accounting Standard for Fair Value Measurement, etc.)

The Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019; hereinafter, “Accounting Standard for Fair Value Measurement”) has been applied since the beginning of the first quarter under review. In accordance with the transitional treatments as provided for in Article 19 of Accounting Standard for Fair Value Measurement and Article 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019), we will continue to apply the new accounting policies as provided for in Accounting Standard for Fair Value Measurement, etc. in the future. This application has no impact on the quarterly consolidated financial statements.

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 2021

Segment and Other Information

I. 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 changes in the amount of goodwill)

In the specialty chemicals segment, we acquired the manufacturing and sales business of acrylic resin for hair care products from Mitsubishi Chemical Corporation in the first quarter under review. The increase in goodwill relating to the relevant transaction was 100 million yen.

II. First three months of FY11/22 (Dec. 1, 2021 – Feb. 28, 2022)

1. Information on the amounts of sales, profits or losses by reportable segment and information on disaggregation of revenue

(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						
Japan	1,897,772	3,363,785	1,171,463	6,433,022	—	6,433,022
Asia and Australia	687,586	496,944	196,649	1,381,180	—	1,381,180
Americas	157,063	10,270	35,449	202,783	—	202,783
Europe	96,589	—	12,187	108,777	—	108,777
Revenue from Contracts with Customers	2,839,012	3,871,000	1,415,751	8,125,764	—	8,125,764
Other revenues	—	—	—	—	—	—
Sales to external customers	2,839,012	3,871,000	1,415,751	8,125,764	—	8,125,764
Intra-segment sales or reallocations	—	—	116,218	116,218	(116,218)	—
Total	2,839,012	3,871,000	1,531,969	8,241,982	(116,218)	8,125,764
Segment profit	259,248	1,081,085	324,475	1,664,809	1,005	1,665,814

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.

3. Information related to changes in reportable segments

As stated in Changes in Accounting Policies, the Accounting Standards for Revenue Recognition, etc. have been applied since the beginning of the first quarter under review, changing the accounting treatment method concerning revenue recognition. Therefore, the calculation method of profit or loss in the business segments has been changed accordingly.

As a result of these changes, net sales for the first quarter under review decreased 260,274,000 yen in the chemical products business, 355,381,000 yen in the electronics materials business and 906,774,000 yen in the specialty chemicals business. Segment profit decreased by 98,015,000 yen in the electronics materials business.