

# FY03/2024 2nd Quarter Financial Results

Period from April 1, 2023 to  
September 30, 2023

**FUSO CHEMICAL CO., LTD.**

November 14, 2023  
Prime market (4368)  
Tokyo Stock Exchange, Inc.



## I. Financial Summary Results for 2nd Quarter (period April 1, 2023 – September 30, 2023)

## II. Segments Results

- Life Science

- Electronic Materials & Functional Chemicals

## III. FY03/2024 Outlook

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



# I. FY03/2024 1H Financial Summary

(period April 1, 2023 – September 30, 2023)

# Consolidated Financial Results for FY03/2024 1H



(unit : 100 millions of yen)

	FY03/2024 1H	vs FY03/2023			Budget disclosed in May 2023			Budget disclosed in Sep.2023		
		FY03/2023 1H	YoY	YoY ratio	Budget	Change	vs budget	Budget	Change	vs budget
Net sales	271.3	353.5	△82.2	△23.3% ↓	336.0	△64.6	△19.2%	274.0	△2.6	△1.0%
Operating profit	55.8	95.7	△39.9	△41.7% ↓	71.0	△15.1	△21.4%	55.0	+0.8	+1.5%
Ordinary profit	62.4	107.5	△45.1	△41.9% ↓	71.0	△8.5	△12.0%	60.5	+1.9	+3.2%
Profit attributable to owners of parent	42.8	75.1	△32.2	△43.0% ↓	48.5	△5.6	△11.6%	41.0	+1.8	+4.6%
EBITDA	83.6	116.2	△32.5	△28.0% ↓	101.5	△17.8	△17.6%	82.5	+1.1	+1.4%
Earnings per share	¥121.6	¥213.2	¥△91.6	△43.0% ↓	¥137.6	¥△15.9	△11.6%	¥116.3	¥5.3	+4.6%

# Sales & Profit by segment

versus previous year FY03/2023 1H



			vs FY03/2023 1H		
(unit:100 millions of yen)		3/'24 1H	3/'23 1H	change	Ratio
■Life Science	Net sales	169.7	193.7	△23.9	△12.4% ↘
	Operating profit	32.7	33.4	△0.7	△2.1% ↘
■Electronic Materials & Functional Chemicals	Net sales	101.5	159.8	△58.2	△36.4% ↘
	Operating profit	33.3	71.4	△38.1	△53.4% ↘
(Adjustment)		△10.2	△9.1	△1.0	—
Operating pfofit (consolidated)		55.8	95.7	△39.9	△41.7% ↘

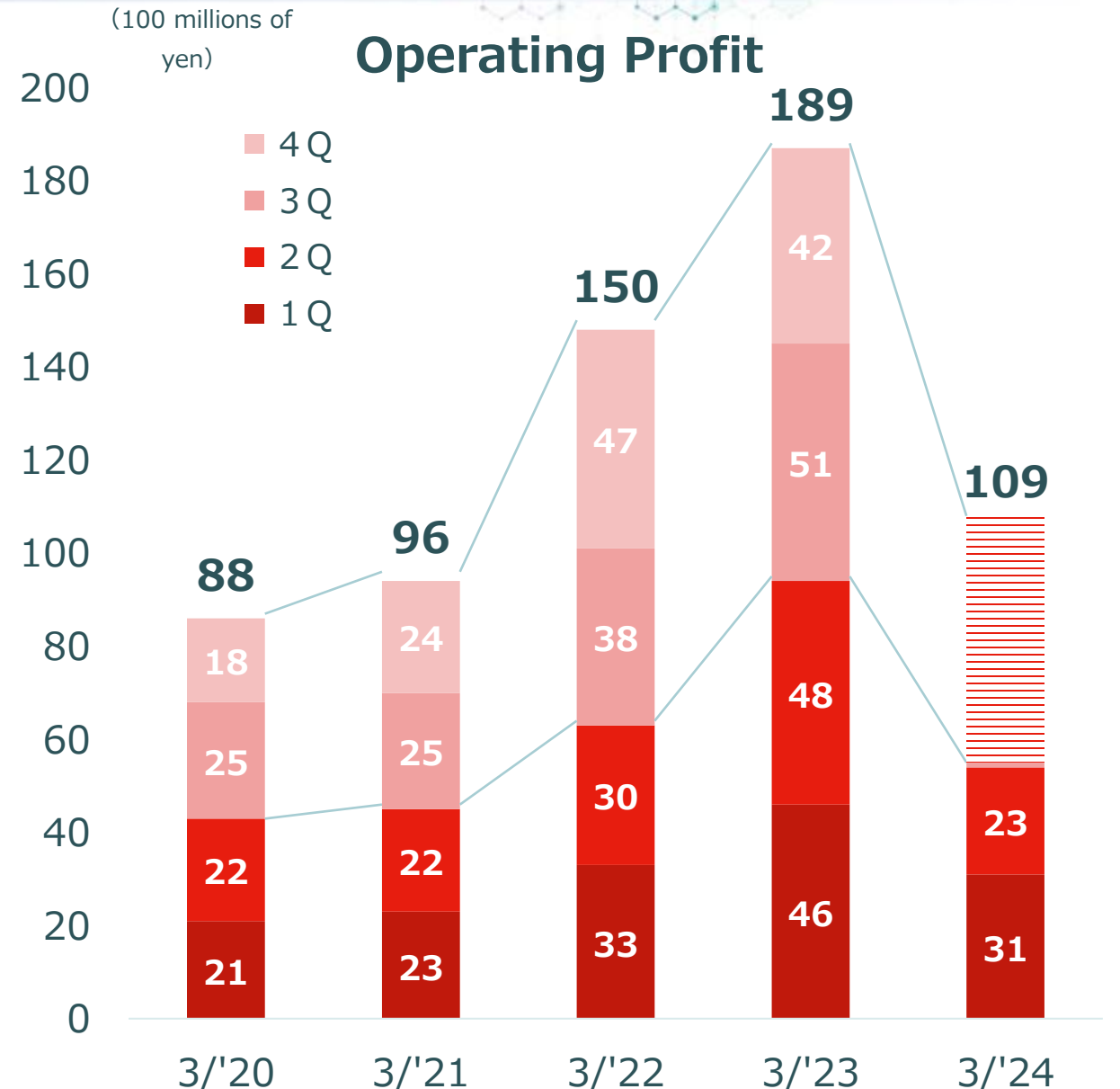
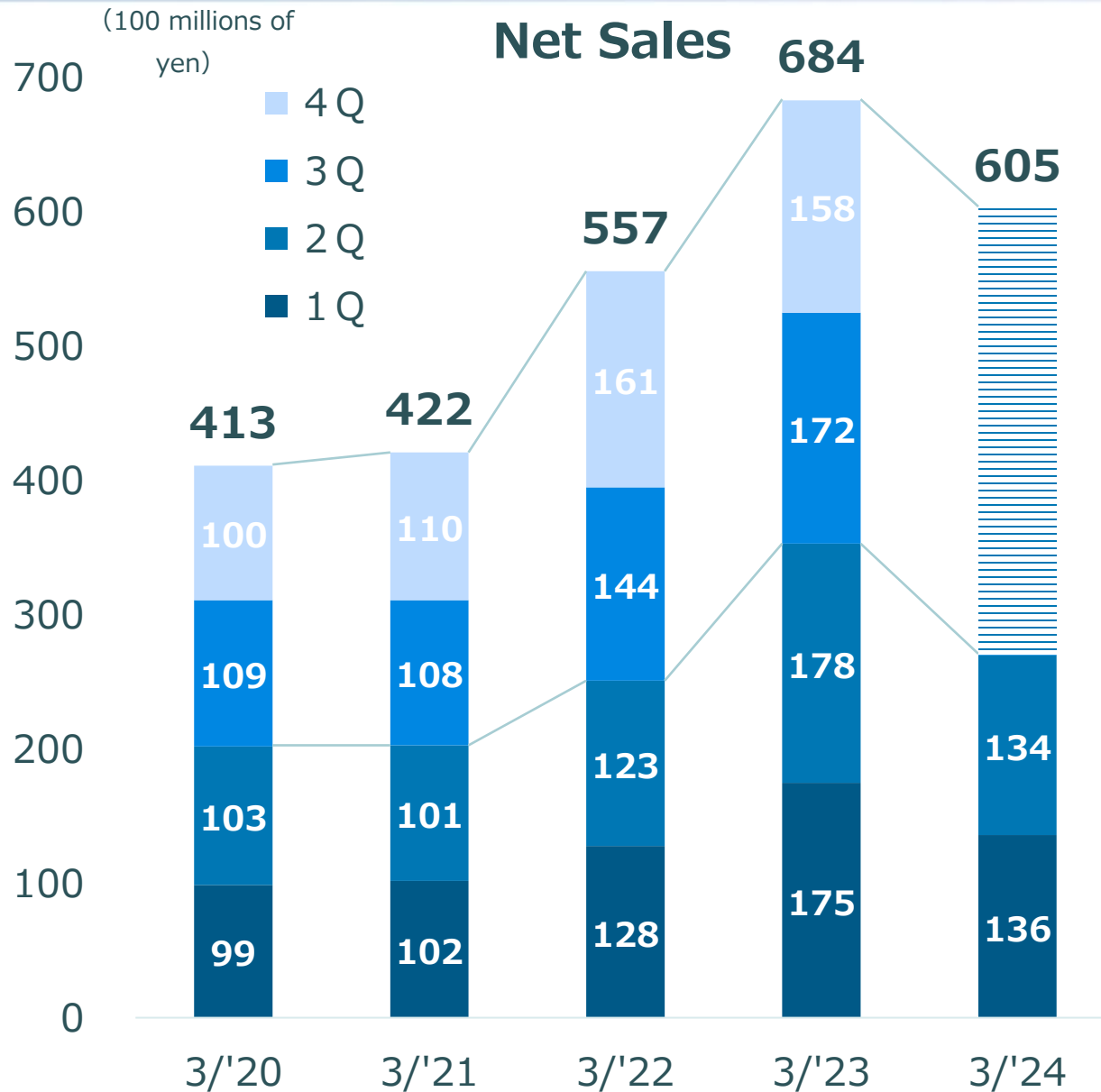
# FY03/2024 Quarterly Results



(unit : 100 millions of yen)	3/'24	YonY		3/'24	YonY	
	1 Q	change	ratio	2 Q	change	ratio
Net sales	<b>136.4</b>	△39.0	△22.2%	<b>134.9</b>	△43.2	△24.3%
Operating profit	<b>31.9</b>	△14.9	△31.9%	<b>23.8</b>	△24.9	△51.1%
Ordinary profit	<b>37.2</b>	△16.3	△30.5%	<b>25.1</b>	△28.7	△53.3%
Profit attributable to owners of parent	<b>24.5</b>	△12.0	△33.0%	<b>18.3</b>	△20.2	△52.4%
EBITDA	<b>41.8</b>	△14.9	△26.4%	<b>41.8</b>	△17.5	△29.6%
Earnings per share	<b>¥69.6</b>	¥△34.2		<b>¥52.0</b>	¥△57.3	



# FY03/2024 Quarterly Results Trends

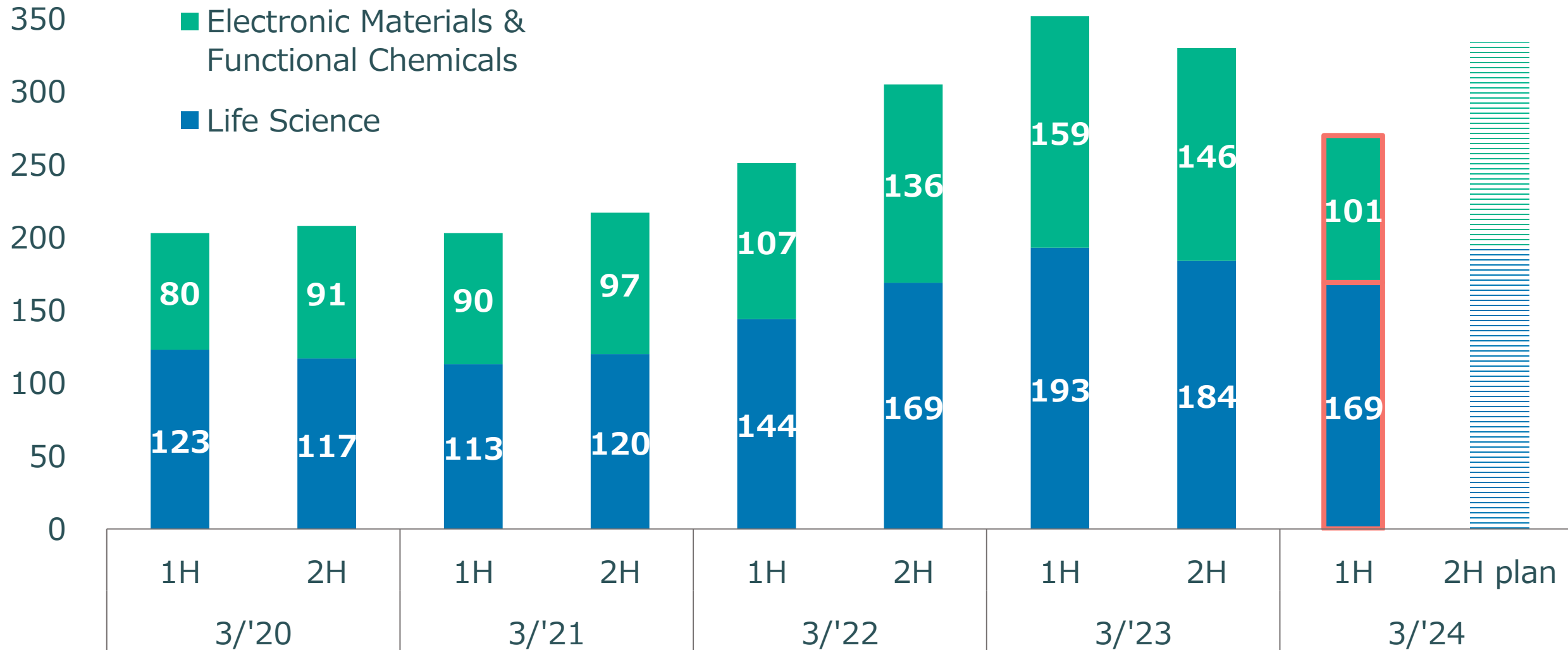


# Net Sales by Segment



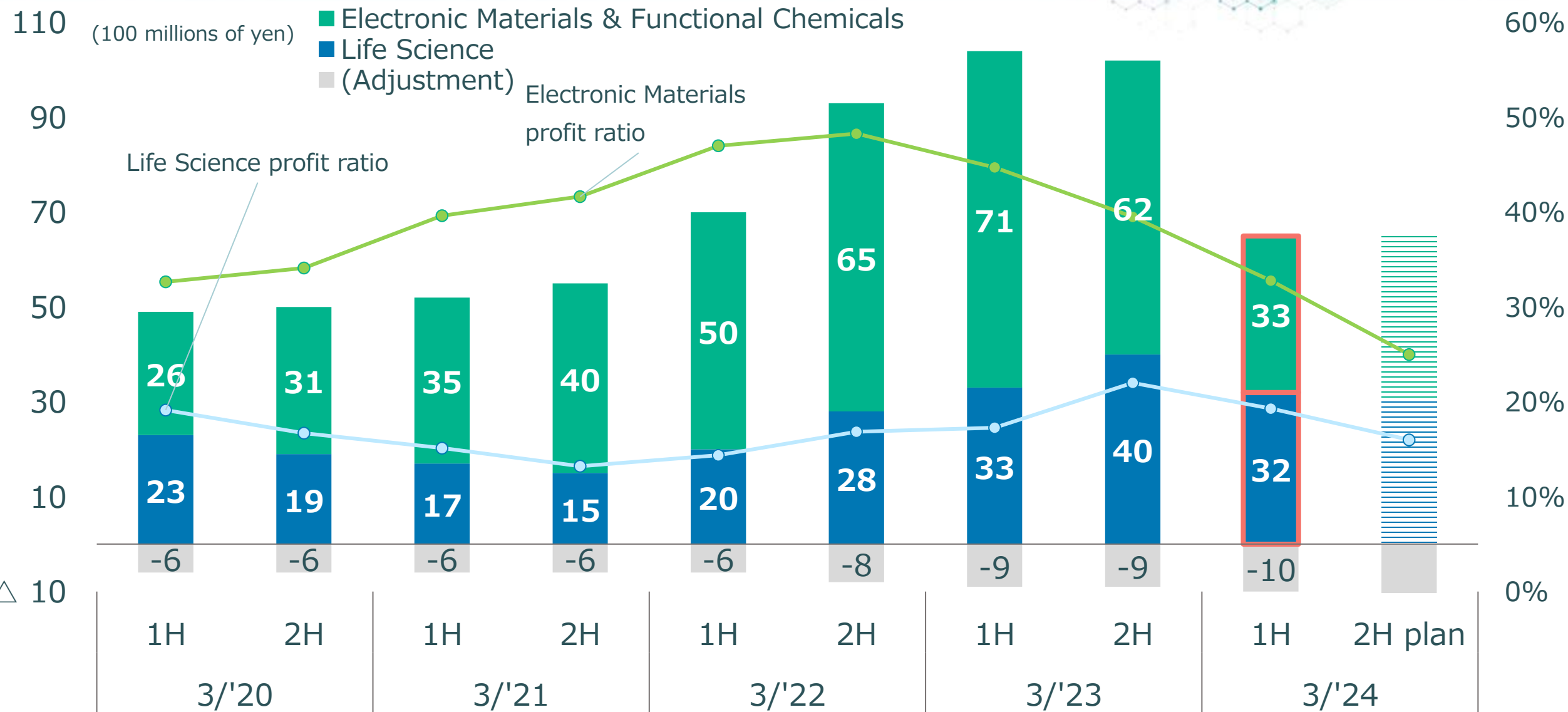
400 (100 millions of yen)

■ Electronic Materials & Functional Chemicals  
■ Life Science





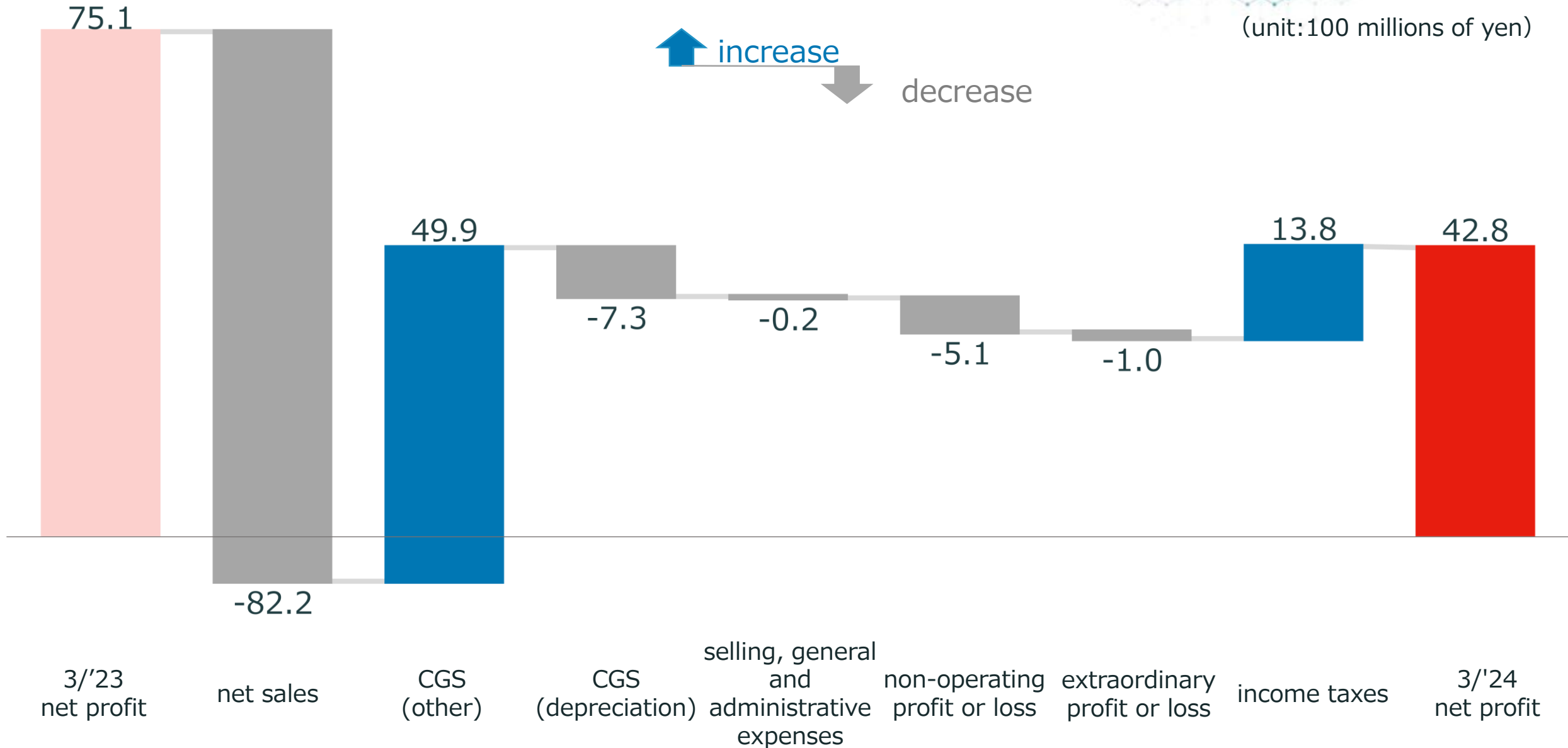
# Operating Profit by Segment



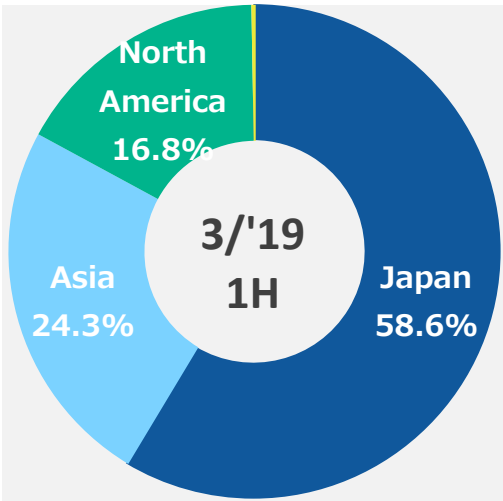
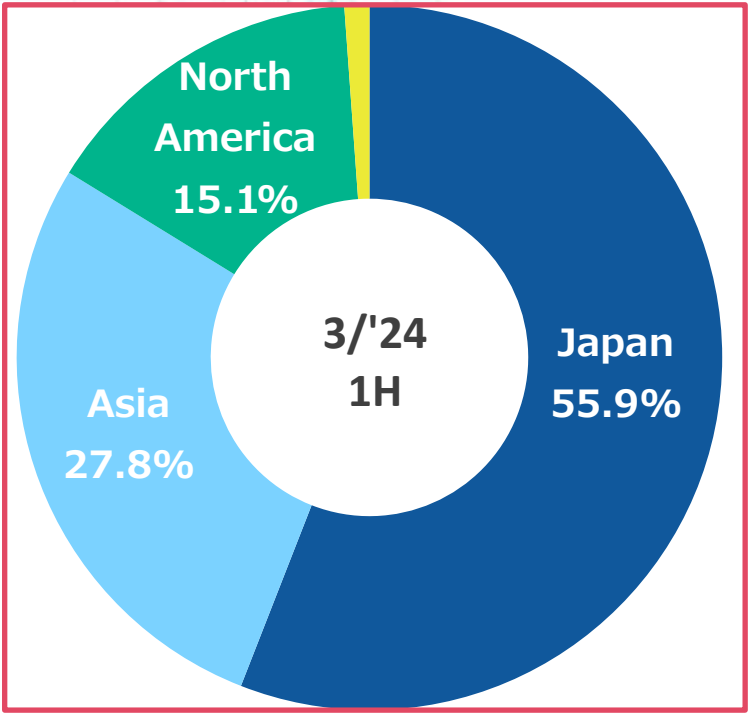
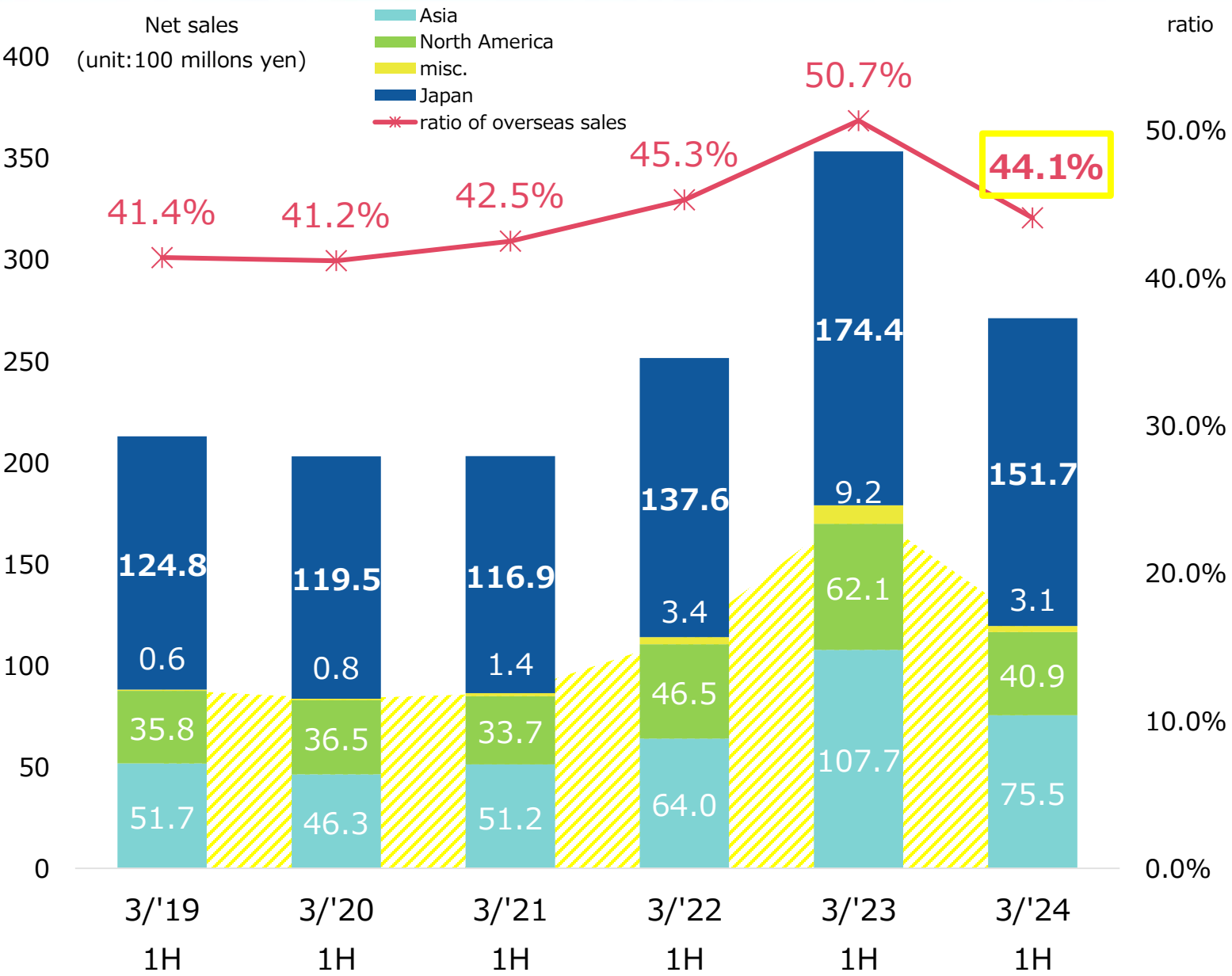
# Net Profit Analysis FY03/2022 versus FY03/2023



(unit:100 millions of yen)



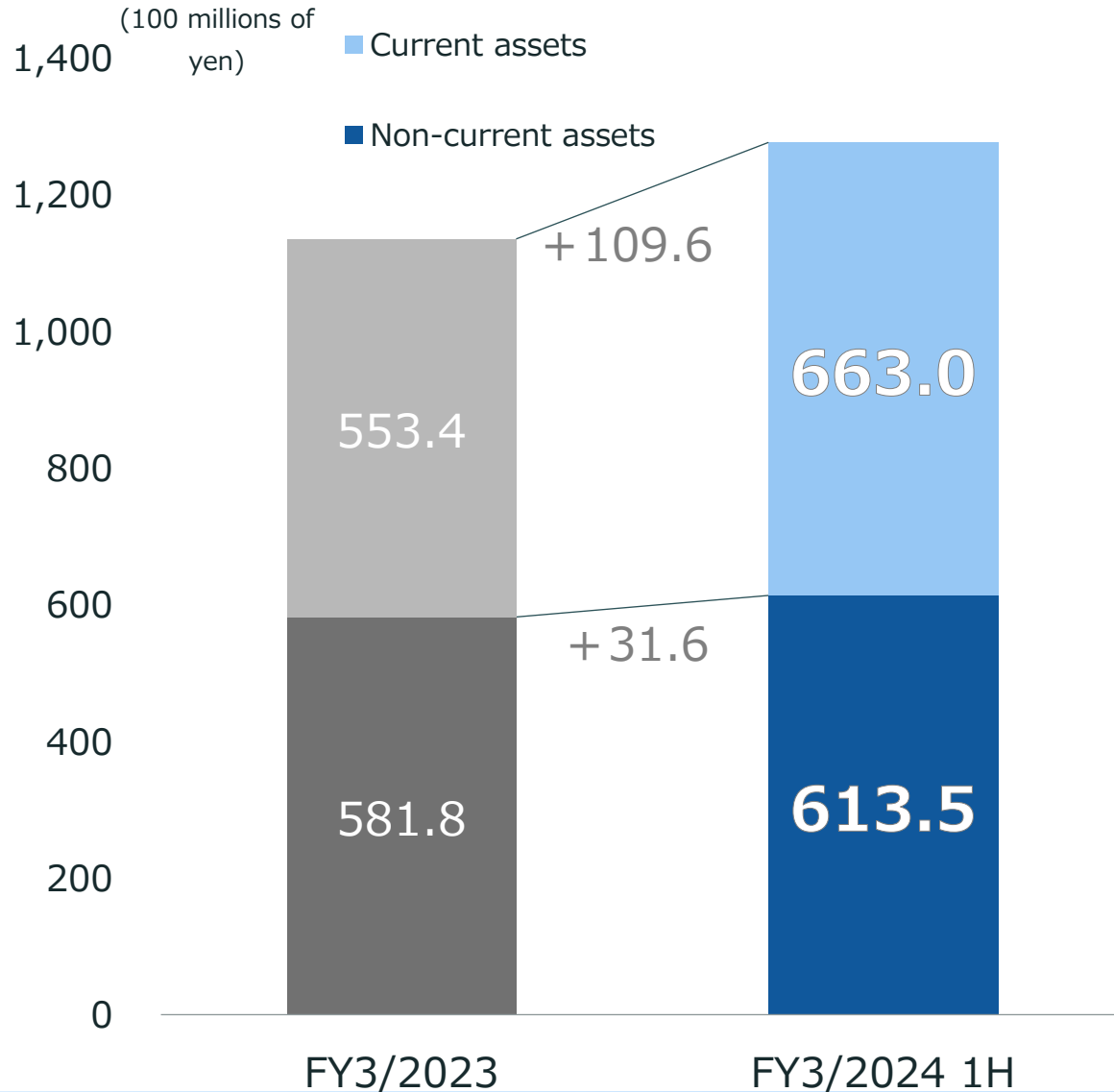
# Overseas Sales Growth



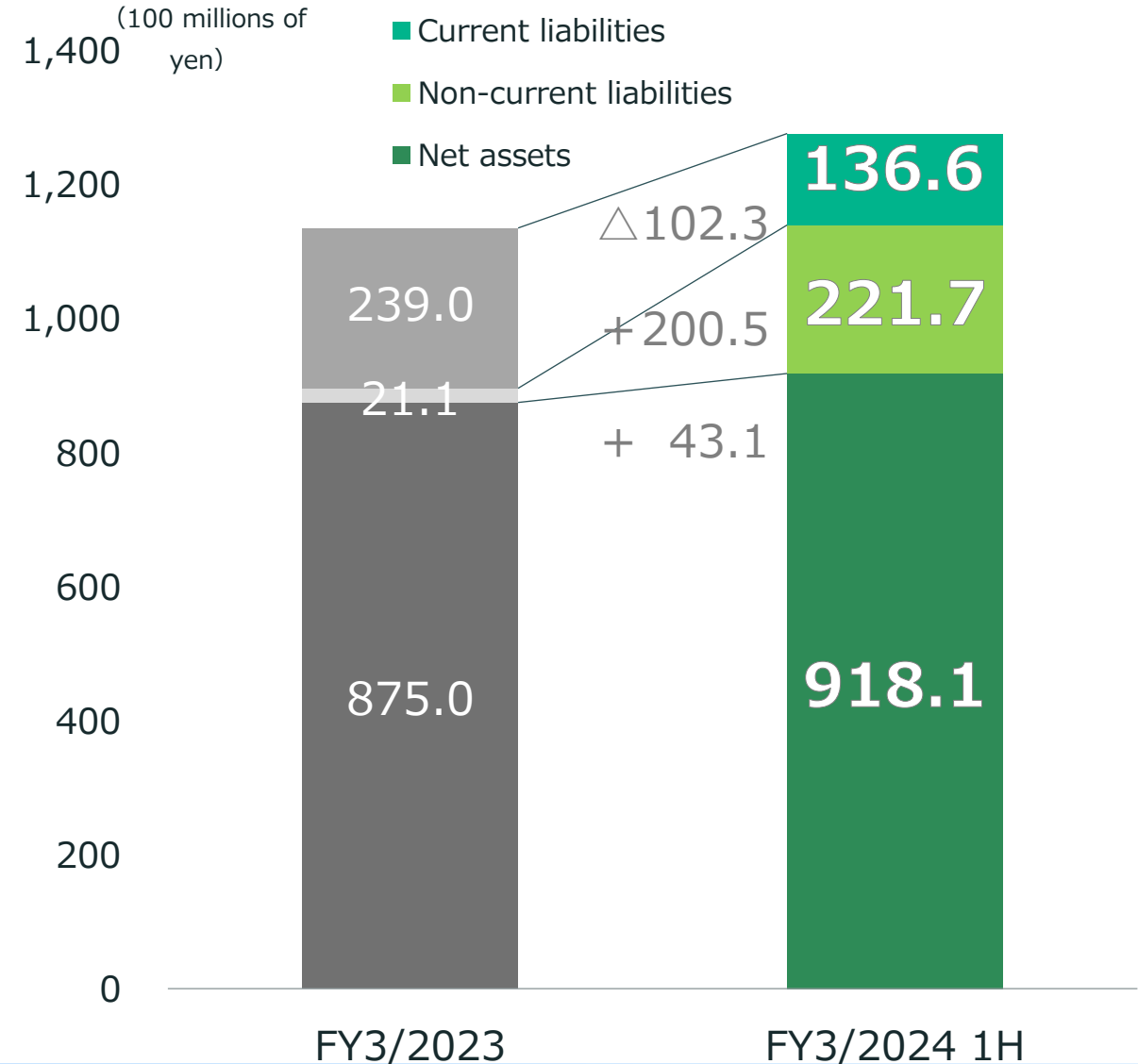
# Assets, Liabilities and Net Assets



## Assets



## Liabilities /Net Assets

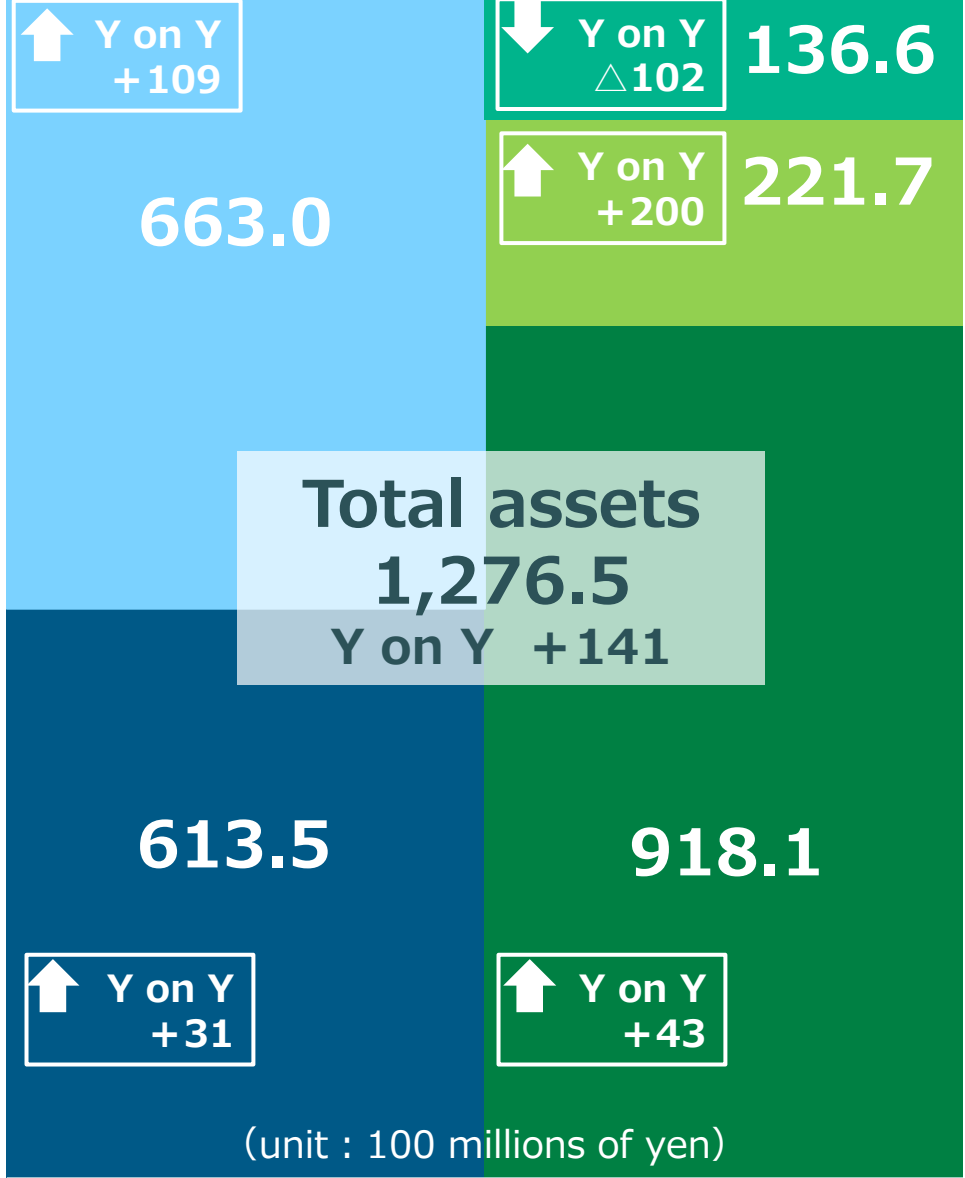


# Consolidated Balance Sheet



**Current assets**

- Increase in cash and deposits
- Increase in inventories
- Increase in other (accrued consumption tax)



**Liabilities**

**Current liabilities**

- Decrease in facilities accounts payable
- Decrease in income taxes payable

**Non-current liabilities**

- Increase in long-term borrowings

**Non-current assets**

- Increase in buildings and structures, net
- Increase in machinery, equipment and vehicles, net
- Decrease in construction in progress

**Net assets**

- Increase in retained earning
- Increase in foreign currency translation adjustment

# Consolidated Statements of Cash Flows



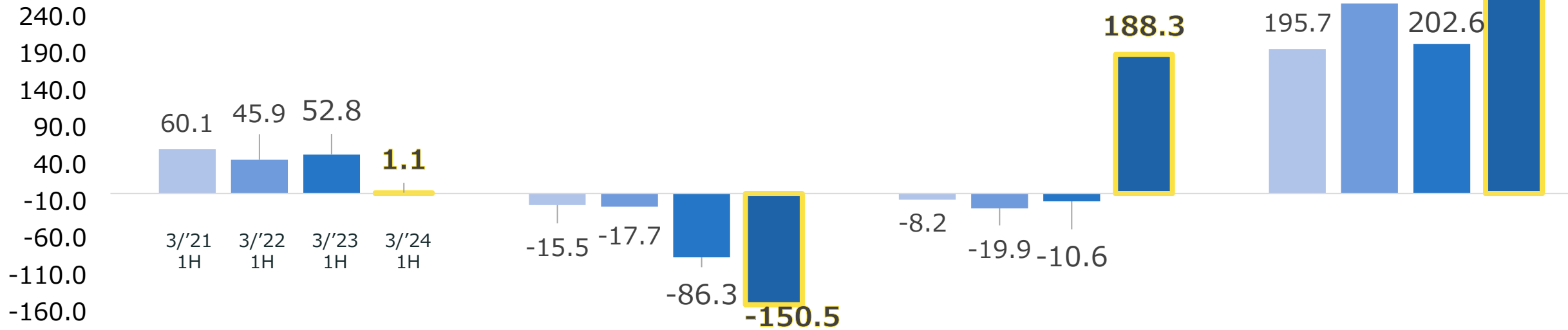
## Operating CF

## Investment CF

## Financial CF

## Cash and cash equivalents at end of period

(100 millions of yen)



## Breakdown

### Cash flows from operating activities

• profit before income taxes	+ 62
• depreciation	+ 27
• increase in inventories	△ 29
• increase in income tax paid	△ 35

### Cash flows from investing activities

• purchase of property, plant and equipment	△ 111
• purchase of intangible assets	△ 25

### Cash flows from financing activities

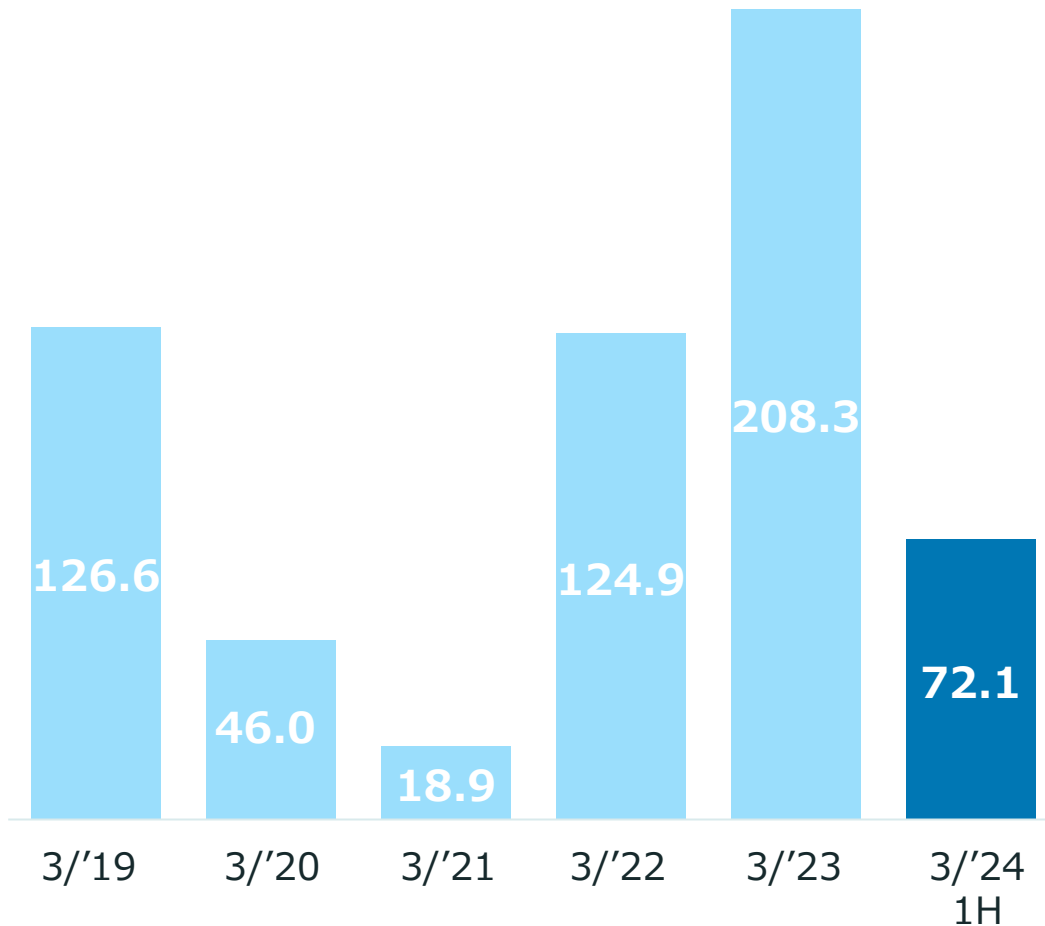
• proceeds from long-term borrowing	+ 200
• dividends paid	△ 11

# Capital Investment/Depreciation/R&D Expenses



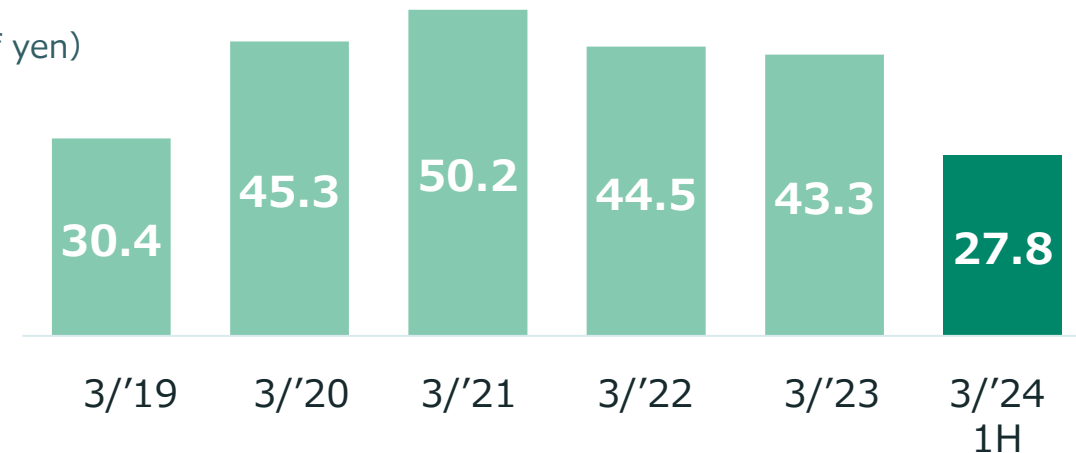
## Capital Investment

(unit : 100 millions of yen)



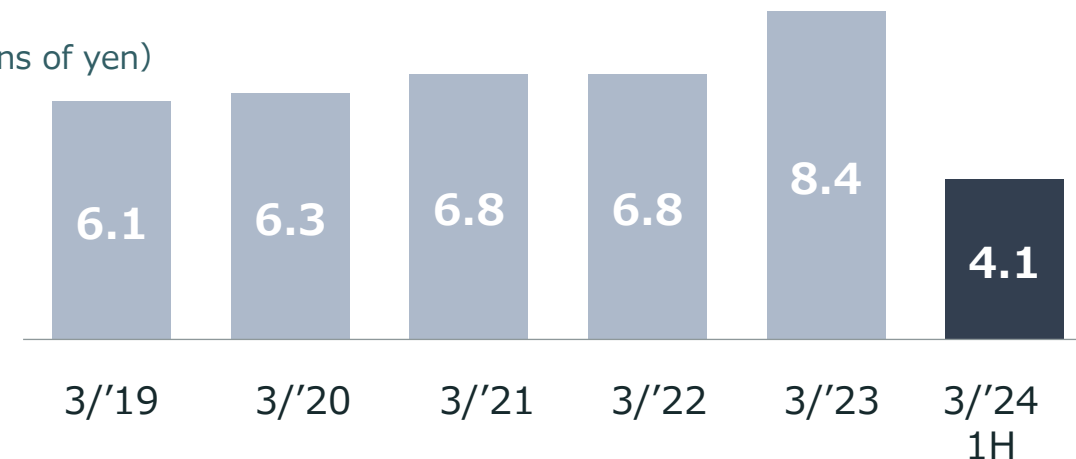
## Depreciation(incl. Amortization)

(unit : millions of yen)



## R&D Expenses

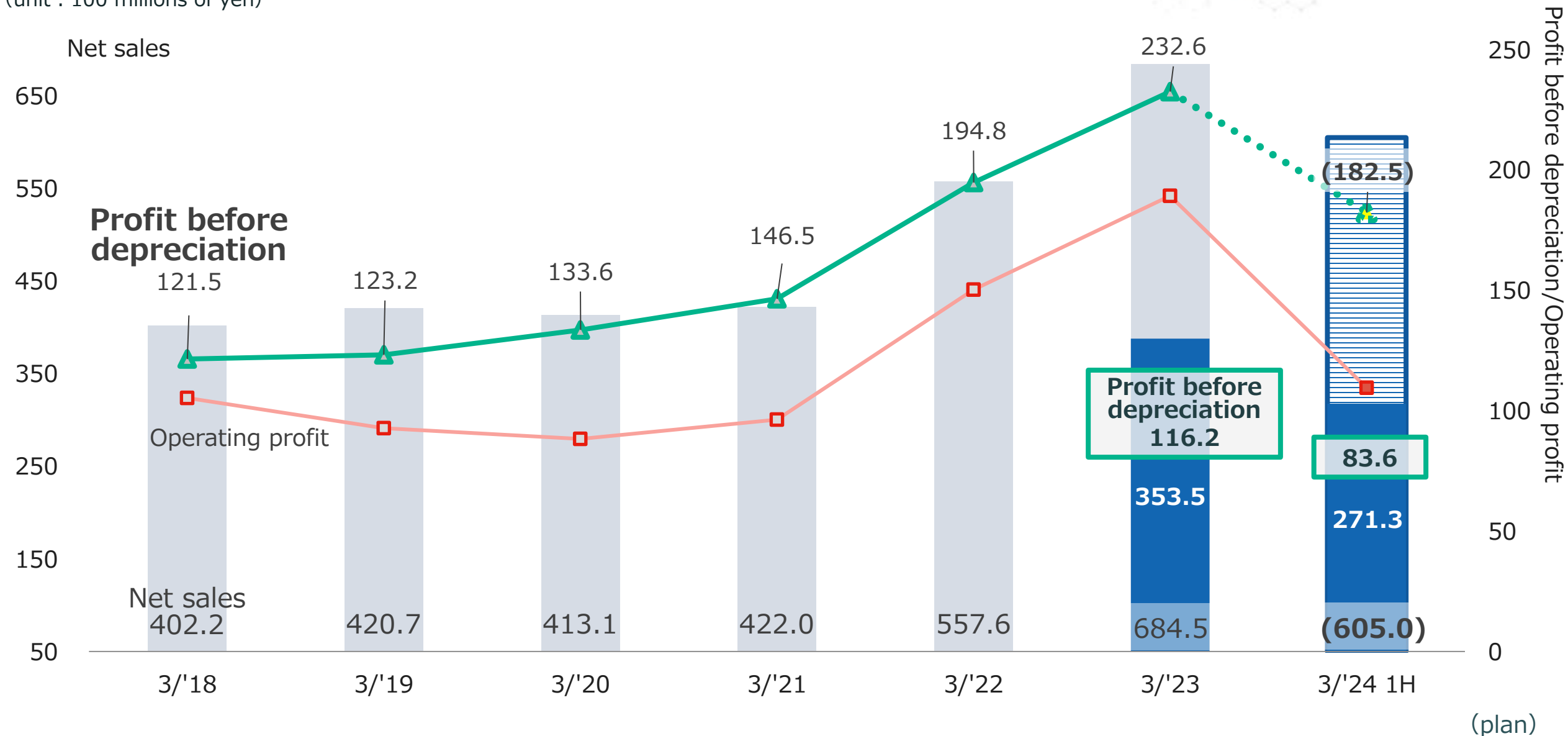
(unit : 100 millions of yen)





# 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

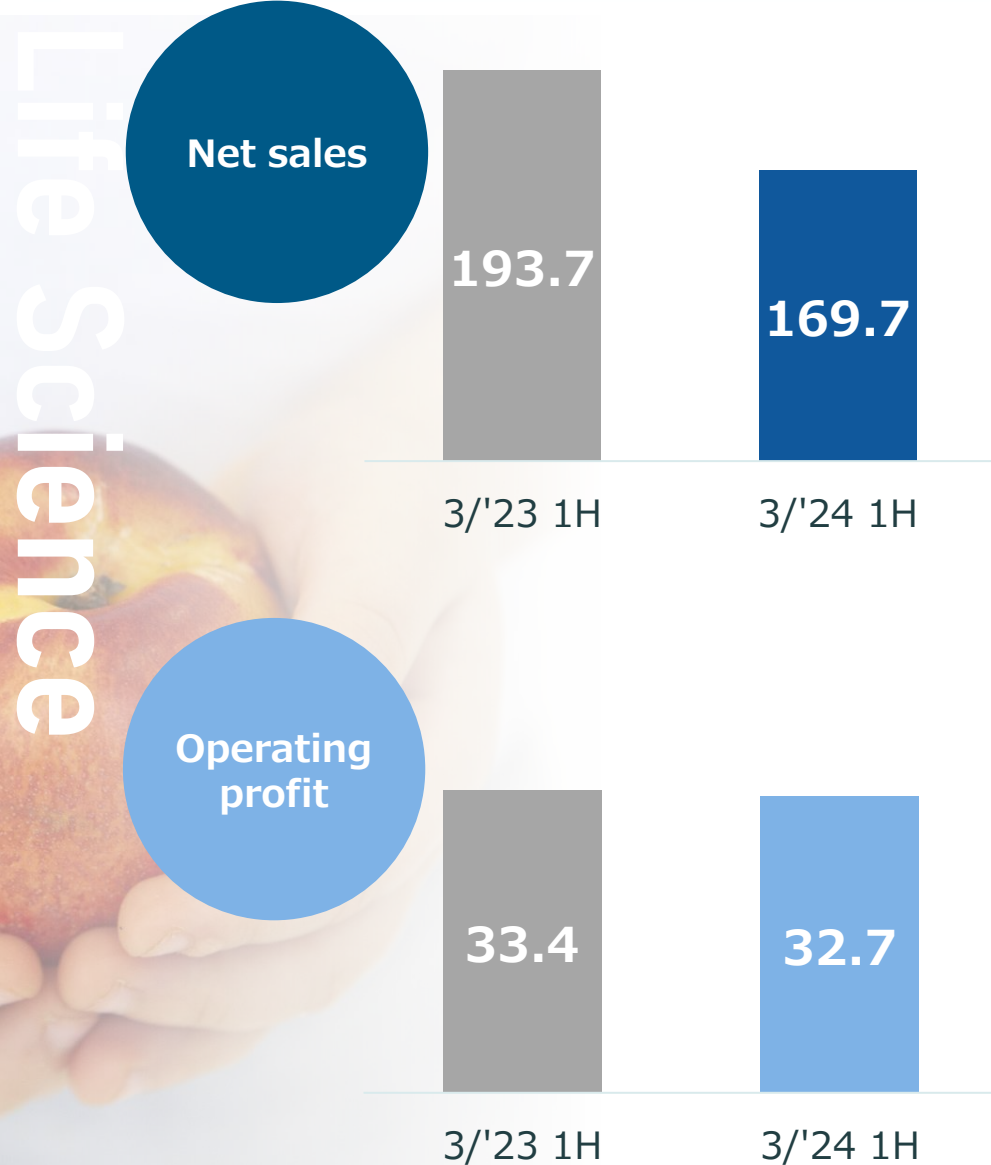


## II. Segments Results

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### Life Science

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(unit : 100 millions of yen)

Net sales positive/negative factor		
+	Stable sales to foods sector	recovery of demand, relatively stable market, increase sales in China
	Positive impact of exchange rate	increase in export prices in US dollars and Yen conversion of sales denominated in foreign currencies
	Price revisions	implementation in Gluconic acids and derivatives
-	Decrease in volume in industrial/ commodity applications	lifestyle changes after COVID-19(medicated foaming bathing additives, bathtub detergents) weak demand for metal plating and cleaning agents
	Decrease in malic acid export volume	returning from rapid expansion, customer inventory adjustment after logistics confusion
		sharp decline in market prices, decrease in volume from large customers
Operating profit positive/negative factor		
+	Main raw material prices	slightly down price of benzene
	Price revisions	implementation in Gluconic acids and derivatives
-	Impact of exchange rate	increase in purchase price due to yen depreciation
	Down in sales	decrease in sales volume of fruits acids
	Increase in costs	rise in utilities costs/ production adjustments

## 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 1st to 2nd Phase)



### Phase\_1

2014  
take over the organic acid business (sales & marketing) from Mitsui Chemicals, Inc.

transfer production of maleic anhydride and fumaric acid

2017  
establish our own "Kashima Plant"

2019  
make an integrated production system from raw materials inputs to finished product (malic acid)

2020  
manufacture malic acid stably in Kashima Plant  
increase utilization rate due to overseas sales expansion

2021  
shift Osaka Factory to multi-functionalized plant  
restructure domestic production base

### Phase\_2

- 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' sales network
- enhance production, sales and technology in each area

Qingdao Fuso

FUSO Thailand

FUSO

PMP

- Malic acids
- Citric acids
- Gluconic acids



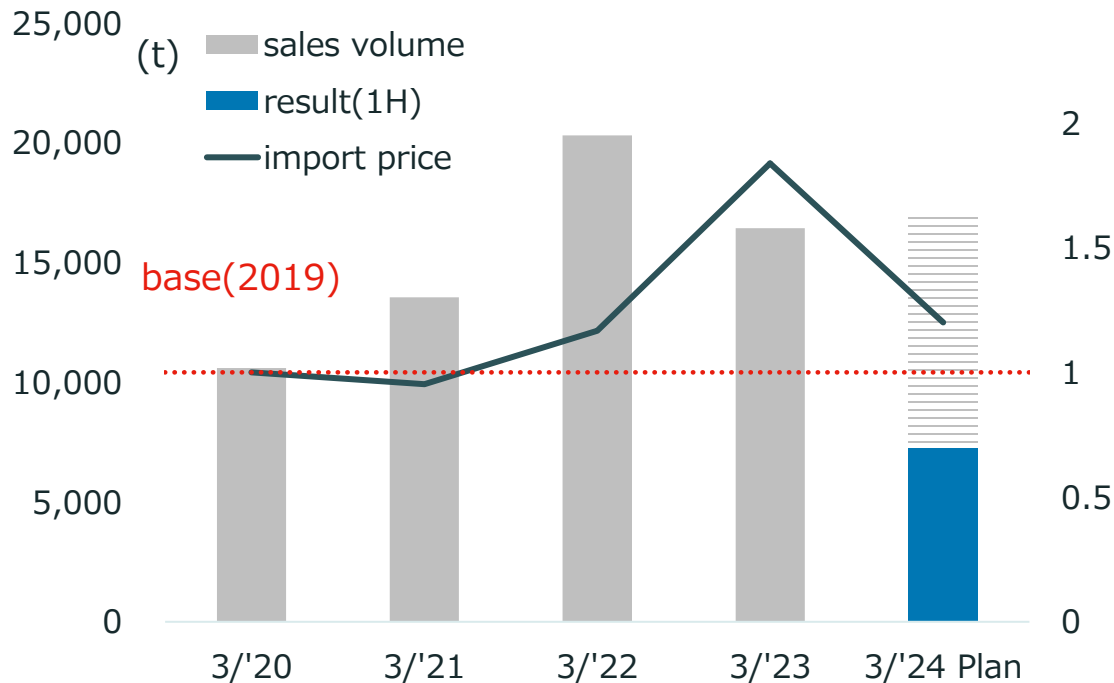
# I . FUSO Fruit Acid Complex Concept

Go to the next phase (from 1st to 2nd Phase)

## ● Malic acid and derivatives



### ■ Sales Volume



### ■ Overseas sales volume by region



### ■ 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

### ■ FY03/'24 1H results & progresses

- Decreased in export sales volume (to Europe) , decline in market prices
- Domestic and overseas: weak demand for industrial applications and consumer products
- Continued cost reduction and improvement of process bottlenecks
- Promoted to emerging and undelivered countries overseas
- Adopted coated fruit acid (to Japanese customers)



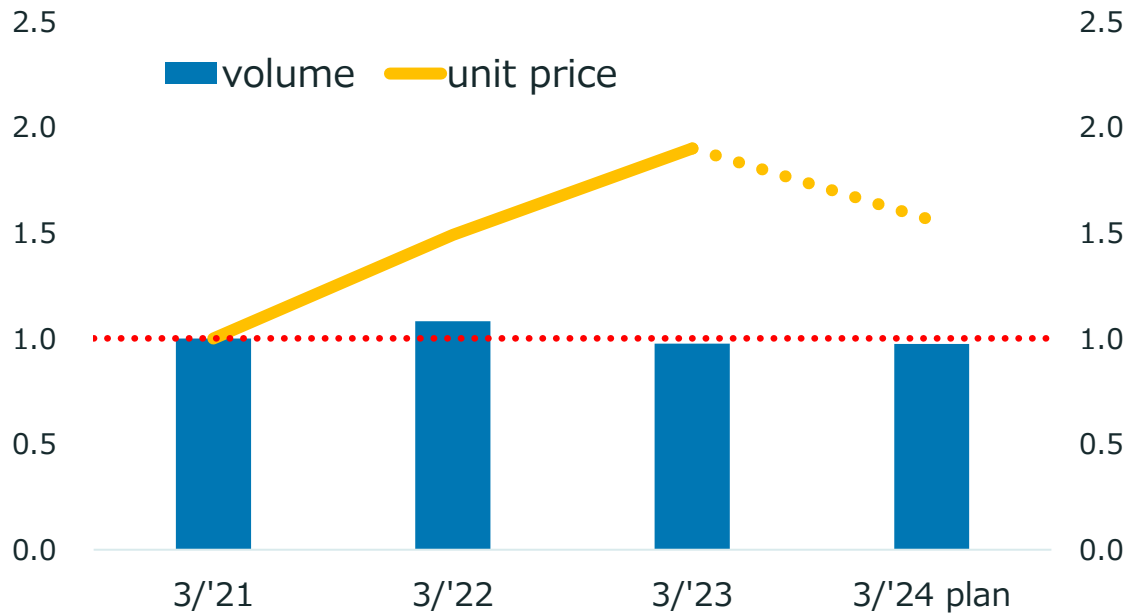
# I . FUSO Fruit Acid Complex Concept

Go to the next phase (from 1st to 2nd Phase)

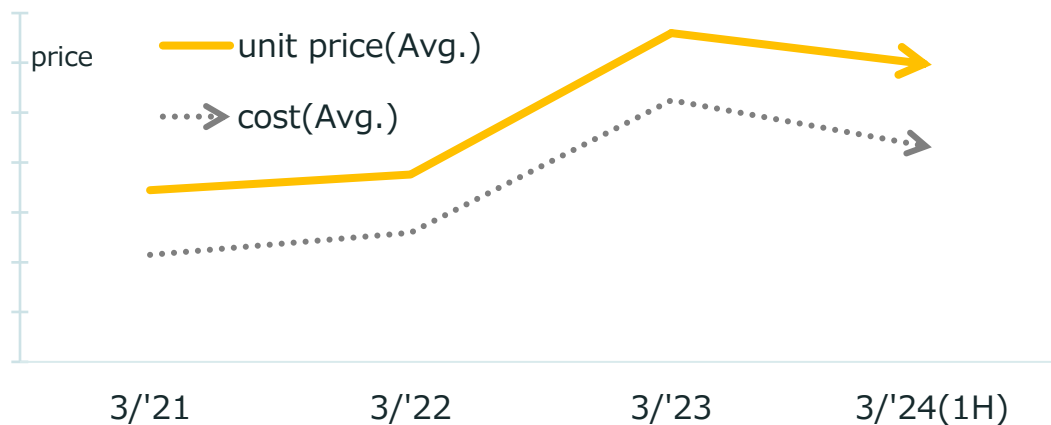
## ● Citric acid and derivatives



### ■ Sales volume



### ■ Sales unit price and cost trends



### ■ 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



### ■ FY03/'24 1H results & progresses

- Decreased in demand in industrial and semiconductor applications
- Volume down from plan, but spread secure due to slowdown in market price declines
- Maintained sales volume for beverages
- Decreased in volume from large customers  
⇒ price revisions (volume recovery expected in 2H of FY3/'24)
- In-house production of ultra high purity citric acid:  
start of detailed design  
(production and certification work scheduled in 2H of FY2024)

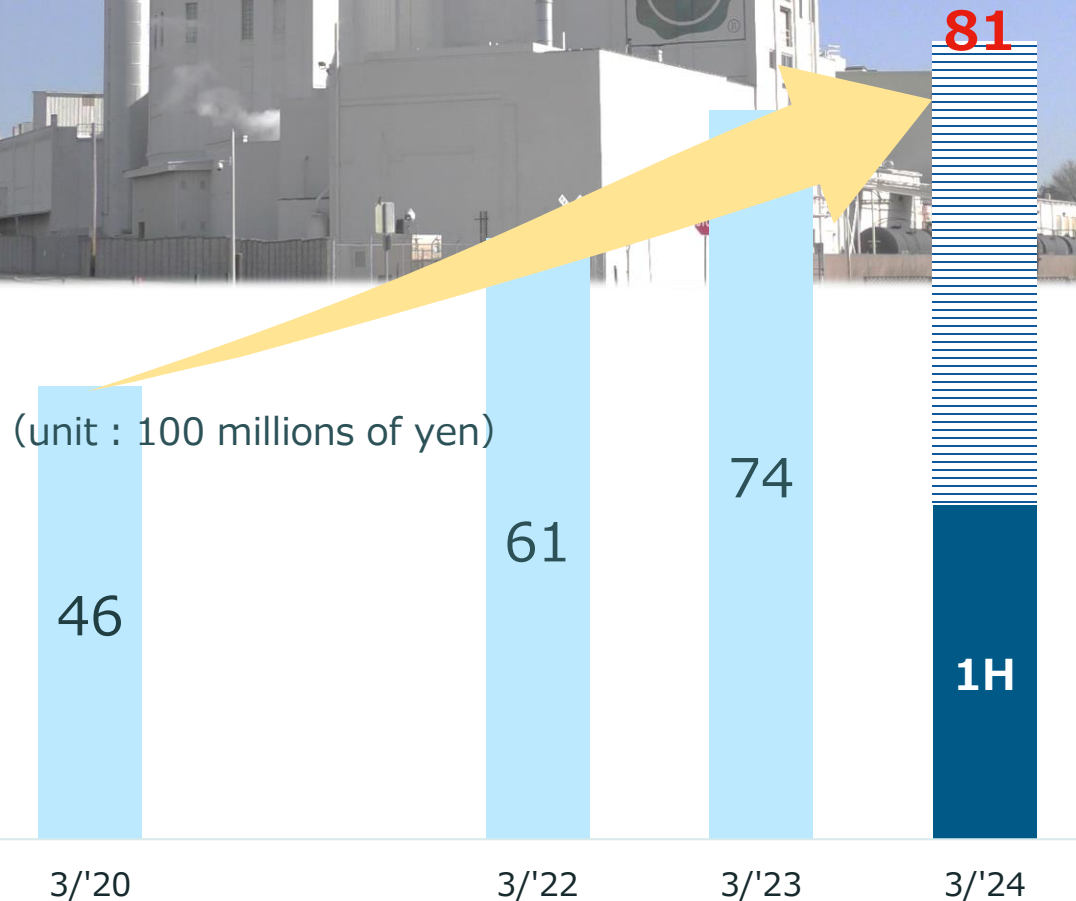
# I . FUSO Fruit Acid Complex Concept

Go to the next phase (from 1st to 2nd Phase)

## ■ Sales of PMP



(unit : 100 millions of yen)



## ● Gluconic acids and derivatives



### ■ FY03/'24 Plans

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



### ■ FY03/'24 1H results & progresses

- Lost market share in USA due to price revision
- Switched supplies to some customers depending on supply capacity
- Completed facility expansion in PMP: on schedule (in Nov./'23)
- Restarted negotiations with customers to recover market share by increasing production capacity by 1.2 times
- Market in Japan: stable sales volume, raised some prices

## II. Improve efficiency through restructuring of production system



### Kashima Plant : main plant

### Osaka Factory : multi-functionalized plant

- Malic acid : Cost reduction by optimizing facilities
- Colloidal Silica : Production facilities in operation

New & stable operation after integrating domestic facilities

#### Malic acid, etc.

#### Plan

- Regular production
- Cost reduction through optimization of 2 plants
- Achievement of special processing plant for new products

#### FY03/'24 1H results & progresses

- >>> Kashima : Regular production Osaka : Production adjustment to match sales volume
- >>> Kashima : Accelerated acquisition of accreditation and continued of studies to improve bottlenecks, Osaka : Started TPM
- >>> Started production of FFA products

※TPM: Total Productive Maintenance



#### ■ New facilities for employee benefit

- June '23 Started construction
- May '24 Construction to be completed



#### ■ New facility

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

#### ■ Coated fruit acid

- FSSC22000 : Certified in May
- HALAL : Scheduled to be certified in March 2024



#### ■ Relocation of Juso Factory

- December '22 Complete relocation
- May '23 Started production
- March '24 Close Juso Factory
- Change from initial Plan(Oct. '23) to secure sufficient inventory






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



# III. Expand FFA business



	FY03/'24 Theme	FY03/'24 1H results & progresses
<b>Coated fruit acid</b> 	<ul style="list-style-type: none"> <li>Adopted by over 20 companies</li> <li>Launch a new concept of FFA formulation using coated fruit acid</li> <li>Develop non-oil coated fruit acid</li> <li>Scheduled to gain FSSC22000 certification in May</li> </ul>	<ul style="list-style-type: none"> <li>Adopted by 4 companies (domestic)</li> <li>Evaluated gummies and bakery manufacturers (by European, American, and Asian )</li> <li>Launch of new <i>Lunch Fresh</i> using coated fruit acid (Yield/Shelf life improver)</li> <li>Under progress</li> <li>Certified in May</li> </ul>
<b>Next-generation product</b> 	<ul style="list-style-type: none"> <li>Powdering acetic acid</li> <li>Soluble fumaric acid</li> <li>Gluten-free food formulations</li> <li>New cooked rice formulations</li> <li>New product development</li> </ul>	<ul style="list-style-type: none"> <li>Study of manufacturing equipment</li> <li>Improved Gluten-free food formulations (under progress)</li> <li>Adopted by several companies</li> <li>Launch new browning preventer (adopted for processed chilled fish products)</li> <li>Launch antioxidant preparations(<i>Oxinergy</i>) Under evaluation by instant noodle manufacturer</li> </ul>
<b>Stress-free formulation</b> 	<ul style="list-style-type: none"> <li>Reduce damage to rice plant due to high temperatures</li> <li>Prevent damage to tomato and broccoli due to high temperatures in summer</li> </ul>	<ul style="list-style-type: none"> <li>Joint research with universities and customers to clarify detailed mechanisms</li> <li>Dealing with new inquiries, affected by the heat wave</li> </ul>

## II. Segments Results

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# Electronic Materials & Functional Chemicals

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## Net sales

159.8

3/'23 1H

101.5

3/'24 1H

## Operating profit

71.4

3/'23 1H

33.3

3/'24 1H

### Net sales positive/negative factor

+	Price revisions	Reflecting increase in energy costs to selling to price
	Exchange rate	Sales increase by yen depreciation
-	Decrease in sales volume	Slow recovery in the semiconductor market, mainly in memory semiconductors
		Delayed recovery due to silicon wafer segments compared to other materials
		Delayed inventory clearance and extended adjustment period due to weak semiconductor market conditions

### Operating profit positive/negative factor

+	Price revisions	Securing profits
-	Decrease in sales volume	Unit cost increased due to decrease in sales volume
	Increase in depreciation	Capital investment for new facilities at Kashima Plant
	Increased cost	Production adjustment to meet sales volume
		Higher energy and material costs
		Increase in number of staff due to facility expansion

(unit : 100 millions of yen)



## **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 **FUSO**

- Major semiconductor manufacturers are investing lots of money to their facilities and to be completed from FY2024

## Forecast FY03/'24

- Forecast the market adjustment continues till 3 - 4Q of FY03/'24
- Expect negative growth year-on-year in FY03/'24 (source : WSTS JC report)
- 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

## ■ FY03/'24 1H results & progresses

- Slow recovery after bottoming out in 1Q2023, but still in an adjustment phase
- Client forecast : full recovery in the 2H of 2024, Preparations underway for post-recovery.
- Launch the silica production line for 3nm node, shift to 2nm node development
- Conducting research and review of multiple sources to prepare for the risk of stagnation or disruption in the raw material supply chain
- Working closely with customers for further miniaturization
- Development of semiconductor technology for 5G and 6G being used for Data Center and AI to support the latest technologies

# I . Expand business in the growing semiconductor market

## ■ Ultra High Purity Colloidal Silica production capacity

① + ② + ③  
by **approx. 50%**

①

Kashima Plant (phase I)  
Completed Construction in  
April 2023

investment amount:  
approx. 20 billion yen

【start using and depreciation from  
August '23】



②

Kyoto Plant  
Construction to be completed  
in September 2024

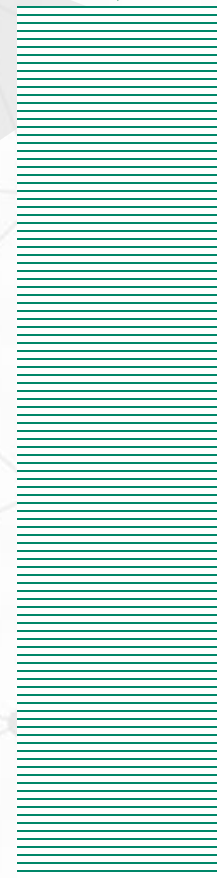
Planned investment amount:  
approx. 10 billion yen  
⇒the groundbreaking  
ceremony in September  
2022



③

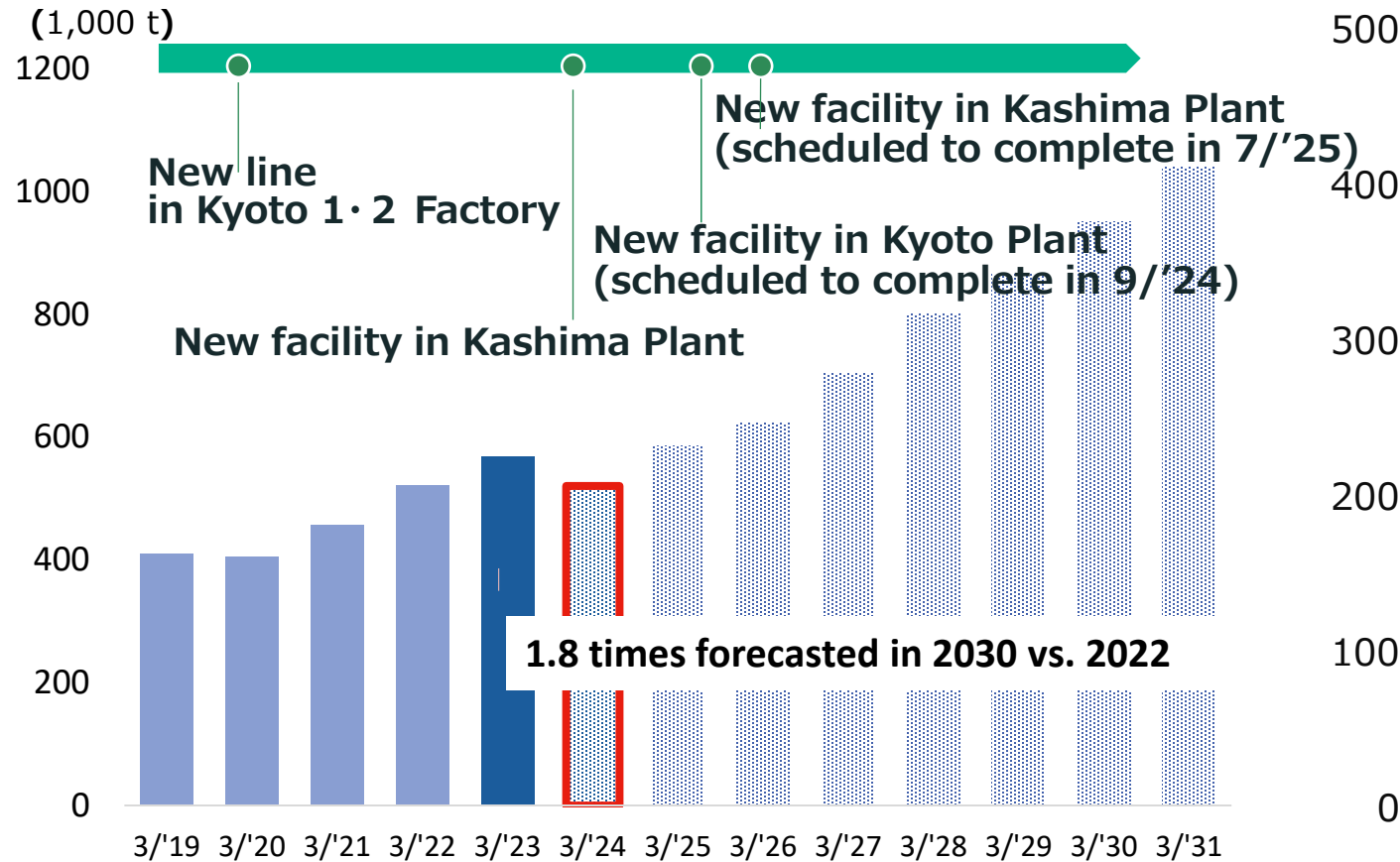
Kashima Plant (phase II)  
Construction to be completed  
in July 2025

**Planned investment amount:  
20 billion yen  
⇒the groundbreaking  
ceremony in August 2023**



# I . Expand business in the growing semiconductor market

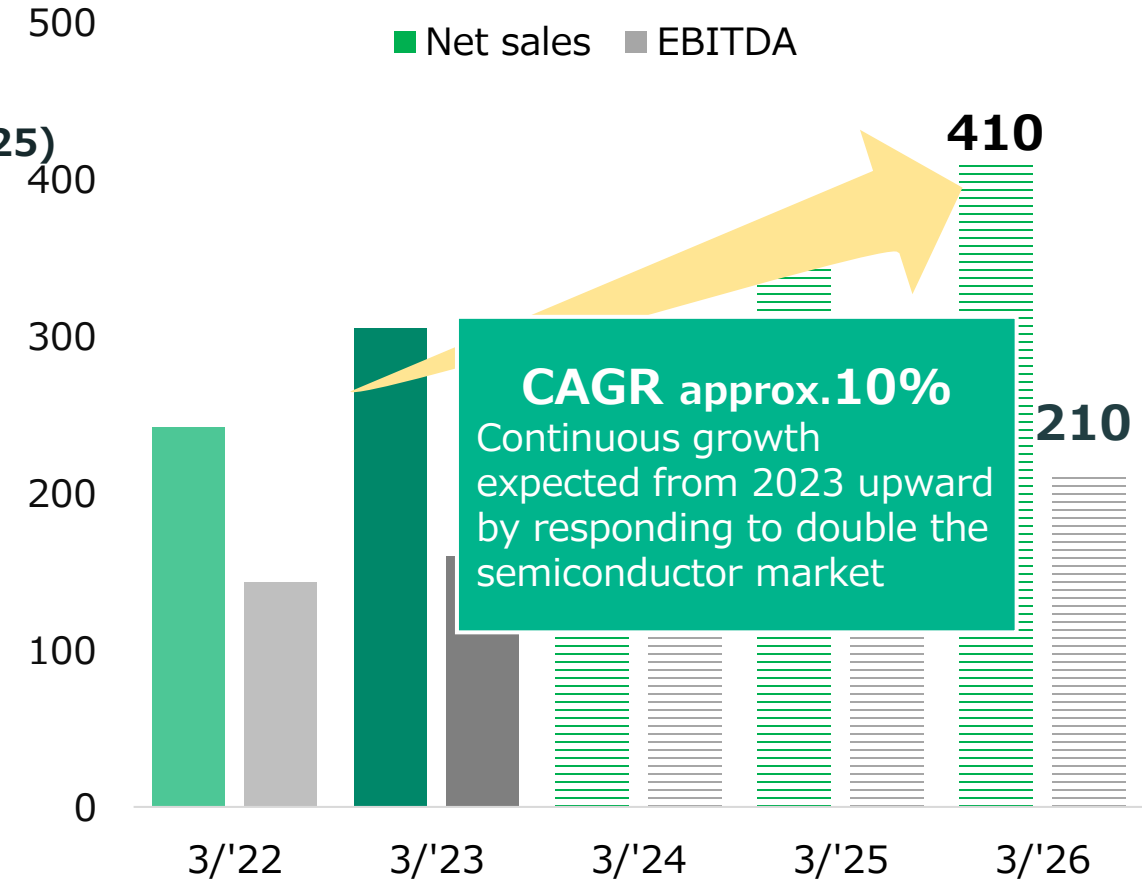
**Despite a temporary adjustment phase in 2023 that caused delays, long-term growth outlook**  
(2022-2030 CAGR approx. 8% increase)



## ■ CMP slurry market forecast

※Prepared by FUSO based on information provided by various resources.

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



## ■ Sales targets for our electronic materials business



## II . Establish a new production system



Continuing stable supply of  
Ultra High Purity Colloidal  
Silica

**Stable operation of new  
facility in Kashima Plant**

**Constant efforts to  
improve production  
efficiency**

**Catch up on customer  
trends**

### Plan FY03/'24



- ❑ 4/'23: Complete construction
  - ❑ 5/'23: Start trial production
  - ❑ 8/'23: Start mass production
  - ❑ 10/'23~: 50% operating rate 【target】
- 
- ❑ Optimize management of products, raw materials, and production process
  - ❑ Increase operating days
  - ❑ Produce each grade more efficiency
  - ❑ Collect data to secure more stable quality
- 
- ❑ Understand market trends at an early stage
  - ❑ Respond to the customers' quality demand
  - ❑ Work with customer to be adopted for customers' next generation products
  - ❑ Study for the future business possibilities for the Chinese market
  - ❑ Act proactive for market recovery

### ■ FY03/'24 1H results & progresses

- Phase I: Completed as scheduled
  - Preparation for full operation for market recovery
- 
- In preparation for market recovery, share inventory status with customers to maximize production efficiency
  - Adjustment of operating days due to market condition
  - Quality stabilization in Kashima plant
- 
- Regular updates from customers on medium- to long-term forecast
  - Testing process improvements for the next generation of quality requirements
  - Research on specific customer targets for China nationalization

# III. Respond to Changes in the External Environment



## Plan FY03/'24



### Purchasing/ Logistics/ Sales



- Increase in procurement volume as production capacity expansion
- Rising raw material costs
  - price revisions
  - 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

## ■ FY03/'24 1H results & progresses

- ✓ Response to high energy costs  
→ Selection of equipment based on high-efficiency, energy-efficient design
  - ✓ Price revisions
  - ✓ Logistics efficiency : Utilization of external warehouses in consideration of customer locations
- 
- ✓ Production at 3 plants in 2 bases (Kyoto & Kashima)
  - ✓ Conducting research and review of multiple sources to prepare for the risk of stagnation or disruption in the raw material supply chain
  - ✓ Periodic updates to BCP plan
- 
- ✓ Facility planning
  - ✓ Reinforcement of recruitment at Kashima Plant
  - ✓ Update of sustainability report
  - ✓ Continuous development of new products

## IV. Develop new business



### ■ Accelerating product development by Two R&D bases

- Reinforcement of technological development through academia-industrial partnerships, academic conferences, patent activities
- Strengthening of recruiting activities using internship program, etc.



Tokyo R&D



Kobe R&D

**Deeping use for  
semiconductors application**

**Study of functional  
materials and silica**

- Products available for miniaturization beyond 2nm
- Technological review on new materials (e.g. SiC)
- New concepts product creating
- Start of market sample work of filler for low-k material
- Applications for medical or bio

### ■ Patent strategy

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

High-speed  
polishing

Low defects

Large particle  
number  
reduction

High  
concentration



## IV. FY03/2024 Forecast

# Earnings Forecast



Exchange  
rate

costs

market

FY3/2024  
Original  
assumption

1 \$ = ¥ 130

Utilities

Slowly  
price hikes

Raw materials

High price  
trend

Benzene

Slightly  
down

- Adjustment phase in the semiconductor market (recovery expected from summer)
- Recovery of the Chinese market

FY3/2024  
Forecast

1 \$ = ¥ 140

High  
level

Moderate  
price

Same  
level

- Delayed recovery of the semiconductor market
- Economic Recovery from COVID-19
- Recovery of demand in food industry

(unit : 100 millions of yen)

## FY3/2024 Plan

Net sales

Operating Profit

Profit attributable to owners  
of parent

EBITDA

May. 2023  
plan

693

138

94

217

Sept.2023  
plan

605

109

79

182

# Forecast for a Full year of FY03/2024



(unit : 100 millions of yen)	1H Result			Full year budget		
	FY03/2024 1H	vs 1H FY03/2023	1H FY03/2023	FY03/2024	vs FY03/2023	FY03/2023
Net sales	<b>271.3</b>	△23.3% ↓	353.5	<b>605.0</b>	△11.6% ↓	684.5
■ Life Science	169.7	△12.4% ↓	193.7	363.0	△4.0% ↓	378.0
■ Electronic Materials	101.5	△36.4% ↓	159.8	242.0	△21.1% ↓	306.5
Operating profit	<b>55.8</b>	△41.7% ↓	95.7	<b>109.5</b>	△42.2% ↓	189.3
■ Life Science	32.7	△2.1% ↓	33.4	63.0	△14.9% ↓	74.0
■ Electronic Materials	33.3	△53.4% ↓	71.4	69.0	△48.5% ↓	133.9
(Adjustment)	△10.2		△9.1	△22.5		△18.6
Ordinary profit	<b>62.4</b>	△41.9% ↓	107.5	<b>115.5</b>	△41.5% ↓	197.4
Profit attributable to owners of parent	<b>42.8</b>	△43.0% ↓	75.1	<b>79.0</b>	△44.1% ↓	141.2
EBITDA	<b>83.6</b>	△28.0% ↓	116.2	<b>182.5</b>	△21.6% ↓	232.6
Earning per share (EPS)	<b>¥121.6</b>	△43.0% ↓	¥213.2	<b>¥224.1</b>	△44.1% ↓	¥400.9

# Forecast for Depreciation

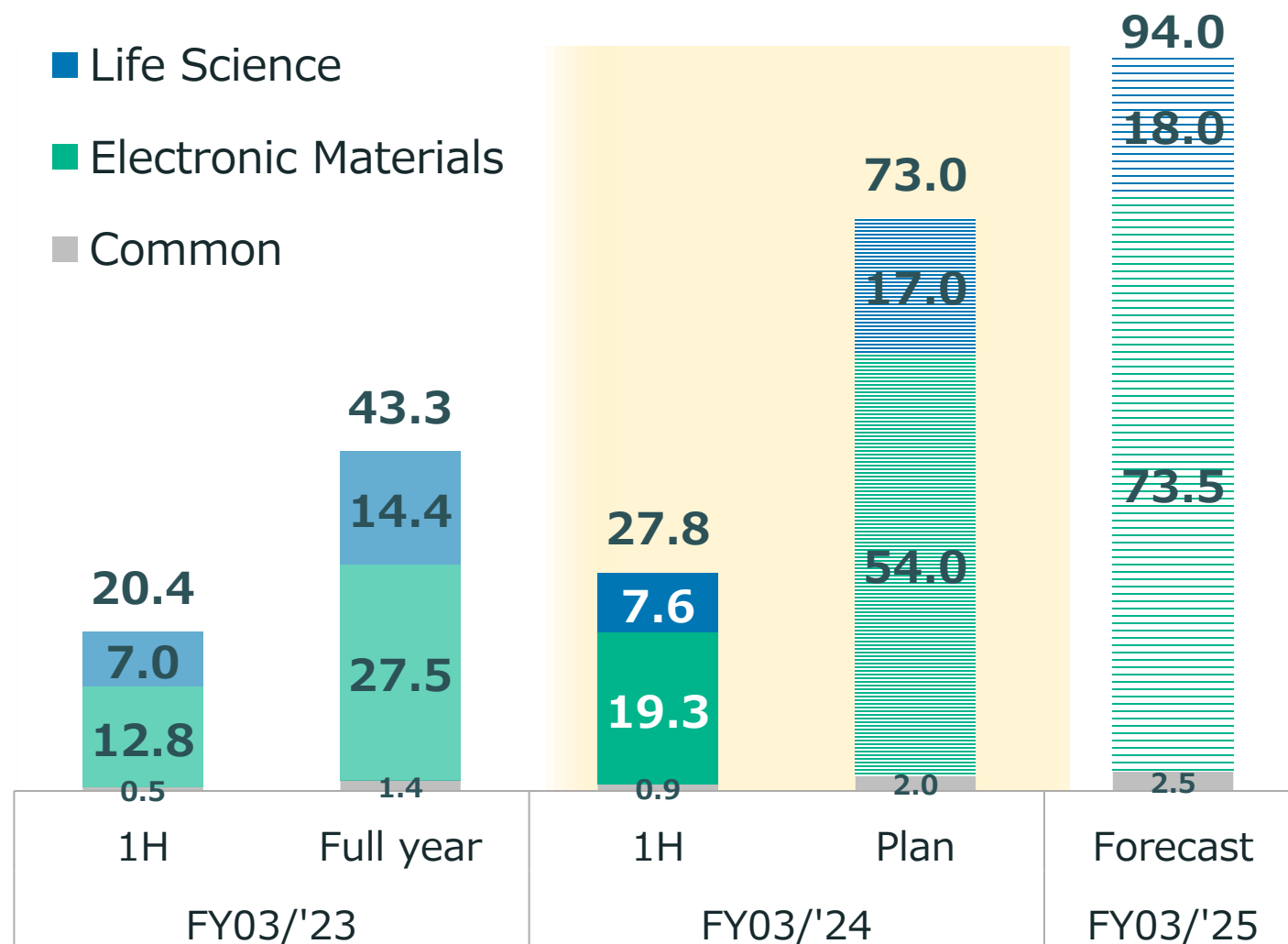


## Depreciation by segments(unit:100 millions of yen)

■ Life Science

■ Electronic Materials

■ Common



### FY03/2023

- Coated Fruits Acid Production facility
- Relocation of Juso factory

### FY03/2024

- New facility in Kashima plant
- Capital investment in PMP
- Relocation of Osaka head office

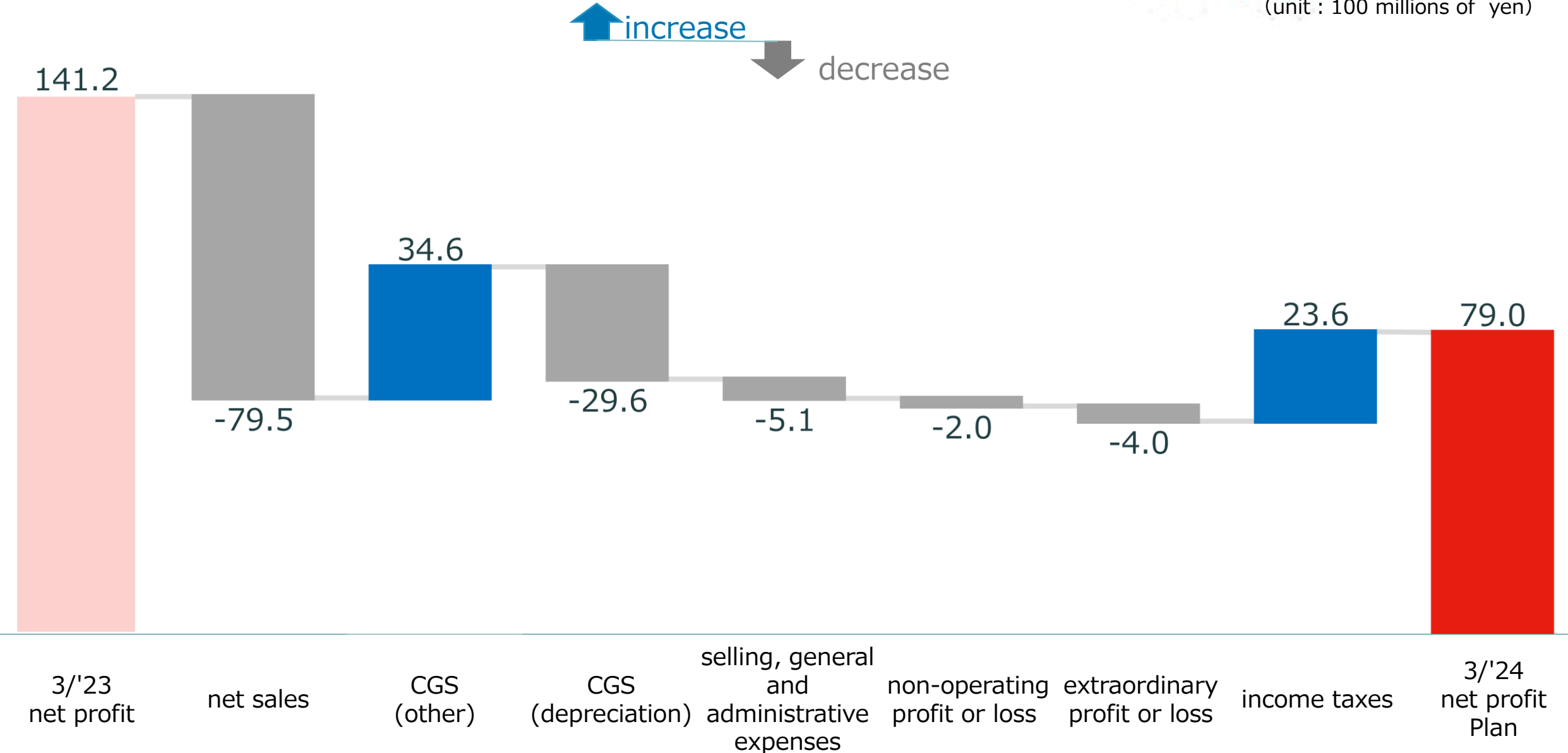
### FY03/2025

- New facility in Kyoto plant
- New facilities for employee benefit

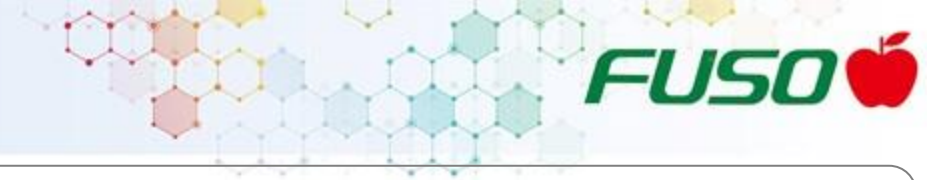
# Net Profit Analysis FY03/2023 versus FY03/2024(Plan)



(unit : 100 millions of yen)

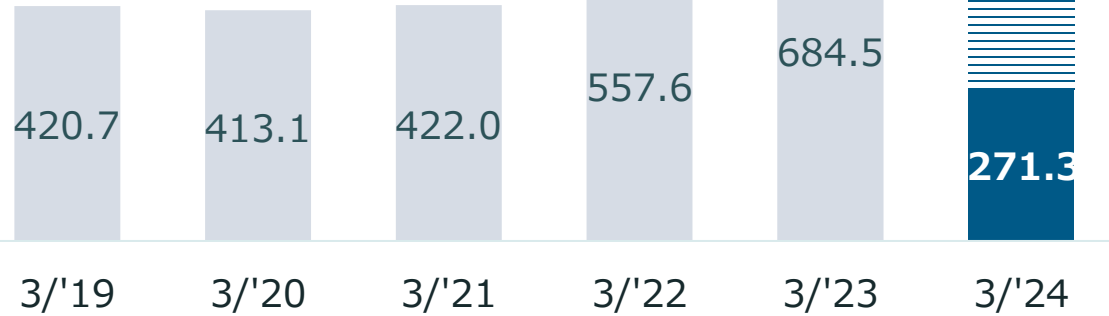


# Business Performance and Plan



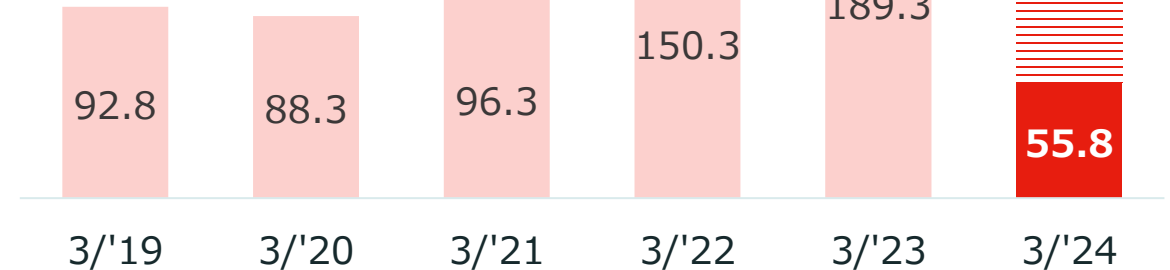
## Net sales

605.0



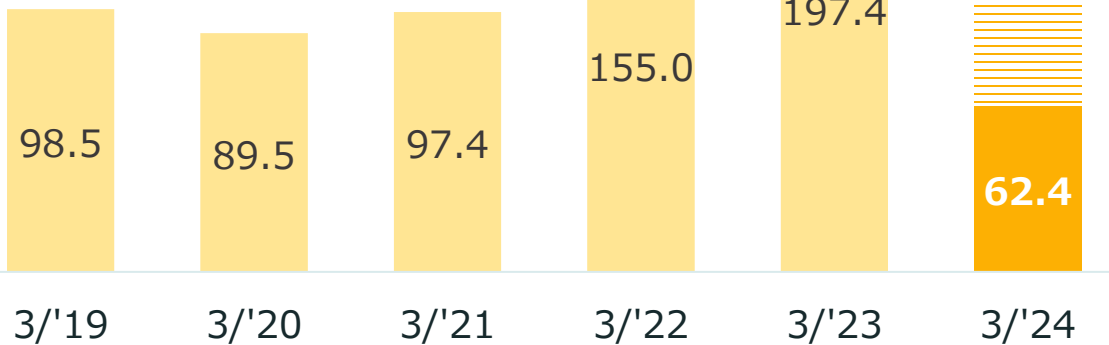
## Operating profit

109.5



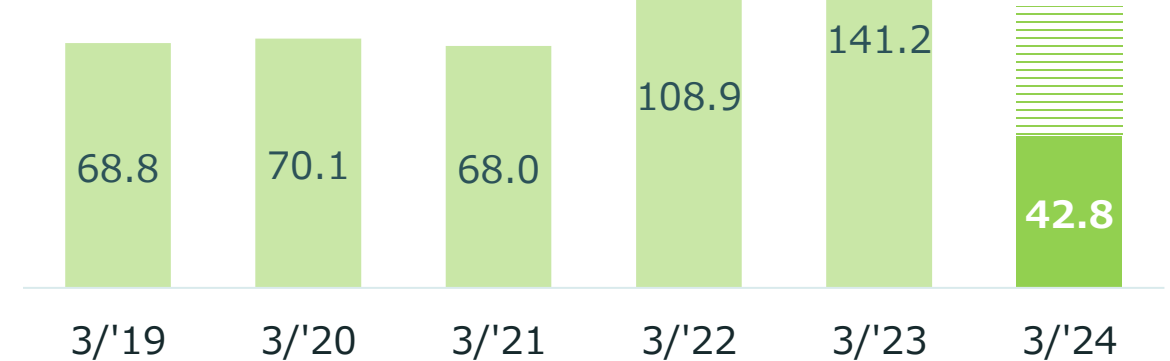
## Ordinary profit

115.5



## Profit attributable to owners of parent

79.0



(unit : 100 millions of yen)



## Sustainability Report

Aug. 2023

### Report for FY2022 disclosed

Disclosure the status of our activities every year about our business growth and realization for sustainable society. From this fiscal year, release the English version report (in October)



## Creating better work environment

Sep. 2023

### Relocation of Osaka head office

Designed an open space where all departments can work in one same floor. Aim to create ideas and innovations through active communication across departments. And also improved operational efficiency through the introduction of a document management system and a paperless office.



## Selected for JPX-Nikkei Index 400

Aug. 2023



### Components in FY2023

The index composed of companies with high appeal for investors, which meet requirements of global investment standards, such as efficient use of capital and investor-focused management perspectives.

## Communicating message to the next generation

Aug. 2023

### Science lab class for children

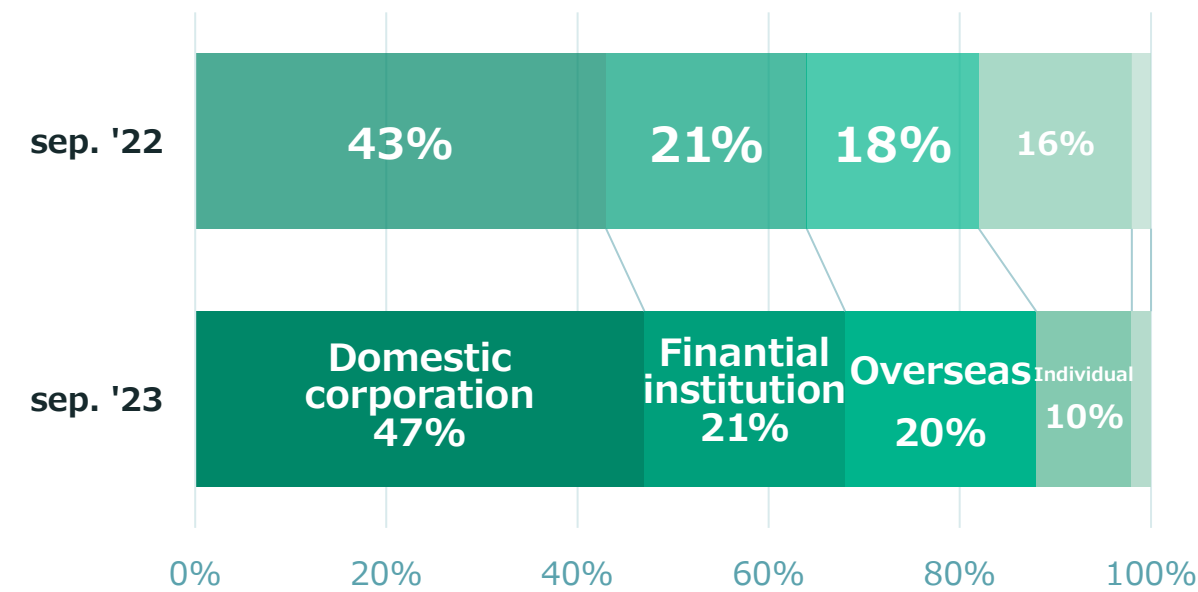
Held jointly with Orange Page Inc. Demonstrated the characteristics of various acidifier and food additives in lab class. Through the event, introduced how acidifiers protect food safety, enrich dietary life, and contribute to the food loss issue.



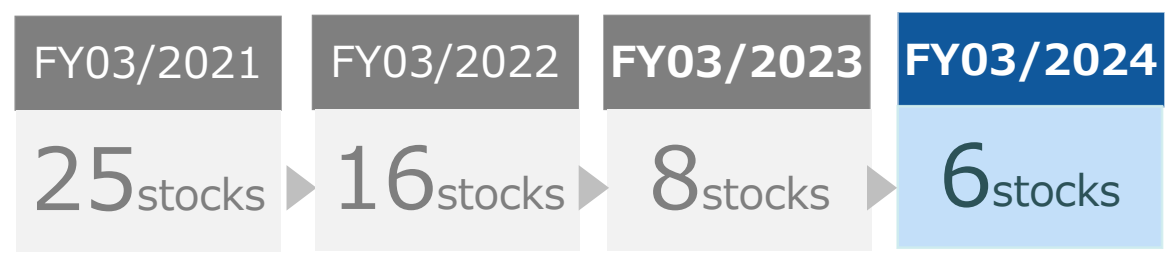
# Stock Information



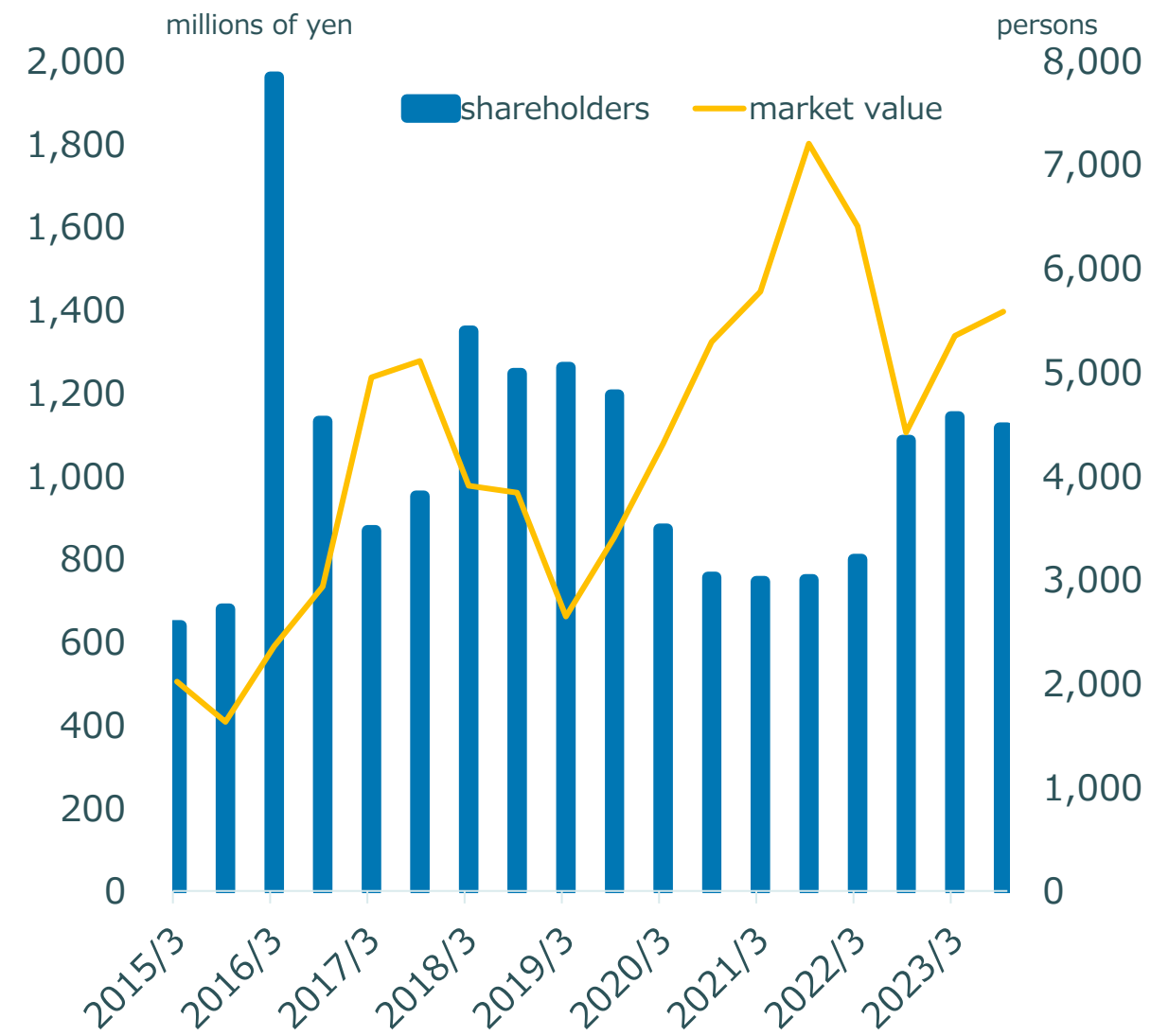
## ■ Composition of Shareholders



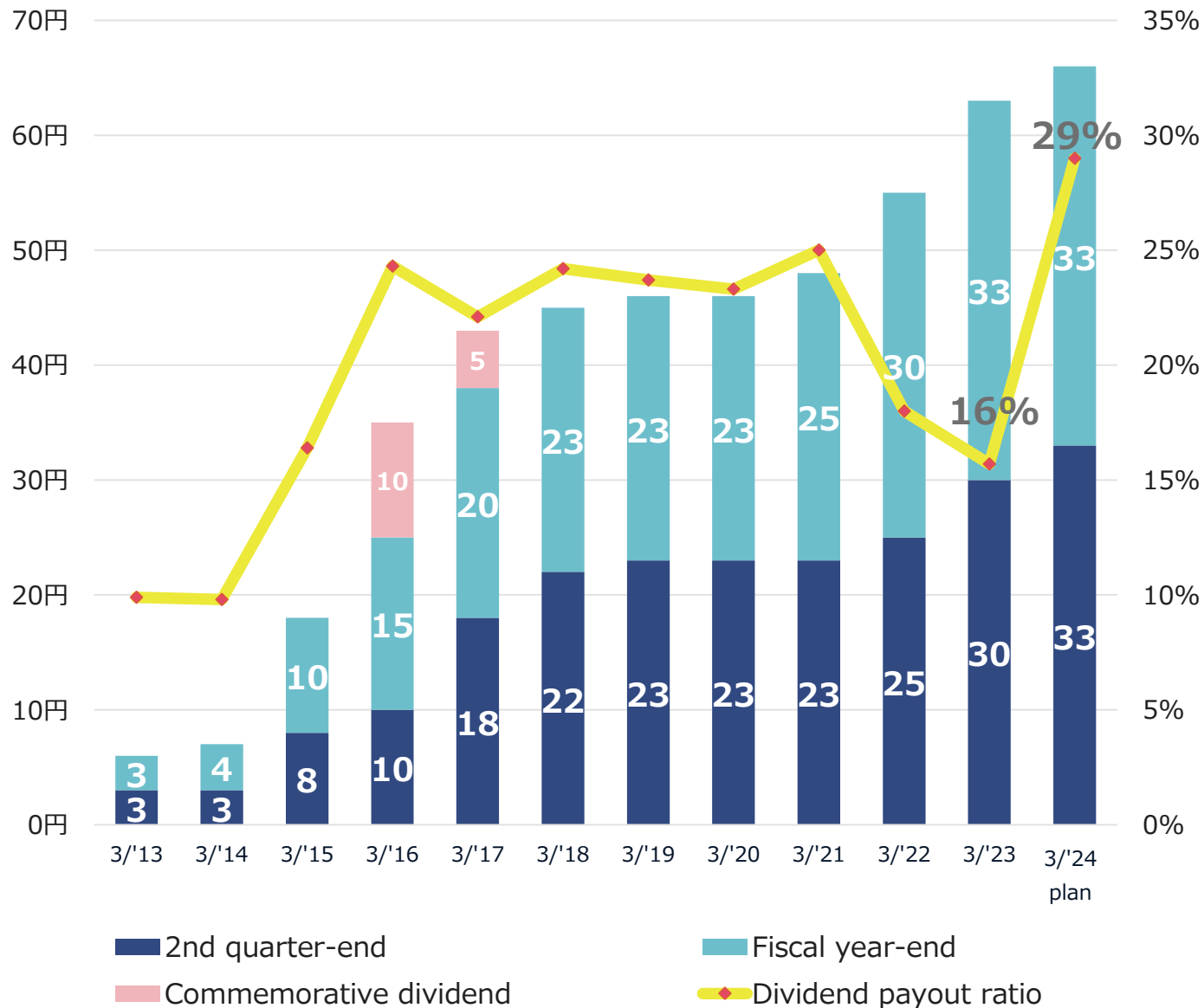
## ■ Cross-held stocks



## ■ Market capitalization/Number of shareholders



# Return to Stockholders



## Plan to increase dividends

(compared to previous year)

### FY03/2024 Forecast

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

### FY03/2023 : dividends increase

(compared to previous year)

➡Cash dividends	¥63
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.