

(English Translation)

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**Consolidated Financial Results for the Third Quarter of the
Fiscal Year Ending November 30, 2024 (FY11/24)
(Nine Months Ended August 31, 2024)**

[Japanese GAAP]
October 11, 2024

Company name: OSAKA ORGANIC CHEMICAL INDUSTRY LTD.
Listing Tokyo Stock Exchange, Prime Market
Securities code 4187 URL <https://www.ooc.co.jp/>
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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 Third Quarter of the FY11/24 (December 1, 2023 to August 31, 2024)

(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	%
Nine months ended Aug. 31, 2024	23,784	9.3	2,997	(1.9)	3,067	(7.0)	2,813	4.9
Nine months ended Aug. 31, 2023	21,754	(10.5)	3,056	(32.5)	3,298	(33.0)	2,682	(21.5)

NOTE: Comprehensive income (millions of yen) Nine months ended Aug. 31, 2024 2,916 (down 13.9)
Nine months ended Aug. 31, 2023 3,387 (up 0.1)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended Aug. 31, 2024	133.00	-
Nine months ended Aug. 31, 2023	125.22	-

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of Aug. 31, 2024	57,847	44,837	76.4
As of Nov. 30, 2023	54,636	43,629	78.7

Reference: Owner's equity (millions of yen) As of Aug. 31, 2024 44,170 As of Nov. 30, 2023 42,984

2.Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ending Nov. 30, 2023	-	28.00	-	28.00	56.00
Fiscal year ending Nov. 30, 2024	-	32.00	-	-	-
Fiscal year ending Nov. 30, 2024(Forecast)	-	-	-	32.00	64.00

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

3. Consolidated Forecasts for the FY11/24 (December 1, 2023 to November 30, 2024)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	32,000	10.7	4,200	17.4	4,400	13.5	3,700	13.1	175.00

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

✖ Notes

(1) Changes of important 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 Aug. 31, 2024:	22,410,038Shares	As of Nov. 30, 2023:	22,410,038Shares
② Number of treasury shares at the end of the period	As of Aug. 31, 2024:	1,283,283Shares	As of Nov. 30, 2023:	1,142,585Shares
③ Average number of shares during the period	Nine months ended Aug. 31, 2024:	21,154,320Shares	Nine months ended Aug. 31, 2023:	21,422,861Shares

※ Review of the accompanying quarterly consolidated financial statements : None
by a certified public accountant or an auditing firm

※ 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 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

During the first three quarters of the fiscal year under review, the Japanese economy continued to recover moderately due to the improvement in the employment and income situation and the effects of various policies. On the other hand, high interest rates in Europe and the United States and the stagnation of the real estate market in China pose a risk that the downturn in overseas economies could exert downward pressure on the Japanese economy. In addition, the outlook remains uncertain due to price increases, conditions surrounding the Middle East region, changes in the financial and capital markets, and other factors.

Under these circumstances, we launched a new medium-term management planning Progress & Development 2030 (P&D 2030) for the period from the fiscal year ended November 2024 to the fiscal year ended November 2030. Based on our Group management philosophy, P&D 2030 has set a management vision of "providing value to the global market as a leading company in specialty acrylic acid esters." Under this vision, we will promote sustainable management that takes ESG into account, aiming to increase corporate value and achieve sustainable growth.

In the Chemicals Business, we worked to improve profitability by integrating and closing products, and focused on expanding sales of environmentally friendly products, such as those derived from biomass. In the electronic materials business, the Group worked to accelerate the development of cutting-edge semiconductor materials and to develop new applications for photoresist materials. In the functional chemicals business, the Group worked to strengthen overseas expansion of cosmetic raw materials and expand sales of high-purity special solvents. In July 2024, we established a subsidiary in South Korea. Going forward, we will work to strengthen our overseas sales system by acquiring new customers and cultivating new markets.

As a result, for the first three quarters under review, the Group recorded net sales of 23,784 million yen (up 9.3% year on year), operating profit of 2,997 million yen (down 1.9% year on year), ordinary profit of 3,067 million yen (down 7.0% year on year), and profit attributable to owners of parent of 2,813 million yen (up 4.9% year on year).

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

① Chemical products

In the Chemicals Business, sales of acrylic acid ester group for automotive coatings decreased, but sales for display adhesives and UV inkjet inks increased significantly. In the methacrylate group, sales were strong. As a result, net sales were 9,367 million yen (up 28.5% year on year) and segment profit was 1,473 million yen (up 129.6% year on year).

② Electronics materials

In the electronic materials business, sales of raw materials for cutting-edge EUV resists increased significantly. However, sales of raw materials for ArF resists, which are the Company's mainstay, declined despite signs of recovery from sluggish demand due to prolonged inventory adjustments. As a result, Group-wide sales were flat. In the Display Materials Group, despite an increase in sales for insulating films for touch panels, sales for the Group as a whole decreased slightly. In addition, sales of other group new Display materials increased significantly. As a result, net sales were 10,334 million yen (up 3.5% year on year) and segment profit was 1,080 million yen (down 33.9% 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 and other products at subsidiaries remained flat. As a result, net sales were 4,082 million yen (down 8.9% year on year) and segment profit was 455 million yen (down 41.4% year on year).

(2) Explanation of Financial Position

Total assets at the end of the third quarter of the current fiscal year increased by 3,210 million yen from the end of the previous fiscal year to 57,847 million yen. This was mainly attributable to an increase of 3,909 million yen in cash and deposits, an increase of 2,215 million yen in notes and accounts receivable-trade and contract assets due to the last

day of the third quarter under review being a holiday for financial institutions, a decrease of 860 million yen in other current assets due to refunds of consumption tax receivable, and a decrease of 1,652 million yen in property, plant and equipment.

Liabilities at the end of the third quarter of the current fiscal year increased by 2,002 million yen from the end of the previous fiscal year to 13,010 million yen. This was mainly due to an increase of 1,846 million yen in notes and accounts payable-trade, mainly due to the last day of the third quarter of the current fiscal year being a holiday for financial institutions, an increase of 532 million yen in current portion of long-term borrowings, an increase of 403 million yen in income taxes payable, an increase of 265 million yen in provision for bonuses, and a decrease of 1,686 million yen in long-term borrowings.

Net assets at the end of the third quarter of the current fiscal year increased by 1,208 million yen from the end of the previous fiscal year to 44,837 million yen. This was mainly due to an increase of 1,542 million yen in retained earnings, an increase of 419 million yen in treasury shares, and an increase of 67 million yen in valuation difference on available-for-sale securities.

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

The consolidated forecasts announced on June 26, 2024, remain unchanged.

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

(Thousands of yen)

	FY11/23 (As of Nov. 30, 2023)	Third quarter of FY11/24 (As of Aug.31, 2024)
Assets		
Current assets		
Cash and deposits	7,890,809	11,800,674
Notes, accounts receivable-trade and contract assets	8,634,668	10,850,532
Electronically recorded monetary claims-operating	335,183	285,342
Finished goods	4,558,239	4,227,569
Work in process	1,979,792	2,100,945
Raw materials and supplies	2,175,488	2,102,404
Other	1,540,540	679,998
Allowance for doubtful accounts	(12,736)	(16,894)
Total current assets	27,101,985	32,030,572
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,720,743	8,436,019
Machinery, equipment and vehicles, net	8,673,751	7,807,015
Land	2,172,476	2,172,476
Construction in progress	520,490	83,461
Other, net	356,003	292,011
Total property, plant and equipment	20,443,464	18,790,984
Intangible assets		
Goodwill	43,333	28,333
Other	59,379	40,034
Total intangible assets	102,713	68,367
Investments and other assets		
Investment securities	6,500,840	6,455,772
Retirement benefit asset	357,945	381,857
Deferred tax assets	209	9,225
Other	129,806	110,956
Total investments and other assets	6,988,802	6,957,810
Total non-current assets	27,534,980	25,817,162
Total assets	54,636,965	57,847,734

(Thousands of yen)

	FY11/23 (As of Nov. 30, 2023)	Third quarter of FY11/24 (As of Aug.31, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	3,802,732	5,649,197
Current portion of bonds payable	25,000	12,500
Current portion of long-term borrowings	1,728,157	2,261,093
Accounts payable-other	814,077	1,114,368
Income taxes payable	234,679	638,357
Provision for bonuses	-	265,359
Provision for bonuses for directors (and other officers)	15,590	30,930
Other	477,814	949,542
Total current liabilities	7,098,050	10,921,348
Non-current liabilities		
Long-term borrowings	3,169,849	1,482,881
Deferred tax liabilities	628,650	477,671
Provision for share awards for directors (and other officers)	21,107	39,600
Other	90,085	88,519
Total non-current liabilities	3,909,693	2,088,671
Total liabilities	11,007,743	13,010,020
Net assets		
Shareholders' equity		
Share capital	3,600,295	3,600,295
Capital surplus	3,511,017	3,513,436
Retained earnings	35,954,913	37,496,960
Treasury shares	(2,709,700)	(3,129,471)
Total shareholders' equity	40,356,525	41,481,220
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,514,638	2,582,136
Foreign currency translation adjustment	125,461	112,956
Remeasurements of defined benefit plans	(12,589)	(6,071)
Total accumulated other comprehensive income	2,627,510	2,689,020
Non-controlling interests	645,186	667,473
Total net assets	43,629,221	44,837,714
Total liabilities and net assets	54,636,965	57,847,734

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

(Thousands of yen)

	First nine months of FY11/23 (Dec. 1, 2022-Aug. 31, 2023)	First nine months of FY11/24 (Dec. 1, 2023- Aug. 31, 2024)
Net sales	21,754,906	23,784,596
Cost of sales	15,522,212	17,054,506
Gross profit	6,232,693	6,730,089
Selling, general and administrative expenses	3,176,215	3,732,526
Operating profit	3,056,478	2,997,563
Non-operating income		
Interest income	1,290	3,066
Dividend income	130,716	108,437
Foreign exchange gains	19,307	-
Insurance income	72,590	-
Other	28,645	26,988
Total non-operating income	252,549	138,492
Non-operating expenses		
Interest expenses	4,826	6,896
Foreign exchange losses	-	36,437
Commission for purchase of treasury stock	3,241	602
Loss on investments in partnership	2,521	2,191
Donations	-	22,000
Other	28	43
Total non-operating expenses	10,617	68,170
Ordinary profit	3,298,410	3,067,884
Extraordinary income		
Gain on sales of non-current assets	873	-
Gain on sales of investment securities	500,376	815,207
Total extraordinary income	501,249	815,207
Extraordinary losses		
Loss on retirement of non-current assets	2,006	1,080
Total extraordinary losses	2,006	1,080
Profit before income taxes	3,797,654	3,882,011
Income taxes-current	1,172,273	1,221,534
Income taxes-deferred	(129,592)	(193,540)
Total income taxes	1,042,681	1,027,994
Profit	2,754,972	2,854,016
Profit attributable to non-controlling interests	72,395	40,425
Profit attributable to owners of parent	2,682,577	2,813,591

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

(Thousands of yen)

	First nine months of FY11/23 (Dec. 1, 2022-Aug. 31, 2023)	First nine months of FY11/24 (Dec. 1, 2023- Aug. 31, 2024)
Profit	2,754,972	2,854,016
Other comprehensive income		
Valuation difference on available-for-sale securities	591,820	68,692
Foreign currency translation adjustment	22,940	(12,505)
Remeasurements of defined benefit plans, net of tax	17,401	6,672
Total other comprehensive income	632,163	62,859
Comprehensive income	3,387,135	2,916,876
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,308,517	2,875,102
Comprehensive income attributable to non-controlling interests	78,618	41,774

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

Not applicable.

Notes to Quarterly Consolidated Statements of Cash Flows

The quarterly consolidated statements of cash flows for the third quarter of the current fiscal year have not been prepared.

Depreciation and amortization related to the third quarter cumulative period (including amortization related to intangible assets excluding goodwill) and amortization of goodwill are as follows.

	(Thousands of yen)	
	First nine months of FY11/23 (Dec. 1, 2022-Aug. 31, 2023)	First nine months of FY11/24 (Dec. 1, 2023- Aug. 31, 2024)
Depreciation	1,587,582	2,424,963
Amortization of goodwill	14,999	14,999

Significant Changes in Shareholders' Equity

In accordance with the resolution of the Board of Directors' meeting held on January 26, 2024, the Company repurchased its own shares. As a result of this acquisition and other factors, treasury stock increased by 419,770 thousand yen in the third quarter of the current fiscal year to 3,129,471 thousand yen at the end of the third quarter of the current fiscal year.

Segment and Other Information**【Segment information】****I. First nine months of FY11/23 (Dec. 1, 2022 – Aug. 31, 2023)**

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	4,790,869	8,658,827	3,710,644	17,160,341	-	17,160,341
Asia and Australia	1,704,144	1,278,274	703,071	3,685,490	-	3,685,490
Americas	430,334	50,533	66,108	546,976	-	546,976
Europe	361,982	60	55	362,097	-	362,097
Revenue from Contracts with Customers	7,287,330	9,987,694	4,479,881	21,754,906	-	21,754,906
Other revenues	-	-	-	-	-	-
Sales to external customers	7,287,330	9,987,694	4,479,881	21,754,906	-	21,754,906
Inter-segment sales and transfers	-	-	309,910	309,910	(309,910)	-
Total	7,287,330	9,987,694	4,789,791	22,064,816	(309,910)	21,754,906
Segment profit	641,715	1,633,188	777,271	3,052,174	4,303	3,056,478

(NOTE)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 nine months of FY11/24 (Dec. 1, 2023 – Aug. 31, 2024)

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	4,588,795	8,815,350	3,159,929	16,564,075	-	16,564,075
Asia and Australia	3,017,911	1,435,167	812,332	5,265,411	-	5,265,411
Americas	1,128,897	76,136	88,990	1,294,024	-	1,294,024
Europe	632,207	7,693	21,184	661,085	-	661,085
Revenue from Contracts with Customers	9,367,811	10,334,348	4,082,436	23,784,596	-	23,784,596
Other revenues	-	-	-	-	-	-
Sales to external customers	9,367,811	10,334,348	4,082,436	23,784,596	-	23,784,596
Inter-segment sales and transfers	-	-	308,277	308,277	(308,277)	-
Total	9,367,811	10,334,348	4,390,713	24,092,873	(308,277)	23,784,596
Segment profit	1,473,482	1,080,166	455,237	3,008,887	(11,323)	2,997,563

(NOTE)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

Not applicable.