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Consolidated Financial Results for the Year Ended November 30, 2024 [Japanese GAAP]

January 9, 2025

Company name: OSAKA ORGANIC CHEMICAL INDUSTRY LTD.

Listing: Tokyo

Securities code: 4187

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Scheduled date of annual general meeting of shareholders: February 27, 2025

Scheduled date to commence dividend payments: February 28, 2025

Scheduled date to file annual securities report: February 28, 2025

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes (for institutional investors and analysts, and individual investors)

Representative Director and CEO

Director, Corporate Officer, General Manager of Administration
Division

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Fiscal Year Ended November 30, 2024 (December 1, 2023 to November 30, 2024)

(1) Consolidated Operating Results

(Percentages indicate 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	%
Fiscal year ended November 30, 2024	32,698	13.1	4,608	28.8	4,753	22.6	4,044	23.7
November 30, 2023	28,907	(10.3)	3,577	(39.7)	3,877	(39.1)	3,270	(30.8)

(Note) Comprehensive income: Fiscal year ended November 30, 2024: ¥ 4,219 million [5.0%]
Fiscal year ended November 30, 2023: ¥ 4,019 million [(17.0)%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended November 30, 2024	191.25	-	9.1	8.3	14.1
November 30, 2023	152.94	-	7.8	7.2	12.4

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended November 30, 2024: ¥ - million
Fiscal year ended November 30, 2023: ¥ - million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of November 30, 2024	59,964	46,139	75.8	2,150.61
November 30, 2023	54,636	43,629	78.7	2,021.12

(Reference) Equity: As of November 30, 2024: ¥ 45,435 million
As of November 30, 2023: ¥ 42,984 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended November 30, 2024	8,600	(298)	(3,127)	13,047
November 30, 2023	4,370	(4,127)	(476)	7,890

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
November 30, 2023	-	28.00	-	28.00	56.00	1,190	36.6	2.9
November 30, 2024	-	32.00	-	34.00	66.00	1,394	34.5	3.2
Fiscal year ending November 30, 2025 (Forecast)	-	34.00	-	34.00	68.00		41.1	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending November 30, 2025 (December 1, 2024 to November 30, 2025) (Percentages indicate 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
Six months ending May 31, 2025	16,800	9.5	2,500	34.4	2,600	30.7	1,700	(15.8)	81.00
Full year	34,000	4.0	5,000	8.5	5,200	9.4	3,500	(13.5)	165.50

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - (Company name:)

Excluded: - (Company name:)

(2) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(3) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

November 30, 2024: 22,410,038 shares

November 30, 2023: 22,410,038 shares

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

November 30, 2024: 1,283,303 shares

November 30, 2023: 1,142,585 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended November 30, 2024: 21,147,955 shares

Fiscal Year ended November 30, 2023: 21,387,005 shares

*Financial statements are not subject to audits by certified public accountants or auditing firms.

*Cautionary statement with respect to forecasts of financial results and other special items

The forward-looking statements in this document, including forecasts of financial results, are based on information currently available to the Company and are subject to a number of uncertainties. Accordingly, actual results may differ from the forecasts due to changes in business conditions and other factors. Please refer to “1. Overview of Results of Operations, (4) Outlook” on page 3 of the attached materials for matters related to forecasts of financial results.

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1. Overview of Results of Operations

(1) Results of Operations

During the fiscal year under review, in the Japanese economy, business conditions maintained a moderate recovery trend 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 30, 2024 to the fiscal year ending November 30, 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 Electronics 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 the 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 fiscal year under review, net sales were 32,698 million yen (up 13.1% year on year), operating profit was 4,608 million yen (up 28.8% year on year), ordinary profit was 4,753 million yen (up 22.6% year on year), and profit attributable to owners of parent was 4,044 million yen (up 23.7% year on year).

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

① Chemical products

In the Chemicals Business, sales of the acrylic acid ester group for automotive coatings decreased, but sales for display adhesives increased significantly, along with increased sales for UV inkjet inks. In the methacrylate group, sales were strong. As a result, net sales were 12,513 million yen (up 21.5% year on year) and segment profit was 1,978 million yen (up 108.7% year on year).

② Electronics materials

In the Electronic Materials Business, sales of raw materials for cutting-edge EUV resists increased significantly. However, while sales of raw materials for ArF resists, which are the Company's mainstay, showed a recovery trend from sluggish demand due to inventory adjustments, Group-wide sales growth fell short of our expectations. In the display materials group, despite an increase in sales for insulating films for touch panels, sales for the group as a whole were flat. In addition, sales of other groups' new display materials, etc. increased. As a result, net sales were 14,374 million yen (up 12.5% year on year) and segment profit was 1,869 million yen (up 12.4% year on year).

③ Specialty chemicals

In the Specialty Chemicals Business, 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 solid. As a result, net sales were 5,810 million yen (down 0.3% year on year) and segment profit was 771 million yen (down 20.8% year on year).

(2) Financial Position

Total assets at the end of the fiscal year under review increased by 5,327 million yen from the end of the previous fiscal year to 59,964 million yen. This was mainly attributable to an increase of 5,156 million yen in cash and deposits, an increase of 2,513 million yen in accounts receivable - trade due to the last day of the fiscal year under review being a holiday for financial institutions, a decrease of 2,028 million yen in property, plant and equipment, and a decrease of 302 million yen in investment securities.

Liabilities at the end of the fiscal year under review increased by 2,816 million yen from the end of the previous fiscal year to 13,824 million yen. This was mainly due to an increase of 2,122 million yen in notes and accounts payable - trade, mainly due to the last day of the fiscal year under review being a holiday for financial institutions and an increase of 660 million yen in income taxes payable.

Net assets at the end of the fiscal year under review increased by 2,510 million yen from the end of the previous fiscal year to 46,139 million yen. This was mainly due to an increase of 2,773 million yen in retained earnings, an increase of 419 million yen in treasury shares, a decrease of 170 million yen in valuation difference on available-for-sale securities, and an increase of 259 million yen in remeasurements of defined benefit plans.

(3) Cash Flows

During the fiscal year under review, cash and cash equivalents (hereinafter referred to as “funds”) increased by 5,156 million yen to 13,047 million yen (up 65.4% year on year), mainly due to 298 million yen invested in investing activities from 8,600 million yen provided by operating activities and a decrease of 3,127 million yen in financing activities.

(Cash flows from operating activities)

Net cash provided by operating activities was 8,600 million yen (net cash provided of 4,370 million yen in the previous fiscal year) due to profit before income taxes of 5,567 million yen, depreciation of 3,283 million yen, and income taxes refund (paid) of 850 million yen.

(Cash flows from investing activities)

Net cash used in investing activities was 298 million yen (net cash used of 4,127 million yen in the previous fiscal year). This was mainly due to purchase of property, plant and equipment of 1,027 million yen associated with the construction of new facilities, etc., and proceeds from sale of investment securities of 1,054 million yen.

(Cash flows from financing activities)

Net cash used in financing activities was 3,127 million yen (net cash used of 476 million yen in the previous fiscal year) due to proceeds from long-term borrowings of 400 million yen for the construction of new facilities, 1,771 million yen of repayments of long-term borrowings, 427 million yen of purchase of treasury shares, and 1,271 million yen of dividends paid.

(4) Outlook

With regard to the future outlook, uncertainty is expected to persist due to factors such as the possibility of an economic slowdown overseas, particularly in China, price hikes due to soaring fuel and raw material prices, heightened geopolitical risks such as the situation in Ukraine and the situation in the Middle East, and the impact of potential policy changes following the U.S. administration transition.

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 30, 2024 to the fiscal year ending November 30, 2030.

Under the new medium-term management plan P&D 2030, we will promote sustainable management with consideration for ESG under the management vision of “providing value to the global market as a leading company in specialty acrylic acid esters” based on our group management philosophy.

As for business domains, our basic strategy is to expand our focus areas by accelerating the development of cutting-edge semiconductor materials, expanding our semiconductor business by rolling out into peripheral materials, expanding our LCD resist design technology to non-display applications, expanding our hydrophilic polymer technology to bio-compatible materials and new electronic materials applications, collaborating with other organizations and manufacturers related to organic piezoelectric materials and flexible elastomer materials, and launching new markets.

In addition, the Group will strive to develop materials for the environmental community through measures such as developing biomass acrylate, going downstream, developing acrylic acid derived from non-fossil raw materials, taking on the challenge of completely non-fossil-based materials, and disclosing environmental data such as LCA.

To strengthen our overseas strategy, we will establish sales companies in China, South Korea, and North America, enhance our channel strategy, including local production, and expand sales channels to ASEAN, India, and other countries, centered on cosmetics materials.

In initiatives related to sustainability, we aim to contribute to a sustainable society by implementing measures aimed at achieving carbon neutrality, reducing waste, and reusing resources to realize a circular economy.

Through the promotion of IT and DX, we will work to improve quality, prevent problems, improve safety, and improve productivity. At the same time, we will improve employee job satisfaction and engagement by optimizing the working environment and working styles, create a framework for diversifying employment, and implement human capital management such as education and human resource development tailored to the environment and strategy.

Furthermore, we will strengthen risk management by ensuring thorough compliance, strengthening the supply chain, and enhancing the viability of BCP.

Taking these factors into account, we plan to achieve the following performance targets: net sales of 34,000 million yen, operating profit of 5,000 million yen, ordinary profit of 5,200 million yen, and profit attributable to owners of the parent of 3,500 million yen.

(5) Basic Policy for Profit Distribution, and Dividends in the Current and Next Fiscal Years

The priorities of the Group are strengthening financial soundness and the foundation for business operations from a long-term perspective and making steady and consistent distributions of earnings to shareholders.

Regarding shareholder returns, we will strive to distribute dividends according to our business performance, while maintaining balance by considering factors such as the enhancement of internal reserves for the Company's business performance and future business plans, with a payout ratio of 40% as a key guideline, and enhance shareholder returns through measures including flexible share buybacks.

For the fiscal year ended November 30, 2024, we paid a dividend of 32 yen per share for the second quarter based on our basic policy. For the year-end dividend, we plan to increase the dividend by 2 yen to 34 yen per share (annual dividend of 66 yen per share), reflecting strong business performance, particularly in the Chemicals Business.

The Company plans to pay a dividend of 68 yen per share for the next fiscal year (for the fiscal year ending November 30, 2025), which is 34 yen for the second quarter and 34 yen for the end of the fiscal year.

2. Basic Approach for the Selection of Accounting Standards

The Group will continue to prepare consolidated financial statements using the generally accepted accounting principles in Japan for the time being to permit comparisons with prior years and with the financial data of other companies.

We will take suitable actions with regard to the application of International Financial Reporting Standards by taking into account associated factors in Japan and other countries.

Consolidated Financial Statements and Notes

Consolidated Balance Sheet

(Thousands of yen)

	As of November 30, 2023	As of November 30, 2024
Assets		
Current assets		
Cash and deposits	7,890,809	13,047,614
Notes receivable - trade	25,878	31,414
Electronically recorded monetary claims - operating	335,183	374,384
Accounts receivable - trade	7,985,781	10,499,381
Contract assets	623,007	721,241
Finished goods	4,558,239	4,799,006
Work in process	1,979,792	2,070,025
Raw materials and supplies	2,175,488	1,989,293
Other	1,540,540	773,069
Allowance for doubtful accounts	(12,736)	(18,415)
Total current assets	27,101,985	34,287,015
Non-current assets		
Property, plant and equipment		
Buildings and structures	19,448,521	19,683,681
Accumulated depreciation	(10,727,778)	(11,356,487)
Buildings and structures, net	8,720,743	8,327,194
Machinery, equipment and vehicles	34,866,382	36,111,190
Accumulated depreciation	(26,192,631)	(28,580,644)
Machinery, equipment and vehicles, net	8,673,751	7,530,545
Land	2,172,476	2,172,476
Construction in progress	520,490	94,679
Other	3,277,607	3,347,568
Accumulated depreciation	(2,921,604)	(3,057,277)
Other, net	356,003	290,291
Total property, plant and equipment	20,443,464	18,415,187
Intangible assets		
Goodwill	43,333	23,333
Other	59,379	50,538
Total intangible assets	102,713	73,871
Investments and other assets		
Investment securities	6,500,840	6,197,896
Shares of subsidiaries and associates	-	96,958
Retirement benefit asset	357,945	758,144
Deferred tax assets	209	1,927
Other	129,806	133,712
Total investments and other assets	6,988,802	7,188,638
Total non-current assets	27,534,980	25,677,697
Total assets	54,636,965	59,964,713

(Thousands of yen)

	As of November 30, 2023	As of November 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,802,732	5,924,864
Current portion of bonds payable	25,000	-
Current portion of long-term borrowings	1,728,157	2,188,610
Accounts payable - other	814,077	1,524,265
Income taxes payable	234,679	895,161
Contract liabilities	14,130	45,651
Provision for bonuses for directors (and other officers)	15,590	42,210
Other	463,683	1,109,114
Total current liabilities	7,098,050	11,729,879
Non-current liabilities		
Long-term borrowings	3,169,849	1,337,923
Deferred tax liabilities	628,650	634,911
Provision for share awards for directors (and other officers)	21,107	35,086
Other	90,085	86,937
Total non-current liabilities	3,909,693	2,094,858
Total liabilities	11,007,743	13,824,737
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	38,727,951
Treasury shares	(2,709,700)	(3,129,535)
Total shareholders' equity	40,356,525	42,712,148
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,514,638	2,344,090
Foreign currency translation adjustment	125,461	132,235
Remeasurements of defined benefit plans	(12,589)	246,812
Total accumulated other comprehensive income	2,627,510	2,723,138
Non-controlling interests	645,186	704,689
Total net assets	43,629,221	46,139,976
Total liabilities and net assets	54,636,965	59,964,713

Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Thousands of yen)

	For the fiscal year ended November 30, 2023	For the fiscal year ended November 30, 2024
Net sales	28,907,186	32,698,809
Cost of sales	20,947,756	23,010,361
Gross profit	7,959,430	9,688,447
Selling, general and administrative expenses	4,382,266	5,079,643
Operating profit	3,577,163	4,608,803
Non-operating income		
Interest income	1,693	5,278
Dividend income	165,779	150,135
Foreign exchange gains	34,225	-
Insurance claim income	72,590	-
Other	39,501	50,187
Total non-operating income	313,791	205,602
Non-operating expenses		
Interest expenses	7,336	9,326
Foreign exchange losses	-	20,669
Donations	-	27,000
Commission for purchase of treasury shares	3,241	602
Loss on investments in investment partnerships	2,521	2,191
Other	46	640
Total non-operating expenses	13,146	60,431
Ordinary profit	3,877,808	4,753,974
Extraordinary income		
Gain on sale of non-current assets	873	-
Gain on sale of investment securities	586,542	815,207
Total extraordinary income	587,415	815,207
Extraordinary losses		
Loss on sale of non-current assets	1,889	-
Loss on retirement of non-current assets	7,726	1,608
Total extraordinary losses	9,615	1,608
Profit before income taxes	4,455,607	5,567,573
Income taxes - current	1,146,055	1,486,506
Income taxes - deferred	(51,393)	(36,793)
Total income taxes	1,094,661	1,449,712
Profit	3,360,946	4,117,860
Profit attributable to non-controlling interests	89,959	73,278
Profit attributable to owners of parent	3,270,986	4,044,582

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended November 30, 2023	For the fiscal year ended November 30, 2024
Profit	3,360,946	4,117,860
Other comprehensive income		
Valuation difference on available-for-sale securities	606,749	(170,966)
Foreign currency translation adjustment	46,897	6,773
Remeasurements of defined benefit plans, net of tax	5,146	265,533
Total other comprehensive income	658,792	101,341
Comprehensive income	4,019,738	4,219,202
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,924,341	4,140,210
Comprehensive income attributable to non-controlling interests	95,397	78,991

Consolidated Statement of Changes in Equity

For the fiscal year ended November 30, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,600,295	3,513,544	33,861,607	(2,123,303)	38,852,143
Changes during period					
Dividends of surplus			(1,177,680)		(1,177,680)
Profit attributable to owners of parent			3,270,986		3,270,986
Purchase of treasury shares				(598,924)	(598,924)
Disposal of treasury shares		(2,527)		12,527	10,000
Net changes in items other than shareholders' equity					
Total changes during period	-	(2,527)	2,093,306	(586,397)	1,504,381
Balance at end of period	3,600,295	3,511,017	35,954,913	(2,709,700)	40,356,525

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,913,210	78,564	(17,619)	1,974,155	568,076	41,394,375
Changes during period						
Dividends of surplus						(1,177,680)
Profit attributable to owners of parent						3,270,986
Purchase of treasury shares						(598,924)
Disposal of treasury shares						10,000
Net changes in items other than shareholders' equity	601,428	46,897	5,029	653,355	77,109	730,464
Total changes during period	601,428	46,897	5,029	653,355	77,109	2,234,846
Balance at end of period	2,514,638	125,461	(12,589)	2,627,510	645,186	43,629,221

For the fiscal year ended November 30, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,600,295	3,511,017	35,954,913	(2,709,700)	40,356,525
Changes during period					
Dividends of surplus			(1,271,544)		(1,271,544)
Profit attributable to owners of parent			4,044,582		4,044,582
Purchase of treasury shares				(427,150)	(427,150)
Disposal of treasury shares		2,419		7,315	9,735
Net changes in items other than shareholders' equity					
Total changes during period	-	2,419	2,773,037	(419,834)	2,355,622
Balance at end of period	3,600,295	3,513,436	38,727,951	(3,129,535)	42,712,148

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,514,638	125,461	(12,589)	2,627,510	645,186	43,629,221
Changes during period						
Dividends of surplus						(1,271,544)
Profit attributable to owners of parent						4,044,582
Purchase of treasury shares						(427,150)
Disposal of treasury shares						9,735
Net changes in items other than shareholders' equity	(170,548)	6,773	259,402	95,627	59,503	155,131
Total changes during period	(170,548)	6,773	259,402	95,627	59,503	2,510,754
Balance at end of period	2,344,090	132,235	246,812	2,723,138	704,689	46,139,976

Consolidated Statement of Cash Flows

(Thousands of yen)

	For the fiscal year ended November 30, 2023	For the fiscal year ended November 30, 2024
Cash flows from operating activities		
Profit before income taxes	4,455,607	5,567,573
Depreciation	2,428,049	3,283,676
Amortization of goodwill	19,999	19,999
Increase (decrease) in allowance for doubtful accounts	(2,593)	5,679
Increase (decrease) in provision for bonuses for directors (and other officers)	(19,125)	26,620
Increase (decrease) in provision for share awards for directors (and other officers)	10,516	13,979
Decrease (increase) in retirement benefit asset	2,616	(18,135)
Interest and dividend income	(167,473)	(155,414)
Insurance claim income	(72,590)	-
Interest expenses	7,336	9,326
Donations	-	27,000
Foreign exchange losses (gains)	(12,605)	23,839
Loss (gain) on sale of non-current assets	1,016	-
Loss on retirement of non-current assets	7,726	1,608
Loss (gain) on investments in investment partnerships	2,521	2,191
Loss (gain) on sale of investment securities	(586,542)	(815,207)
Decrease (increase) in accounts receivable - trade, and contract assets	1,224,702	(2,655,405)
Decrease (increase) in inventories	345,287	(143,924)
Increase (decrease) in trade payables	(738,719)	2,121,643
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(879,728)	1,231,679
Other, net	32,736	785,111
Subtotal	6,058,740	9,331,842
Interest and dividends received	167,474	155,414
Interest paid	(7,597)	(9,044)
Proceeds from insurance income	72,590	-
Payments of donations	-	(27,000)
Income taxes refund (paid)	(1,920,643)	(850,886)
Net cash provided by (used in) operating activities	4,370,564	8,600,325
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	30,000	-
Purchase of property, plant and equipment	(4,708,033)	(1,027,662)
Proceeds from sale of property, plant and equipment	2,253	-
Purchase of intangible assets	(29,029)	(15,000)
Purchase of investment securities	(90,000)	(184,617)
Proceeds from sale of investment securities	667,267	1,054,352
Purchase of shares of subsidiaries and associates	-	(96,958)
Other, net	472	(28,480)
Net cash provided by (used in) investing activities	(4,127,070)	(298,366)

(Thousands of yen)

	For the fiscal year ended November 30, 2023	For the fiscal year ended November 30, 2024
Cash flows from financing activities		
Proceeds from long-term borrowings	3,300,000	400,000
Repayments of long-term borrowings	(1,934,152)	(1,771,473)
Redemption of bonds	(25,000)	(25,000)
Repayments of lease liabilities	(18,884)	(11,765)
Purchase of treasury shares	(602,166)	(427,753)
Dividends paid	(1,177,680)	(1,271,544)
Dividends paid to non-controlling interests	(18,288)	(19,488)
Net cash provided by (used in) financing activities	(476,171)	(3,127,024)
Effect of exchange rate change on cash and cash equivalents	58,945	(18,128)
Net increase (decrease) in cash and cash equivalents	(173,732)	5,156,805
Cash and cash equivalents at beginning of period	8,064,541	7,890,809
Cash and cash equivalents at end of period	7,890,809	13,047,614

(5) Notes to Consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Changes in Presentation Method

(Consolidated Statement of Cash Flows)

“Increase/decrease in consumption taxes payable/consumption taxes refund receivable,” which was included in “Other” under “Cash flows from operating activities” in the previous fiscal year, is presented separately from the fiscal year under review because it increased materiality. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, negative 846,991 thousand yen, which was presented as “Other” under “Cash flows from operating activities” in the consolidated statement of cash flows for the previous fiscal year, has been reclassified as increase/decrease in consumption taxes payable/consumption taxes refund receivable of negative 879,728 thousand yen and “Other, net” of 32,736 thousand yen.

Segment and Other Information

[Segment information]

1. Overview of reportable segment

Segments used for financial reporting are the constituent units of Osaka Organic Chemical Industry and its subsidiaries for which separate financial information is available and for which the Board of Directors performs periodic studies for the purpose of determining the allocation of resources and evaluating performance.

Acrylic acid esters are the main product of the Group. Consequently, there are three reportable segments based on the categories of products and markets where acrylic acid esters are used: chemical products, electronics materials and specialty chemicals.

The main businesses of these three segments are as follows.

Segment	Main businesses
Chemical products	Specialty acrylic acid esters and acrylic acid for coatings, adhesives and inks
Electronics materials	Electronics materials primarily for displays and semiconductors
Specialty chemicals	Raw materials for cosmetics and functional materials, others

2. Calculation method for net sales and profit or loss, assets, and other items for each reportable segment

The accounting methods used for reportable business segments are generally the same as the descriptions in “Significant matters that serve as the basis for preparation of consolidated financial statements.”

Profits for reportable segments are operating profit figures. Inter-segment sales and transfers are based on market prices.

3. Information on the amounts of sales, profits or losses, assets, liabilities, and other items by reportable segment and information on disaggregation of revenue

FY11/23 (December 1, 2022, to November 30, 2023)

(Thousands of yen)

	Reportable segment				Adjustment (Note 1)	Amounts shown on consolidated financial statements (Note 2)
	Chemical products	Electronics materials	Specialty chemicals	Total		
Net sales						
Japan	5,963,459	11,083,253	4,710,929	21,757,642	-	21,757,642
Asia and Australia	2,869,334	1,640,402	1,000,430	5,510,167	-	5,510,167
Americas	894,700	53,559	110,816	1,059,076	-	1,059,076
Europe	574,104	60	6,135	580,300	-	580,300
Revenue from contracts with customers	10,301,599	12,777,275	5,828,311	28,907,186	-	28,907,186
Other revenues	-	-	-	-	-	-
External sales	10,301,599	12,777,275	5,828,311	28,907,186	-	28,907,186
Inter-segment sales and transfers	-	-	404,498	404,498	(404,498)	-
Total	10,301,599	12,777,275	6,232,810	29,311,684	(404,498)	28,907,186
Segment profit	947,965	1,663,999	973,719	3,585,684	(8,520)	3,577,163
Segment assets	6,551,702	20,727,563	4,970,262	32,249,527	22,387,437	54,636,965
Other items						
Depreciation	485,335	1,571,399	371,314	2,428,049	-	2,428,049
Amortization of goodwill	-	-	19,999	19,999	-	19,999
Increase in property, plant and equipment and intangible assets	113,804	3,832,372	459,858	4,406,034	207,405	4,613,440

(Notes) 1. Adjustments are as follows.

- (1) Segment profit in the above adjustment represents eliminations for inter-segment transactions.
 - (2) The adjustment to segment assets includes 114,773 thousand yen in elimination of inter-segment receivables, 22,596,780 thousand yen of corporate assets that cannot be allocated to reportable segments, and inventory adjustments of 94,569 thousand yen. Corporate assets mainly include cash and deposits and investment securities that cannot be attributed to reportable segments.
 - (3) The amount of adjustment to increase in property, plant and equipment and intangible assets in other items represents corporate assets that have not been allocated to reportable segments.
2. Segment profit is adjusted to be consistent with the operating profit on the consolidated statement of income.

FY11/24 (December 1, 2023, to November 30, 2024)

(Thousands of yen)

	Reportable segment				Adjustment (Note 1)	Amounts shown on consolidated financial statements (Note 2)
	Chemical products	Electronics materials	Specialty chemicals	Total		
Net sales						
Japan	6,258,258	12,277,077	4,358,226	22,893,561	-	22,893,561
Asia and Australia	4,002,424	2,008,383	1,293,744	7,304,552	-	7,304,552
Americas	1,472,039	80,753	137,783	1,690,576	-	1,690,576
Europe	780,939	7,993	21,184	810,117	-	810,117
Revenue from contracts with customers	12,513,661	14,374,208	5,810,939	32,698,809	-	32,698,809
Other revenues	-	-	-	-	-	-
External sales	12,513,661	14,374,208	5,810,939	32,698,809	-	32,698,809
Inter-segment sales and transfers	-	-	431,044	431,044	(431,044)	-
Total	12,513,661	14,374,208	6,241,983	33,129,853	(431,044)	32,698,809
Segment profit	1,978,158	1,869,677	771,349	4,619,185	(10,381)	4,608,803
Segment assets	7,544,983	20,027,462	5,671,882	33,244,327	26,720,385	59,964,713
Other items						
Depreciation	448,052	2,405,827	429,797	3,283,676	-	3,283,676
Amortization of goodwill	-	-	19,999	19,999	-	19,999
Increase in property, plant and equipment and intangible assets	102,671	271,014	468,215	841,902	410,017	1,251,919

(Notes) 1. Adjustments are as follows.

- (1) Segment profit in the above adjustment represents eliminations for inter-segment transactions.
 - (2) The adjustment to segment assets includes 195,130 thousand yen in elimination of inter-segment receivables, 27,029,471 thousand yen of corporate assets that cannot be allocated to reportable segments, and inventory adjustments of 113,956 thousand yen. Corporate assets mainly include cash and deposits and investment securities that cannot be attributed to reportable segments.
 - (3) The amount of adjustment to increase in property, plant and equipment and intangible assets in other items represents corporate assets that have not been allocated to reportable segments.
2. Segment profit is adjusted to be consistent with the operating profit on the consolidated statement of income.

Per-share Information

(Yen)

	FY11/23 (December 1, 2022 to November 30, 2023)	FY11/24 (December 1, 2023 to November 30, 2024)
Net assets per share	2,021.12	2,150.61
Basic earnings per share	152.94	191.25

- (Notes) 1. Diluted earnings per share is not presented because there are no latent shares.
2. The basis of calculating basic earnings per share is as follows.

Item	FY11/23 (December 1, 2022 to November 30, 2023)	FY11/24 (December 1, 2023 to November 30, 2024)
Basic earnings per share		
Profit attributable to owners of parent (Thousands of yen)	3,270,986	4,044,582
Amount not attributable to common shareholders (Thousands of yen)	—	—
Profit attributable to owners of parent applicable to common shares (Thousands of yen)	3,270,986	4,044,582
Average number of common shares outstanding during the period (Shares)	21,387,005	21,147,955

Significant Subsequent Events

Not applicable.