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**Consolidated Financial Results for the First Quarter of the  
Fiscal Year Ending November 30, 2023 (FY11/23)  
(Three Months Ended February 28, 2023)**

**[Japanese GAAP]**

April 7, 2023

Company name: OSAKA ORGANIC CHEMICAL INDUSTRY LTD.  
Listing: Tokyo Stock Exchange, Prime Market  
Securities code: 4187 URL: <https://www.ooc.co.jp/>  
Representative: Masayuki Ando, Representative Director and CEO  
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Scheduled date of filing of Quarterly Report: April 7, 2023

Scheduled date of dividend payment: -

Preparation of supplementary materials for quarterly financial results: Yes

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 FY11/23 (December 1, 2022 to February 28, 2023)**

**(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, 2023	6,870	(15.4)	1,005	(39.6)	1,040	(40.0)	726	(40.0)
Three months ended Feb. 28, 2022	8,125	-	1,665	8.7	1,733	3.7	1,211	3.8

Note: Comprehensive income (millions of yen) Three months ended Feb. 28, 2023: 935 (down 21.3%)  
Three months ended Feb. 28, 2022: 1,188 (down 5.9%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Three months ended Feb. 28, 2023	33.71		-	
Three months ended Feb. 28, 2022	54.97		-	

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, 2023	52,168		41,729		78.9	
As of Nov. 30, 2022	52,836		41,394		77.3	

Reference: Shareholders' equity (millions of yen) As of Feb. 28, 2023: 41,153 As of Nov. 30, 2022: 40,826

**2. Dividends**

	Dividend per share				
	IQ-end	2Q-end	3Q-end	Year-end	Total
	Yen				
Fiscal year ended Nov. 30, 2022	-	27.00	-	27.00	54.00
Fiscal year ending Nov. 30, 2023	-	-	-	-	-
Fiscal year ending Nov. 30, 2023 (Forecast)	-	28.00	-	28.00	56.00

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

**3. Consolidated Forecast for FY11/23 (December 1, 2022 to November 30, 2023)**

(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	13,900	(13.9)	2,000	(39.8)	2,100	(40.5)	1,400	(42.8)	64.93	
Full year	29,000	(10.0)	3,800	(36.0)	4,000	(37.2)	2,800	(40.8)	129.85	

Note: Revisions to the most recently announced consolidated forecast: Yes

**\* 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, 2023:	22,410,038 shares	As of Nov. 30, 2022:	22,410,038 shares
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2) Number of treasury shares at the end of the period

As of Feb. 28, 2023:	847,478 shares	As of Nov. 30, 2022:	847,478 shares
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3) Average number of shares during the period

Three months ended Feb. 28, 2023:	21,562,560 shares	Three months ended Feb. 28, 2022:	22,045,471 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 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.

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## 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, 2023, despite the effect of high resource prices, the Japanese economy improved through increasing compatibility between the control of COVID-19 and economic activities. However, due to the continuation of high energy and grain prices on the back of the protracted Russian invasion of Ukraine and the increase in downside risk in the economy as a result of global monetary tightening, the outlook for the Japanese economy continues to be uncertain.

The Osaka Organic Chemical Industry Group is promoting its Second Five-year Medium-term Business Plan, which started 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 and eco-friendly products originated from biomass as the markets for these products grow 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. However, our business has been hit significantly by the sluggish demand particularly for electronics materials used for the manufacture of displays and semiconductors.

As a result, net sales for the period under review were 6,870 million yen (down 15.4% year on year), operating profit was 1,005 million yen (down 39.6% year on year), ordinary profit was 1,040 million yen (down 40.0% year on year), and profit attributable to owners of parent was 726 million yen (down 40.0% year on year).

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

#### 1) Chemical products

Regarding acrylic acid ester, while sales of esters used in automotive coatings remained firm, sales of esters used in display adhesives and chemical products used in UV inkjet printers were sluggish. Sales of methacrylic acid esters decreased significantly. As a result, net sales were 2,117 million yen (down 25.4% year on year), and segment profit was 134 million yen (down 47.9% year on year).

#### 2) Electronics materials

Regarding semiconductor materials, sales of raw materials used to manufacture ArF photoresist, the primary product of this segment, were flat as demand in the end market softened. As for display materials, sales remained weak due to sluggish demand for displays. As a result, net sales were 3,238 million yen (down 16.3% year on year), and segment profit was 581 million yen (down 46.3% year on year).

#### 3) Specialty chemicals

Raw materials for cosmetics recorded strong sales abroad. As for functional materials, sales of products made for other companies remained weak. Sales of high-purity specialty solvents produced by a subsidiary remained solid. As a result, net sales stood at 1,514 million yen (up 7.0% year on year), and segment profit was 301 million yen (down 7.1% year on year).

**(2) Explanation of Financial Position**

Total assets as of the end of the three-month period under review stood at 52,168 million yen, a decrease of 668 million yen from the end of the previous consolidated fiscal year. This was mainly attributable to a decrease of 1,307 million yen in cash and deposits, a decrease of 1,061 million yen in notes, accounts receivable-trade and contract assets, an increase of 488 million yen in finished goods, an increase of 207 million yen in work in process, an increase of 266 million yen in raw materials and supplies, an increase of 489 million yen in construction in progress, and an increase of 336 million yen in investment securities.

Total liabilities as of the end of the three-month period under review stood at 10,438 million yen, a decrease of 1,003 million yen from the end of the previous consolidated fiscal year. This was mainly attributable to a decrease of 348 million yen in notes and accounts payable-trade, an increase of 450 million yen in accounts payable-other, a decrease of 654 million yen in income taxes payable, and a decrease of 443 million yen in long-term borrowings.

Net assets as of the end of the three-month period under review stood at 41,729 million yen, an increase of 335 million yen from the end of the previous consolidated fiscal year. This was mainly attributable to increases of 144 million yen in retained earnings and 171 million yen in valuation difference on available-for-sale securities.

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

The Company has revised the consolidated earnings forecast announced on January 12, 2023. For the details of the revision, please refer to the “Notice of Revision of Earnings Forecasts” released today (April 7, 2023).

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

(Thousands of yen)

	FY11/22 (As of Nov. 30, 2022)	First quarter of FY11/23 (As of Feb. 28, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	8,094,541	6,787,258
Notes, accounts receivable-trade and contract assets	9,824,100	8,762,778
Electronically recorded monetary claims-operating	357,804	460,537
Finished goods	4,625,496	5,114,351
Work in process	1,985,897	2,193,001
Raw materials and supplies	2,437,106	2,703,128
Other	772,651	725,178
Allowance for doubtful accounts	(15,329)	(14,431)
Total current assets	28,082,267	26,731,802
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,169,635	7,187,830
Machinery, equipment and vehicles, net	3,873,567	3,733,389
Land	2,173,661	2,173,661
Construction in progress	4,785,912	5,275,089
Other, net	468,053	446,167
Total property, plant and equipment	18,470,830	18,816,138
Intangible assets		
Goodwill	63,333	58,333
Other	53,358	47,797
Total intangible assets	116,692	106,130
Investments and other assets		
Investment securities	5,619,707	5,956,321
Retirement benefit asset	353,157	359,700
Deferred tax assets	420	14,321
Other	193,660	183,974
Total investments and other assets	6,166,945	6,514,318
Total non-current assets	24,754,468	25,436,587
Total assets	52,836,735	52,168,390

	(Thousands of yen)	
	FY11/22 (As of Nov. 30, 2022)	First quarter of FY11/23 (As of Feb. 28, 2023)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	4,522,059	4,173,350
Current portion of bonds payable	25,000	25,000
Current portion of long-term borrowings	1,795,832	1,790,872
Accounts payable-other	1,066,907	1,517,534
Income taxes payable	1,036,437	381,494
Provision for bonuses	—	250,771
Provision for bonuses for directors (and other officers)	34,715	5,666
Other	688,717	454,480
<b>Total current liabilities</b>	<b>9,169,669</b>	<b>8,599,168</b>
<b>Non-current liabilities</b>		
Bonds payable	25,000	25,000
Long-term borrowings	1,736,327	1,292,329
Provision for share awards for directors (and other officers)	10,591	10,951
Deferred tax liabilities	410,366	422,139
Other	90,405	89,038
<b>Total non-current liabilities</b>	<b>2,272,690</b>	<b>1,839,458</b>
<b>Total liabilities</b>	<b>11,442,359</b>	<b>10,438,627</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	3,600,295	3,600,295
Capital surplus	3,513,544	3,513,544
Retained earnings	33,861,607	34,006,259
Treasury shares	(2,123,303)	(2,123,303)
<b>Total shareholders' equity</b>	<b>38,852,143</b>	<b>38,996,795</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,913,210	2,084,673
Foreign currency translation adjustment	78,564	84,310
Remeasurements of defined benefit plans	(17,619)	(11,945)
<b>Total accumulated other comprehensive income</b>	<b>1,974,155</b>	<b>2,157,038</b>
<b>Non-controlling interests</b>	<b>568,076</b>	<b>575,928</b>
<b>Total net assets</b>	<b>41,394,375</b>	<b>41,729,763</b>
<b>Total liabilities and net assets</b>	<b>52,836,735</b>	<b>52,168,390</b>

**(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 FY11/22 (Dec. 1, 2021 – Feb. 28, 2022)	First three months of FY11/23 (Dec. 1, 2022 – Feb. 28, 2023)
Net sales	8,125,764	6,870,471
Cost of sales	5,381,754	4,802,990
Gross profit	2,744,009	2,067,481
Selling, general and administrative expenses	1,078,194	1,061,997
Operating profit	1,665,814	1,005,483
Non-operating income		
Interest income	285	485
Dividend income	40,122	44,247
Foreign exchange gains	9,033	—
Insurance premiums refunded cancellation	23,049	—
Other	6,103	6,559
Total non-operating income	78,594	51,292
Non-operating expenses		
Interest expenses	1,859	1,478
Commission for purchase of treasury stock	6,753	—
Foreign exchange losses	—	13,070
Other	1,853	1,966
Total non-operating expenses	10,466	16,516
Ordinary profit	1,733,942	1,040,259
Extraordinary losses		
Loss on retirement of non-current assets	831	676
Total extraordinary losses	831	676
Profit before income taxes	1,733,111	1,039,582
Income taxes-current	636,003	368,518
Income taxes-deferred	(135,825)	(80,366)
Total income taxes	500,178	288,152
Profit	1,232,932	751,429
Profit attributable to non-controlling interests	21,176	24,588
Profit attributable to owners of parent	1,211,756	726,841



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

	(Thousands of yen)	
	First three months of FY11/22 (Dec. 1, 2021 – Feb. 28, 2022)	First three months of FY11/23 (Dec. 1, 2022 – Feb. 28, 2023)
Profit	1,232,932	751,429
Other comprehensive income		
Valuation difference on available-for-sale securities	(65,084)	172,887
Foreign currency translation adjustment	12,497	5,746
Remeasurements of defined benefit plans, net of tax	8,383	5,800
Total other comprehensive income	(44,204)	184,434
Comprehensive income	1,188,728	935,864
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,166,055	909,724
Comprehensive income attributable to non-controlling interests	22,672	26,139

**(3) Notes to Quarterly Consolidated Financial Statements****Going Concern Assumption**

Not applicable.

**Significant Changes in Shareholders' Equity**

Not applicable.

**Changes in Accounting Policies**

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

The Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2021; hereinafter the "Implementation Guidance on Accounting Standard for Fair Value Measurement") has been applied since the beginning of first quarter of the current fiscal year, and the new accounting policy prescribed by the Implementation Guidance on Accounting Standard for Fair Value Measurement will be applied prospectively in accordance with the transitional provisions prescribed in paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement. The application has no impact on the quarterly consolidated financial statements.

**Segment and Other Information**

(Segment Information)

I. 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

	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.

## II. First three months of FY11/23 (Dec. 1, 2022 – Feb. 28, 2023)

## 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	1,472,373	2,857,157	1,249,580	5,579,112	—	5,579,112
Asia and Australia	466,415	346,338	224,921	1,037,674	—	1,037,674
Americas	95,844	34,572	40,226	170,642	—	170,642
Europe	82,981	60	—	83,041	—	83,041
Revenue from Contracts with Customers	2,117,615	3,238,128	1,514,727	6,870,471	—	6,870,471
Other revenues	—	—	—	—	—	—
Sales to external customers	2,117,615	3,238,128	1,514,727	6,870,471	—	6,870,471
Intra-segment sales or reallocations	—	—	126,419	126,419	(126,419)	—
Total	2,117,615	3,238,128	1,641,147	6,996,891	(126,419)	6,870,471
Segment profit	134,944	581,060	301,447	1,017,453	(11,969)	1,005,483

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.

**Significant Subsequent Events**

## (Acquisition of Own Shares)

The Company resolved on matters concerning the purchase of own shares at the meeting of its board of directors held on April 7, 2023, pursuant to Article 156 of the Companies Act as applied with the rewording pursuant to Article 165, paragraph (3) of the Companies Act.

## 1. Reason for the purchase of own shares

To enhance corporate value by improving capital efficiency.

## 2. Details of the purchase

(1) Class of shares to be purchased Common shares

(2) Total number of shares to be purchased 300,000 shares (upper limit)  
(Percentage to the total number of issued shares: 1.34%)

(3) Total purchase price 600 million yen (upper limit)

(4) Purchase period From April 10, 2023 to June 30, 2023

(5) Method of purchase Purchase through market transactions on the Tokyo Stock Exchange

Note: Part or all of the purchase may not be carried out depending on market trends and other factors.