

FY03/2024 Financial Results

For the year ended March 31, 2024

FUSO CHEMICAL CO., LTD.

May 17, 2023

Prime Market (4368)

Tokyo Stock Exchange, Inc.



I . Financial Summary Results for FY03/2024

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

II . Segments Results

■ Life Science

■ Electronic Materials & Functional Chemicals

III . FY03/2025 Outlook

(period April 1, 2024 – March 31, 2025)



I. FY03/2024 Financial Summary

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

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (FY03/2024)



(unit : 100 millions of yen)	FY03/2024	vs FY03/2023			Plan disclosed in May.2023			Plan disclosed in Sep.2023		
		FY03/2023	YoY	YoY ratio	Plan	Change	vs budget	Plan	Change	vs budget
Net sales	589.7	684.5	△94.8	△13.9%	693.0	△103.2	△14.9%	605.0	△15.2	△2.5%
Operating profit	110.8	189.3	△78.4	△41.4%	138.0	△27.1	△19.7%	109.5	+1.3	+1.2%
Ordinary profit	118.8	197.4	△78.5	△39.8%	138.0	△19.1	△13.9%	115.5	+3.3	+2.9%
Profit attributable to owners of parent	83.4	141.2	△57.8	△41.0%	94.5	△11.0	△11.7%	79.0	+4.4	+5.6%
EBITDA	182.4	232.6	△50.2	△21.6%	217.0	△34.5	△15.9%	182.5	+0.0	△0.0%
Earnings per share	¥236.7	¥400.9	△¥164.2	△41.0%	¥268.1	△¥31.4	△11.7%	¥224.1	¥12.5	+5.6%

Achieved plans of operating profit and profit attributable to owners of parent

Sales & Profit by segment

versus previous year FY03/2023



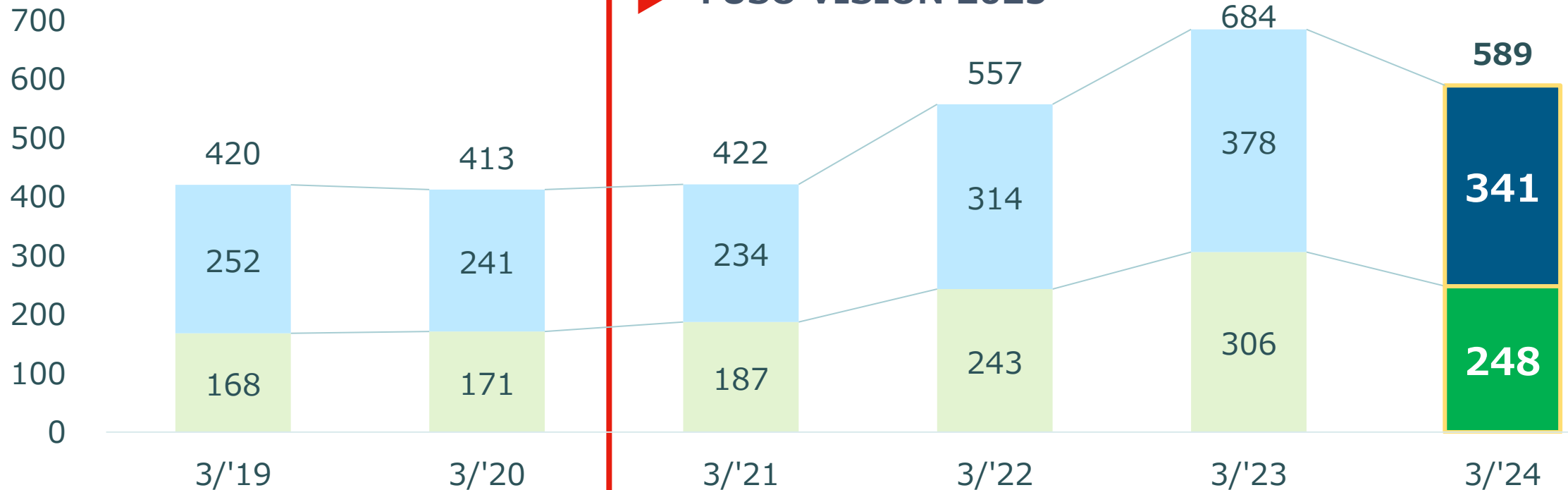
(unit: 100 millions of yen)		FY03/2024	YoY		
			FY03/2023	change	Ratio
■ Life Science	Net sales	341.4	378.0	△36.6	△9.7%
	Operating profit	56.3	74.0	△17.6	△23.9%
■ Electronic Materials & Functional Chemicals	Net sales	248.2	306.5	△58.2	△19.0%
	Operating profit	75.3	133.9	△58.6	△43.8%
(Adjustment)		△20.8	△18.6	△2.1	—
Operating pfofit (consolidated)		110.8	189.3	△78.4	△41.4%

Net Sales by Segment



(unit:100 millions of yen)	3/'19	3/'20	3/'21	3/'22	3/'23	3/'24
Net Sales	420	413	422	557	684	589
Life Science	252	241	234	314	378	341
Electronic Materials & Functional Chemicals	168	171	187	243	306	248

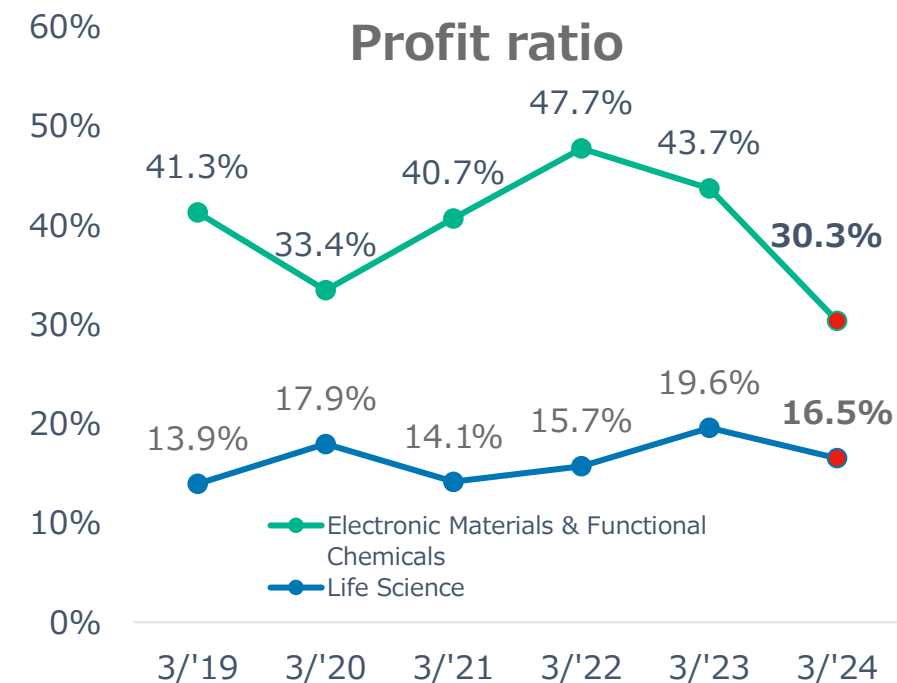
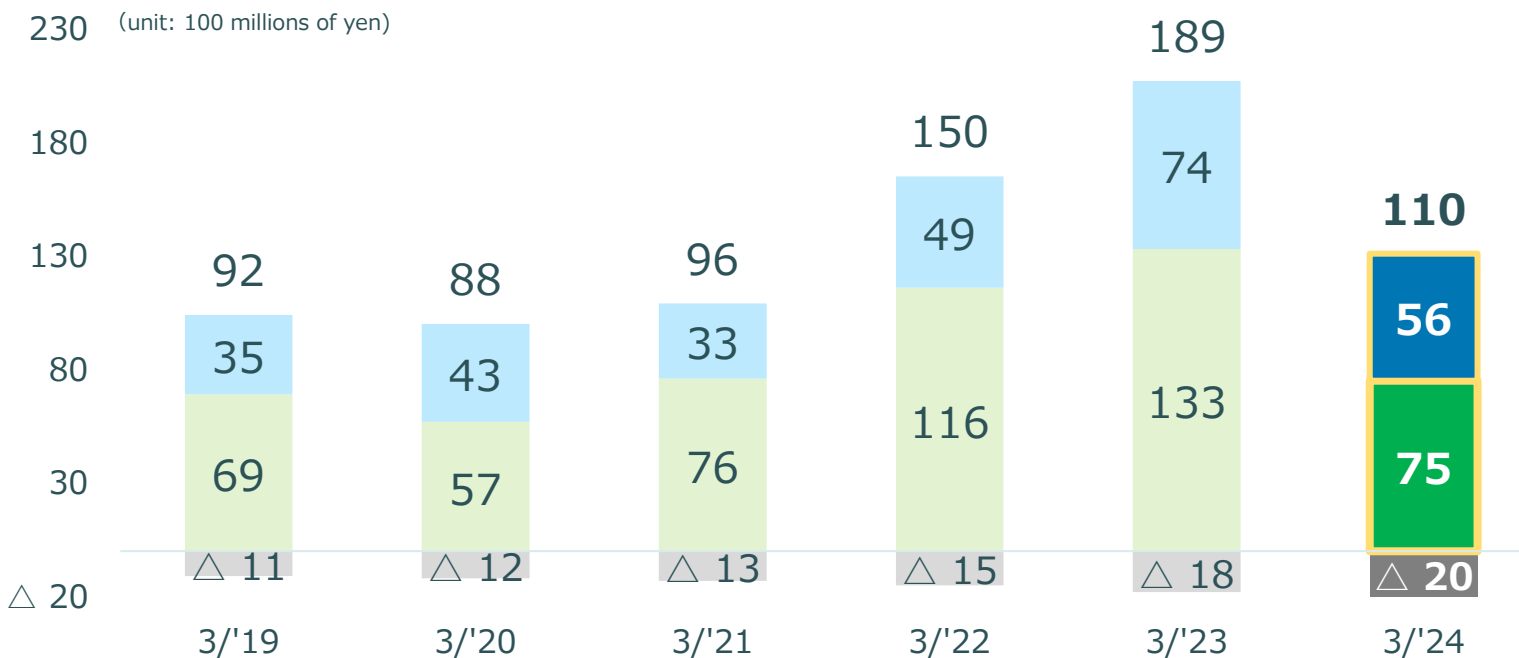
(unit : 100 millions of yen)



Operating Profit by Segment



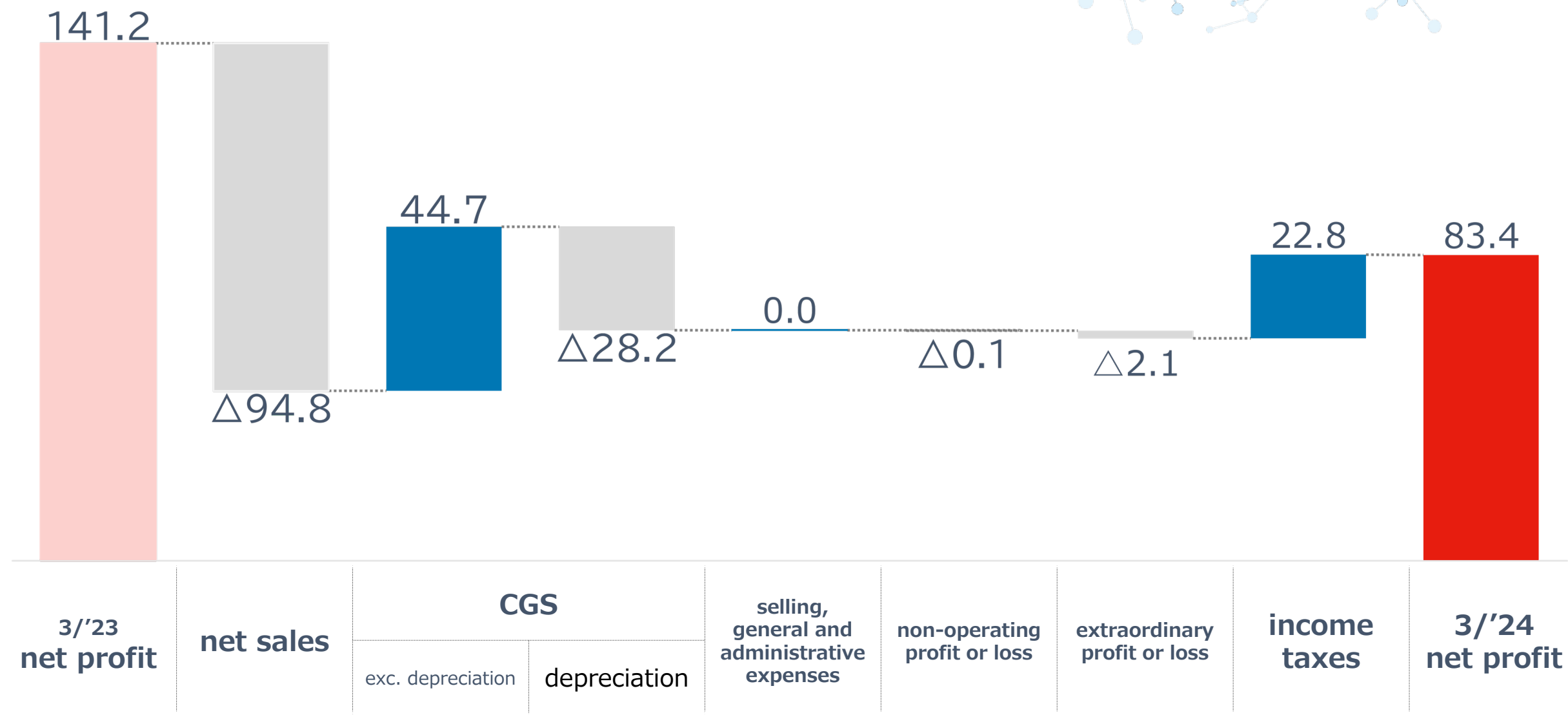
(unit:100 millions of yen)	3/'19	3/'20	3/'21	3/'22	3/'23	3/'24
Operating Profit	92	88	96	150	189	110
Life Science	35	43	33	49	74	56
Electronic Materials & Functional Chemicals	69	57	76	116	133	75
(Adjustment)	△ 11	△ 12	△ 13	△ 15	△ 18	△ 20



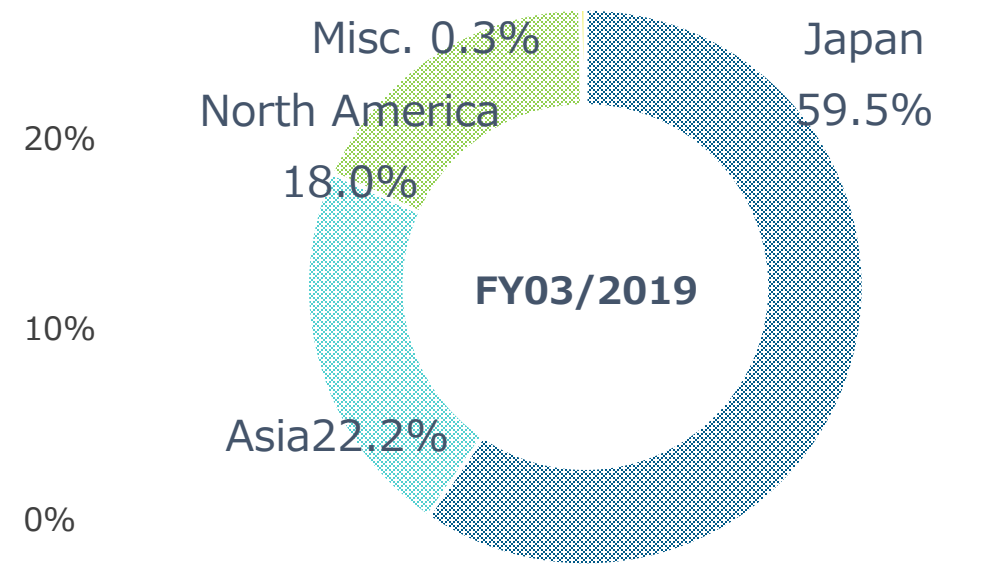
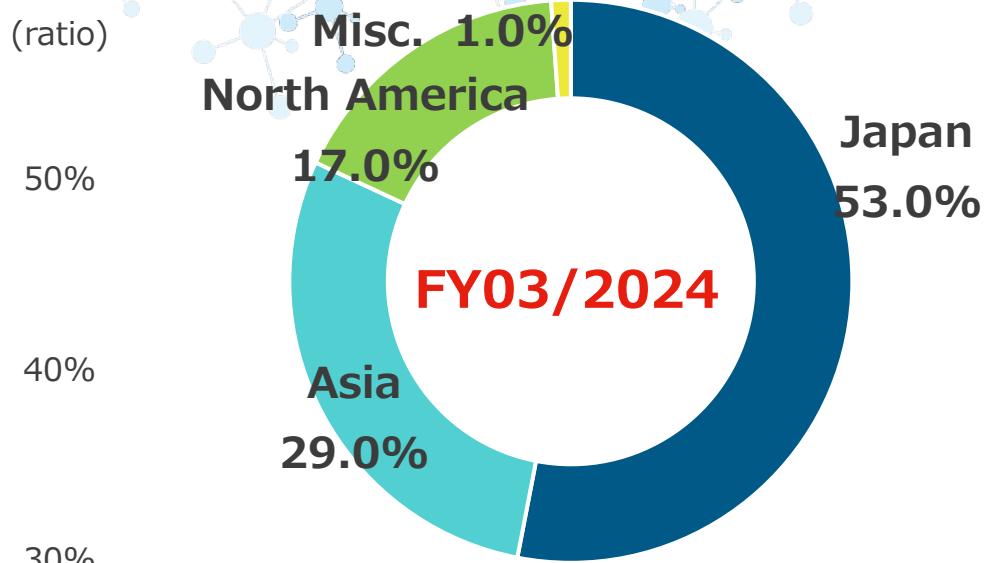
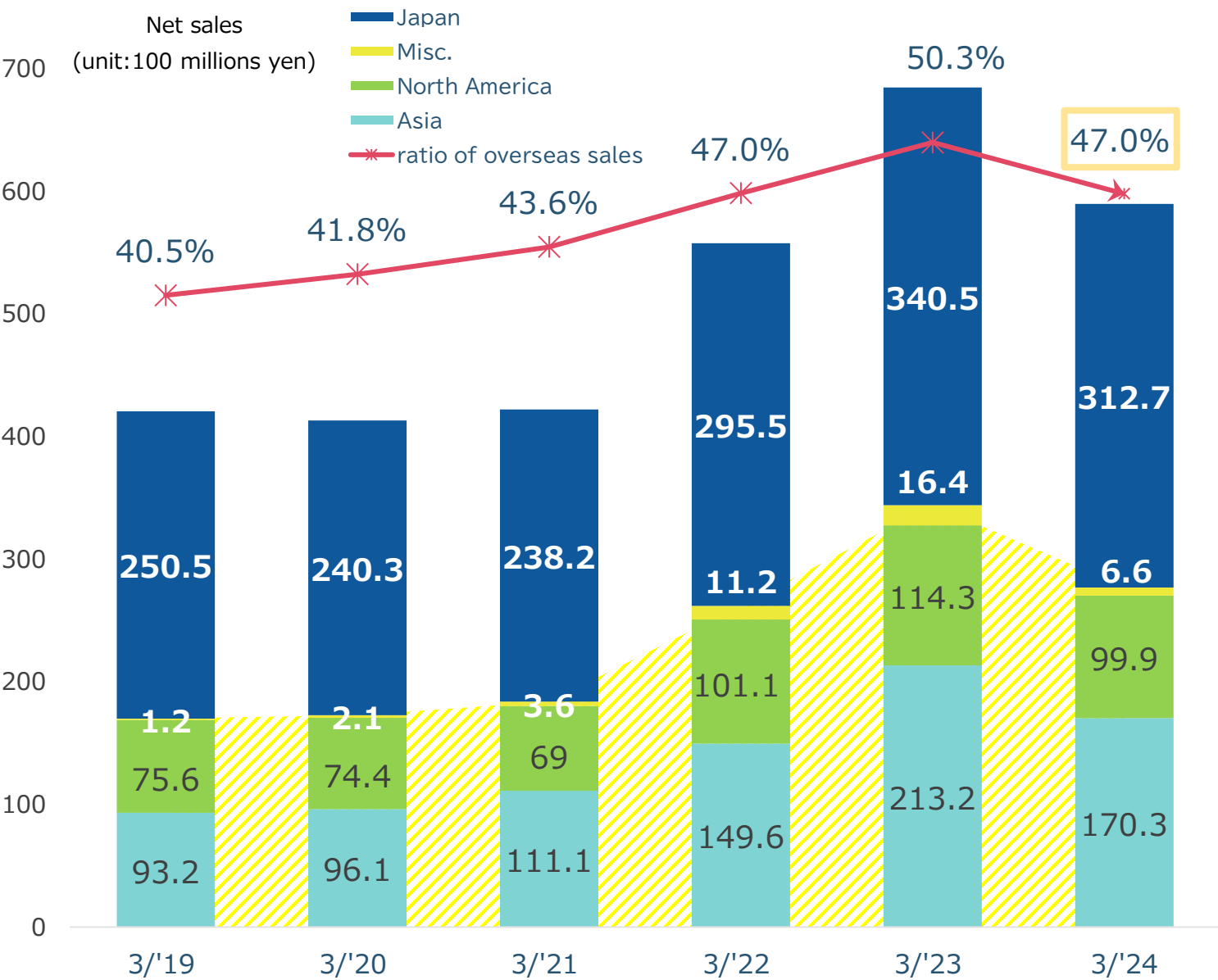
Net Profit Analysis FY03/2023 versus FY03/2024



(unit : 100 millions of yen)



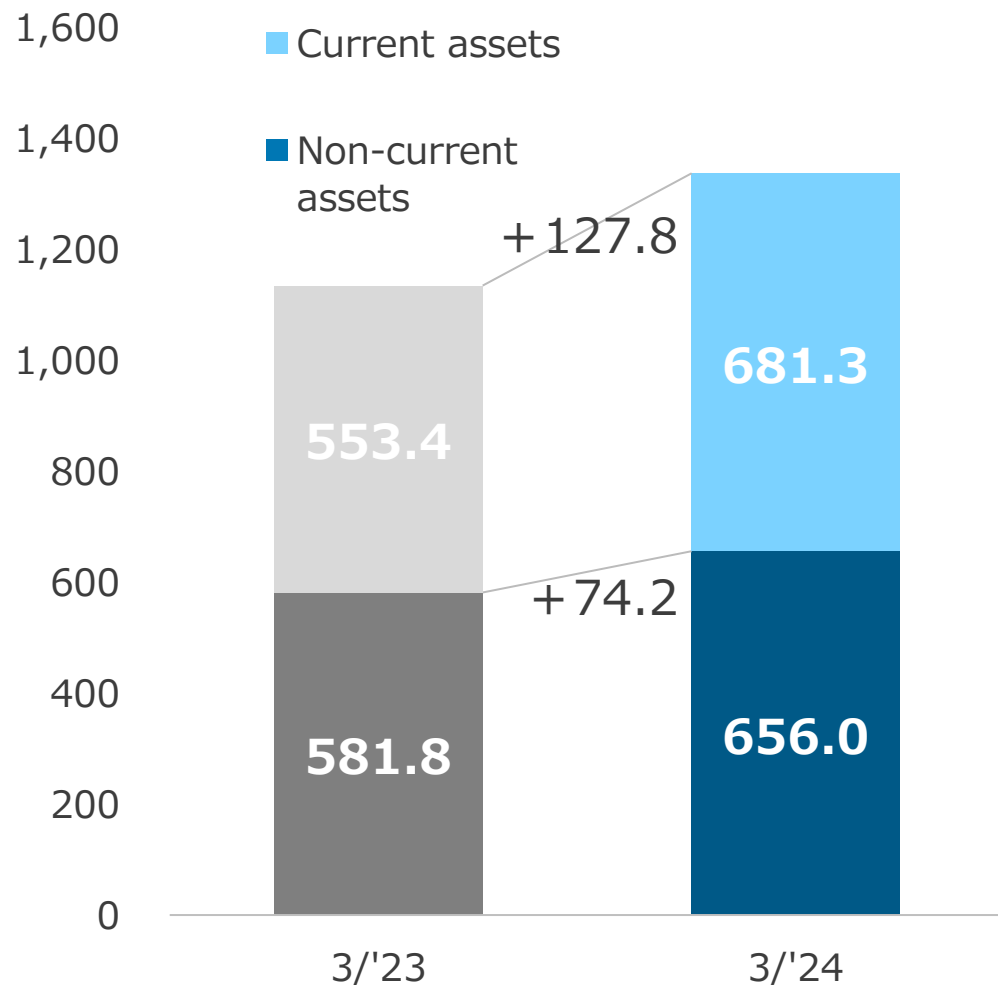
Overseas Sales Growth



Assets, Liabilities and Net Assets

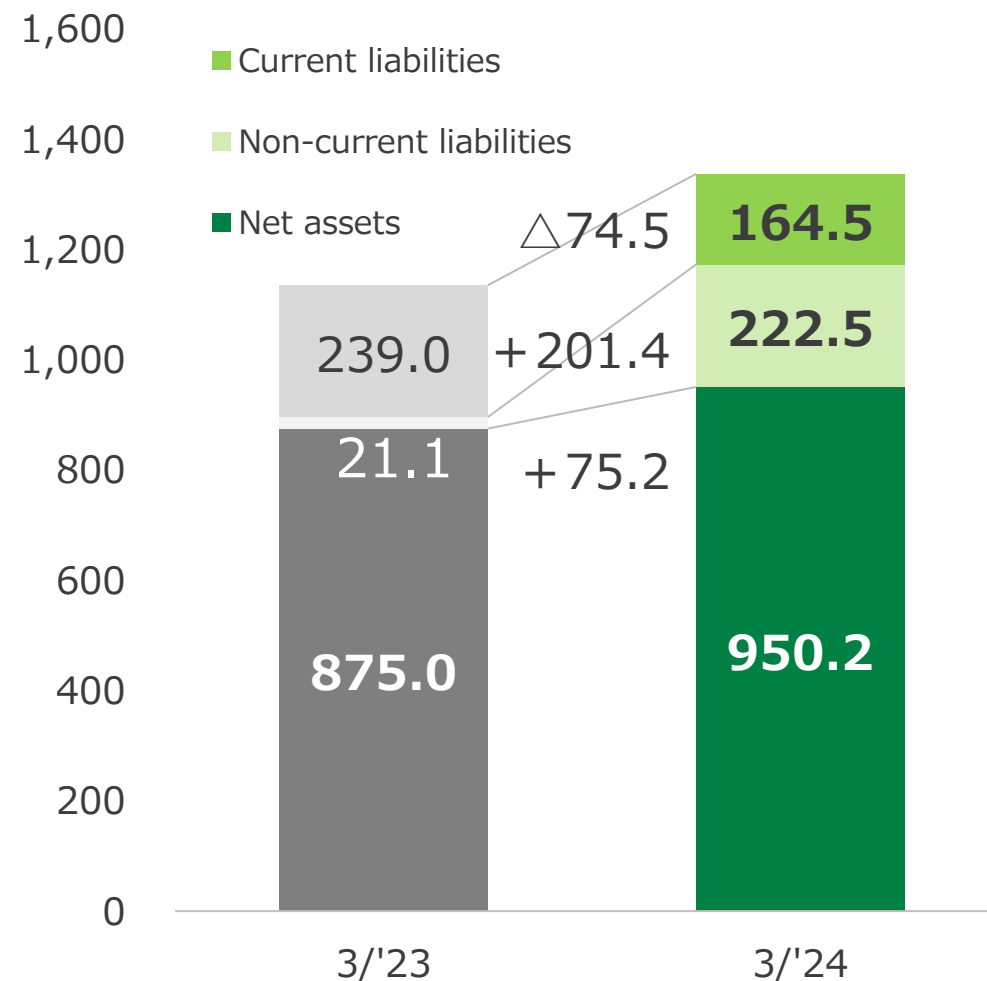
Assets

(unit : 100millions of yen)



Liabilities/Net Asset

(unit : 100millions of yen)



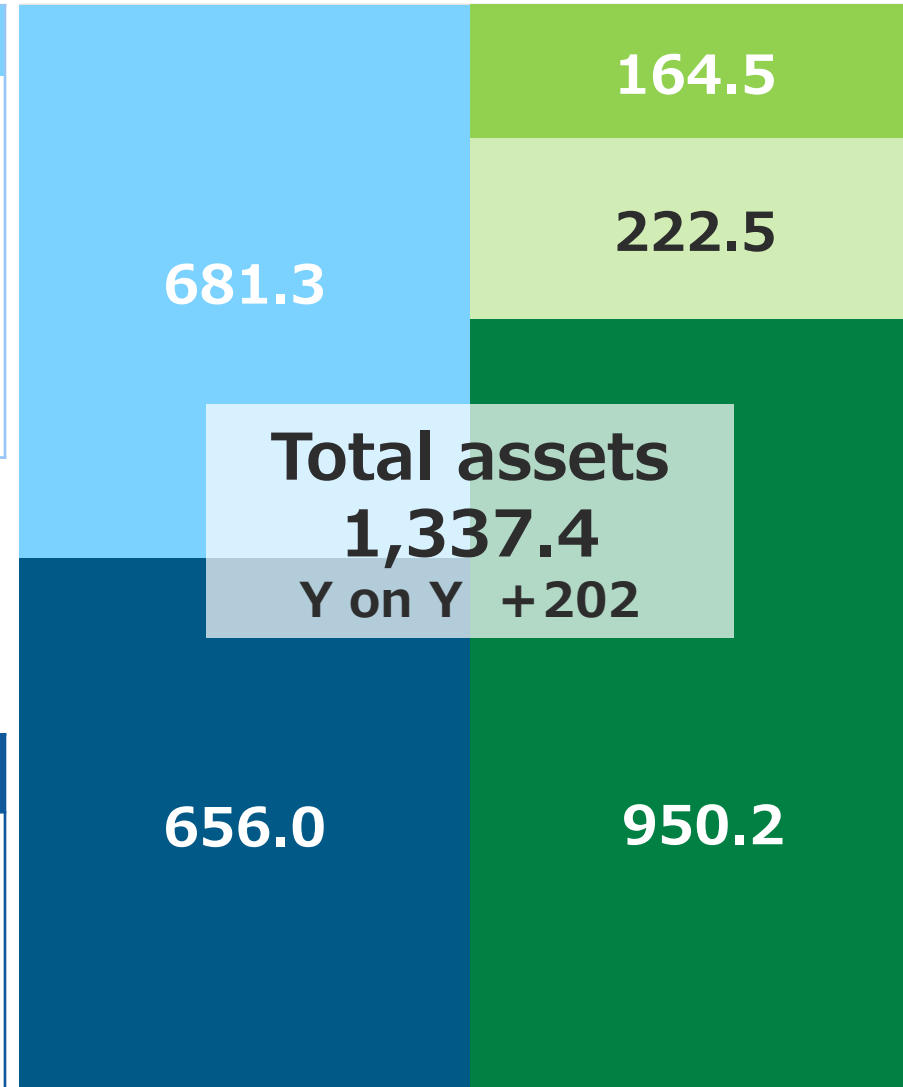
Consolidated Balance Sheet



(unit : 100millions of yen)

Current assets (Y on Y +127)	
• Cash and deposits	+80
• Notes and accounts receivable - trade	+14
• inventory assets	+13
• Other	+18

Non-current assets (Y on Y +74)	
• Buildings and structures	+64
• Machinery, equipment and vehicles	+88
• Construction in progress	△107



Current liabilities (Y on Y △74)	
• Notes and accounts payable - trade	△9
• Accounts payable - facilities	△44
Non-current liabilities (Y on Y +201)	
• Long-term borrowings	+200

Net assets (Y on Y +75)	
• Retained earning	+60
• Foreign currency translation adjustment	+13

Consolidated Statements of Cash Flows

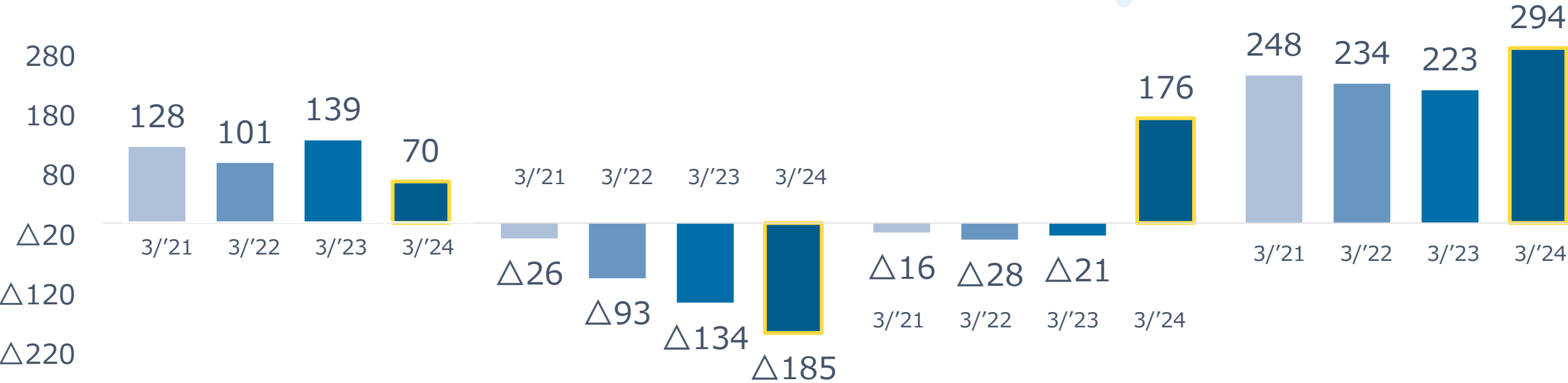


Operating CF

Investment CF

Financial CF

Cash and cash equivalents at end of period



(unit : 100millions of yen)

Breakdown

Cash flows from operating activities

- Profit before income taxes + 120
- Depreciation + 71
- Income taxes (paid) refund △64

Cash flows from investing activities

- Purchase of property, plant and equipment △149
- Purchase of intangible assets △ 26

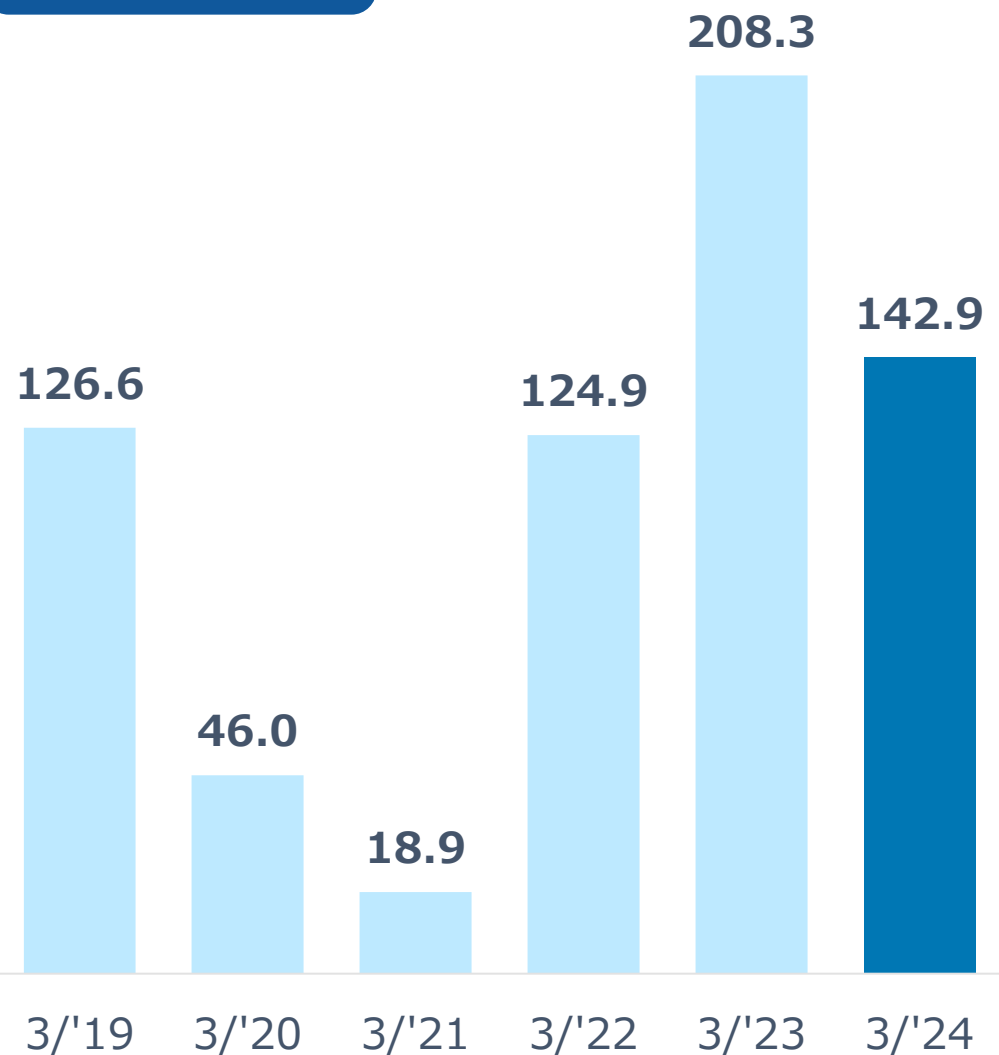
Cash flows from financing activities

- Long-term borrowings + 200
- Dividends paid △23

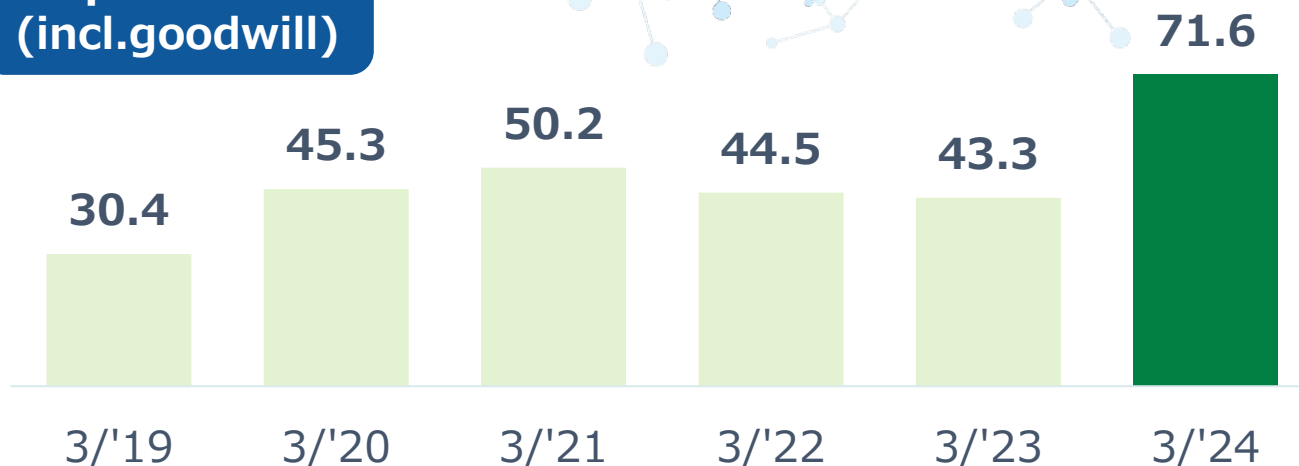
Capital Investment/Depreciation/R&D Expenses



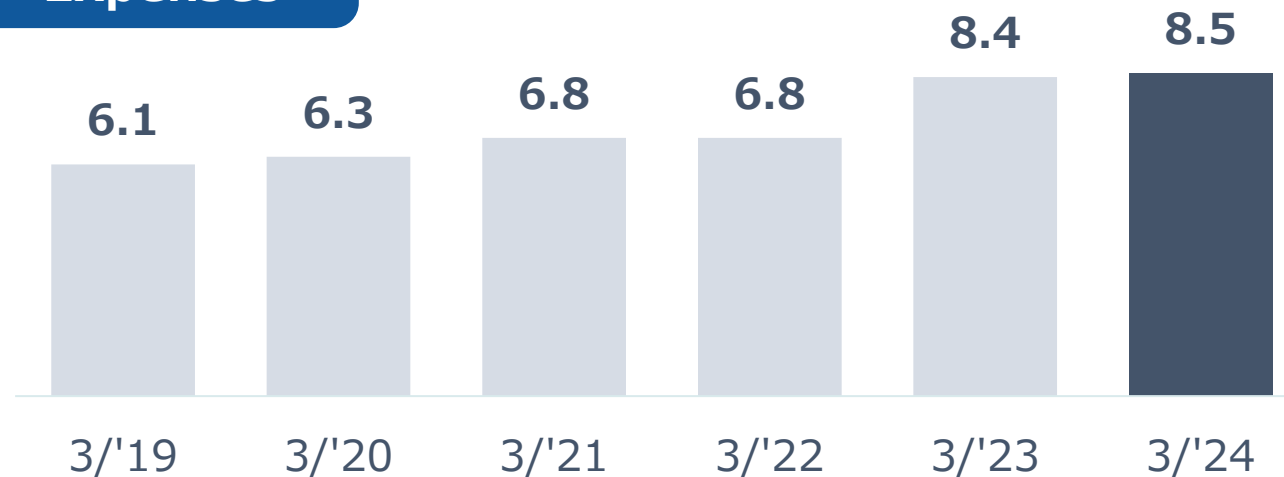
Capital Investment



Depreciation (incl. goodwill)

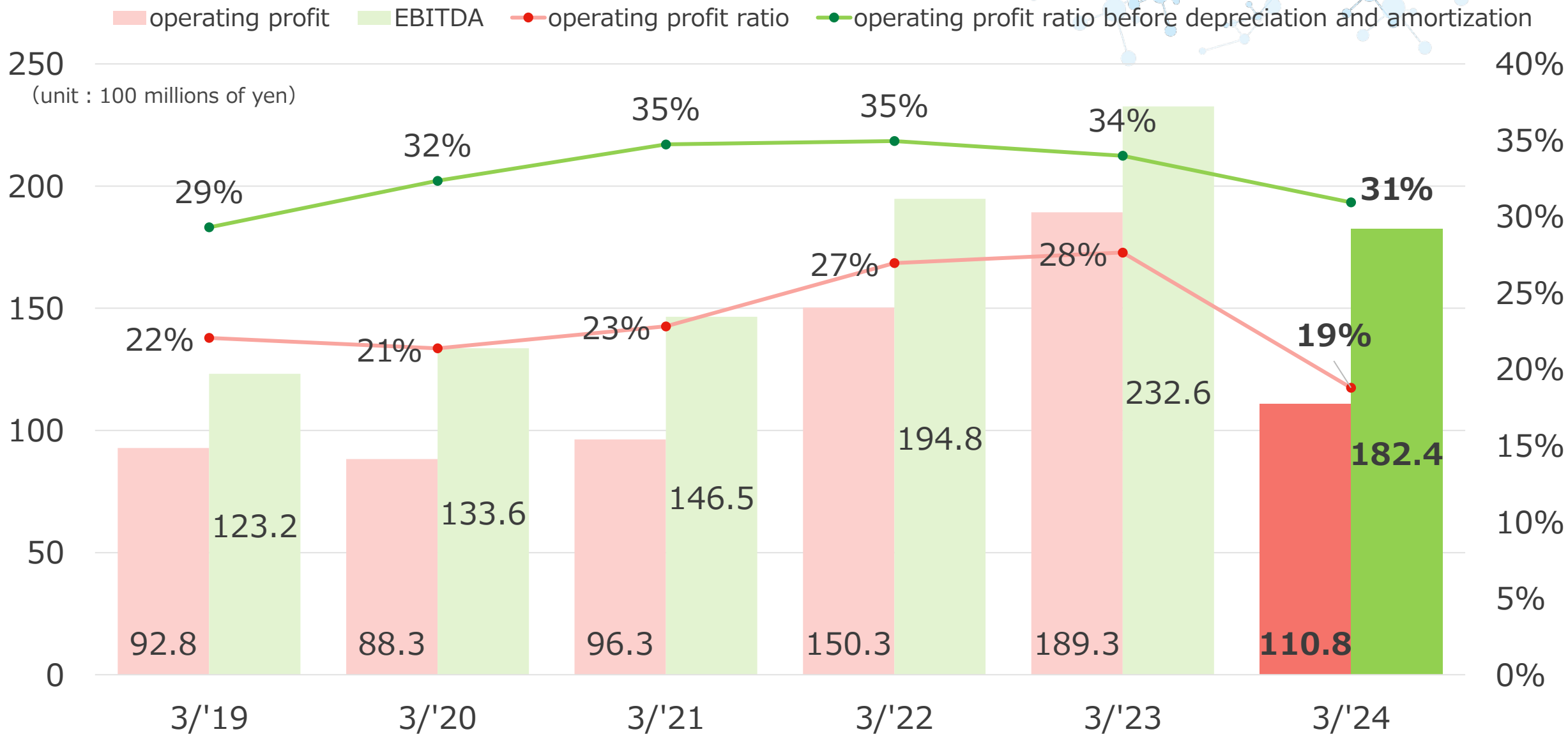


R&D Expenses



(unit: 100 millions of yen)

Operating Profit and EBITDA



II. Segments Results

■ Life Science ■

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



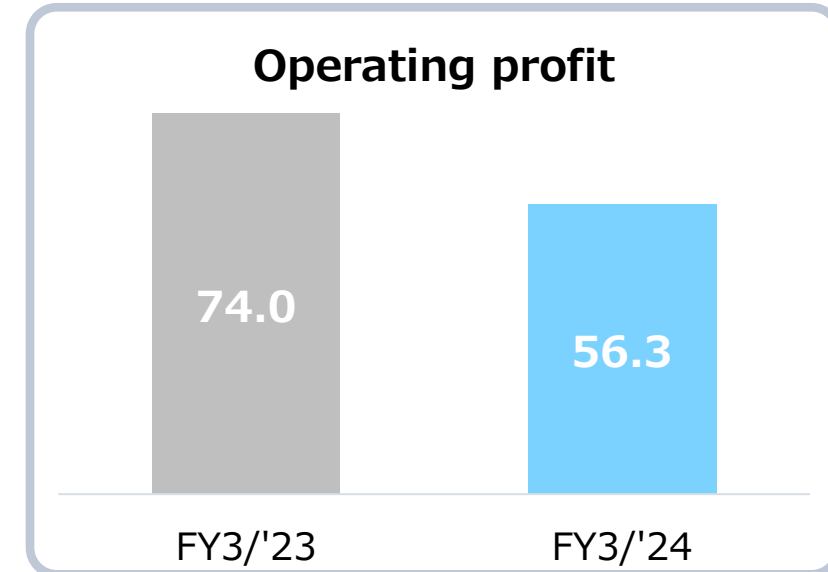
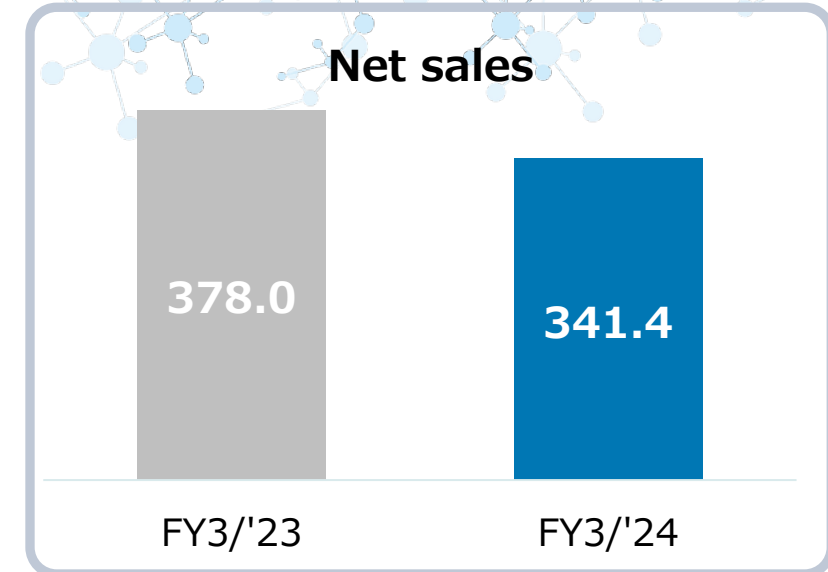
Electronic Materials & Functional Chemicals



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



(unit:100 millions of yen)	3/'24	3/'23	Y on Y	
			change	ratio
Net sales	341.4	378.0	△36.6	△9.7% ↓
Operating profit	56.3	74.0	△17.6	△23.9% ↓



(unit: 100 millions of yen)

Net sales	positive/negative factor	Operating profit	positive/negative factor
+	<ul style="list-style-type: none"> Demand recovery in domestic food applications Increase in export yen-base prices due to the weak yen Increase due to yen conversion of overseas subsidiaries 	+	<ul style="list-style-type: none"> Formula revision for benzene-linked price products Price revision of Gluconates Increase in sales of Vitamin C products
-	<ul style="list-style-type: none"> Decline volume in exports Delay in recovery of sales at U.S. subsidiary Weak demand for metal plating and cleaning agents Longer customer inventory adjustment after logistics disruption Sharp decline in market prices Market share down at major customers 	-	<ul style="list-style-type: none"> Decrease in sales volume of fruit acids Soaring purchase prices due to the weak yen Trend of pressure to lower prices Decreased operating rate of facilities Increase in costs (utilities, labor)

I . Key Products

- 1 Malic acid and derivatives
- 2 Citric acid and derivatives
- 3 Gluconic acid and derivatives
- 4 Fumaric acid/ Maleic anhydride/ Vitamin C



II . Next-generation products

- 1 FFA business
- 2 Coated fruits acid/ Application products

I -1. Malic acid and derivatives

FY3/'24 results

【Domestic】

- Acceptance of sales price increase
- Decrease in sales for industrial use (plating, etc.)

【Overseas】

- Decrease in purchase volume due to inventory optimization by overseas customers
- Price down phase, as raw material prices settled down after supply chain and logistics disruptions
- Weak demand in European and U.S. markets



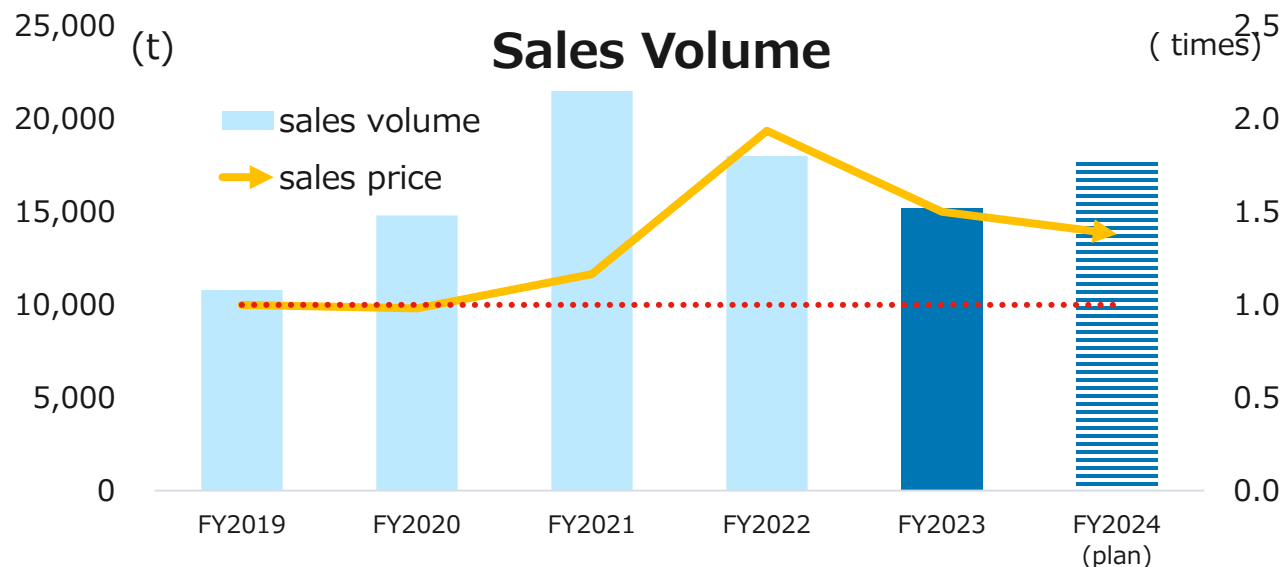
FY3/'25 plan

【Domestic】

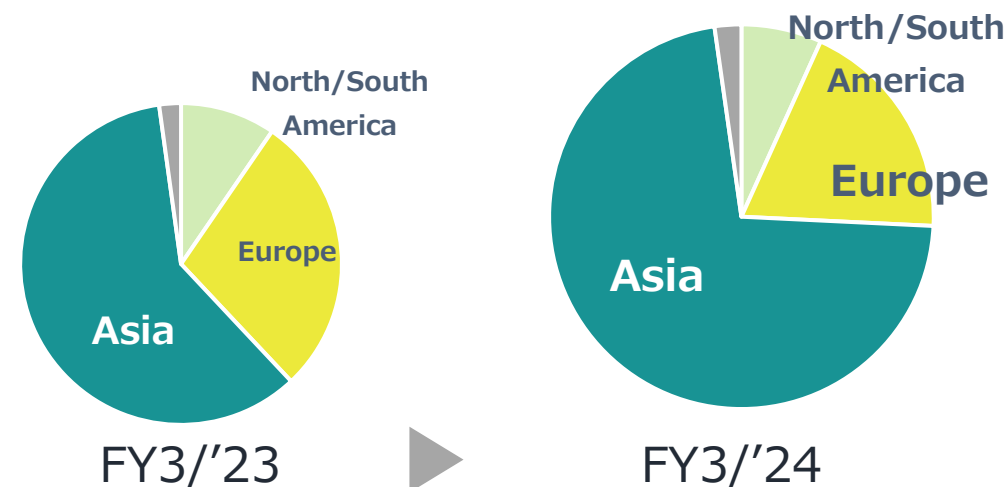
- Maintain sales volume at reasonable prices by monitoring competitors' imported price level.
- Expand sales of liquid products

【Overseas】

- Maintain market share in Asian markets and increase volume according to recovery in demand
- Increase in volume in Europe and the U.S. by competitive price
- Strengthening sales network in new sales countries



【Overseas sales volume by region】



I -2. Citric acid and derivatives

FY3/'24 results

- Market disruption, jump and slump price changes from China
- Influence of formulation changes in household detergents manufactures with higher production cost
- More consumption of sugar-free beverages than carbonated ones (record-high extreme hot summer)
- Almost same level business as previous fiscal year : confectionery, beverages, food products, etc.
- Start of Collaboration with with a manufacturer in Thailand

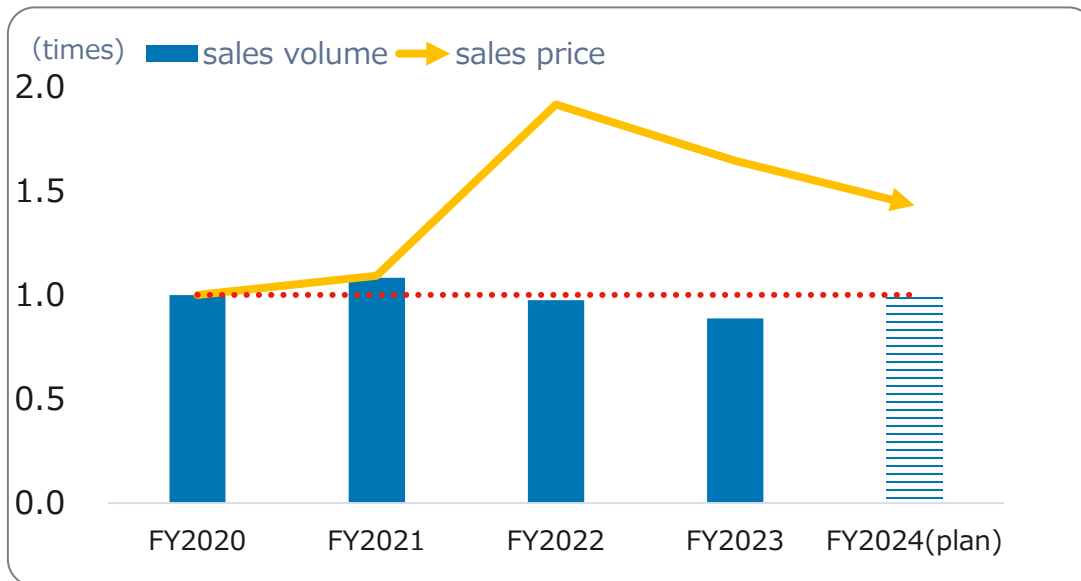


FY3/'25 plan

- Larger market share by paying prompt attention price movement
- Taking business for middle size customers back (lost last year) by competitive prices
- Priority sales for customer who want to buy from new source : Strengthening closer relationships with Thai's manufacturer
- Sales volume increase : grab market share for major beverage and large detergent manufacturers.
- Start in-house production/sales of ultra high purity citric acid

◆ Ultra High Purity Citric Acid (APPLICIOUS) ◆

- In-house production : Scheduled to begin production in early 2025
- Market access : BCP through market expansion, as a 2nd supplier
- Main Usage : P-CMP cleaner raw materials, Silicon wafer cleaning agent
- Sales Target : 10 x the current sales volume at an early stage (Multi-Million Yen Scale)
Market share of 10% above



I -3. Gluconic acid and derivatives

FY3/'24 results

【Domestic】

- Price revisions due to rising raw material and purchase prices
- Expanded sales of HELSHAS K (potassium gluconate)
- Low construction-related demand

【Overseas】

- Upgraded facilities at PMP(Completed in Dec. 2023)
- Lost some orders and share down
- Price revision from 4Q to take back market share in North America



FY3/'25 plan

【Domestic】

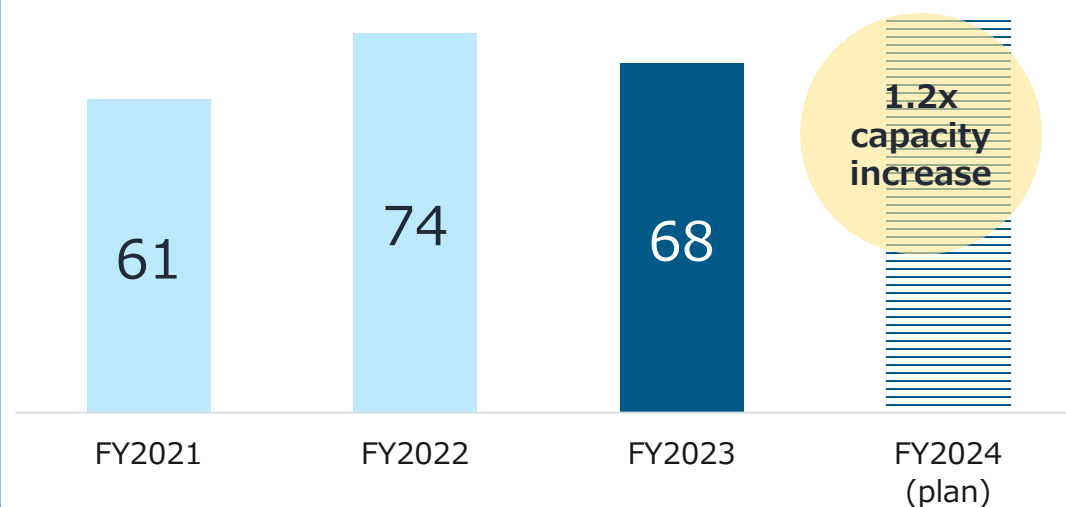
- Recovery of market share in industrial applications
- Secure profits : keep reasonable spread

【Overseas】

- Sales volume increase by expanded facility capacity
- Recovery of sales volume with flexible pricing strategy



Net sales at PMP (unit:100 millions of yen)



I -4. Fumaric acid/ Maleic anhydride/ vitamin C

FY3/'24 results

【Fumaric acid】

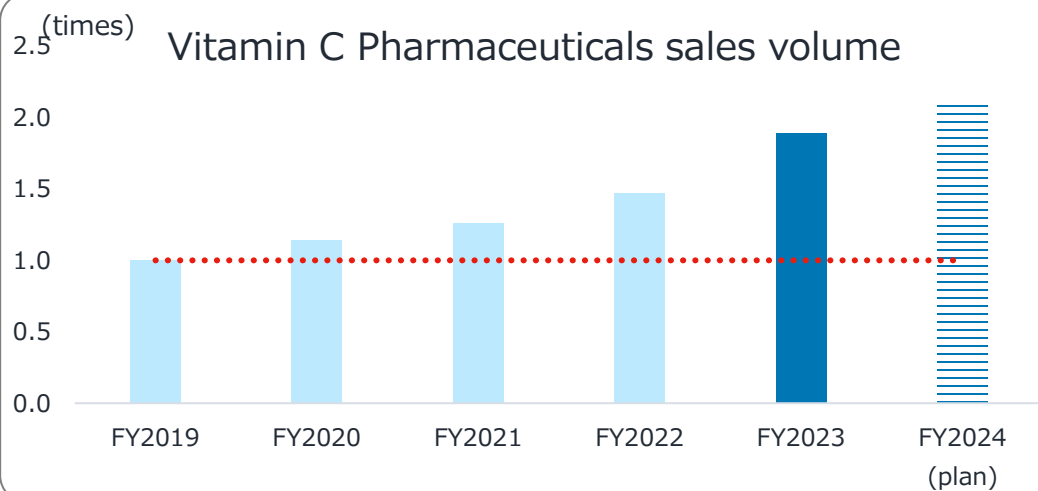
- Sluggish in use of paper manufacturing, unsaturated polyester, paints, and other products
- Significant decrease in sales for bath additives (5%~10% shrink in demand)

【Maleic acid】

- Weak in unsaturated polyester applications for housing-related products
- Influence of price differences with other competitors

【Vitamin C】

- Big increase in sales volume due to introduction newly for pharmaceutical products



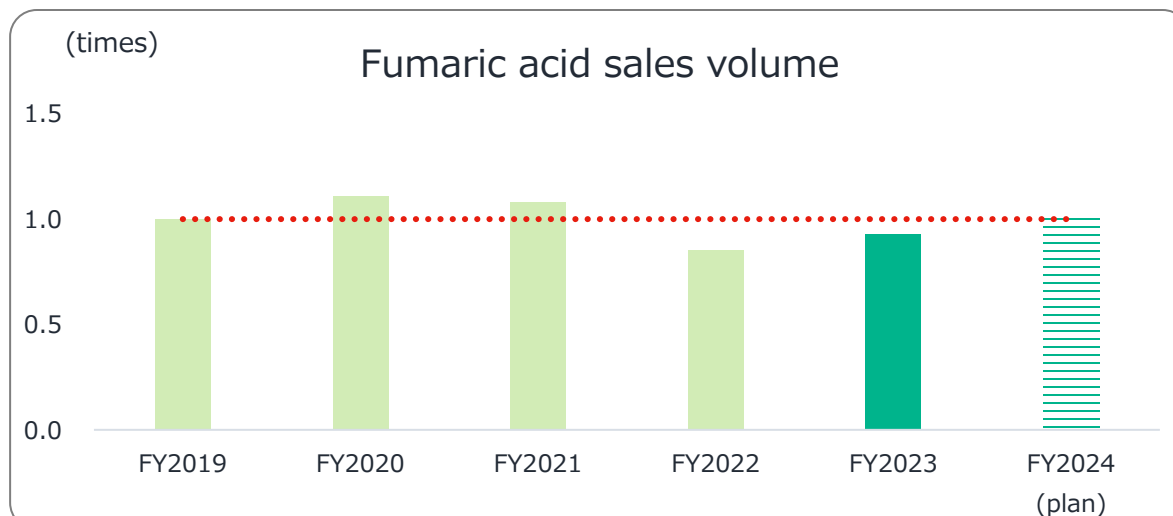
FY3/'25 plan

【Fumaric Acid/Maleic Acid】

- Maintain market share with major customers
- Maximize profits by balancing production and sales
- Securing large customers in industries with shrinking demand (paper, paint, housing construction)

【Vitamin C】

- Building supply system : increase production/outourcing structure
- Increase sales to major customers and take new demand
- Accelerate products proposals for consumer/pharmaceutical s by utilizing our resources available.



Ⅱ -1. FFA business

- ◆ Expand new product sales
(Coated Fruits acid 、Cooked rice formulations、Antioxidant preparations、Browning preventer)
- ◆ Launch new products (Powdering acetic acid、Soluble fumaric acid、Gluten-free food formulations)
- ◆ Utilize the existing FFA facilities (Osaka factory)
- ◆ Grow Stress-free formulation business

Medium-term sales target

Functional Fruits Acid

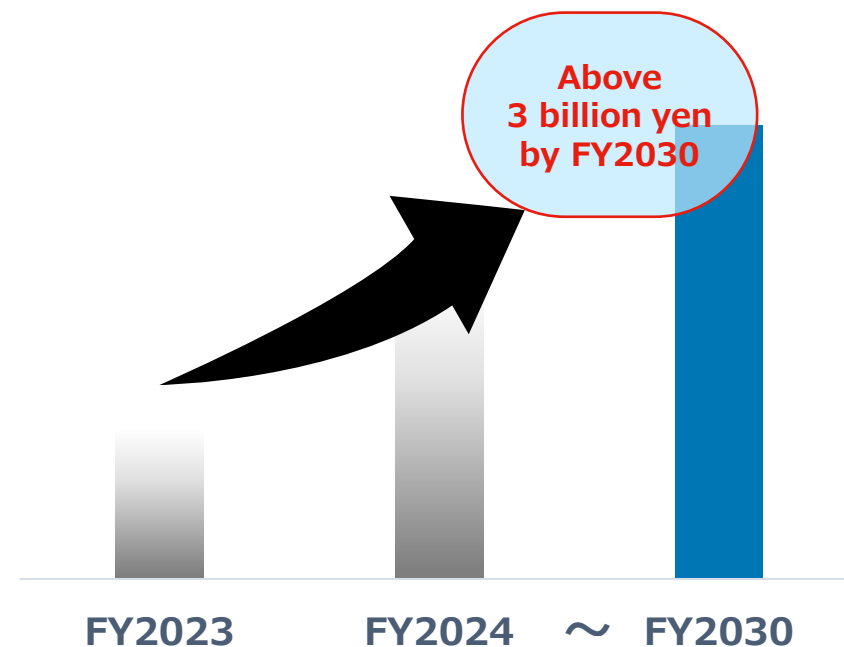
Formulation of Food Additives

Formulation of Food Materials and
Food Additives

Functional Food Material and
Food Additive

Functional Fruits Acid

What is
FFA ?



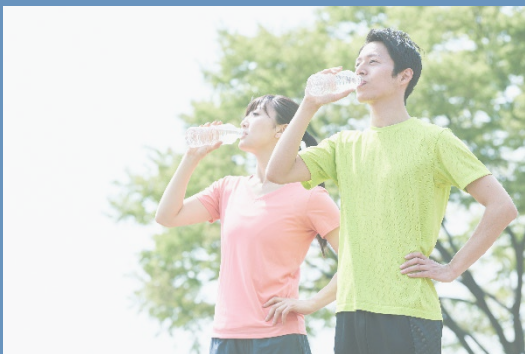
II -2. Coated Fruits acid and application

		FY03/'24 results	FY03/'2025 plan
Shelf life improver	Lunch Fresh R(S)	<ul style="list-style-type: none"> gluconic acid formulation for rice with control of acid smell newly adapted by multiple companies 	<ul style="list-style-type: none"> aiming to achieve new business by expanding sales and marketing in major convenience stores and food services related businesses. identify issues with current products and consider improved versions revised brochures and data 
	Lunch Fresh CT Sales Targets above 100t	<ul style="list-style-type: none"> new concept of FFA formulation using coated fruit acid focused sales to major domestic meat and seafood manufacturers 	
Coated Fruits acid	M80・M95 (malic acid) C80・C95 (citric acid) V80 (vitamin C) Sales Targets above 100t	<ul style="list-style-type: none"> attracting new customers in non-oil fruits acid expansion of product lineup newly adapted by 2 domestic confectionery manufacturers 	<ul style="list-style-type: none"> continuous sales to major confectionery manufacturers of candies, gummies, etc. market development in overseas markets for Halal compliance, etc. development of new concept products 
Antioxidant preparations /Browning preventer	KEPICALON FR・T (browning preventer) Oxinergy (Vitamin C, Vitamin E preparations)	<ul style="list-style-type: none"> adopted by 4 companies for processed chilled fish products etc., patent pending, production to start in Mar.2024 under evaluation by instant noodle manufacturer 	<ul style="list-style-type: none"> proposal in progress at 10 companies stronger anti-oxidant than current products, expected to be used for rice noodle applications adopted in the snack food and chocolate industry 
Bio Stimulant Stress-free formulation		<ul style="list-style-type: none"> reduce damage to rice plant due to high temperatures joint research with universities prevent damage to tomato and broccoli due to high temperatures in summer 	<ul style="list-style-type: none"> rice cultivation area in Japan is 1.4 million ha: 500,000 ha mainly in Hokuriku region with high temperature damage, potential market of 100 t/y as stress-free 

II. Segments Results

- Electronic Materials & Functional Chemicals ■

Life Science



- Malic acid
- Citric acid
- Gluconic acid
- Fumaric acid
- Vitamin C
- Food additive formulations
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Electronic Materials & Functional Chemicals



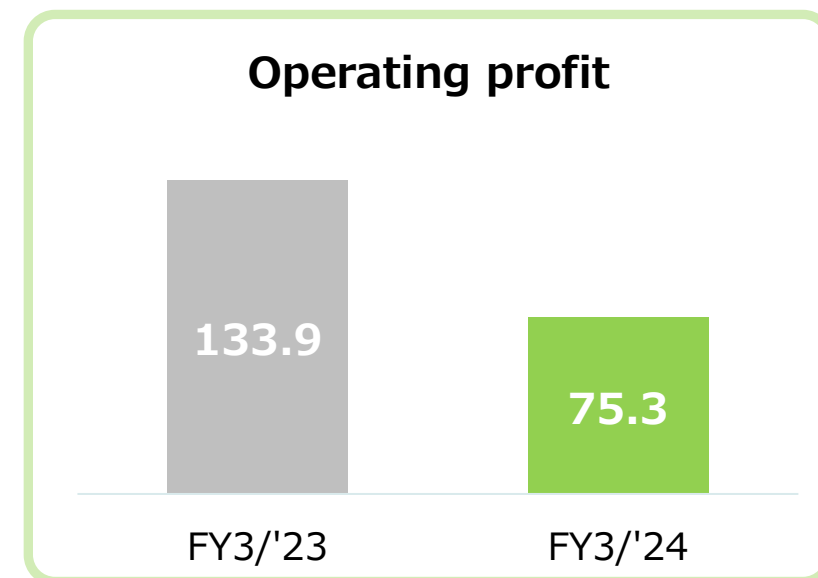
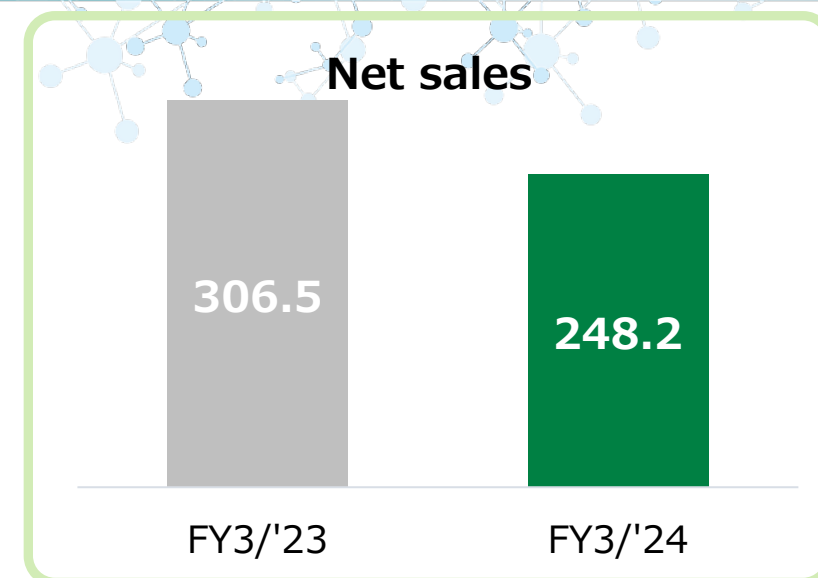
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 - Ultra high purity colloidal silica
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Electronic Materials & Functional Chemicals summary



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			change	ratio
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Operating profit	75.3	133.9	△58.6	△43.8% ↓



(unit: 100millions of yen)

Net sales	positive/negative factor
+	<ul style="list-style-type: none"> Price revision due to increased energy costs Changes in product mix Sales increase effect due to yen weakness
-	<ul style="list-style-type: none"> Decrease in sales volume due to delay in semiconductor market recovery Sluggish silicon wafer market Longer customer inventory adjustment period

Operating profit	positive/negative factor
+	<ul style="list-style-type: none"> Production efficiency in manufacturing Keeping proper inventory level in anticipation of market recovery
-	<ul style="list-style-type: none"> Increase in depreciation cost Decrease in sales volume Production adjustment with inventory secured Increase in factory workers due to facility expansion Increase in energy and material costs

I. Electronic Materials

(Ultra high purity colloidal silica)

1 Sales

2 Production & Technology

3 Product Development

II. Functional Materials

1 Silica Functional Materials

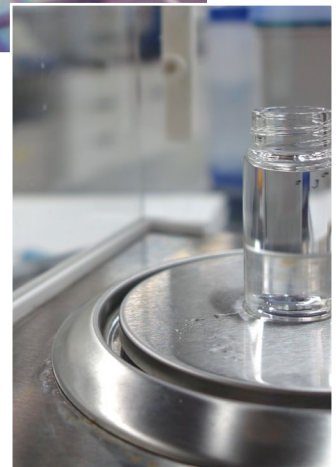
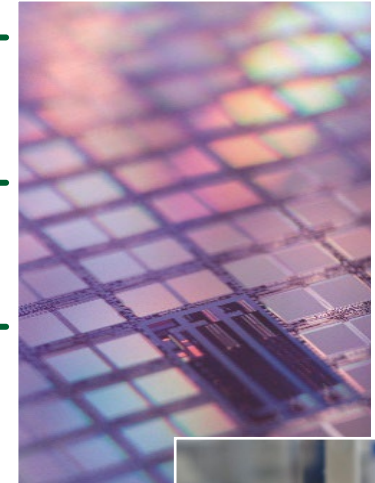
2 Other Functional Materials

III. Action to Changes in the External Environment

1 Purchasing/Logistics/Sales

2 BCP

3 Medium- to Long-Term Measures



Forecast FY03/'25

- Facilities expansion of major semiconductor manufacturers to be completed from FY03/'25
- The semiconductor industry recovery in the second half of FY03/'25. Expectation of positive year-on-year growth



Work closely with customers for further miniaturization

Geopolitical risks

- Review the supply chain on a global scale
- Promote communication with slurry manufacturers, to respond to the domestic production of semiconductors in each country



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
- Stable supply our silica products to meet 3nm node semiconductors production
- Promote mass production for next generation 2nm node expected in FY2025

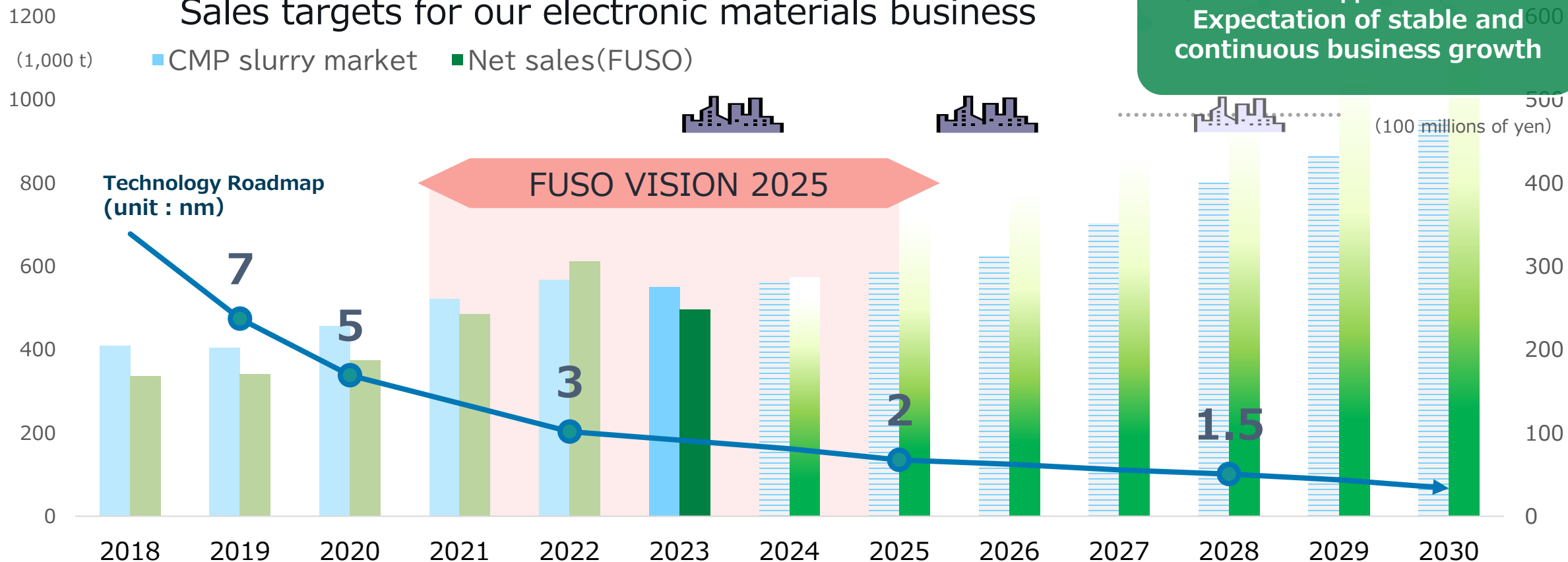
I - 1. Sales

the growing semiconductor market



■ CMP slurry market forecast／

Sales targets for our electronic materials business



※CMP Slurry Market Forecast : prepared by FUSO based on information provided by provided by each company

※reference : Technology Roadmap (IRDS)

CMP slurry market : growing double due to accelerate miniaturization

Continuous expansion of the market by SEMI manufacturers' active capital investments (2022-2030 CAGR approx.8%)

I - 2. Production & Technology

Production Capacity Reinforcement



I - 2. Production & Technology

Increase production / Stable production / Equipment technology / Quality



Increase production

- Stable operation of the Kashima Plant (Phase I)
- Reliable start-up of new facilities in Kyoto Plant
- Progress management of Kashima Plant (Phase II) construction

Stable production

- Execute the plant maintenances strategically
- Production plans in line with market trends and sales forecast

Toward keeping up with cutting-edge semiconductor technology, achieve higher quality and manufacturing technology by solving current issues.

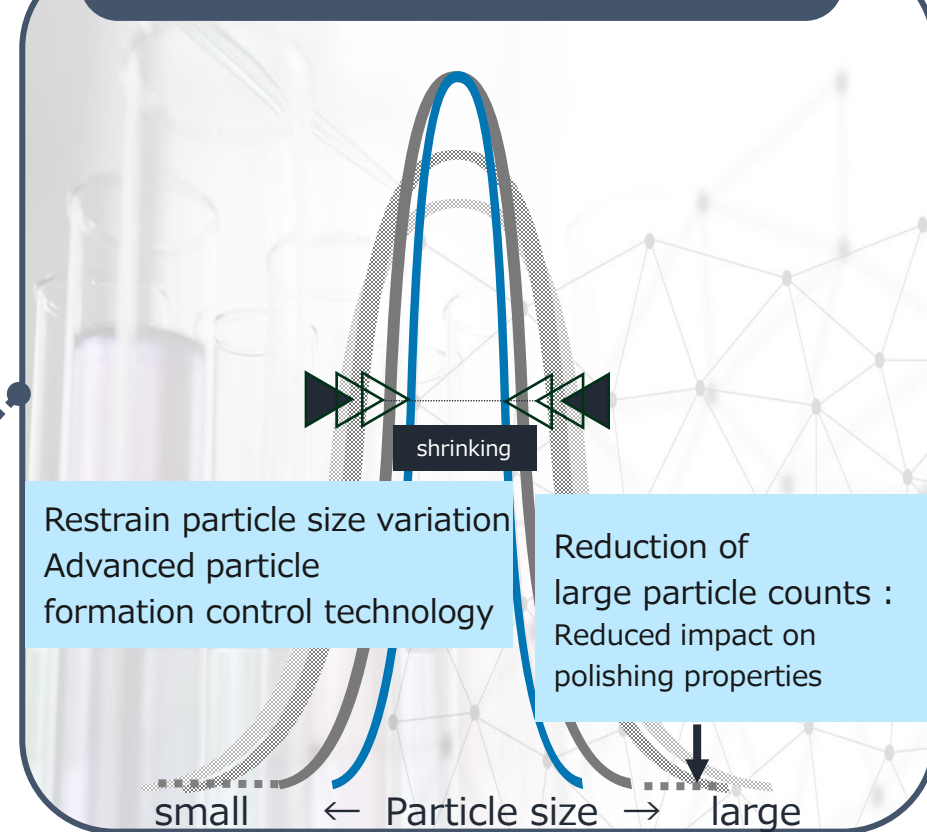
Equipment technology

- Study of energy conservation of facilities
- Initiatives for environmental issues
- Study of automation in manufacturing process

Quality

- Establishment of a process to reduce the LPC (Large Particle Counts)
- High quality requirements to meet cutting-edge processes

Image of colloidal silica particle size distribution





Highly concentrated colloidal silica

Value-added products to meet customer needs

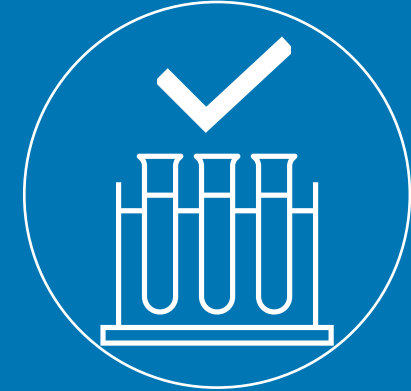
Secure capacity by utilizing production facility efficiently



Colloidal silica for Advanced CMP

Silica surface modification
Control particle size within narrow distribution

Work closely with customers toward challenging technology beyond 2nm next generation



New concept particles

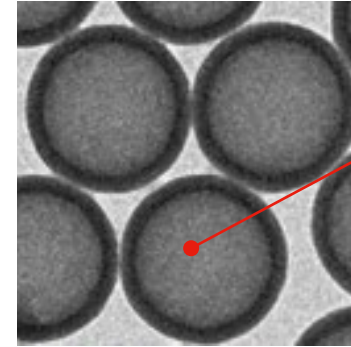
Abrasive grains for new materials (e.g. SiC)

A new step to realize the business from concept

II. Functional Materials

■ Silica Functional Materials

- **Toner external additive Applications**
 - Sales to new customer
- **Low-dielectric material Applications**
 - Mass production of hollow silica
 - For filler applications
- **New Applications**
 - Cosmetics, medical, biotechnology, etc.
- **Medium and long-term market development**
 - Market exploration of new technologies such as porous silica, silica nanosheets, core-shell silica, etc.



Our high-quality hollow silica;
Submicron size, hollow center, uniform



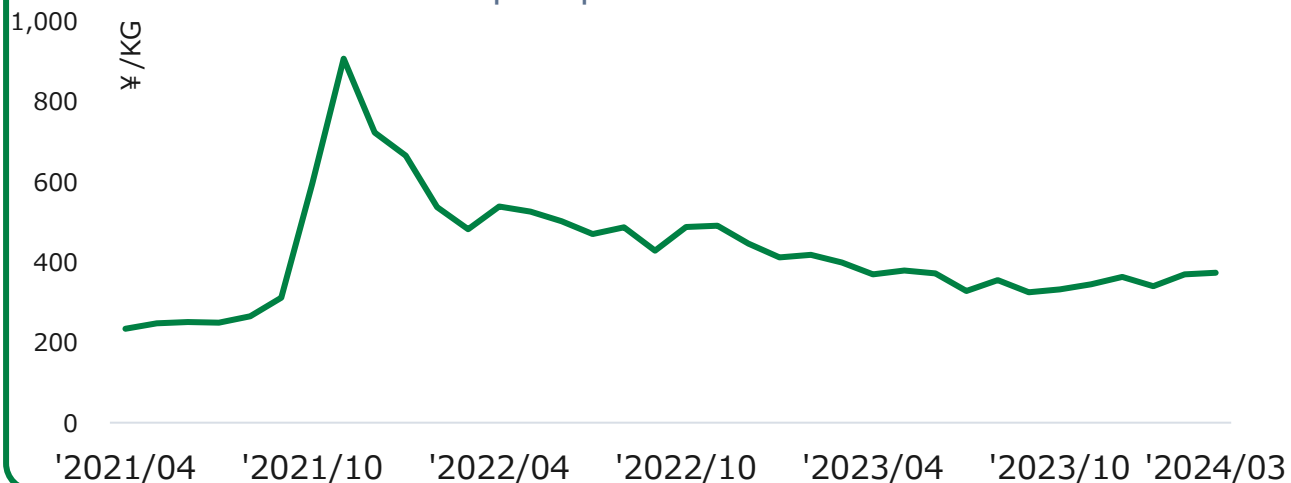
■ Other Functional Materials

Continued supply of current functional chemicals

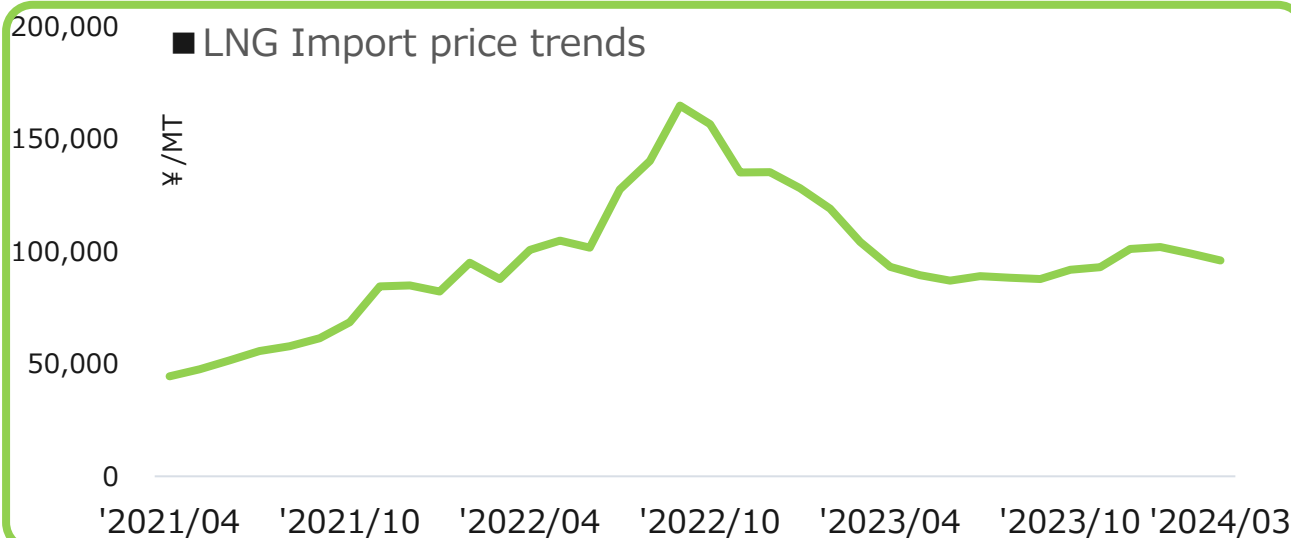
- PTBBA : Shrinking domestic market, intensifying price competition
- Misc. : maintaining market and supplying while updating facilities

Prepared by FUSO
Sources: Trade statistics by Ministry of Finance

■ Silicon Metal Import price trends



■ LNG Import price trends



1 Purchasing/Logistics/Sales

- Increase in procurement volume as production capacity expansion
- Impact of the weak yen (rising raw material costs, etc.)
 - price revision
 - cost reduction by buying power
- Responding to rising costs ; efficiency and price revision
- Measures of purchasing risks, Development and expansion of the delivery bases

2 BCP

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

3 Medium- to Long-Term Measures

- Planning a mid-to-long-term capital investment toward 2030
- Development of colloidal silica for the Chinese market
 - List of quality-conscious customers from local CMP slurry manufacturers
 - Transfer of Japanese quality control system
- Product development with SDGs in plan
 - High concentration/high removal rate sol
- Early launch of newly developed products

III. FY03/2025 Outlook

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

Earnings Forecast



FY3/2024 Result

- Exchange rate : \$=¥144
 - ACP^(※) price of Benzene : \$939/t
 - Steep rise in utility costs
 - Adjustment phase of semiconductor market
- (※) ※Asian Contract Price contracted made by ENEOS

- Decrease in sales and profits
- Price revision
- Expansion of production capacity
- Building a foothold for business recovery



FY3/2025 Assumptions

- Annual exchange rate : ¥145
- Price of benzene : Up about 10% from the previous year
- Increase in manufacturing costs
- Moderate recovery of the semiconductor market

- Increase in sales of foreign markets
- Strengthen sales at overseas subsidiaries
- Price revisions due to cost increases

FY3/2025 Forecast

Net sales

FY3/
2024

589



+10.2%

650

Operating Profit

FY3/
2024

110



+0.6%

111

Profit attributable to owners of parent

FY3/
2024

83



△11.3%

74

EBITDA

FY3/
2024

182



+6.9%

195

(unit : 100 millions of yen)

Forecast for a Full-year of FY03/2025

(unit : 100 millions of yen)	1H Plan			Full year budget		
	FY03/25 1H	vs 1H FY03/24	1H FY03/24	FY03/25	vs FY03/24	FY03/24
Net sales	316.0	16.5% ↗	271.3	650.0	10.2% ↗	589.7
■ Life Science	183.0	7.8% ↗	169.7	363.0	6.3% ↗	341.4
■ Electronic Materials	133.0	30.9% ↗	101.5	287.0	15.6% ↗	248.2
Operating profit	50.5	△9.5% ↘	55.8	111.5	0.6% ↗	110.8
■ Life Science	25.0	△23.7% ↘	32.7	53.5	△5.1% ↘	56.3
■ Electronic Materials	36.0	8.1% ↗	33.3	79.0	4.9% ↗	75.3
(Adjustment)	△10.5		△10.2	△21.0		△20.8
Ordinary profit	51.0	△18.3% ↘	62.4	112.5	△5.3% ↘	118.8
Profit attributable to owners of parent	34.5	△19.5% ↘	42.8	74.0	△11.3% ↘	83.4
EBITDA	87.5	4.6% ↗	83.6	195.0	6.9% ↗	182.4
Earning per share (EPS)	¥97.8	△19.5% ↘	¥121.6	¥209.9	△11.3% ↘	¥236.7

Forecast for Depreciation

FY03/'24~Significant increase

- Life Science : Coated fruits acid production facility relocation of factory
- Electronic Materials : Kashima plant from Aug. '23 Commencement of amortization of construction in Phase I

FY03/'25~upward trend

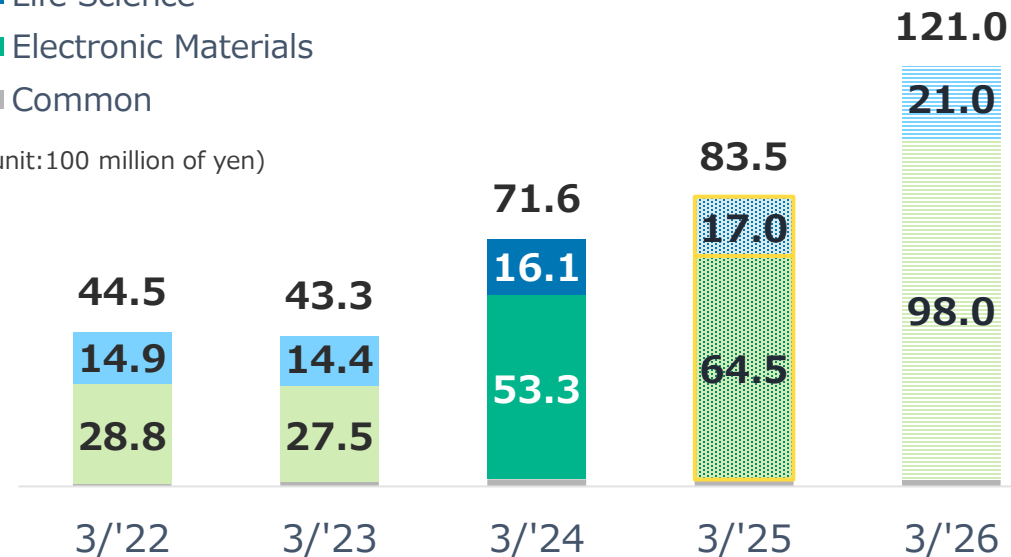
- Life Science : Office building in Kashima plant
- Electronic Materials : Office building in Kashima plant Starting operation of new facilities at Kyoto plant

Depreciation by segments (unit:100 millions of yen)

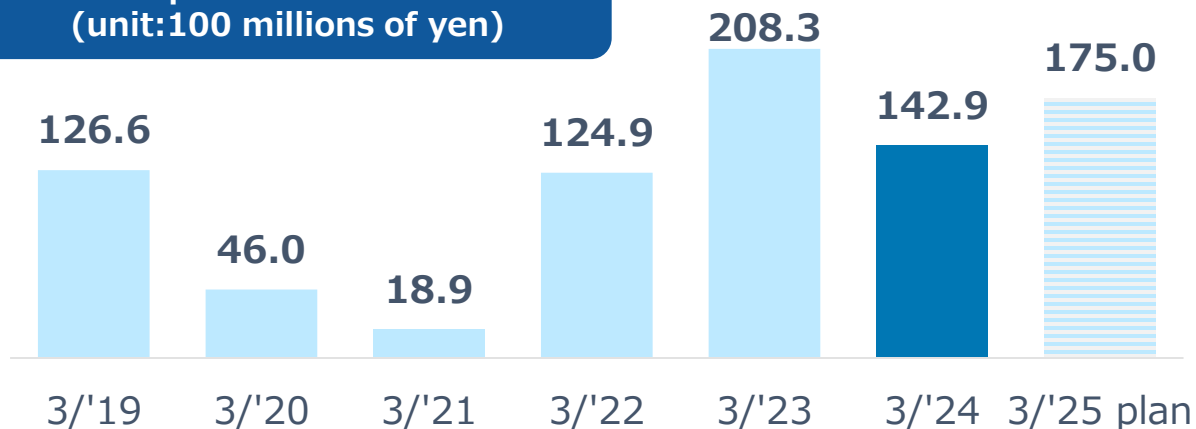
	3/'22	3/'23	3/'24	3/'25	3/'26
	Result	Result	Result	Plan	Forecast
(unit: 100million of yen)					
Life Science	14.9	14.4	16.1	17.0	21.0
Electronic Materials	28.8	27.5	53.3	64.5	98.0
Common	0.7	1.4	2.0	2.0	2.0
Consolidated Total	44.5	43.3	71.6	83.5	121.0

- Life Science
- Electronic Materials
- Common

(unit:100 million of yen)



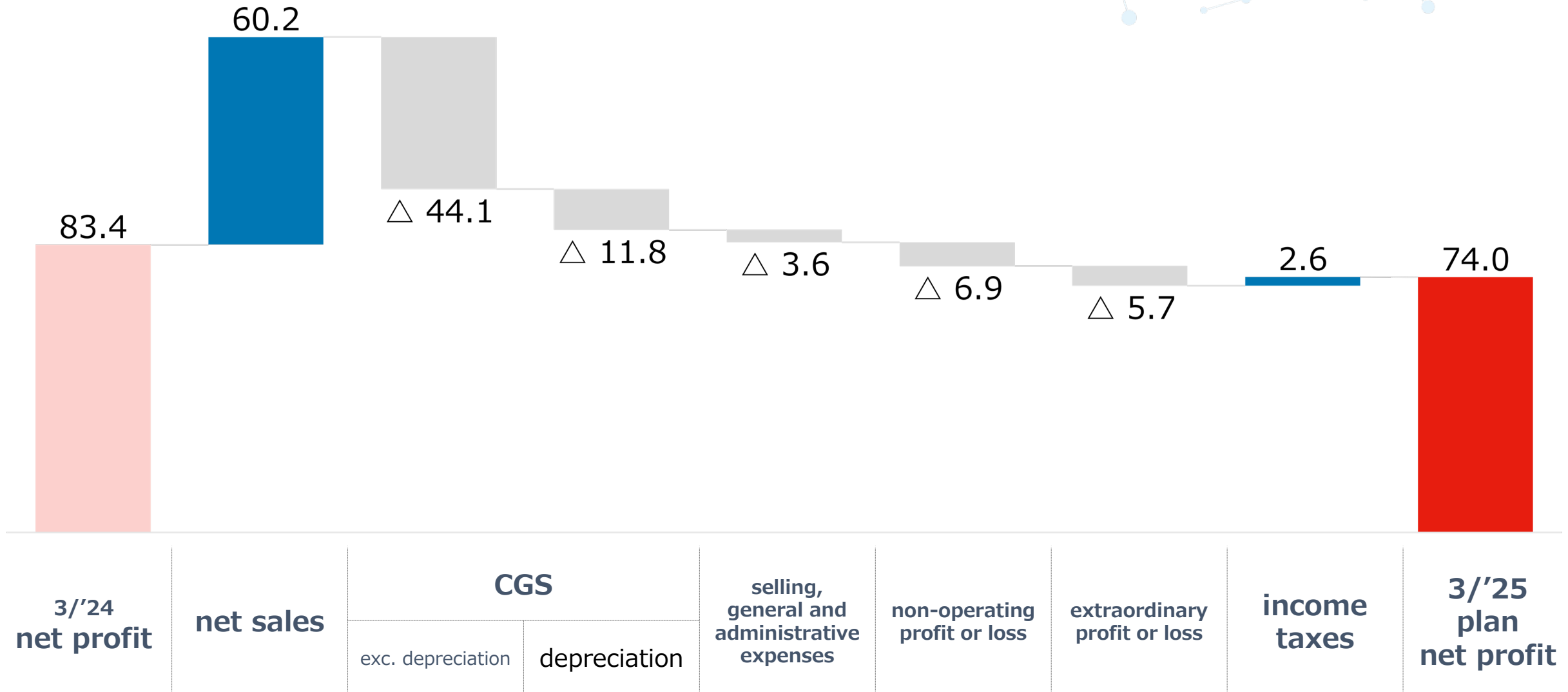
Capital Investment (unit:100 millions of yen)



Net Profit Analysis FY03/2024 versus FY03/2025(Plan)

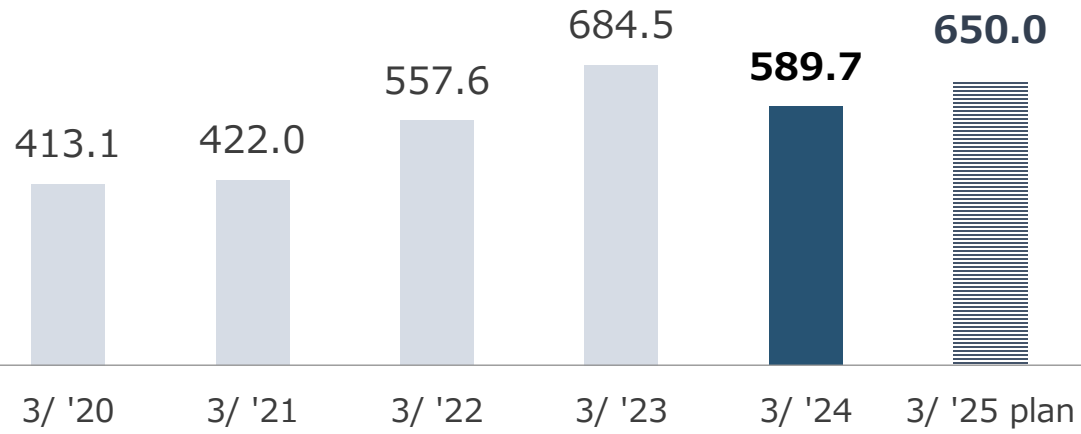


(unit : 100 millions of yen)

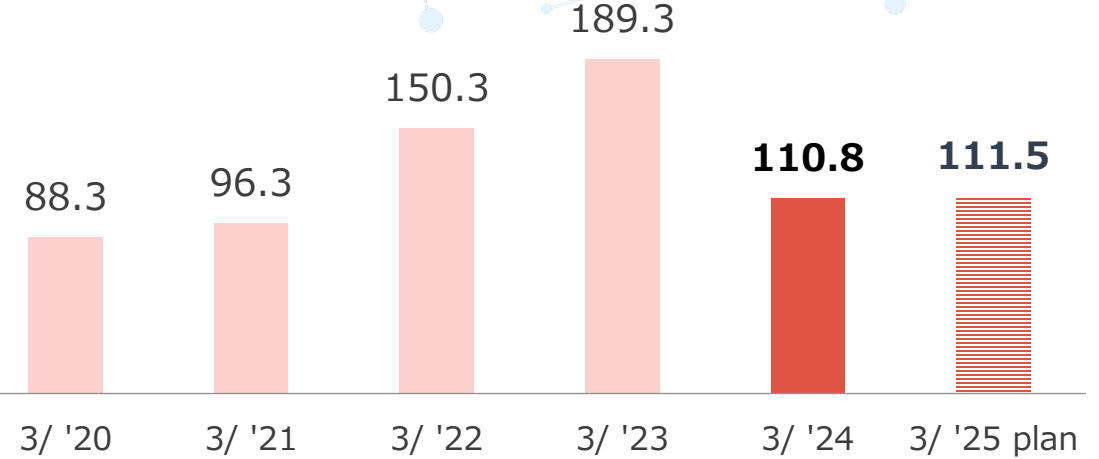


Business Performance and Plan

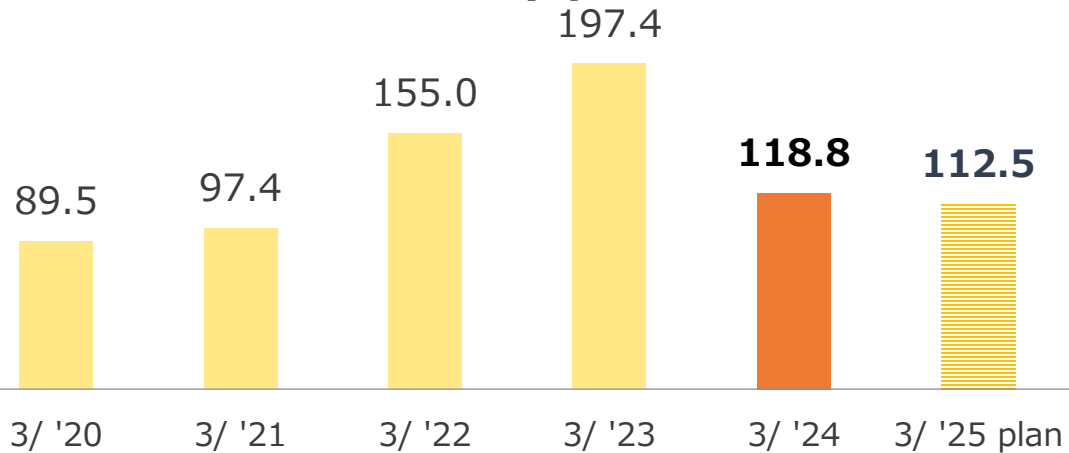
Net sales



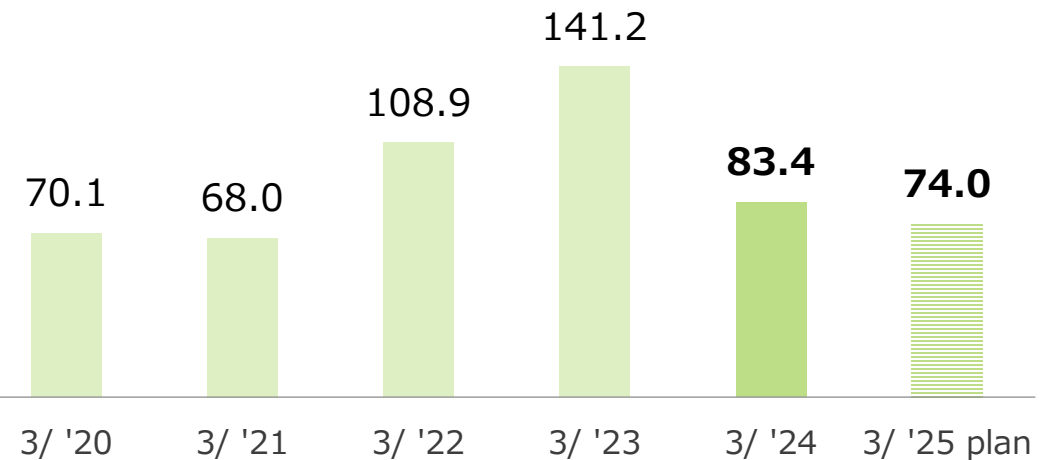
Operating profit



Ordinary profit



Profit attributable to owners of parent



unit : 100 million of yen

FUSO VISION 2025【 Updated Plan 】



Management Policy

To create FUSO that contributes to the solution of social issues

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 As of May 2021

Net Sales **58**
Operating Profit **14**
EBITDA **20**
(unit : billion of yen)

new medium-term management
targets based on the progress

Management target Revised May 2023

Net Sales **85**
Operating Profit **19**
EBITDA **30**
(unit : billion of yen)



Progress for three years (FY3/2022-FY3/2024)

In May 2023, we revised upward our target figures for the final year of the plan, reflecting the rapid expansion of business performance in both business segments from FY2021 to FY2022. Subsequently, the electronic materials business was affected by stagnant semiconductor market conditions and a delayed recovery. The life science business was affected by a rebound from a short-term expansion of overseas volume. From FY2024, the company will work to achieve the management targets newly set in May 2023 by recovering as the market recovers.

Soaring sales prices

Significant increase in overseas volume

Normalized market conditions

re-growth

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

	Revised plan
Net sales	85
Operating Profit	19
EBITDA	30
(unit : billion of yen)	

FY2021
(1st year)

FY2022
(2nd year)

FY2023
(3rd year)

FY2024~25
(Year 4~5)

Our exchange rate
(1 \$ = ¥)

FY2021

FY2022

FY2023

FY2024

¥107(initial)

¥112

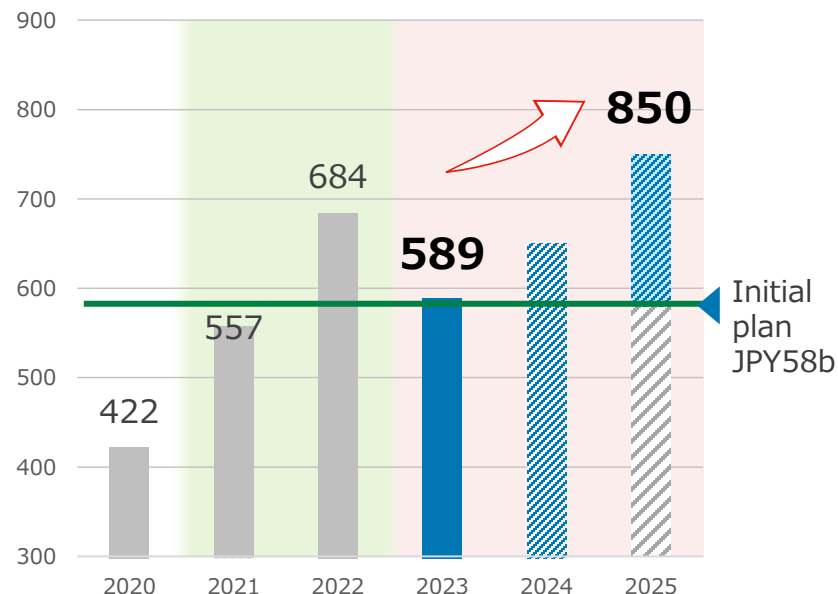
¥135

¥144

¥145 (plan)

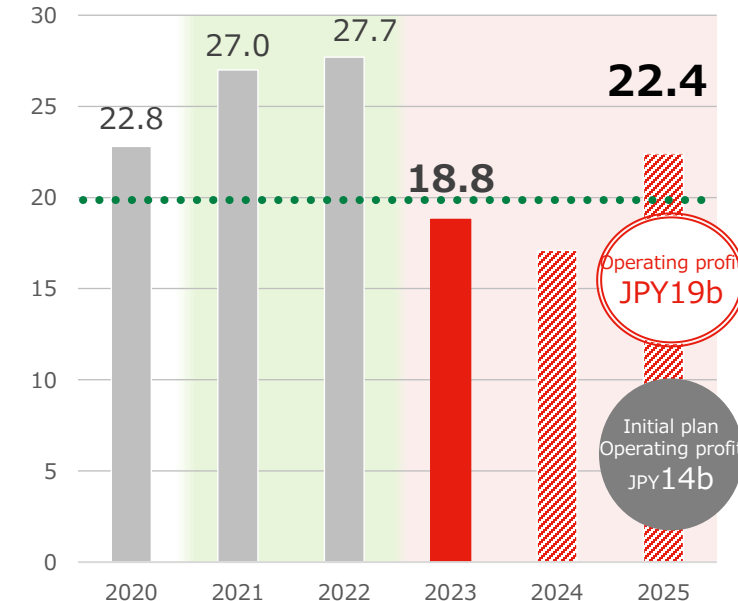
Net sales

(100 million of yen)



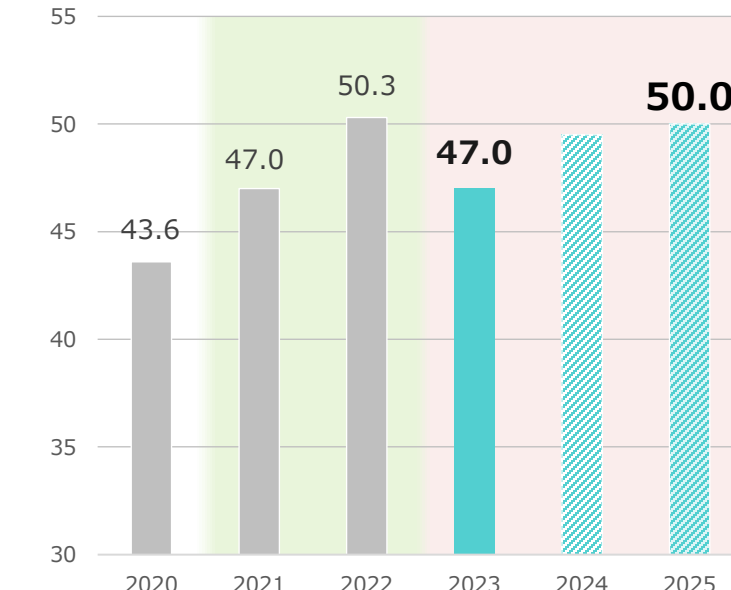
Operating profit margin

(%)



Overseas sales ratio

(%)



FY3/2022-FY3/2026 initial plan

progress

FY3/2024 performance result

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

■ Net sales

: 40%UP

■ Operating profit margin

: 18%

■ Overseas sales ratio

: 47%

New Division; Production Division (as of April 1, 2024)

Production Division

■ Consolidated into Production Division

Following the establishment of production bases for both the “Life Science” and “Electronic Materials” divisions at the Kashima Plant, consolidated the lines of direction and supervision. Further reinforcement and improvement of “safety management,” “environmental measures,” “production technology,” and “production efficiency.”

■ Analysis sections, placed under Production Division

Analytical operations in the production process separated from both business units and placed under Production Division.

Osaka Production Department

Malic acid, coated fruit acid, etc.

Kyoto Production Department

World’s largest exclusive production site for colloidal silica / increased capacity

Kashima Production Department

Major production site
cost reduction by optimizing facilities / consideration of new product facilities / colloidal silica production facilities

Production Engineering Department

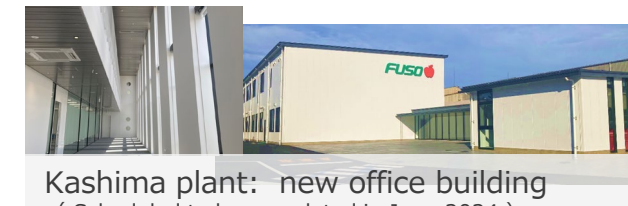
Safety & Environment Management Department



Ultra high purity colloidal silica



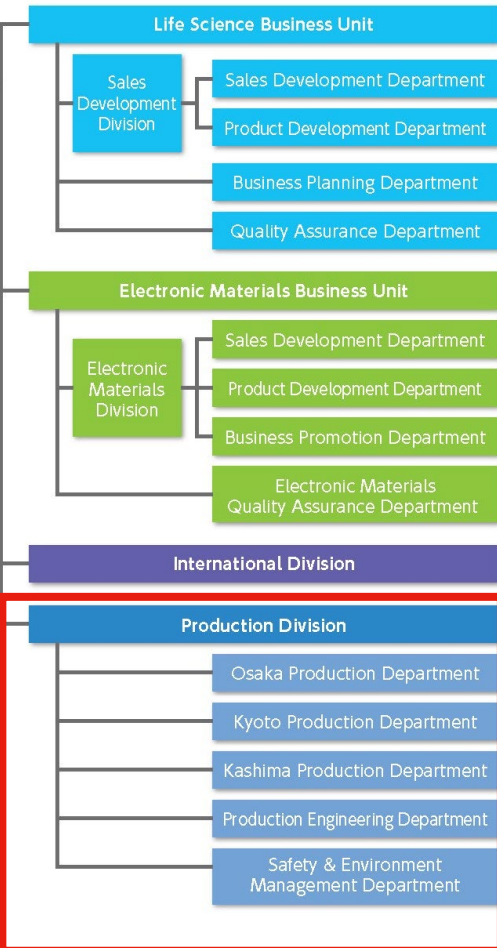
Malic acid, etc.



Kashima plant: new office building
(Scheduled to be completed in June 2024)

Kyoto plant:

(Scheduled to be completed in Sept.2024)



Management that is Conscious of Cost of Capital and Stock Price



Analysis of Current Situation

■ Cost of capital

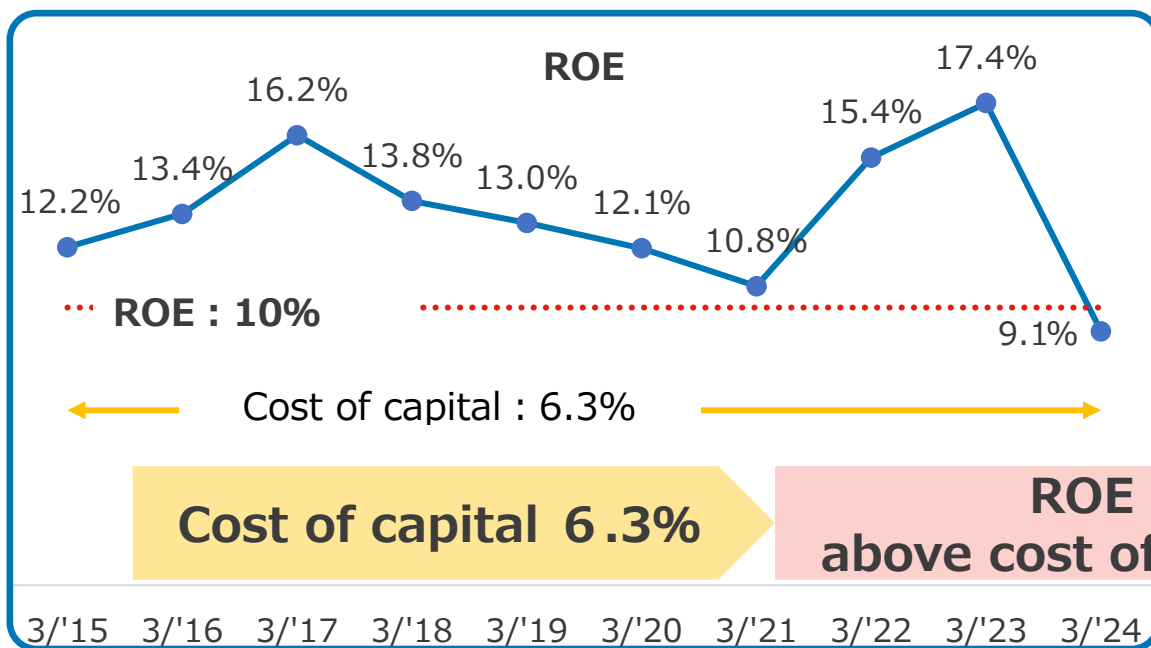
: Recognized as approximately 6.3%

■ Value-added creation

: Maintain ROE of 10% above cost of capital

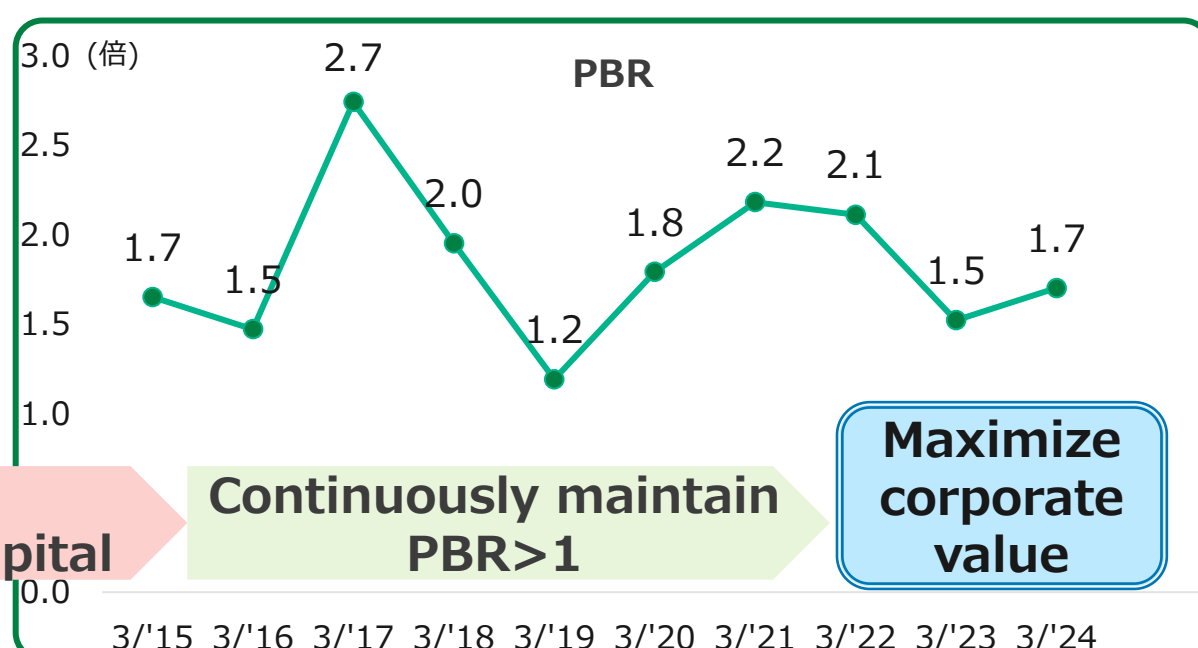
ROE

- FY03/2023 (record high) and FY03/2022 exceeding 15% for the second consecutive fiscal year
- Less than 10% in FY03/2024 due to heavy depreciation expenses accompanied by the capital investment in the electronic materials business



PBR

- Below 1.0 until around 2015
- Upward trend since listing on TSE 1st section (current prime market)
- Increase to 1.7 in FY03/'2024



1

Improve profitability and maintain ROE/ROIC over 10%

- Supply system to meet the increasing demand of the recovery phase of the semiconductor market
- Maximize the “operating profits before depreciation”
- Focus on acquiring overseas sales opportunities

2

Decrease β value by properly providing information to the market

- Proper disclosure of financial/non-financial information needed by the market
- Enrich dialogues with investors

3

Properly identify investment opportunities for sustainable growth and consider financing activity with conscious of cost of capital when needed

- Properly identify demand for our products properly and make investment decisions at the proper timing
- Seek and acquire investment opportunities that contributes to our company in the future
- Examine and implement financing activity with conscious of cost of capita

JPX-Nikkei Index 400

Aug. 2023

Selected as a constituent of the JPX-Nikkei Index 400



Donations & Support

■ Support for the Noto Peninsula Earthquake

Jan. 2024

■ Hometown Tax Incentive for Enterprises

(Fukuchiyama city)

Apr. 2024



FUSO Festa

For Employees and their families

Dec. 2023

Held at the Kyoto factory after a three-year cancellation due to the Corona disaster.



Sustainability Report

Oct. 2023

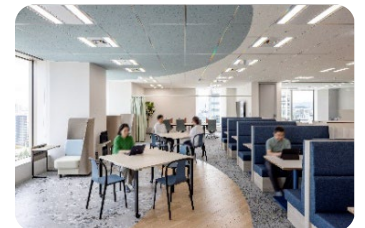
In addition to updating the Japanese version, the English version of the sustainability report was published for the first time.



Creating better work environment

Relocation of Osaka head office

Sep. 2023



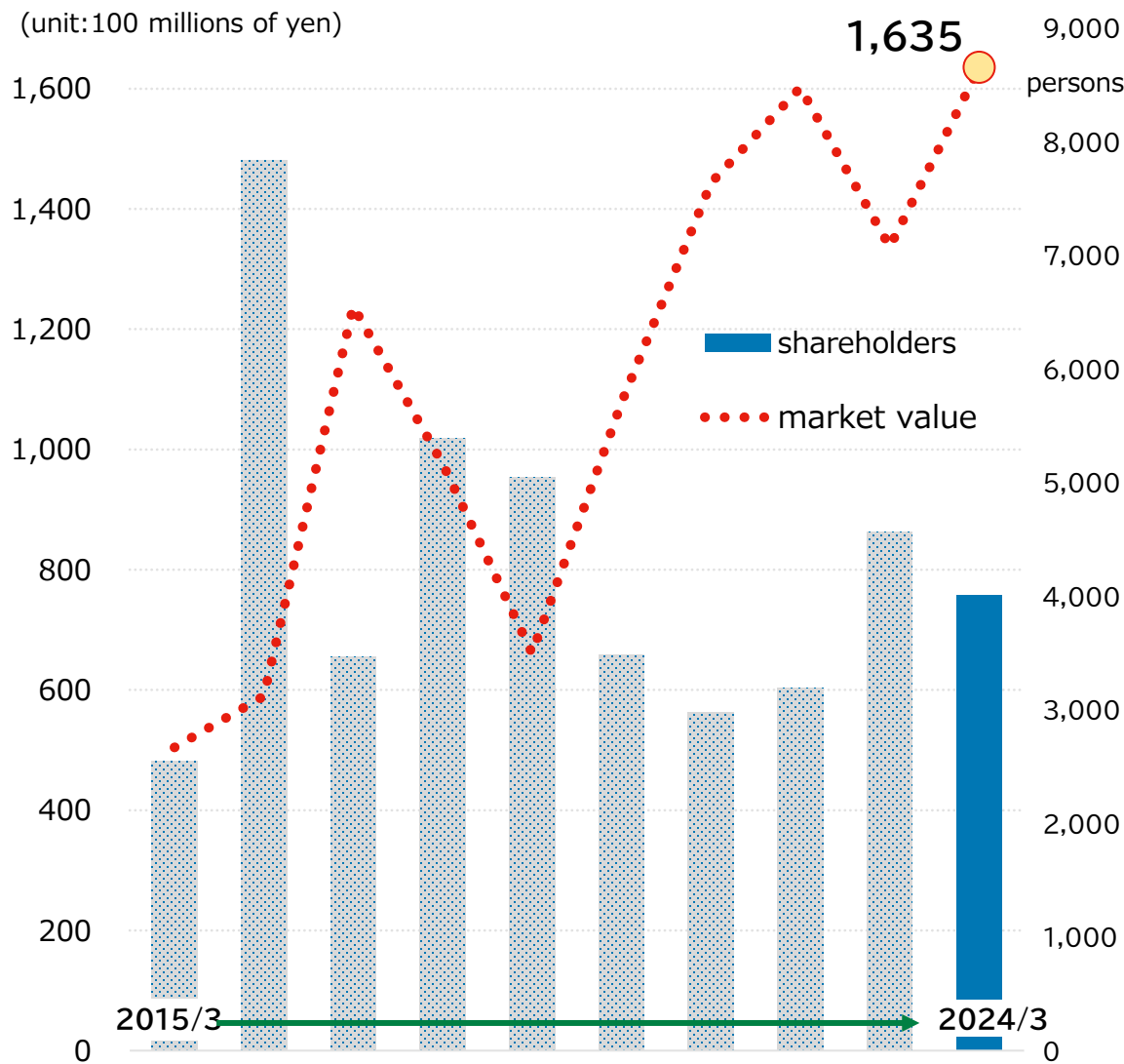
Communicating message to the next generation

Science lab class for children

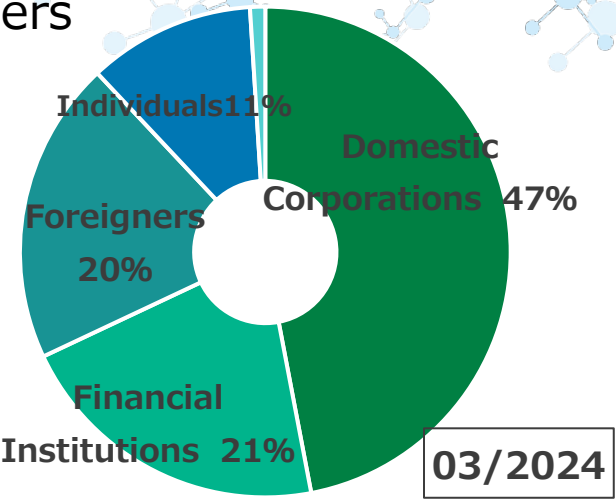
Aug. 2023



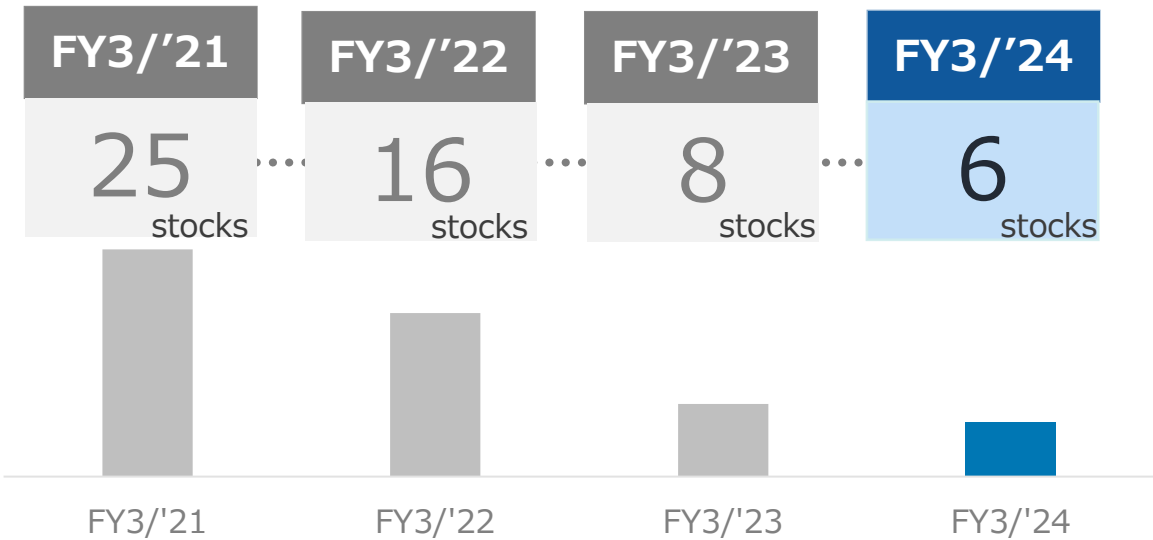
Market capitalization/Number of shareholders



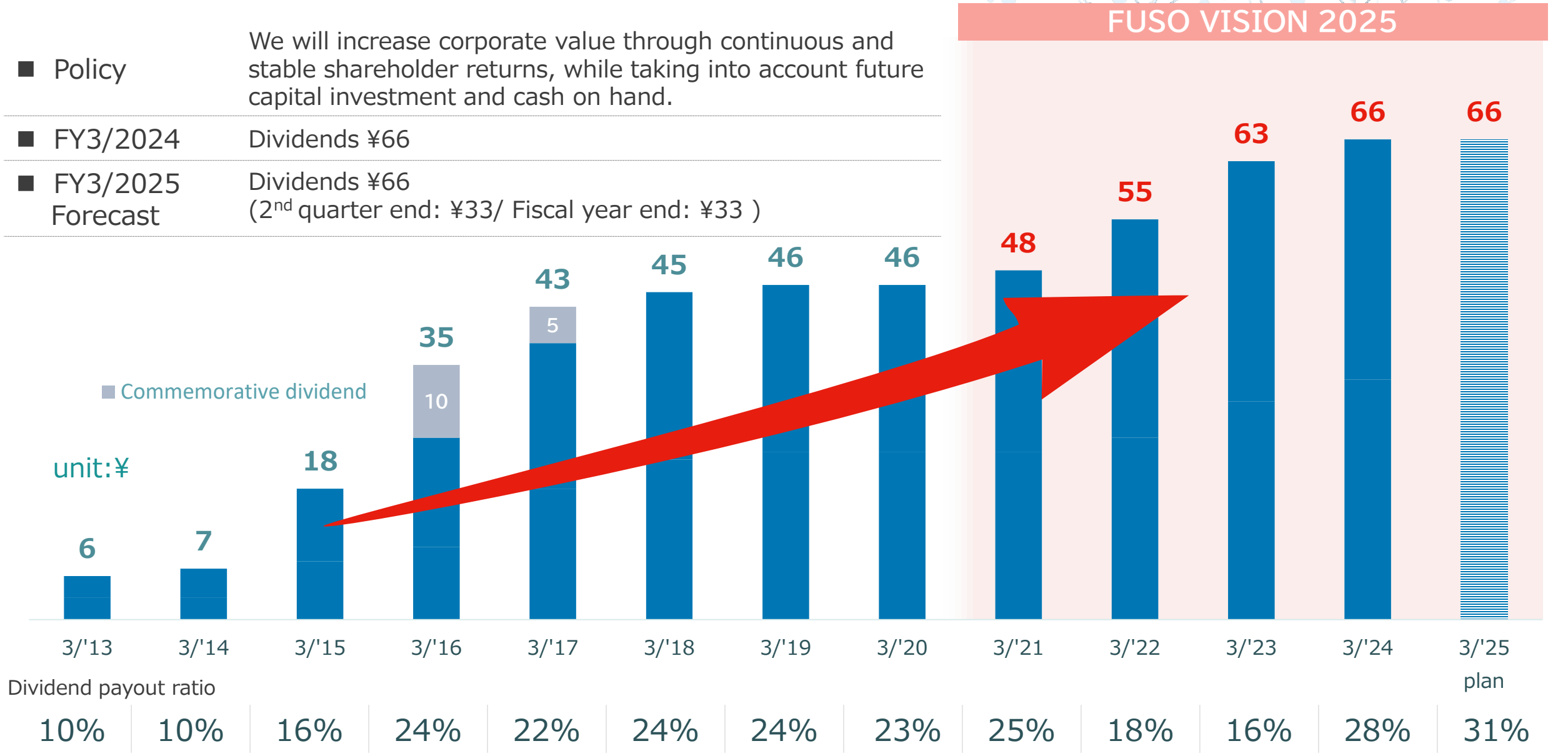
Shareholders



Status of Cross-shareholdings (Listed Stocks)



- Policy
We will increase corporate value through continuous and stable shareholder returns, while taking into account future capital investment and cash on hand.
- FY3/2024
Dividends ¥66
- FY3/2025 Forecast
Dividends ¥66
(2nd quarter end: ¥33/ Fiscal year end: ¥33)



IV. Q & A

Important Notice Regarding the Outlook

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.