

# FY03/2023 Financial Results

For the year ended March 31, 2023

**FUSO CHEMICAL CO., LTD.**

May 17, 2023

Prime market (4368)

Tokyo Stock Exchange, Inc.





I . Financial Summary Results for FY03/2023  
(period April 1, 2022 – March 31, 2023)

II . Segments Results

- Life Science

- Electronic Materials & Functional Chemicals

III . Medium-Term Management Plan

IV . FY03/2024 Outlook  
(period April 1, 2023 – March 31, 2024)



# I. FY03/2023 Financial Summary

(Period April 1, 2022 – March 31, 2023)

# Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (FY03/2023)



(unit : 100 millions of yen)

	FY03/2023	vs FY03/2022			Budget disclosed in May.2022			Budget disclosed in Sept.2022		
		FY03/2022	YoY	YoY ratio	Budget	Change	vs budget	Budget	Change	vs budget
<b>Net sales</b>	<b>684.5</b>	557.6	+126.9	+22.8% ↗	662.0	+22.5	+3.4%	685.0	△0.4	△0.1%
<b>Operating profit</b>	<b>189.3</b>	150.3	+38.9	+25.9% ↗	156.5	+32.8	+21.0%	171.0	+18.3	+10.7%
<b>Ordinary profit</b>	<b>197.4</b>	155.0	+42.3	+27.3% ↗	157.0	+40.4	+25.7%	181.0	+16.4	+9.1%
<b>Profit attributable to owners of parent</b>	<b>141.2</b>	108.9	+32.3	+29.7% ↗	108.0	+33.2	+30.8%	125.5	+15.7	+12.6%
<b>EBITDA</b>	<b>232.6</b>	194.8	+37.8	+19.4% ↗	203.5	+29.1	+14.3%	217.5	+15.1	+7.0%
<b>Earnings per share</b>	<b>¥400.9</b>	¥308.0	¥92.8	+30.1% ↗	¥306.4	¥94.4	+30.8%	¥356.0	¥44.8	+12.6%

**Achieved record sales and profits.**

# Sales & Profit by segment

versus previous year FY03/2022

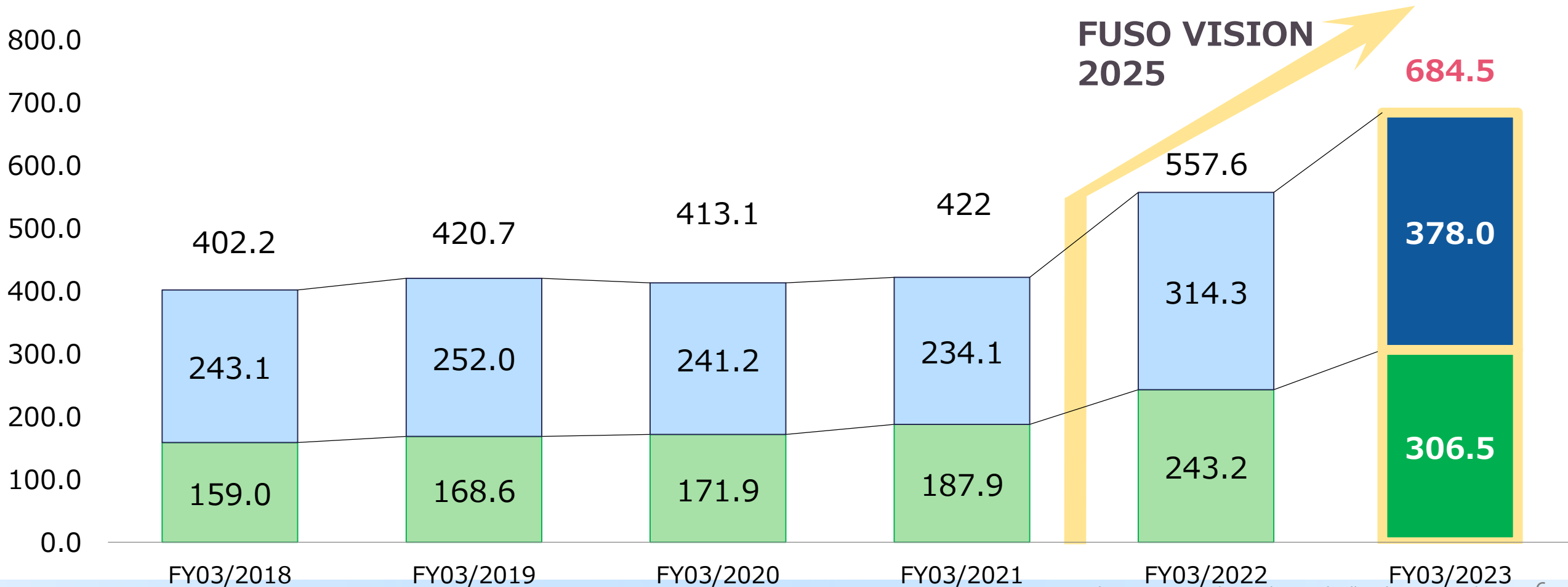


(unit:100 millions of yen)		FY03/2023	vs FY03/2022		
			FY03/2022	change	Ratio
■ Life Science	Net sales	378.0	314.3	+ 63.7	+ 20.3% ↗
	Operating profit	74.0	49.4	+ 24.6	+ 49.9% ↗
■ Electronic Materials & Functional Chemicals	Net sales	306.5	243.2	+ 63.2	+ 26.0% ↗
	Operating profit	133.9	116.1	+ 17.8	+ 15.3% ↗
(Adjustment)		△ 18.6	△ 15.1	△ 3.5	—
Operating pfofit (consolidated)		189.3	150.3	+ 38.9	+ 25.9% ↗

# Net Sales by Segment



(unit: 100 millions yen)	FY03/2018	FY03/2019	FY03/2020	FY03/2021	FY03/2022	FY03/2023
Life Science	243.1	252.0	241.2	234.1	314.3	378.0
Electronic Materials & Functional Chemicals	159.0	168.6	171.9	187.9	243.2	306.5





# Operating Profit by Segment



(unit : 100 millions yen)

FY03/2018

FY03/2019

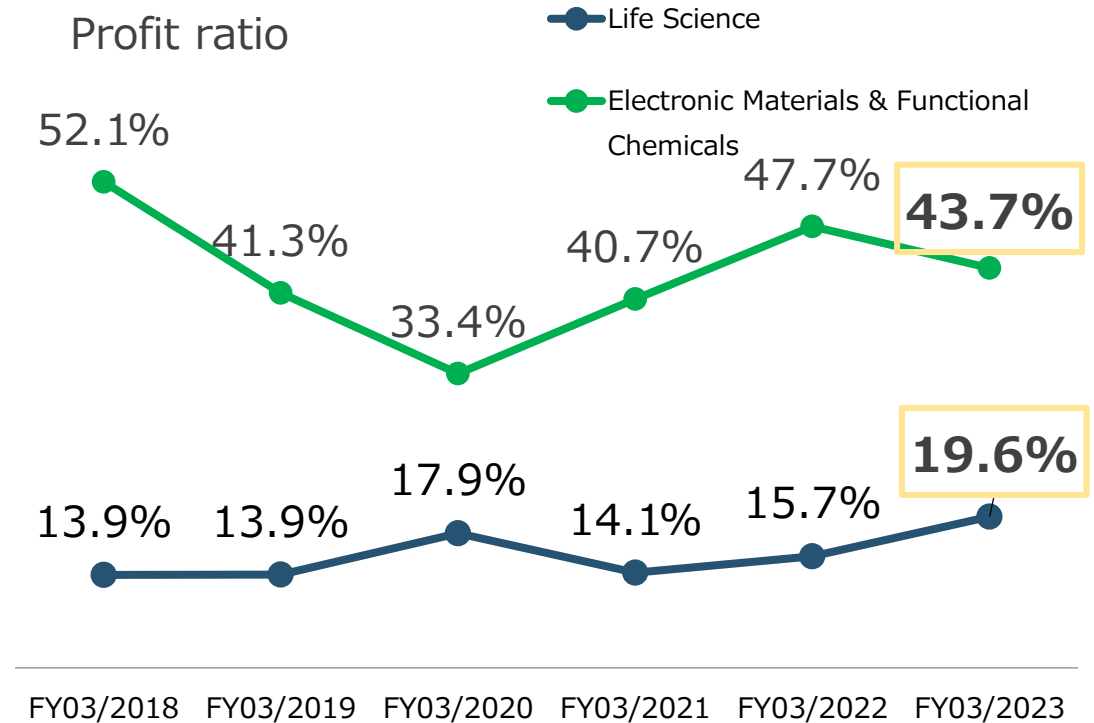
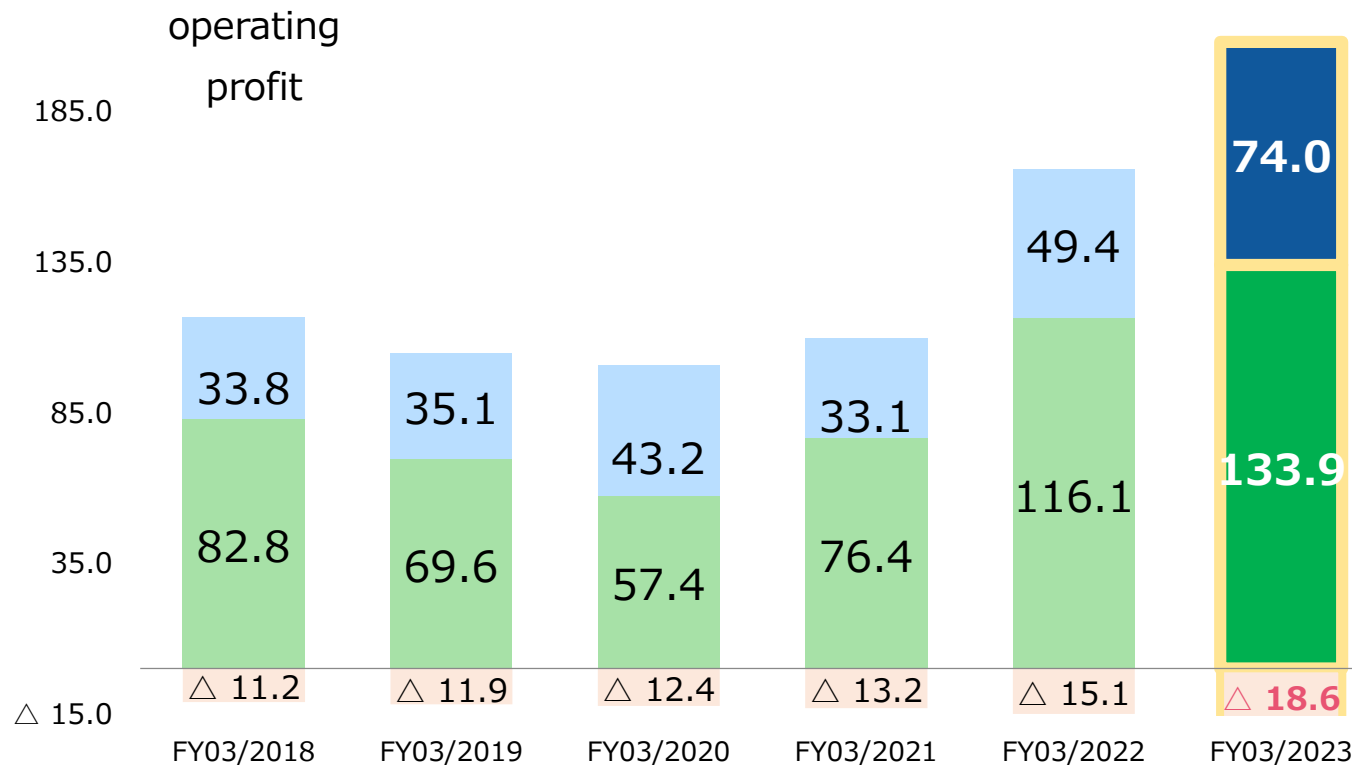
FY03/2020

FY03/2021

FY03/2022

**FY03/2023**

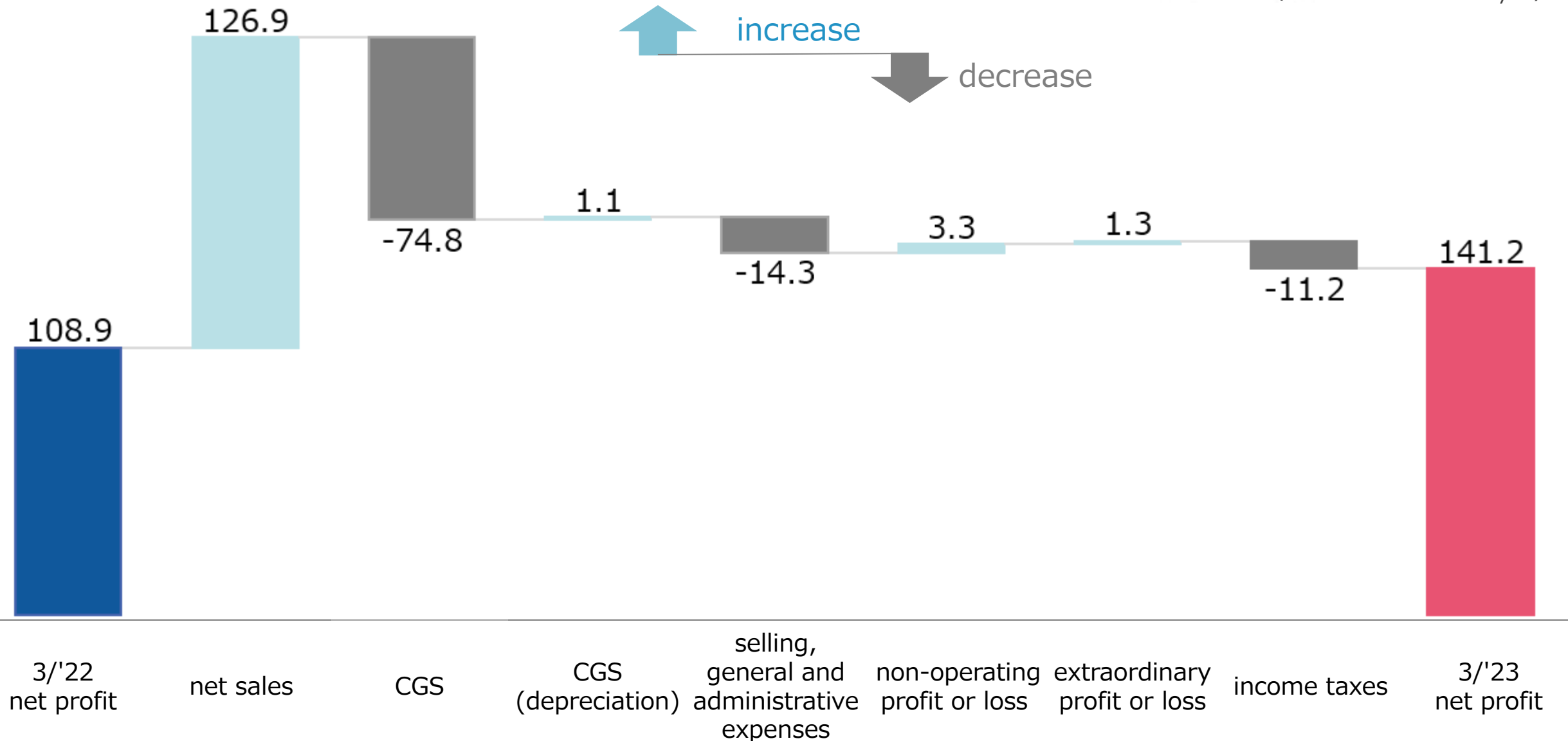
Life Science	33.8	35.1	43.2	33.1	49.4	<b>74.0</b>
Electronic Materials & Functional Chemicals	82.8	69.6	57.4	76.4	116.1	<b>133.9</b>
(Adjustment)	△ 11.2	△ 11.9	△ 12.4	△ 13.2	△ 15.1	△ <b>18.6</b>



# Net Profit Analysis FY03/2022 versus FY03/2023

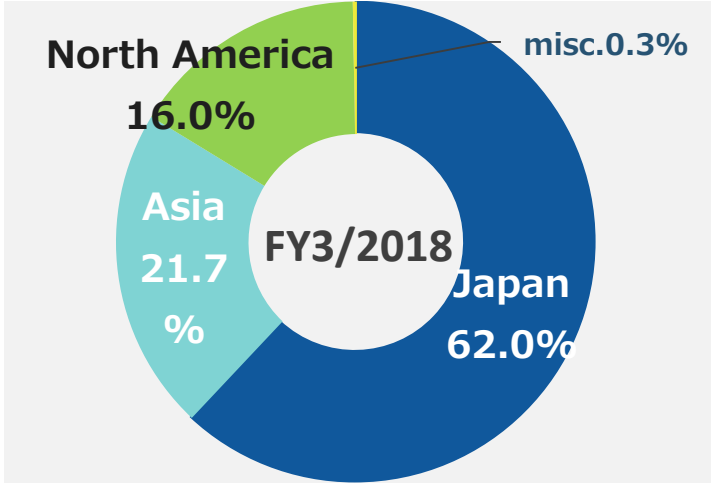
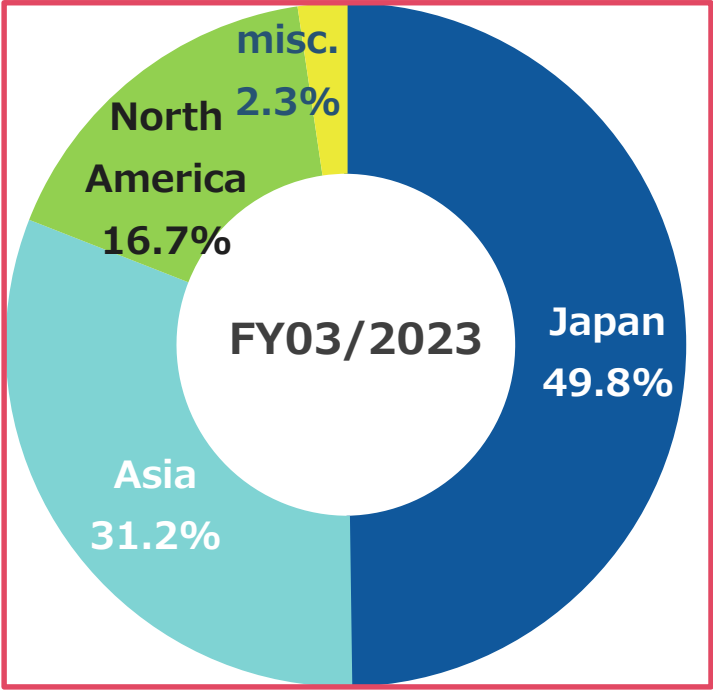
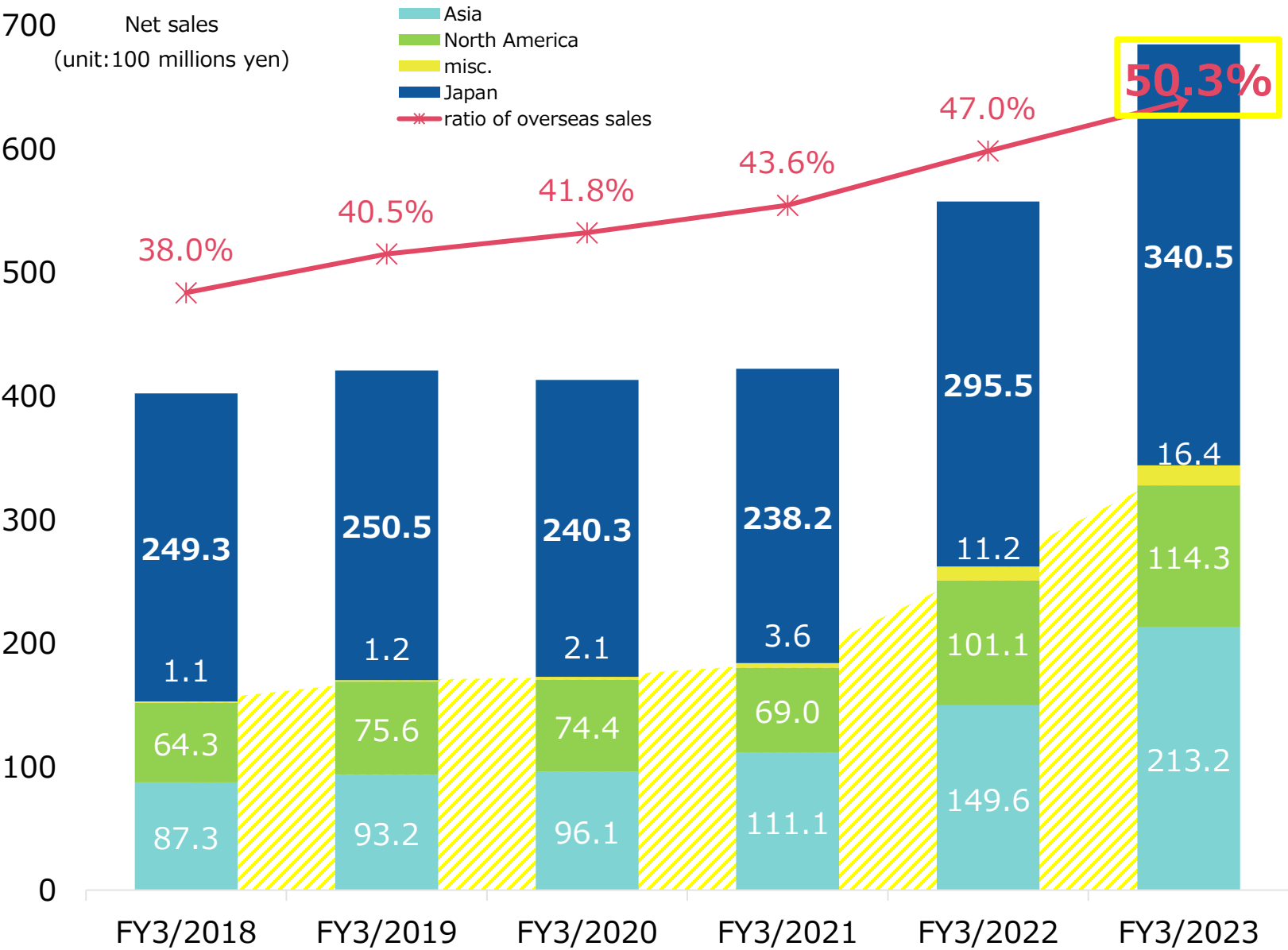


(unit : 100 millions of yen)





# Overseas Sales Growth

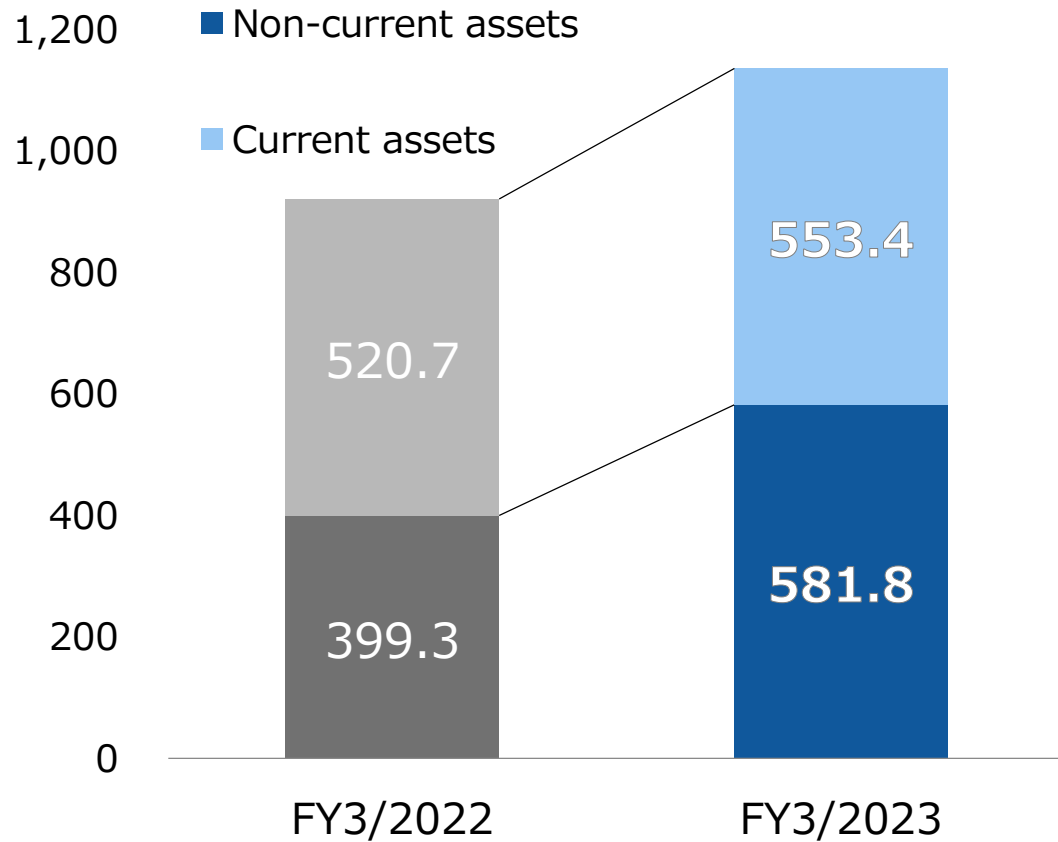


# Assets, Liabilities and Net Assets



## Assets

(unit : 100millions of yen)



Total Assets

FY3/2022

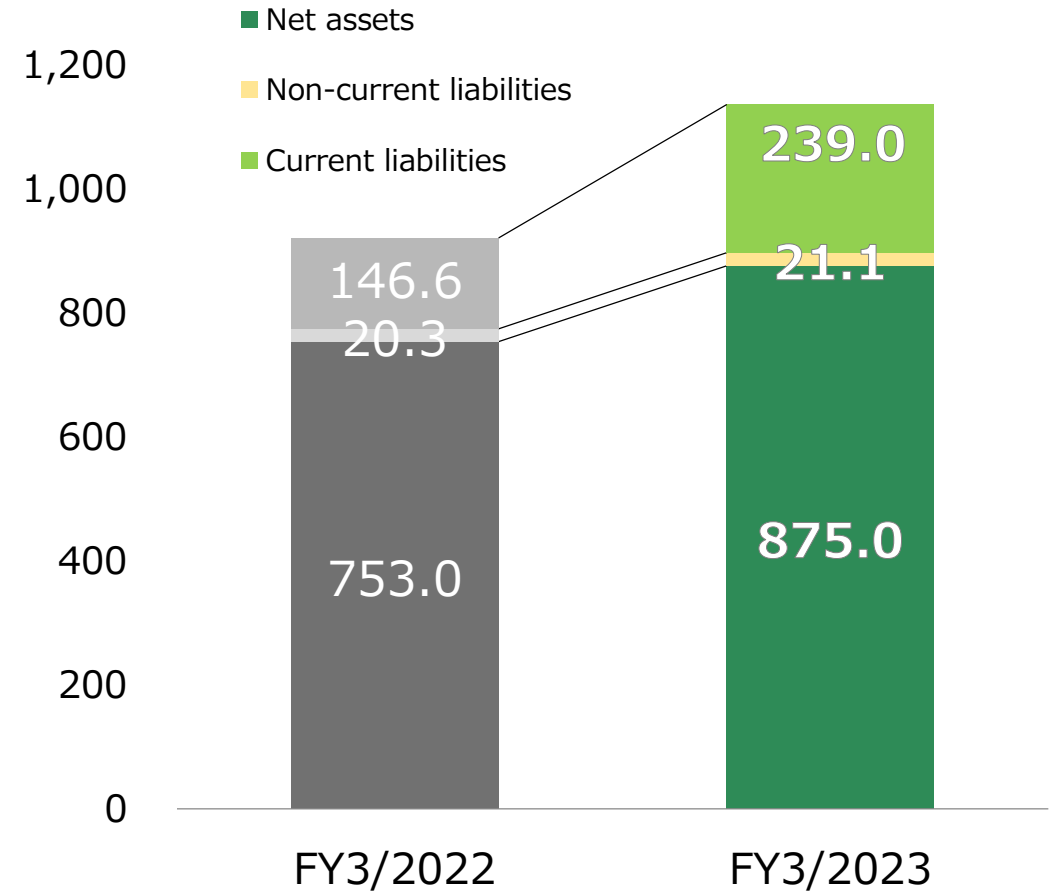
920.0

FY3/2023

1,135.2

## Liabilities/Net Asset

(unit : 100millions of yen)



# Consolidated Balance Sheet



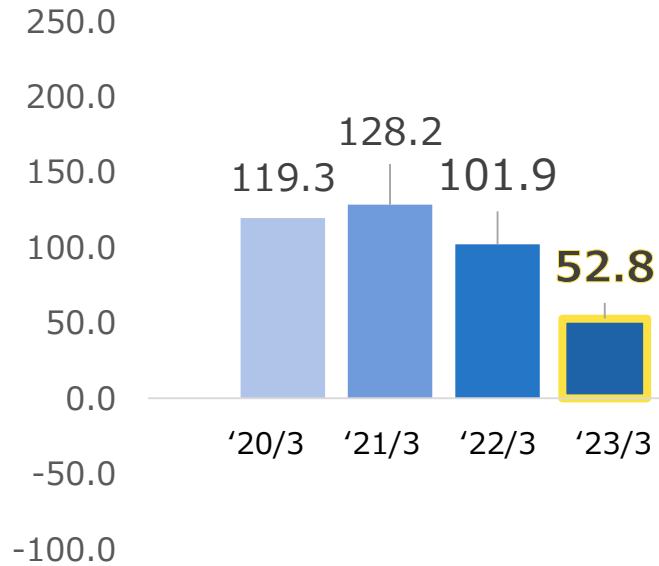
<b>Current assets</b> <ul style="list-style-type: none"> <li>• Increase in inventory assets</li> </ul>	<div>↑ YonY +32</div> <div>553.4</div>	<div>↑ YonY +93</div> <div>239.0</div> <div>21.1</div>	<b>Liabilities</b> <div>Current liabilities (YonY +90.3)</div> <ul style="list-style-type: none"> <li>• Increase in facilities accounts payable</li> </ul> <div>Non-current liabilities (YonY +0.8)</div> <ul style="list-style-type: none"> <li>• Increase in retirement benefit liability</li> </ul>
<b>Non-current assets</b> <ul style="list-style-type: none"> <li>• Increase in construction in progress</li> </ul>	<div>581.8</div> <div>↑ YonY +182</div>	<div>875</div> <div>↑ YonY +122</div>	<b>Net assets</b> <ul style="list-style-type: none"> <li>• Increase in retained earning</li> </ul>
<div>Total assets 1,135.2 YonY +215</div>			

(unit: 100 millions yen)

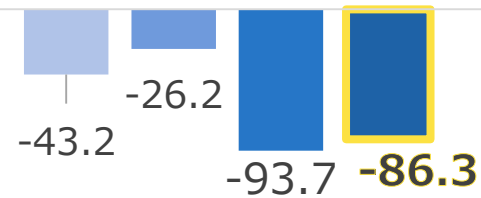
# Consolidated Statements of Cash Flows



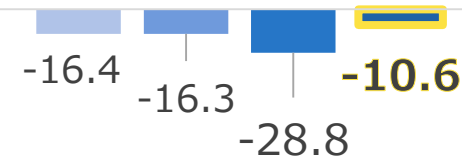
## Operating CF



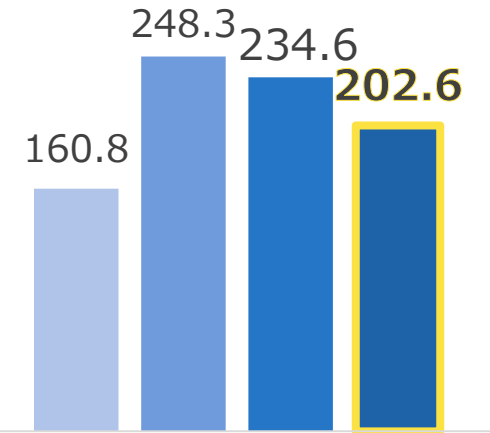
## Investment CF



## Financial CF



## Cash and cash equivalents at end of period



## Breakdown

### Cash flows from operating activities

- profit before income taxes +200
- increase in inventories  $\triangle 39$
- increase in income tax paid  $\triangle 60$

### Cash flows from investing activities

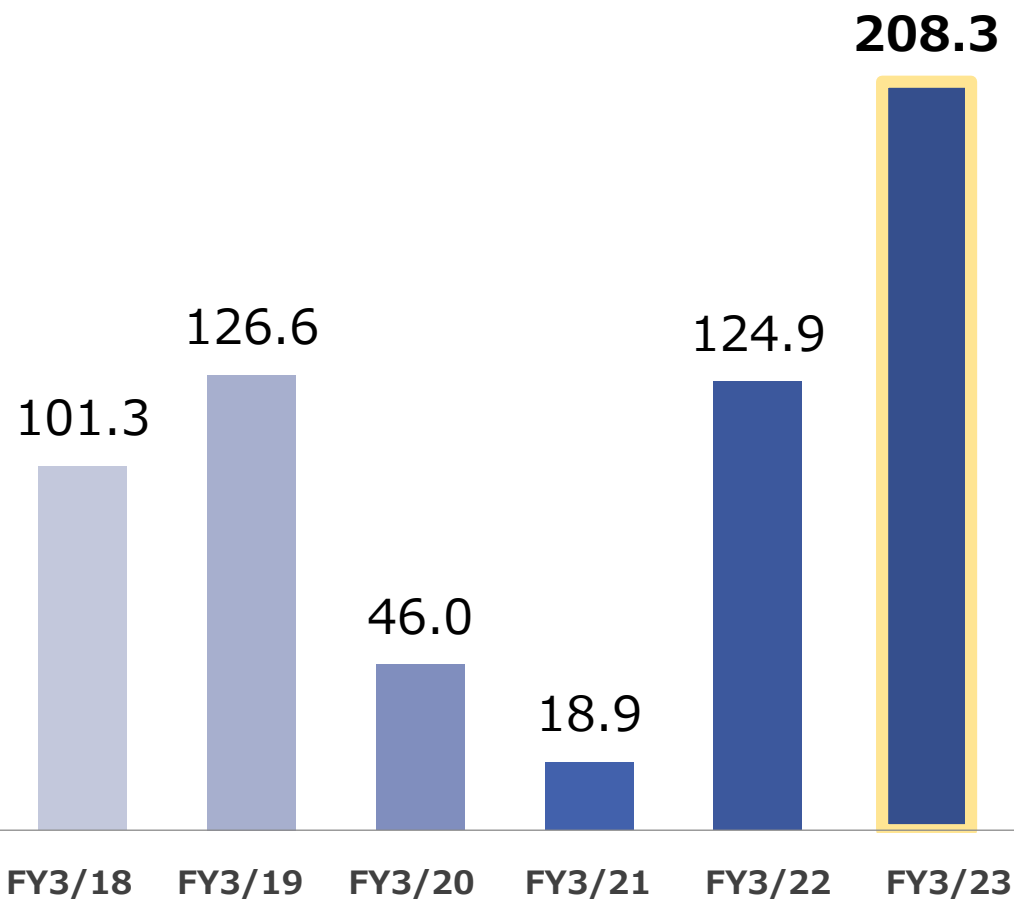
- purchase of property, plant and equipment  $\triangle 134$

### Cash flows from financing activities

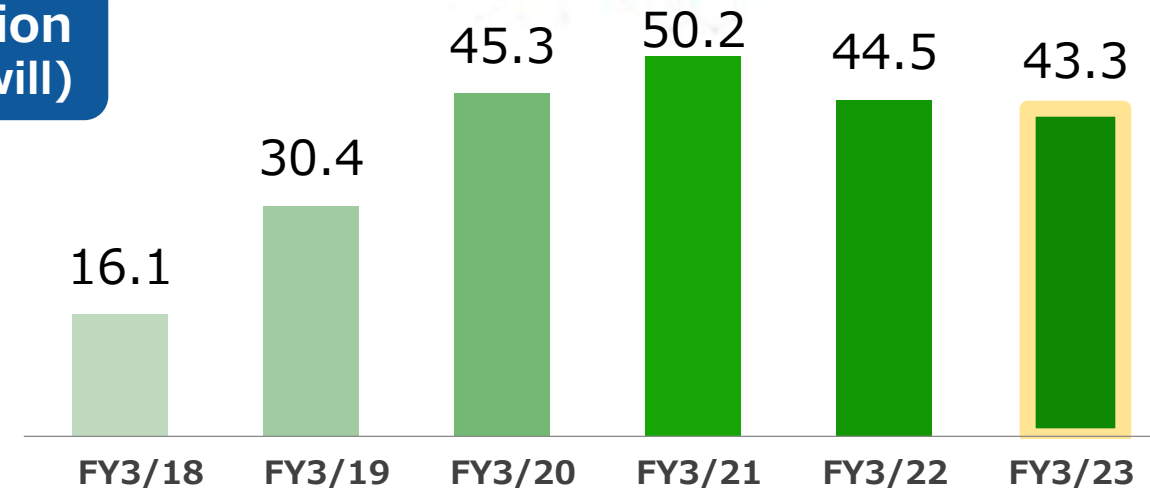
- dividends paid  $\triangle 21$

# Capital Investment/Depreciation/R&D Expenses

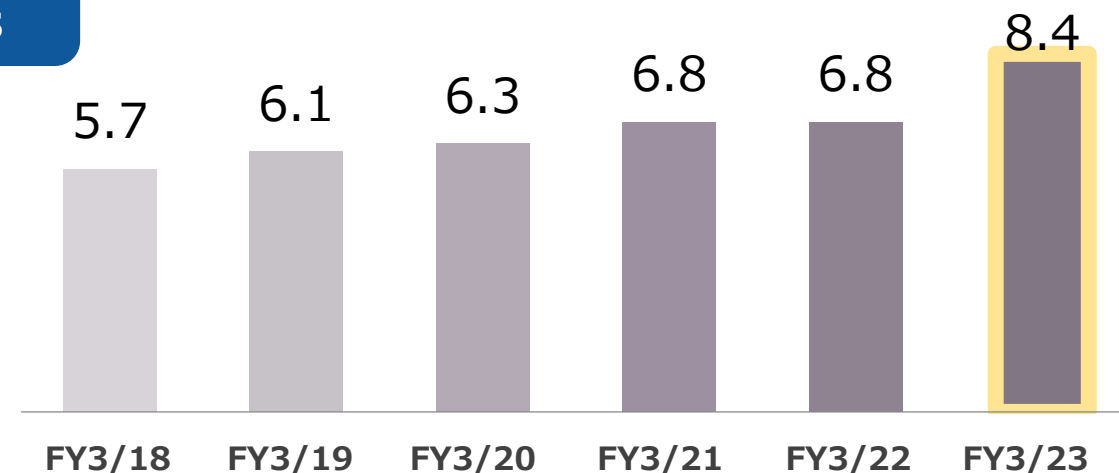
## Capital Investment



## Depreciation (incl. goodwill)

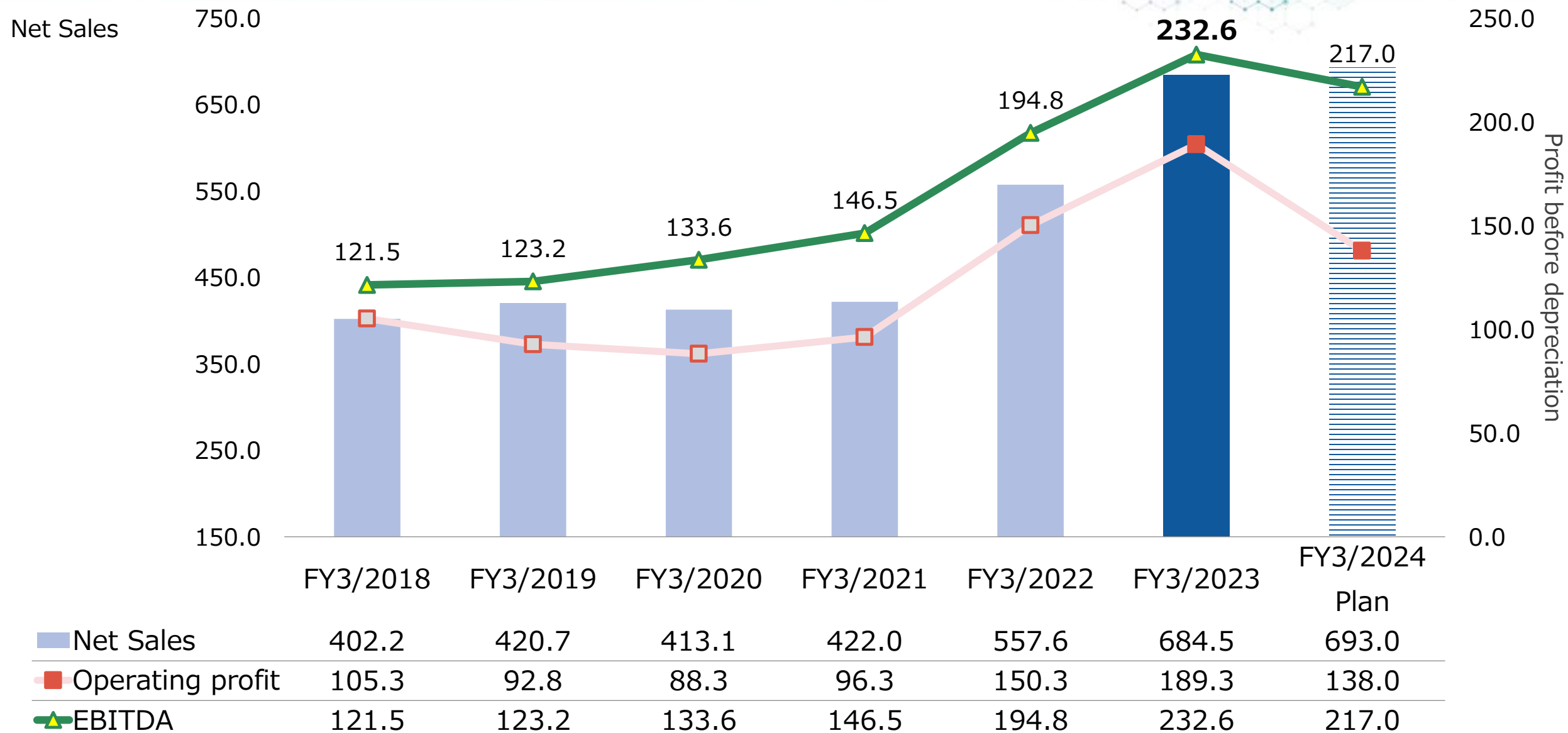


## R&D Expenses



(unit: 100 millions of yen)

# Operating Profit and EBITDA



(unit : 100 millions of yen)

## II. Segments Results



## Life Science



- Malic acid
- Citric acid
- Gluconic acid
- Fumaric acid
- Vitamin C
- Food additive formulations
- Other acid  
(Succinic acid, Lactic acid, Tartaric acid)
- Maleic anhydride
- Other fruits acid derivatives



## Electronic Materials & Functional Chemicals



- Silica derivatives
  - Ultra high purity colloidal silica
  - High purity organo silica sol
  - Silica nano powder
  - Alkyl silicate
- Other functional chemicals



## II. Segments Results

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### Life Science

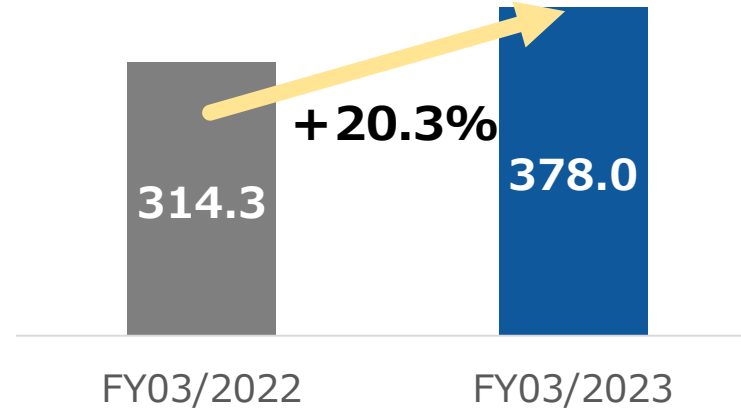
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# Life Science Overview

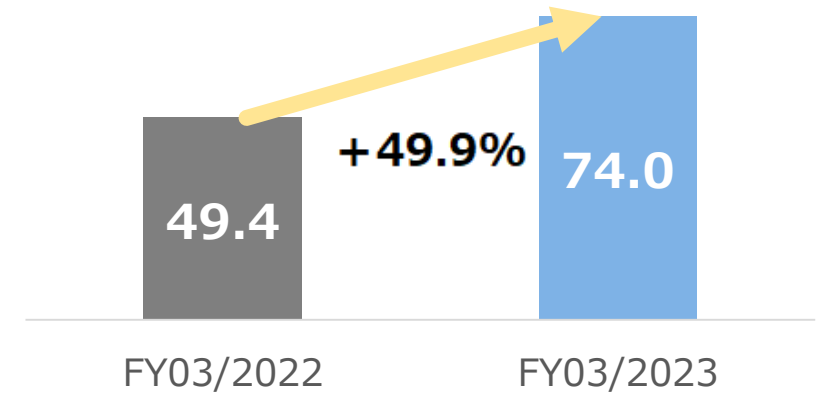


## factor

### Net sales



### Operating profit



#### Sales Volume

- (+) Stable sales of fruit acids
- (-) Weak sales for large-scale public works
- (-) Slowdown in demand for industrial applications in 2H
- (+) Maintain overseas market share by getting new customers

#### Price

- (+) Price revision due to a surge in raw materials
- (+) Increase Japanese yen conversion by the sales of overseas subsidiaries

#### Others

- (+) Logistic network confusion caused by COVID-19
- (+) Build up customers' proper stock amount, because of raw materials remarkable price rise continues.

- (+) Steady domestic sales of malic acid
- (+) Business recovery from COVID-19
- (-) Economy slowdown of China
- (+) New markets development Southeast Asia, Europe
- (-) Persistently high price of benzene
- (-) Increase in stock goods price, citric acid etc.
- (+) Gluconic acid, price revision
- (-) Sales adjustment by the delay of goods imported



## I . FUSO Fruit Acid Complex Concept

Go to the next phase (from 1<sup>st</sup> to 2<sup>nd</sup> Phase)

(1) Malic acid (2) Citric acid (3) Gluconic acid

## II . Improve efficiency through restructuring of production system

Osaka Factory and Kashima Plant

## III . Expand FFA business

coated fruits acid  
next-generation product  
stress-free formulation

What is  
FFA ?

Functional Fruits Acid

Formulation of Food Additives

Formulation of Food Materials and  
Food Additives

Functional Food Material and  
Food Additive

Functional Fruits Acid

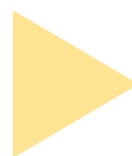
# I. FUSO Fruit Acid Complex Concept

Go to the next phase (from 1<sup>st</sup> to 2<sup>nd</sup> Phase)



## Phase\_1 FUSO realized to...

- take over the organic acid business (sales & marketing) from Mitsui Chemicals, Inc.
- transfer production of maleic anhydride and fumaric acid
- establish our own “Kashima Plant”
- make an integrated production system from raw materials inputs to finished product (malic acid)
- manufacture malic acid stably in Kashima Plant
- increase utilization rate due to overseas sales expansion
- shift Osaka Factory to multi-functionalized plant
- restructure domestic production base



## Phase\_2 FUSO plans to...

- increase utilization rate of malic acid production facilities to reduce costs
- expand overseas business and take further market share
- continue to sell to priority customers
- focus on in-house production of high purity fruit acid
- strengthen sales of FFA
- expand fruit acids overseas business by using malic acid's sales network
- enhance production, sales and technology in each area



# I. FUSO Fruit Acid Complex Concept

## Go to the next phase (from 1<sup>st</sup> to 2<sup>nd</sup> Phase)



### Malic acid and derivatives

#### 【FY03/'23 Results】

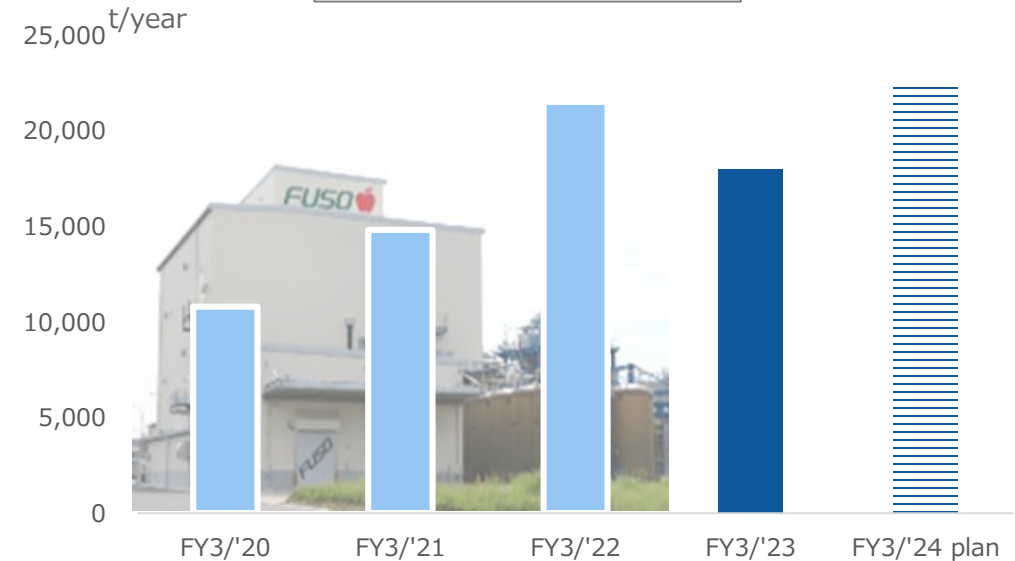
- Amount of production increase through the year (Kashima plant)
- Acquisition of new customers
- Slowdown after overseas business expansion
- Price adjustment situation, after passing the top of the raw materials price



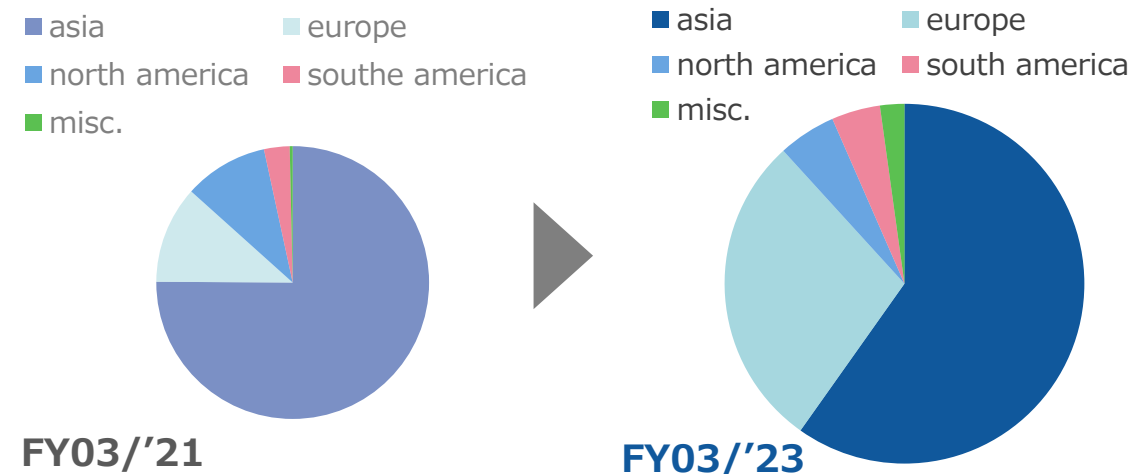
#### 【FY03/'24 Plans】

- **Maintenance high productivity of malic acid mainly in Kashima**
- **Improvement of process bottleneck, increase in production and cost reduction**
- **Reinforcement and expand sales network**
- **Sales of coated fruit acid M85 and M90 as FFA**

Sales volume and plan



Overseas sales volume by region



# I. FUSO Fruit Acid Complex Concept

## Go to the next phase (from 1<sup>st</sup> to 2<sup>nd</sup> Phase)



### Citric acid and derivatives

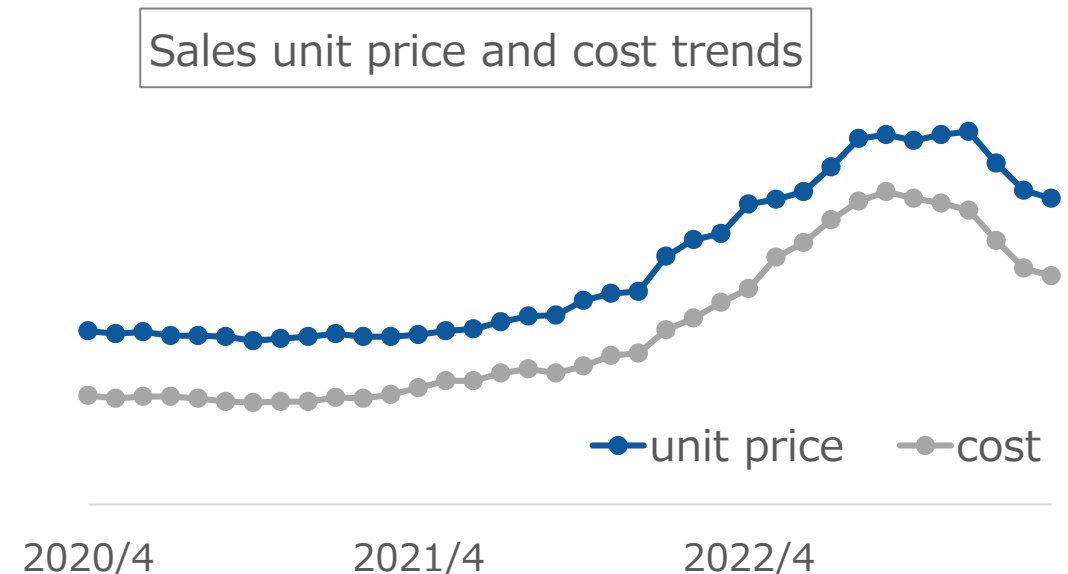
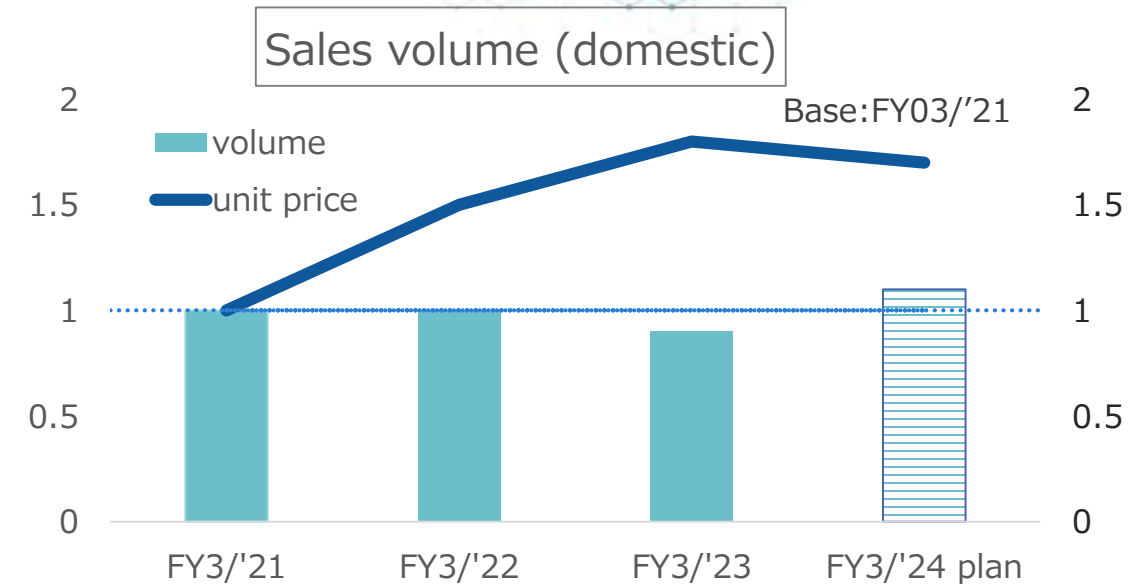
#### 【FY03/'23 Results】

- Demand recovering from COVID-19 (beverage etc.)
- Price revision(5 times) while maintaining market share
- Disappearance of the demand for large-scale public works by last year shipment
- Certain procurement materials in cooperation with Qingdao FUSO



#### 【FY03/'24 Plans】

- Quick response by the trend of the market condition
- Share up by the sales for beverage and detergent
- In-house production of ultra high purity citric acid





# I. FUSO Fruit Acid Complex Concept

## Go to the next phase (from 1<sup>st</sup> to 2<sup>nd</sup> Phase)



### Gluconic acids and derivatives

#### 【FY03/'23 Results】

Use	Domestic	North America
Industrial	• slowing down	• demand expansion for agriculture and concrete
Food	• steady	• steady

PMP: production at full capacity, shortfall in inventory

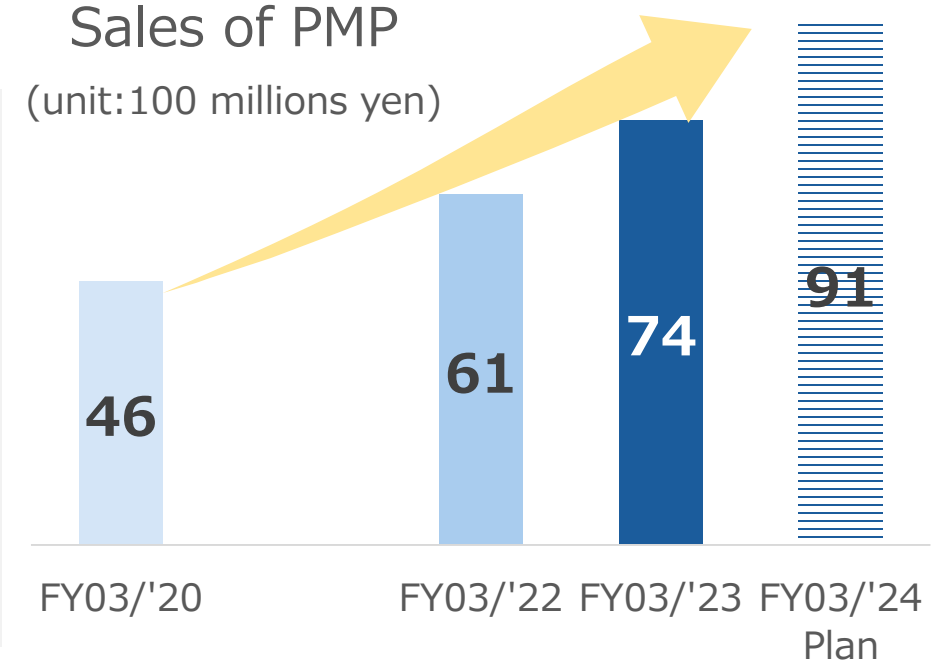


#### 【FY03/'24 Plans】

- **Price revision with rise in raw material and purchasing costs**
- **Facility expansion in PMP**  
(scheduled to start production in 11/'23)
- **Recovery of the market share in North America from 2<sup>nd</sup> half of FY2023**
- **Extending business of HELSHAS** (potassium gluconate)



Capacity up  
by approx.  
20%



## II. Improve efficiency through restructuring of production system



**Osaka Factory:** New & stable operation after integrating domestic facilities

### Malic acid



Full production  
Special processing of new products

### Coated fruit acid



Coated fruit acid : In operation  
FSSC22000, Halal : Scheduled to get  
certifications approval

### Relocation of Juso Factory



December 2022 Complete relocation  
May 2023 Start production  
October 2023 Close Juso Factory

Food Additives  
Formulation,  
Powdering Fruits  
Acid, Repackage  
Fruits Acid into  
small size

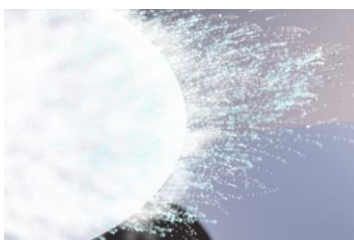
**Kashima Plant:** FUSO's the biggest production site for both products

### Malic acid



Cost reduction by optimizing facilities

### New facility



Considering constructing a facility for  
ultra high purity citric acid (Industrial  
detergent)

### New facilities for employee benefit



June 2023 Start construction  
March 2024 Construction to be completed

# III. Expand FFA business



## Coated fruit acid

### 【FY03/'23 Results】

- Prepared line up M95, M80, C95, C80, V80
- Adopted by major confectionery makers
- Adopted by major bakery makers
- Under samples evaluation (over 100 companies)
- Under consideration for adoption (over 20 companies)

### 【FY03/'24 Theme】

- Adopted by over 20 companies
- Launch a new concept of FFA formulation using coated fruit acid
- Develop non-oil coated fruit acid
- Scheduled to gain FSSC22000 certification in May



## Next-generation product

### 【FY03/'23 Results】

- Powdering acetic acid
- Soluble fumaric acid
- Gluten-free food formulations
- New cooked rice formulations
- Under samples evaluation for adoption (over 10 companies)

### 【FY03/'24 Theme】

- Adopted by over 20 companies
- Establish mass production system
- Launch further new products



## Stress-free formulation

### 【FY03/'24 Theme】

- Broaden the range of use
- Increase the number of product adoption
- Analyze a detailed mechanism

### 【FY03/'23 Results】

- Reduce damage to rice plant due to high temperatures
- Prevent damage to tomato and broccoli due to high temperatures in summer

FFA business  
FY3/'26 goal

Life Science  
FY3/'26 goal

sales  
×3

profits  
2%  
UP

Vs FY3/'23

## II. Segments Results

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# Electronic Materials & Functional Chemicals

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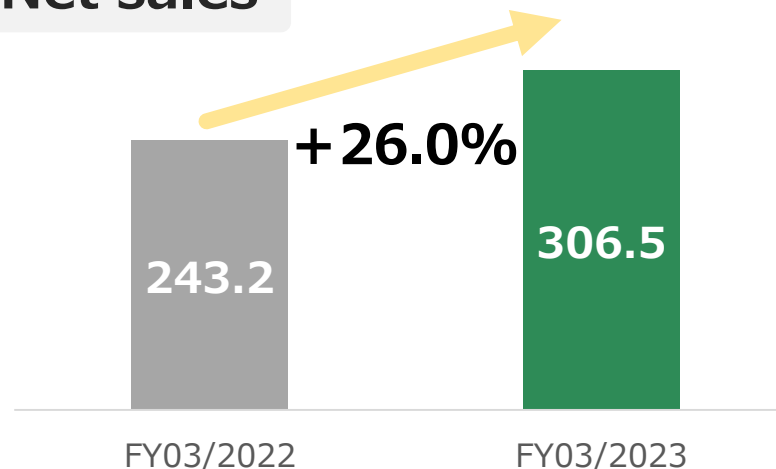
# Electronic Materials & Functional Chemicals summary



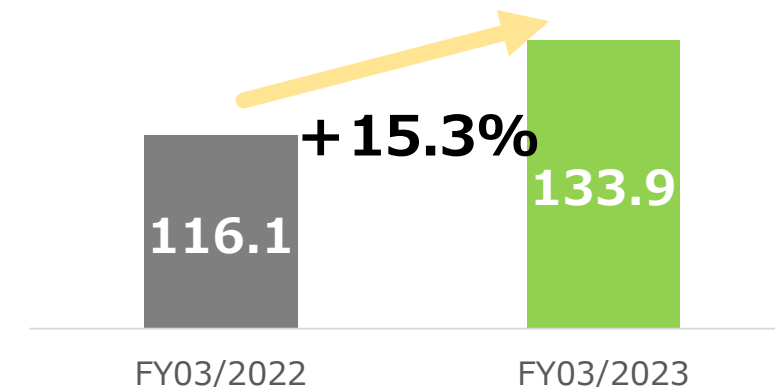
(unit : 100millions of yen)



## Net sales



## Operating profit



## factor

### Sales Volume

- (+) Response to demand above production plan
- (+) Demand slowdown for memory, limited for logic
- (+) Maintain strong demand for cutting-edge semiconductors
- (+) Increase in inventory level for each company in response to logistics risks

### Price

- (+) Price review due to changes in main raw material cost
- (+) Increased sales of new and value-added
- (+) Decline in the Japanese Yen (depreciation of the ¥ against US\$)

### Others

- (+) Increase in sales of functional chemicals

- (+) Production at full capacity and increase in number of operating days
- (+) Mass production and high efficiency for each product

- (-) Surge in raw materials prices
- (-) Energy and material costs
- (-) Personnel increase to support new facilities

- (-) Increase in selling, general and administrative expenses (SG&A)

## **I . Expand business in the growing semiconductor market**

Product supply ability compatible with cutting-edge technology

How to minimize business risk in the semiconductor business  
from a medium-to-long-term perspective

## **II . Establish a new production system**

Complete customers' line certification with no delay

Stable supply from two production site from Kyoto and Kashima

## **III. Respond to Changes in the External Environment**

Quick action against the risks of supply chain

Price revision in case of sharp rise in energy costs etc.

## **IV. Develop new business**

Next-generation materials that create new added value

# I . Expand business in the growing semiconductor market



## Forecast FY03/'24

- Facilities expansion of major semiconductor manufacturers to be completed from FY2025

- Forecast the market adjustment continues till 3 - 4Q of FY03/'24
- Expect negative growth year-on-year in FY03/'24
- Launch the silica production lines for 3nm node
- Promote mass production for 2nm node in FY2025



## Geopolitical risks

- Review the supply chain on a global scale



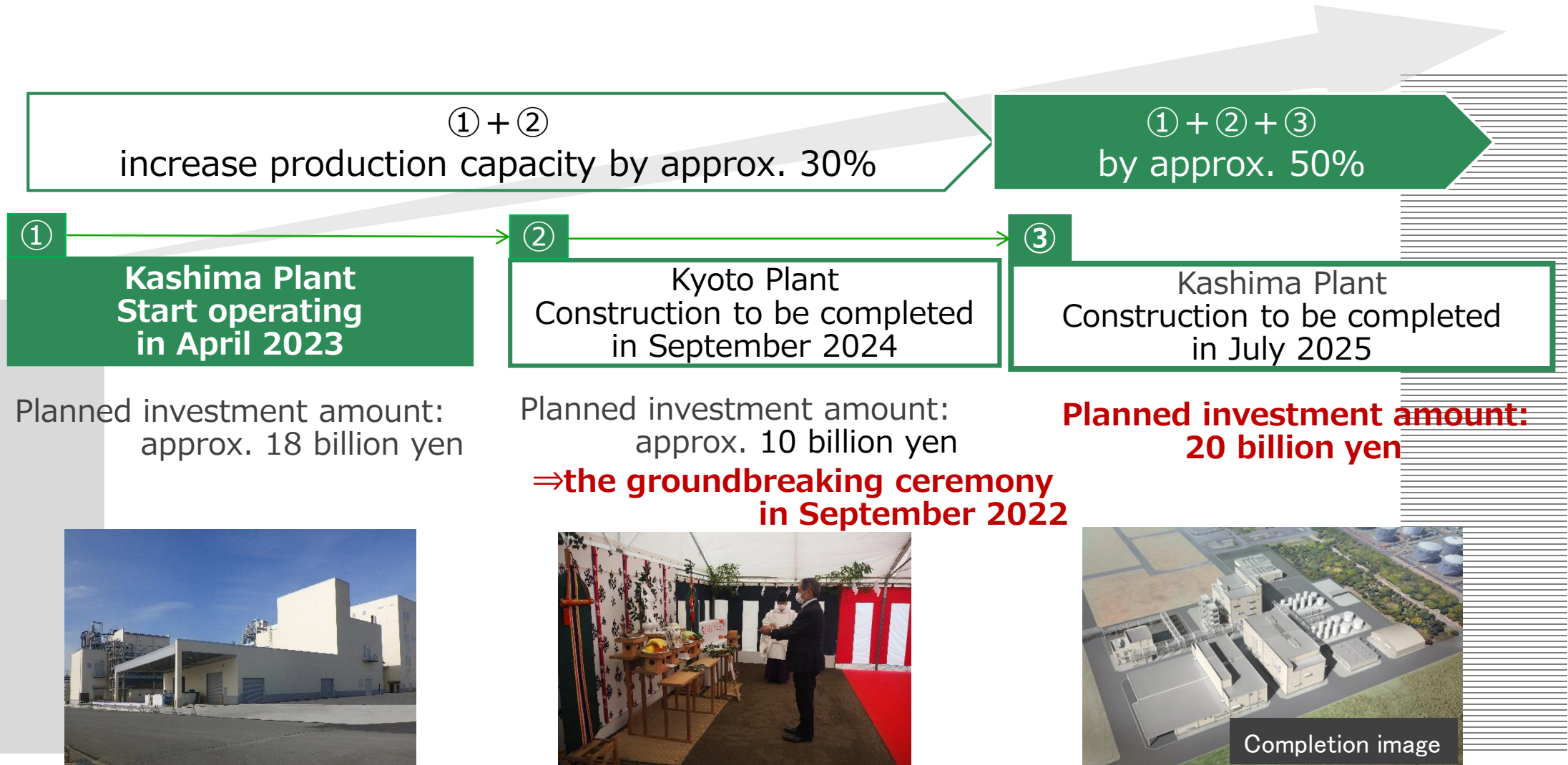
## Technology development for cutting-edge semiconductors

- Strong demand due to increased data transmission
- Increase in demand owing to technological innovation in the vehicle and other industries
- Work closely with customers for further miniaturization



# I . Expand business in the growing semiconductor market

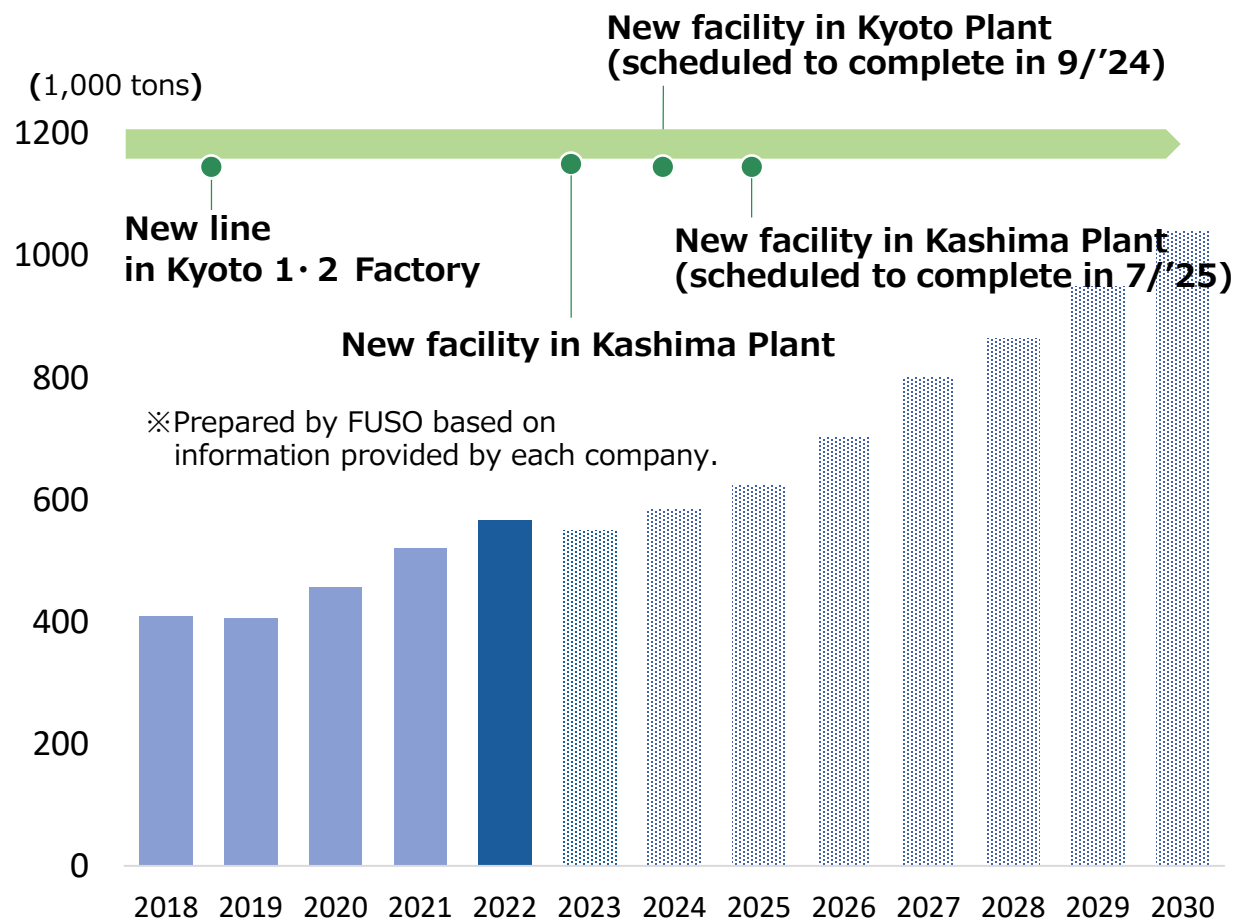
## ■ Ultra High Purity Colloidal Silica production capacity



# I . Expand business in the growing semiconductor market

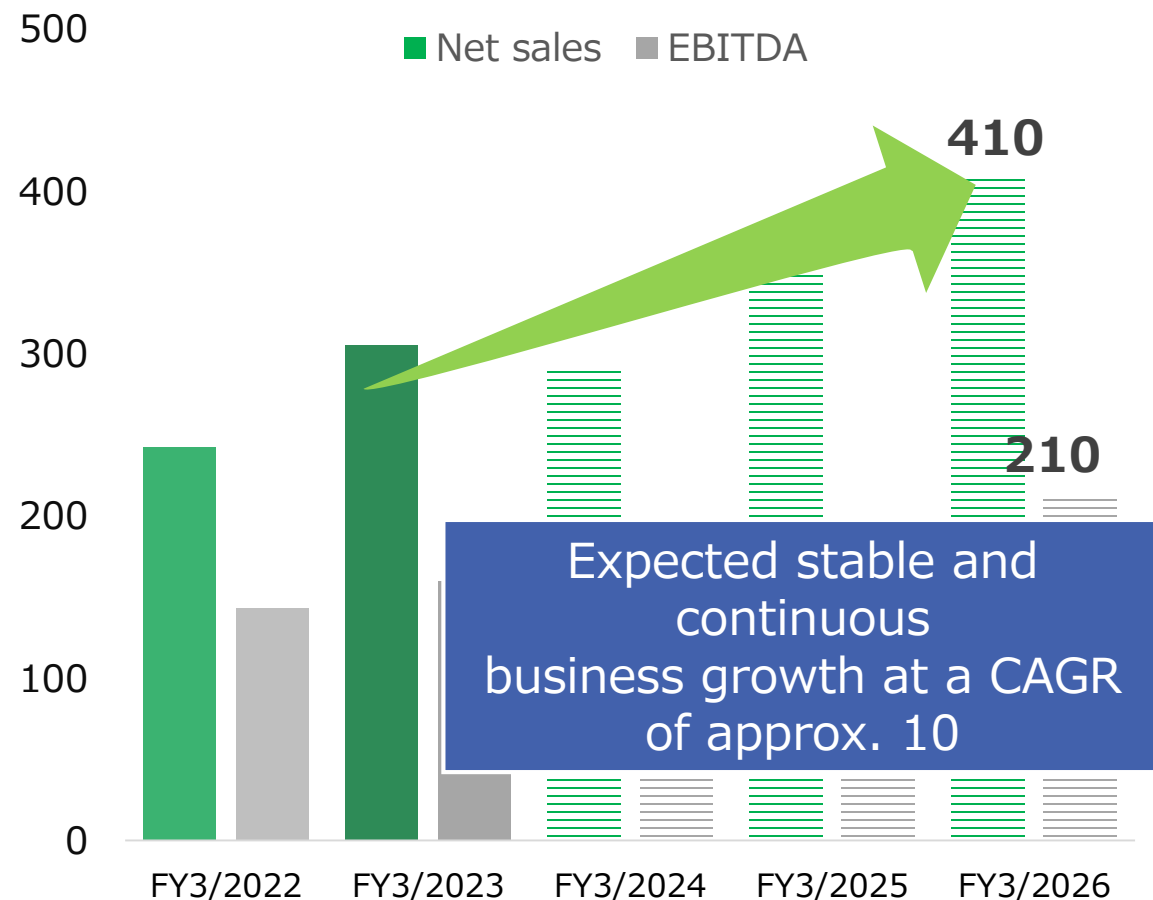


## ■ CMP slurry market forecast



Continuous expansion of the market by SEMI manufacturers' active capital investments (2022-2030 CAGR8%)

## ■ Sales targets for electronic materials business



Production capacity and technology development system to meet the expansion of demand

## II. Establish a new production system



### Stable operation of new facility in Kashima Plant

- 4/'23: Complete construction
- 5/'23: Start trial production
- Certification by customers
- 8/'23: Start mass production
- 10/'23~: 50% operating rate [target]

### Constant efforts to improve production efficiency

- ✓ Optimize management of products, raw materials, and production process
- ✓ Increase operating days
- ✓ Produce each grade more efficiency
- ✓ Collect data to secure more stable quality

### Catch up on customer trends

- ✓ Understand market trends at an early stage
- ✓ Provide the quality customers demand
- ✓ Target to be adopted by customers' next generation products
- ✓ Study for the future business possibilities for the Chinese market
- ✓ Prepare for market trend recovery (build up proper inventory)

**Continuing stable supply of Ultra High Purity Colloidal Silica**

# III. Respond to Changes in the External Environment



## Purchasing/Logistics/Sales

- Increase in procurement volume as production capacity expansion
- Rising raw material costs
  - price revision
  - cost reduction by buying power
- Escalating energy costs
  - improve production efficiency and price revision
- Measures of purchasing risks
- Development and expansion of the delivery bases



## BCP

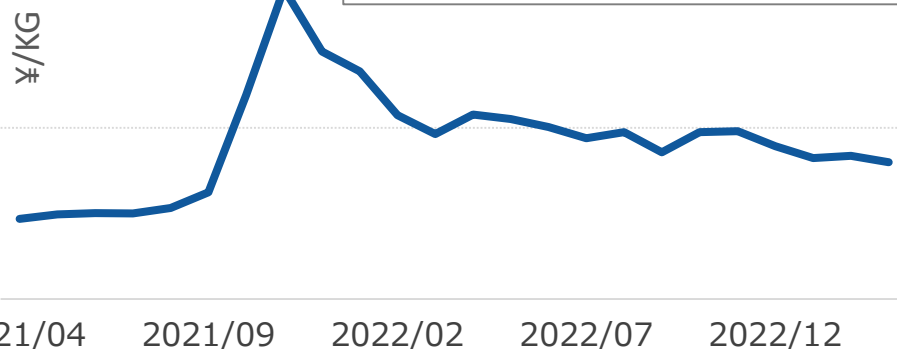
- Production at 3 plants in 2 bases (Kyoto & Kashima)
- Geopolitical risks minimization (purchasing raw materials from multiple countries)
- Establishment and renewal BCP plan



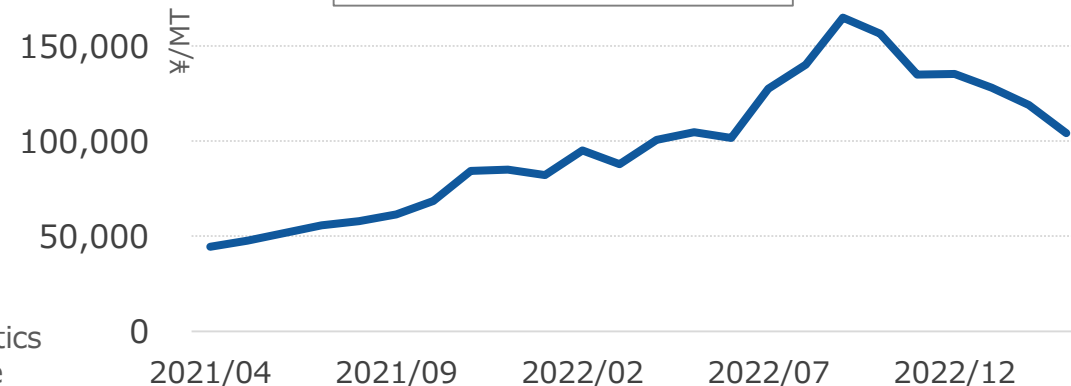
## others

- Planning a mid-to-long-term capital investment toward 2030
- Employment and training
- Commit to SDGs
- Launch newly developed products as early as possible

Silicon Metal Import price trends



LNG Import price trends



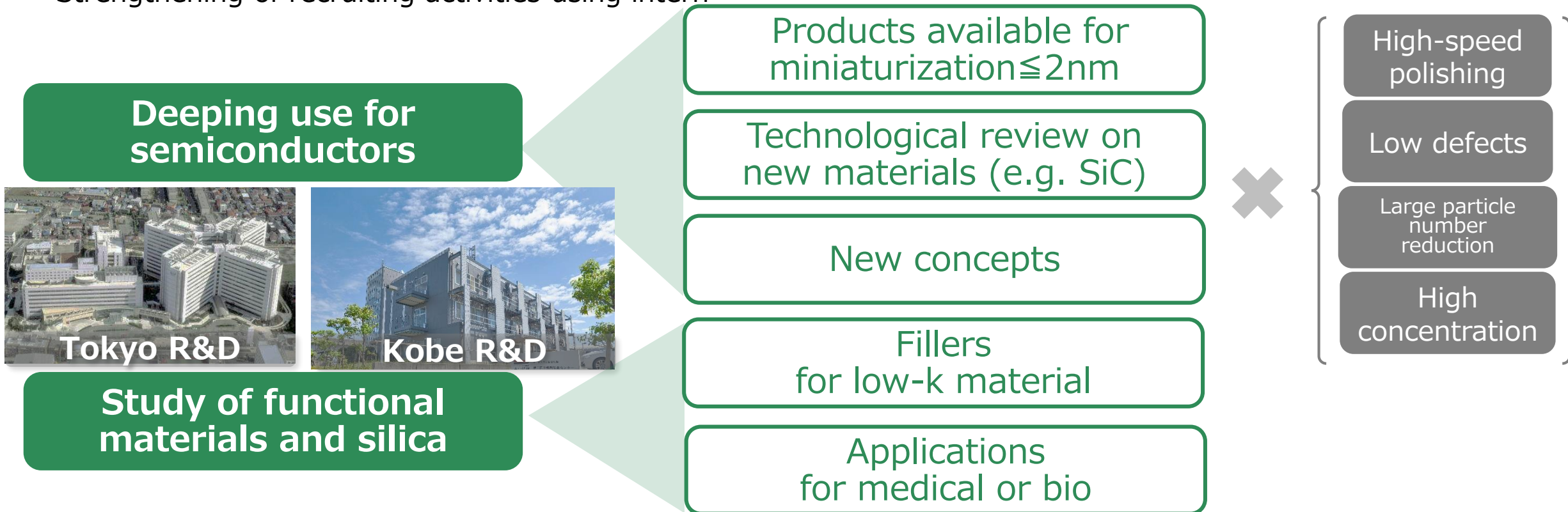
Prepared by FUSO  
Sources: Trade statistics  
by Ministry of Finance

# IV. Develop new business



## ■ Two R&D bases

- Reinforcement of technological development through academia-industrial partnerships, academic conferences, patent activities
- Strengthening of recruiting activities using intern



## ■ Patent strategy

- Other companies' patents : Identify various factors and measure business risk
- Own patents : Focus on promoting patent applications/acquisition of rights



# FUSO VISION 2025 【Original Plan】



To create FUSO that contributes to the solution of social issues



## Management Policy

- 01. Integrating growing demand into existing businesses and responding steadily thereto
- 02. Investing in and exploring new businesses and fields
- 03. Reinforcing the management base to support sustainable growth (SDG initiative)

## Management target (FY3/2026)

Net Sales **58.0**    Operating Profit **14.0**    EBITDA **20.0**  
(unit : billion of yen)

## <FY3/2022~FY3/2023 : Dramatic change in the economy and business environment>

**FY3/'22**  
(1<sup>st</sup> year)

- COVID-19 pandemic spread
- Rapid expansion of semiconductor industry
- Skyrocketing crude oil and raw material price
- Risks aversion by the distribution network confusion
- Customers' inventory level up

**FY3/'23**  
(2<sup>nd</sup> year)

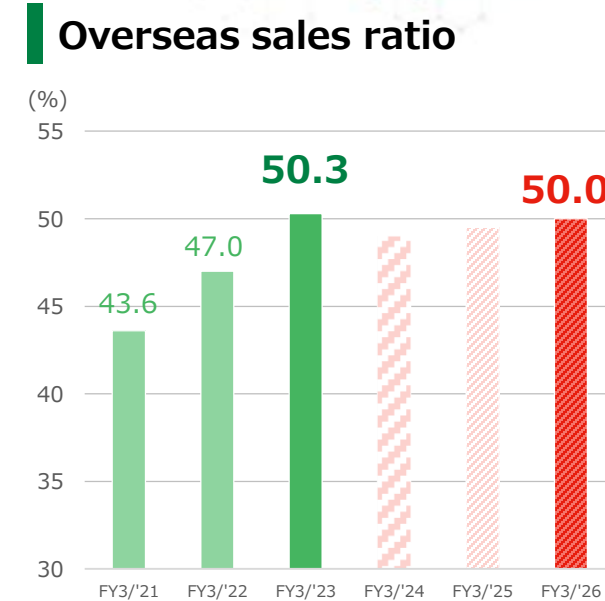
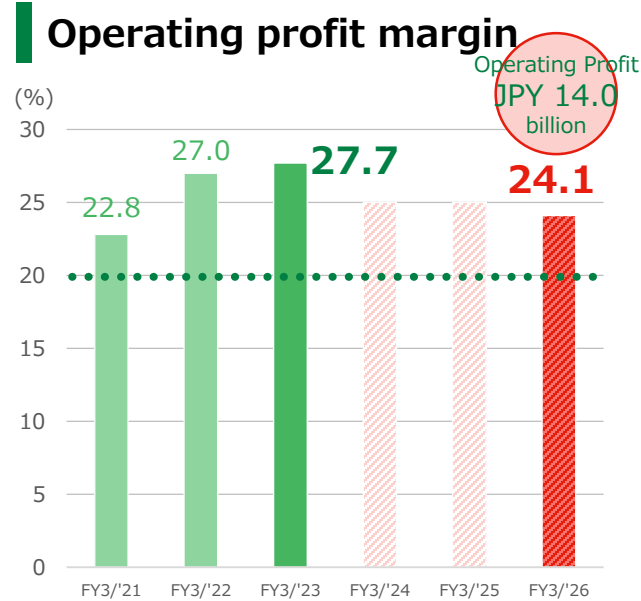
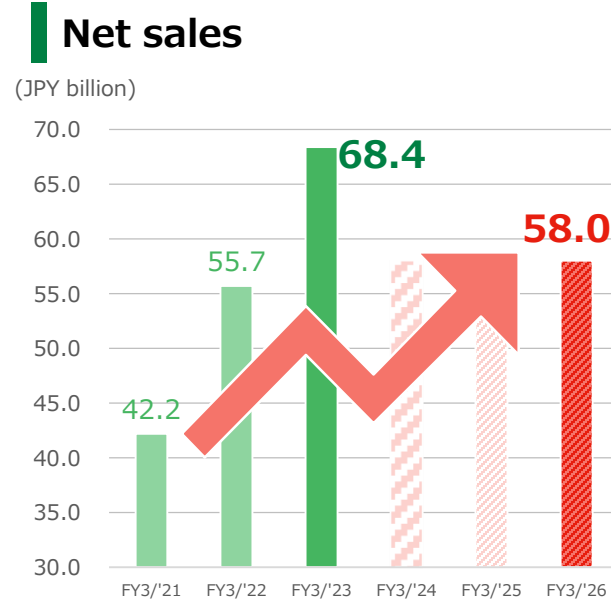
- Lengthening of “Russia’s invasion of Ukraine”
- Lockdown in Shanghai
- Accelerated inflation and economic deterioration in the U.S. and Europe
- Delayed adaptation to the new normal in Japan
- Exchange rate : sudden weak in yen’s value

**exchange rate**  
**(1 \$ =JPY)**

May 2021	JPY 107
FY3/2022	JPY 112
FY3/2023	JPY 135



# Progress for two years (FY3/2022~FY3/2023)



FY3/2022~FY3/2026 Original Plan

progress

FY3/2023 Performance (result)

- ◆ 30% increase in sales
- ◆ 20% or higher in operating profit margin
- ◆ 50% ratio of overseas sales

- ◆ Net sales : **62% up**
- ◆ Operating profit margin : **27.7%**
- ◆ Overseas sales ratio : **50.3%**

↑ Exceeded the original targets

# FUSO VISION 2025 【Updated Plan】



To create FUSO that contributes to the solution of social issues

Updated

## Management Policy

01. Integrating growing demand into existing businesses and responding steadily thereto
02. Investing in and exploring new businesses and fields
03. Reinforcing the management base to support sustainable growth (SDG initiative)

## Management target (FY3/2026)

Net Sales **58.0**   Operating Profit **14.0**   EBITDA **20.0**

(unit : billion of yen)

New targets based on progress  
in business performance

## Management target (FY3/2026)

Net Sales **85.0**   Operating profit **19.0**   EVITDA **30.0**

## IV. FY03/2024 Forecast

(Period April 1, 2023 –March 31, 2024)

# Earnings Forecast



## FY3/2023 Result

- Annual exchange rate of ¥135
  - Price of benzene 1,038\$/t(\*ACP from ENEOS)
  - Steep rise in utility costs
  - Slowdown in the semiconductor market
- **Record high result in both sales and profits**
  - Price revision
  - Increase in overseas sales ratio

## FY3/2024 Assumptions

- Annual exchange rate of ¥130
- Price of benzene :  $\Delta 10\%$  (vs the previous year)
- High price in raw materials
- Moderate rise in utility costs
- Adjustment phase of semiconductor market
- Recovery of the Chinese market

## FY3/2024 Plan

### Net sales

FY3/2023 684  
▼ +1.2%  
**693**

### Operating Profit

FY3/2023 189  
▼  $\Delta 27.1\%$   
**138**

### Profit attributable to owners of parent

FY3/2023 141  
▼  $\Delta 33.1\%$   
**94**

### EBITDA

FY3/2023 232  
▼  $\Delta 6.7\%$   
**217**

(unit : 100 millions of yen)

# Forecast for a Full-year of FY03/2024



(unit : 100 millions of yen)	1H Result			Full year budget		
	FY3/2024 1H	vs 1H FY3/2023	1H FY3/2023	FY3/2024	vs FY3/2023	FY3/2023
Net sales	<b>336.0</b>	△ <b>5.0%</b> ↓	353.5	<b>693.0</b>	<b>1.2%</b> ↗	684.5
■ Life Science	200.0	3.2% ↗	193.7	395.0	4.5% ↗	378.0
■ Electronic Materials	136.0	△14.9% ↓	159.8	298.0	△2.8% ↓	306.5
Operating profit	<b>71.0</b>	△ <b>25.9%</b> ↓	95.7	<b>138.0</b>	△ <b>27.1%</b> ↓	189.3
■ Life Science	34.0	1.6% ↗	33.4	68.0	△8.2% ↓	74.0
■ Electronic Materials	49.0	△31.5% ↓	71.4	94.0	△29.8% ↓	133.9
(Adjustment)	△12.0		△9.1	△24.0		△18.6
Ordinary profit	<b>71.0</b>	△ <b>34.0%</b> ↓	107.5	<b>138.0</b>	△ <b>30.1%</b> ↓	197.4
Profit attributable to owners of parent	<b>48.5</b>	△ <b>35.5%</b> ↓	75.1	<b>94.5</b>	△ <b>33.1%</b> ↓	141.2
EBITDA	<b>101.5</b>	△ <b>12.7%</b> ↓	116.2	<b>217.0</b>	△ <b>6.7%</b> ↓	232.6
Earning per share (EPS)	<b>¥137.6</b>	△ <b>35.5%</b> ↓	¥213.2	<b>¥268.1</b>	△ <b>33.1%</b> ↓	¥400.9

# Forecast for Depreciation



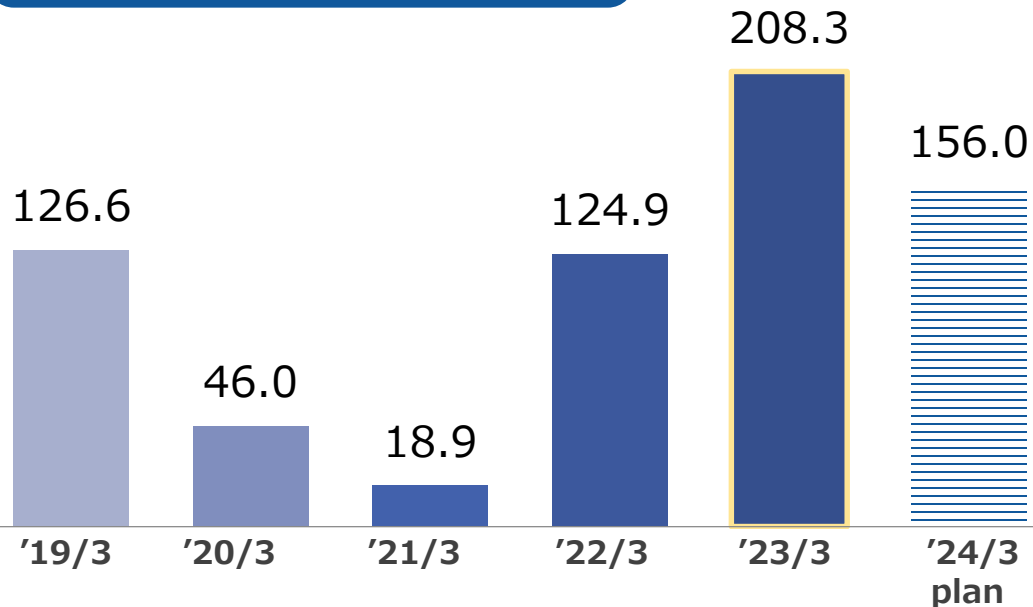
## FY3/2023

■ Life Science : facilities for coated fruits acid

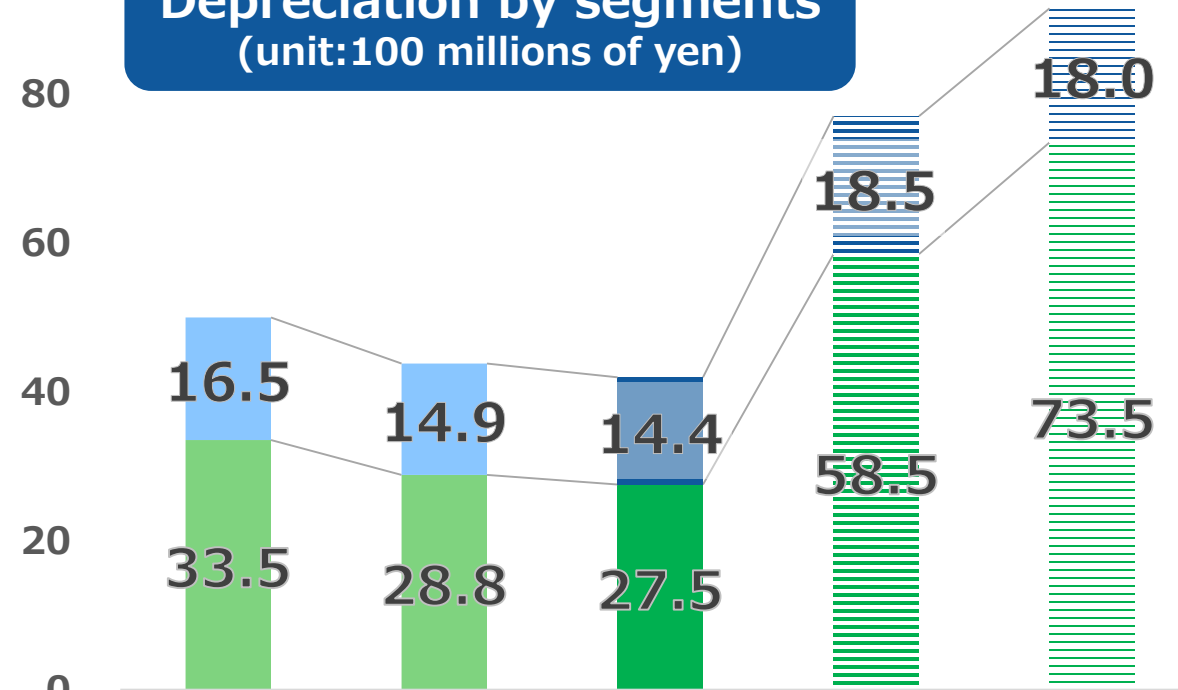
## FY3/2024~upward trend

■ Electronic Materials : scheduled to start declining balance depreciation for new facilities in Kashima

### Capital Investment (unit:100 millions of yen)



### Depreciation by segments (unit:100 millions of yen)



(unit: millions of yen)

■ Life Science  
■ Electronic Materials  
■ Common

Consolidated Total

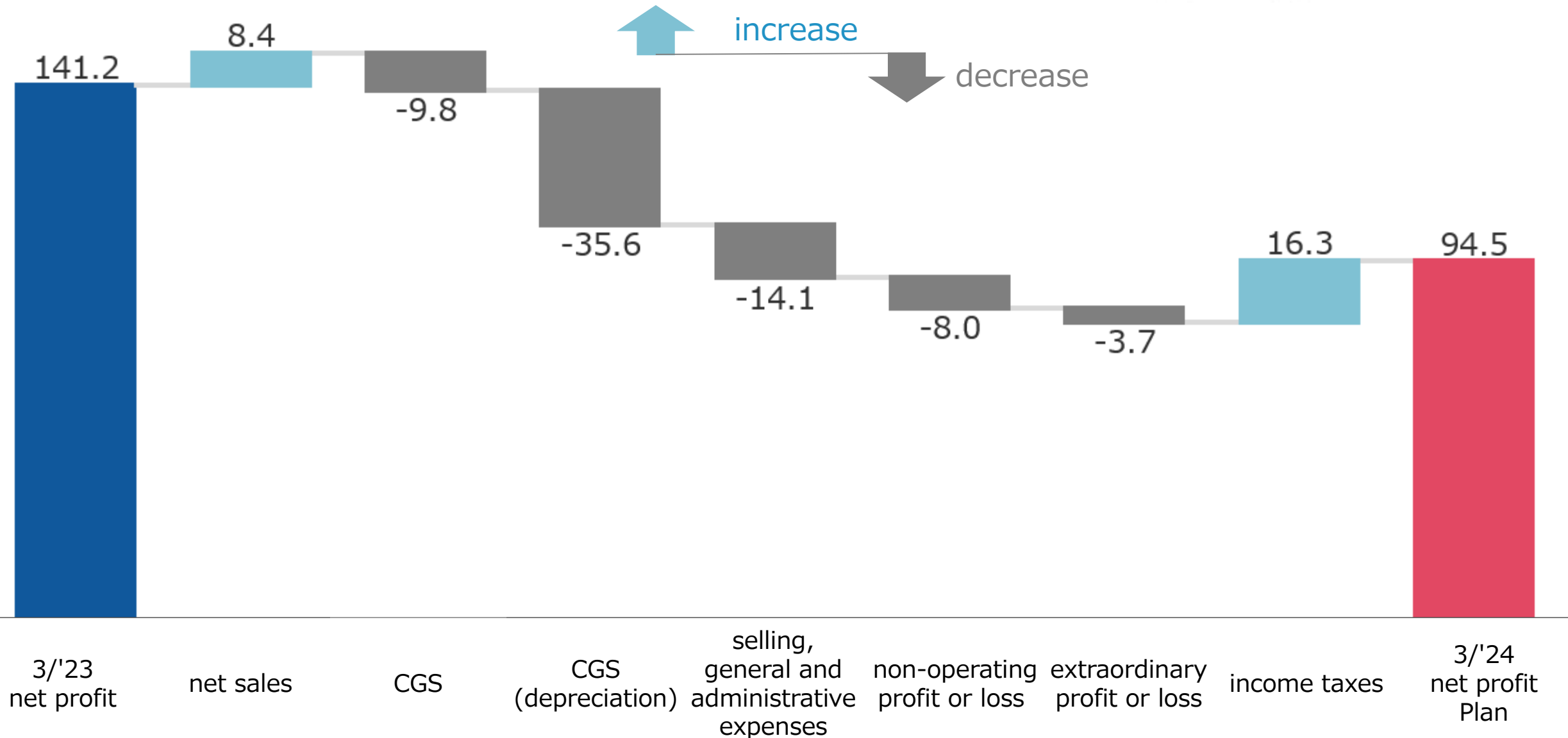
	2021/3	2022/3	2023/3	2024/3	2025/3
	Result	Result	Result	Plan	Forecast
Life Science	1,645	1,494	1,442	1,850	1,800
Electronic Materials	3,353	2,884	2,752	5,850	7,350
Common	28	73	142	200	250
Consolidated Total	5,027	4,453	4,337	7,900	9,400



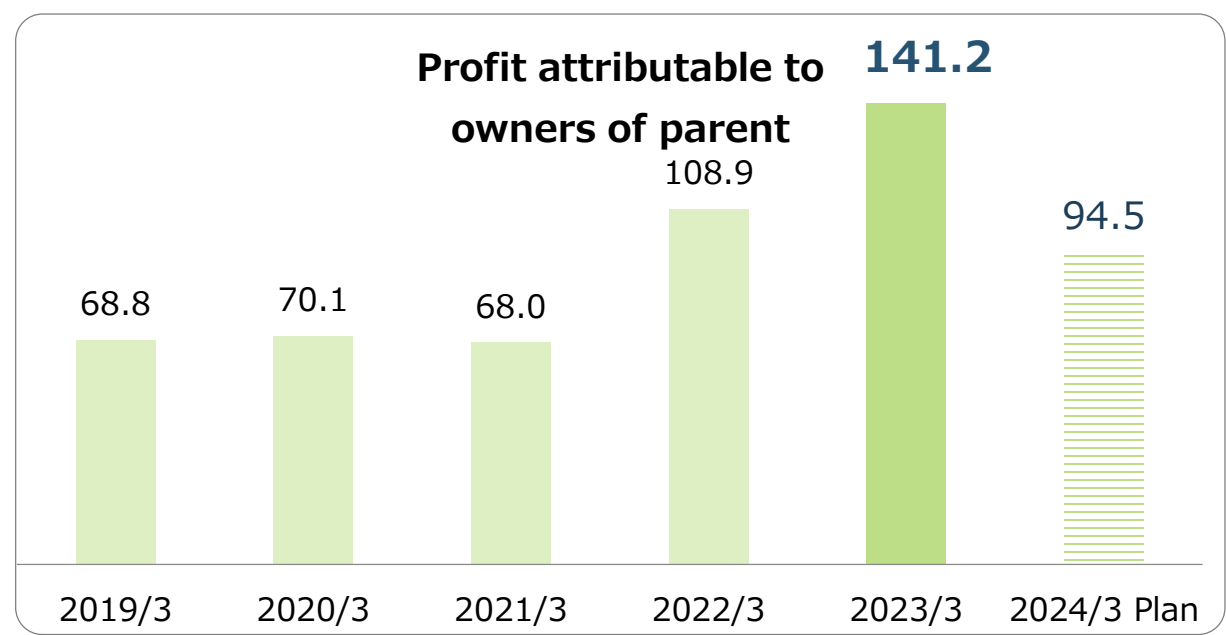
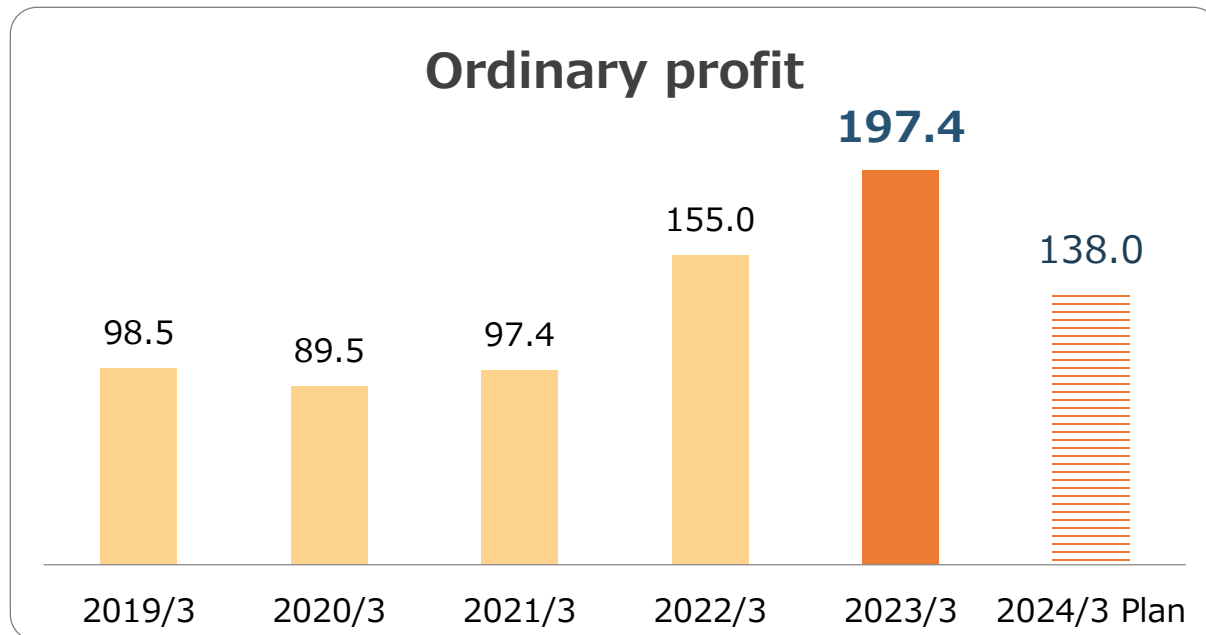
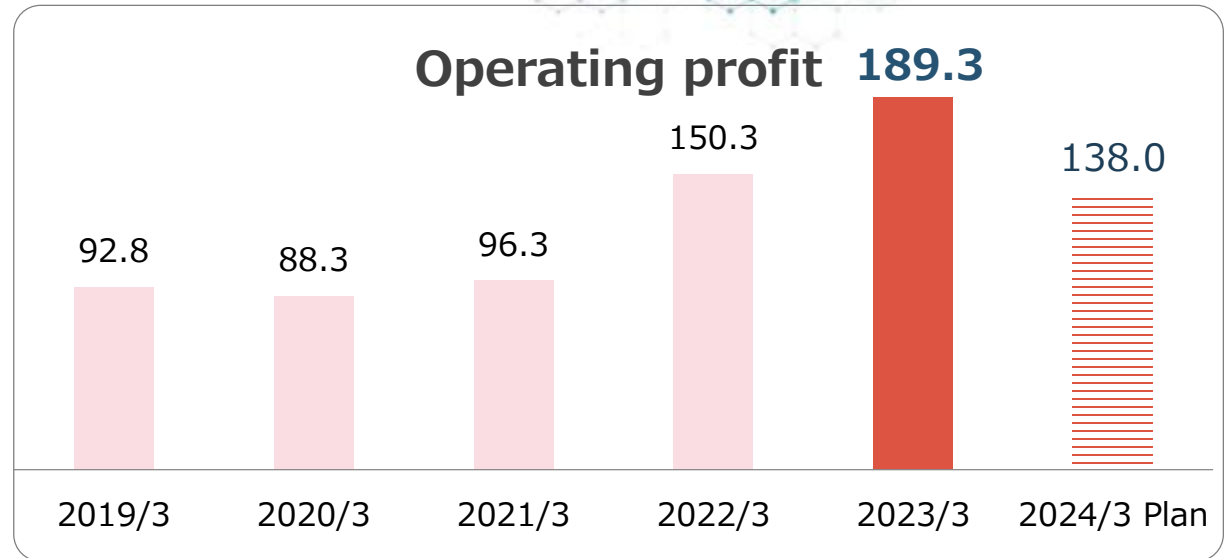
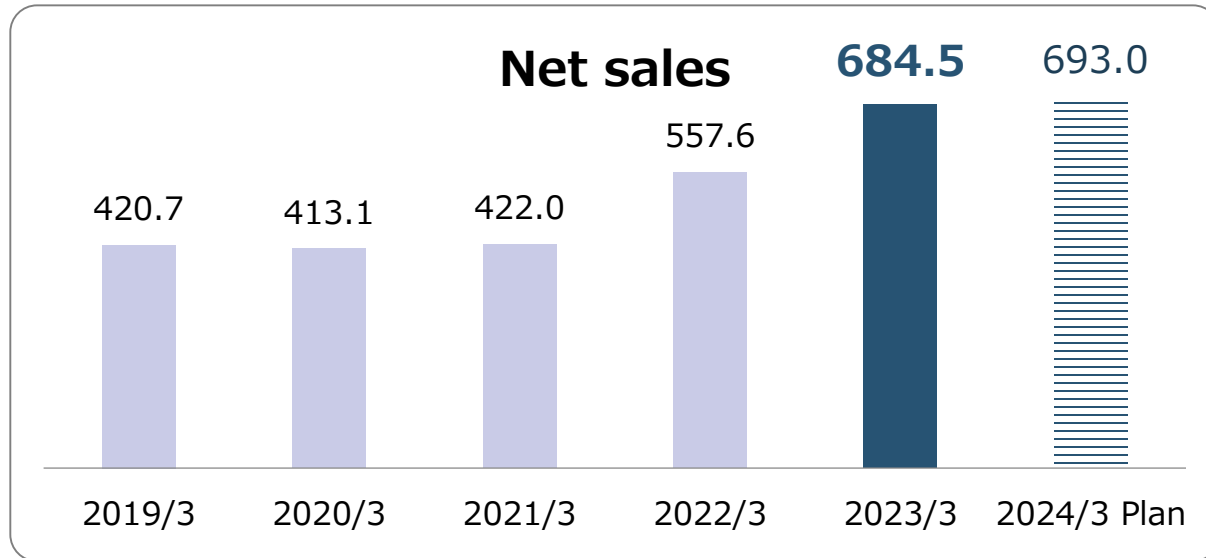
# Net Profit Analysis FY03/2023 versus FY03/2024(Plan)



(unit : 100 millions of yen)



# Business Performance and Plan



unit : 100 millions of yen)



## Sustainability Report

- December 2022 : 1<sup>st</sup> release

We will continue to update and disclose annually.



## Improve corporate governance structure

10 directors including 4 independent outside directors  
(meet guideline of Tokyo Stock Exchange)

We will take steps to reinforce management supervisory and improve our governance structure.

## Change the working style

- January 2023:  
New layout of Tokyo Head Office  
Flexible job style:  
Free-address system, Remote working, Flexible time, etc.  
Employees can voluntarily choose working place and time.
- September 2023: scheduled Osaka Head Office relocation



## New Action plan

- Create an environment where one, regardless of gender, can work in confidence for a long time
- Promote diverse work styles

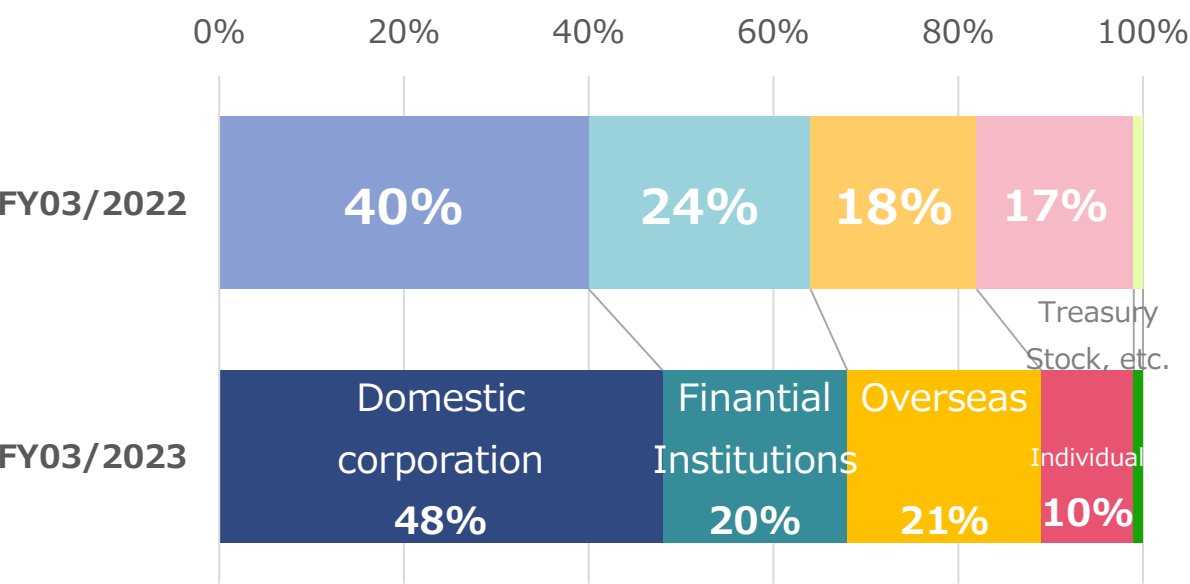
Based on the act on promotion of women’s participation and advancement in the workplace (2023/4/1– 2026/3/31)

Target1	Percentage of female workers among full-time employees	Above 18%
Target2	Percentage of females workers among management levels	Above 12%
Target3	Percentage of male’s taking child-care leave	Above 10%

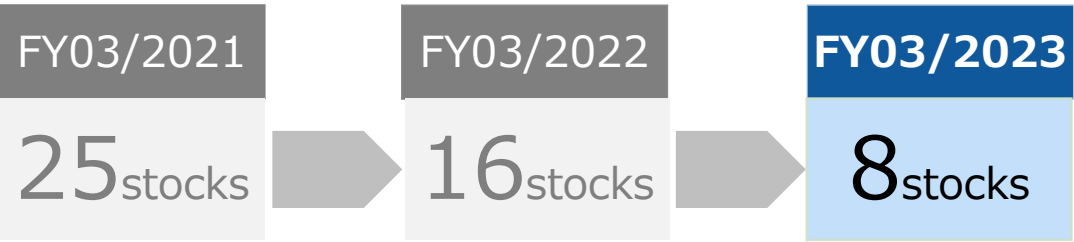
# Stock Information



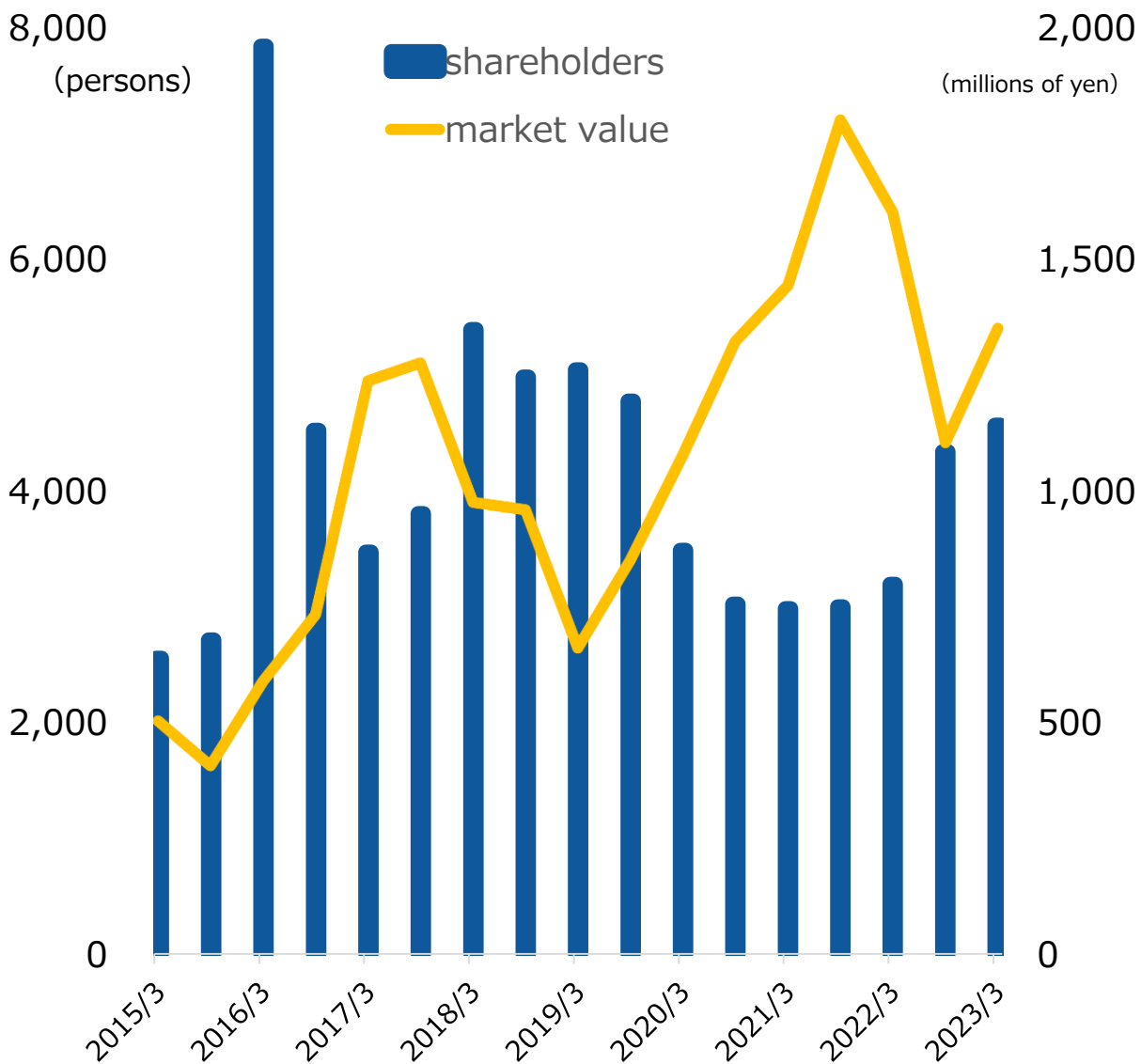
## ■ Composition of Shareholders



## ■ Cross-held stocks



## ■ Market capitalization/Number of shareholders

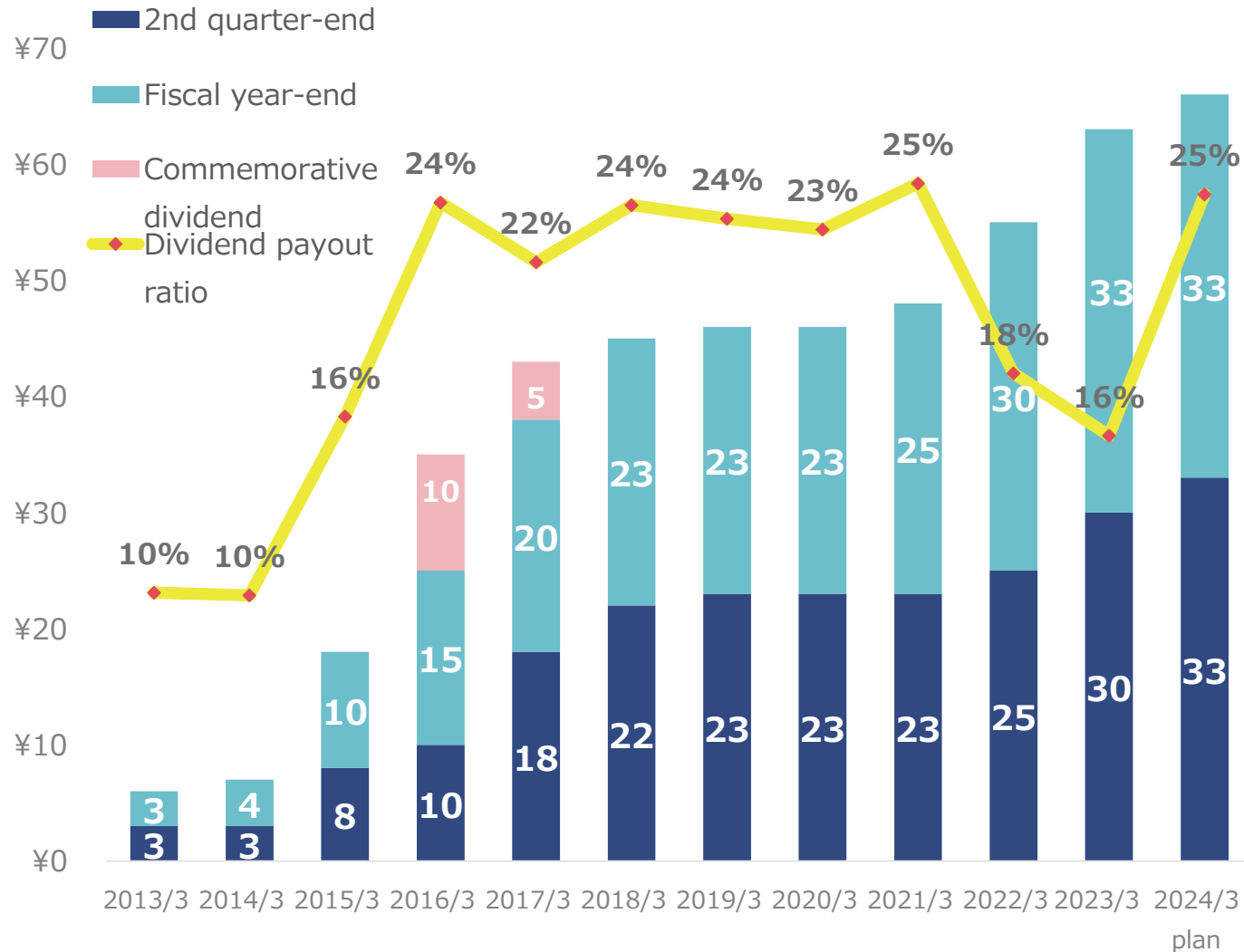


# Return to Stockholders



## Dividends

Change in annual dividends per share



## Plan to increase dividends

### FY03/2024 Forecast

➡Cash dividends	¥ <b>66</b>
2 <sup>nd</sup> Quarter-end	¥ <b>33</b>
Fiscal year-end	¥ <b>33</b>

### FY03/2023 : dividends increase

➡Cash dividends	¥ <b>63</b>
2 <sup>nd</sup> Quarter-end	¥30
Fiscal year-end	¥33

### Basic policy

Stable and continuous dividend payments considering performance, business plans, financial strength, and other factors

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## Important Notice Regarding the Outlook

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The descriptions and figures stated in this material regarding the future outlook are based on information obtained from our group companies as of the present time as well as certain assumptions deemed to be reasonable. However, due to risks and other variables, we cannot guarantee the attainment of the targets stated herein. In addition, the actual performance may greatly vary in accordance with the economic climate surrounding the business, demand trends, exchange rate movements and other various factors.