

# FY2022 2<sup>nd</sup> Quarter Financial Results

Period from April 1, 2022 to September 30, 2022

**FUSO CHEMICAL CO., LTD.**

November 10, 2022

Prime market (4368)

Tokyo Stock Exchange, Inc.





- I. Financial Summary Results for 2<sup>nd</sup> Quarter  
(period April 1, 2022 - September 30, 2022)
  
- II. Segments Results
  - Life Science
  - Electronic Materials & Functional Chemicals
  
- III. FY2022 Outlook  
(period April 1, 2022 - March 31, 2023)

# I. FY2022 1H Financial Summary

Period April 1, 2022 – September 30, 2022

# Consolidated Financial Results for FY03/2023 1H

versus the original budget in May. 2022



(unit : 100 millions of yen)	FY03/2023 1H	vs FY03/2022			Budget disclosed in May.2022		
		1H	YoY	YoY ratio	Budget	Change	vs budget
Net sales	<b>353.5</b>	251.6	+101.9	+40.5% ↗	339.0	+14.5	+4.3% ↗
Operating profit	<b>95.7</b>	64.2	+31.5	+49.1% ↗	78.5	+17.2	+22.0% ↗
Ordinary profit	<b>107.5</b>	64.8	+42.7	+65.9% ↗	78.8	+28.7	+36.5% ↗
Profit attributable to owners of parent	<b>75.1</b>	44.8	+30.2	+67.5% ↗	54.0	+21.1	+39.2% ↗
EBITDA	<b>116.2</b>	85.5	+30.7	+36.0% ↗	99.7	+16.5	+16.6% ↗
Earnings per share	<b>¥213.2</b>	¥126.5	¥86.6	+68.5% ↗	¥153.2	¥60.0	+39.2% ↗

**Achieved record sales and profits in 1H**

# Consolidated Financial Results for FY03/2023 1H

versus the budget revised in Sep. 2022



(unit : 100 millions of yen)	FY03/2023 1H	vs FY03/2022			Budget updated in Sep.2022		
		1H	YoY	YoY ratio	Budget	Change	vs budget
Net sales	<b>353.5</b>	251.6	+ 101.9	+ 40.5% <span>↗</span>	355.0	△1.4	△0.4% <span>↘</span>
Operating profit	<b>95.7</b>	64.2	+ 31.5	+ 49.1% <span>↗</span>	97.0	△1.2	△1.3% <span>↘</span>
Ordinary profit	<b>107.5</b>	64.8	+ 42.7	+ 65.9% <span>↗</span>	106.5	+ 1.0	+ 1.0% <span>↗</span>
Profit attributable to owners of parent	<b>75.1</b>	44.8	+ 30.2	+ 67.5% <span>↗</span>	74.0	+ 1.1	+ 1.6% <span>↗</span>
EBITDA	<b>116.2</b>	85.5	+ 30.7	+ 36.0% <span>↗</span>	118.0	△1.7	△1.5% <span>↘</span>
Earnings per share	<b>¥213.2</b>	¥126.5	¥86.6	+ 68.5% <span>↗</span>	¥209.9	¥3.2	+ 1.6% <span>↗</span>

**Achieved record sales and profits in 1H**

# Sales & Profit by segment

versus previous year FY03/2022 1H



(unit: 100 millions of yen)		FY03/2023 1H	FY03/2022 1H	YoY change	Ratio
■ Life Science	Net sales	193.7	144.4	+ 49.3	+ 34.2% ↗
	Operating profit	33.4	20.7	+ 12.7	+ 61.3% ↗
■ Electronic Materials & Functional Chemicals	Net sales	159.8	107.2	+ 52.5	+ 49.0% ↗
	Operating profit	71.4	50.4	+ 21.0	+ 41.8% ↗
(Adjustment)		△ 9.1	△ 6.9	△ 2.2	+ 32.6%
Operating pfofit (consolidated)		95.7	64.2	+ 31.5	+ 49.1% ↗

# FY03/2023 Quarterly Results



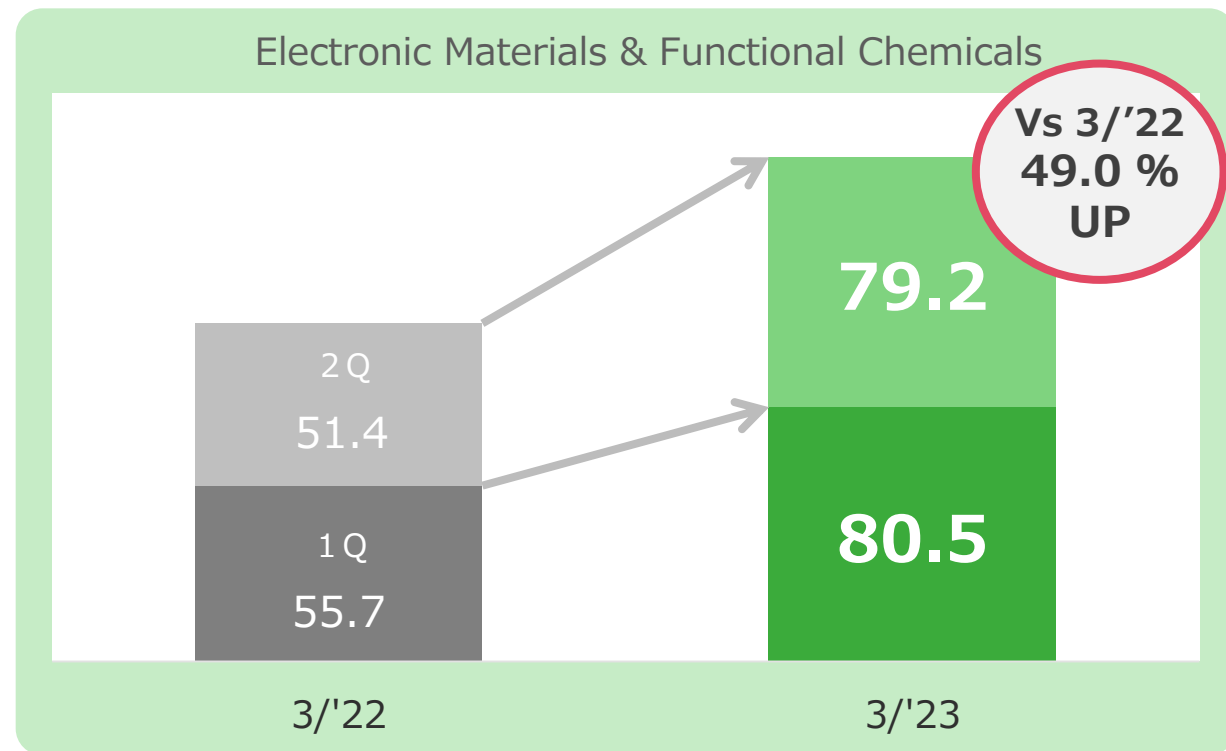
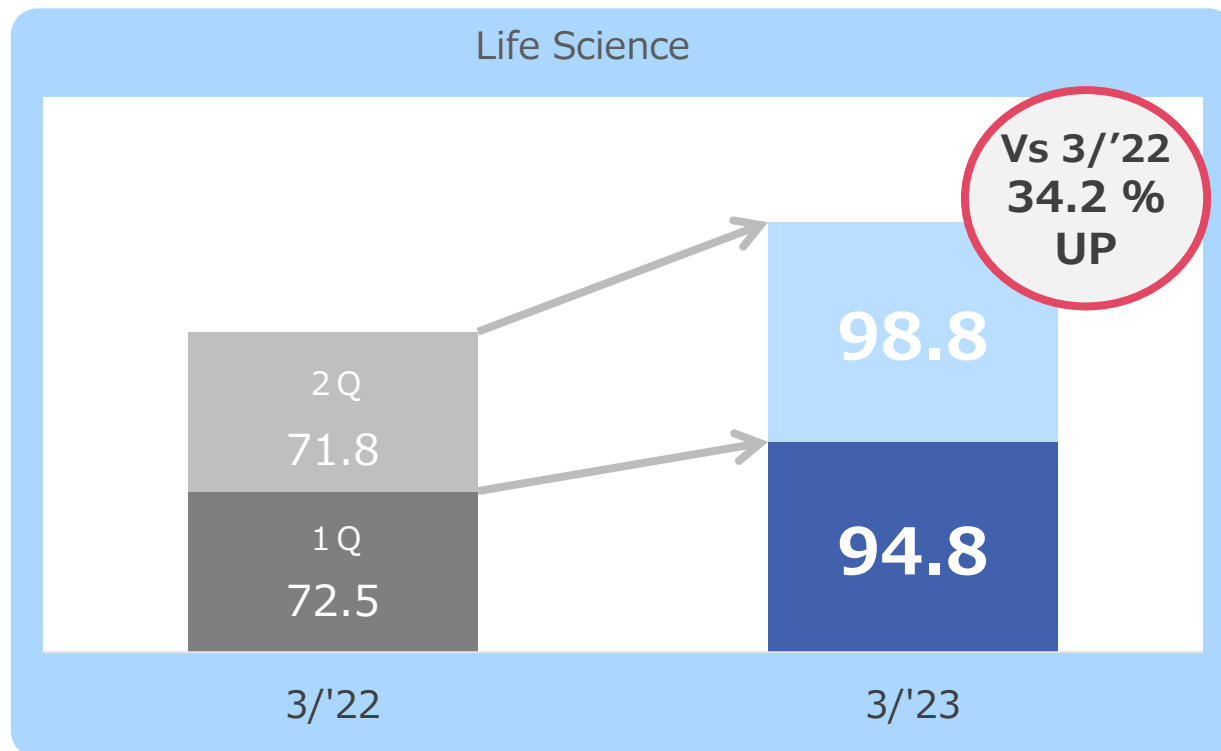
(unit : 100 millions of yen)	3/'23	YonY		3/'23	YonY	
	1 Q	change	ratio	2 Q	change	ratio
Net sales	<b>175.4</b>	+ 47.1	+ 36.7%	<b>178.1</b>	+ 54.7	+ 44.4%
Operating profit	<b>46.9</b>	+ 13.2	+ 39.2%	<b>48.8</b>	+ 18.3	+ 60.0%
Ordinary profit	<b>53.6</b>	+ 19.8	+ 58.9%	<b>53.9</b>	+ 22.8	+ 73.6%
Profit attributable to owners of parent	<b>36.6</b>	+ 14.2	+ 63.7%	<b>38.5</b>	+ 16.0	+ 71.2%
EBITDA	<b>56.7</b>	+ 12.6	+ 28.7%	<b>59.4</b>	+ 18.0	+ 43.7%
Earnings per share	<b>¥103.9</b>	¥40.8		<b>¥109.3</b>	¥45.7	



# FY03/2023 Quarterly Sales Performance by Segment



	3/'23			3/'22			1H	original
(unit:100 millions of yen)	1 Q	change	ratio	2Q	change	ratio	result	plan
Life Science	<b>94.8</b>	+22.3	+30.8%	<b>98.8</b>	+27.0	+37.6%	<b>193.7</b>	380.0
Electronic Materials & Functional Chemicals	<b>80.5</b>	+24.8	+44.5%	<b>79.2</b>	+27.7	+54.0%	<b>159.8</b>	282.0

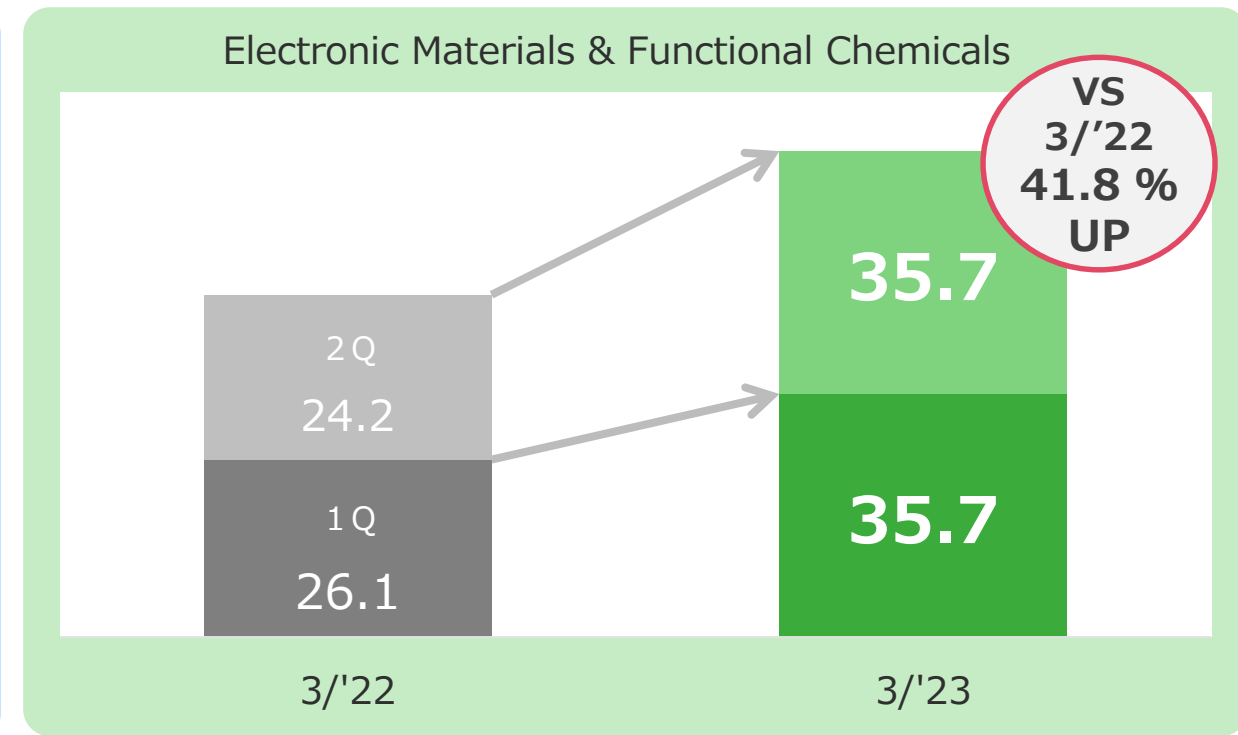
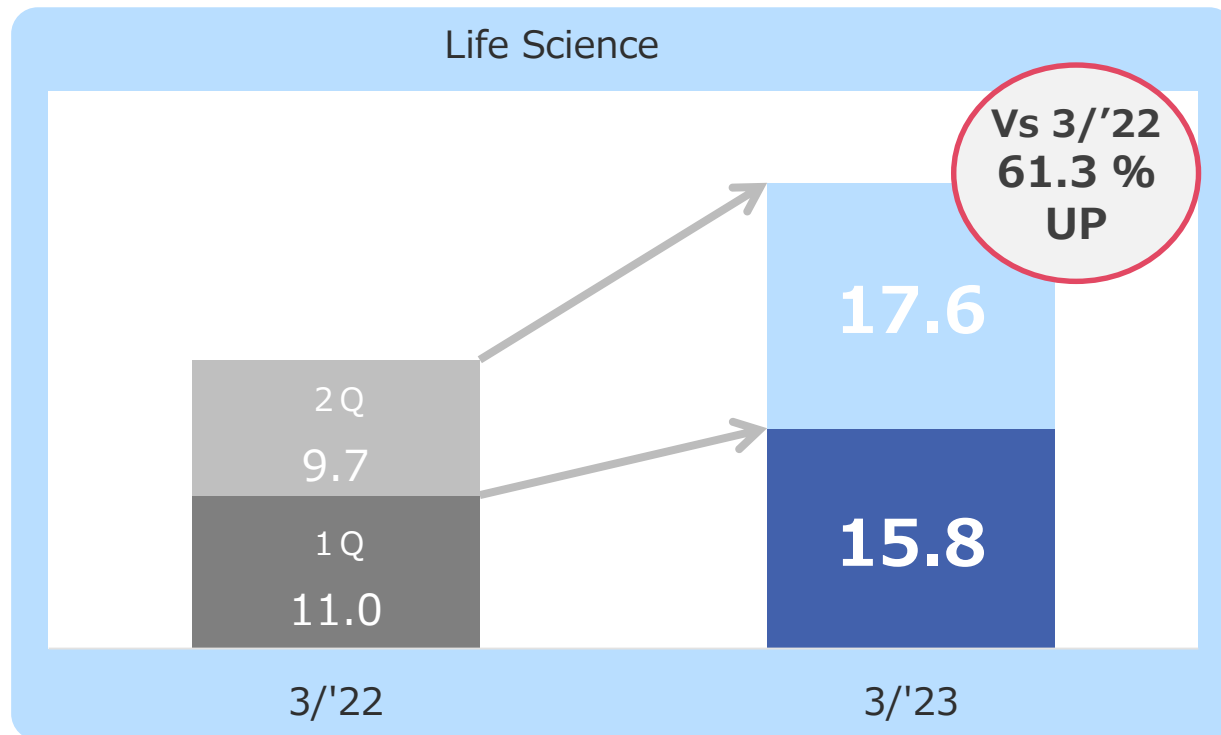




# FY03/2023 Quarterly Profit Performance by Segment



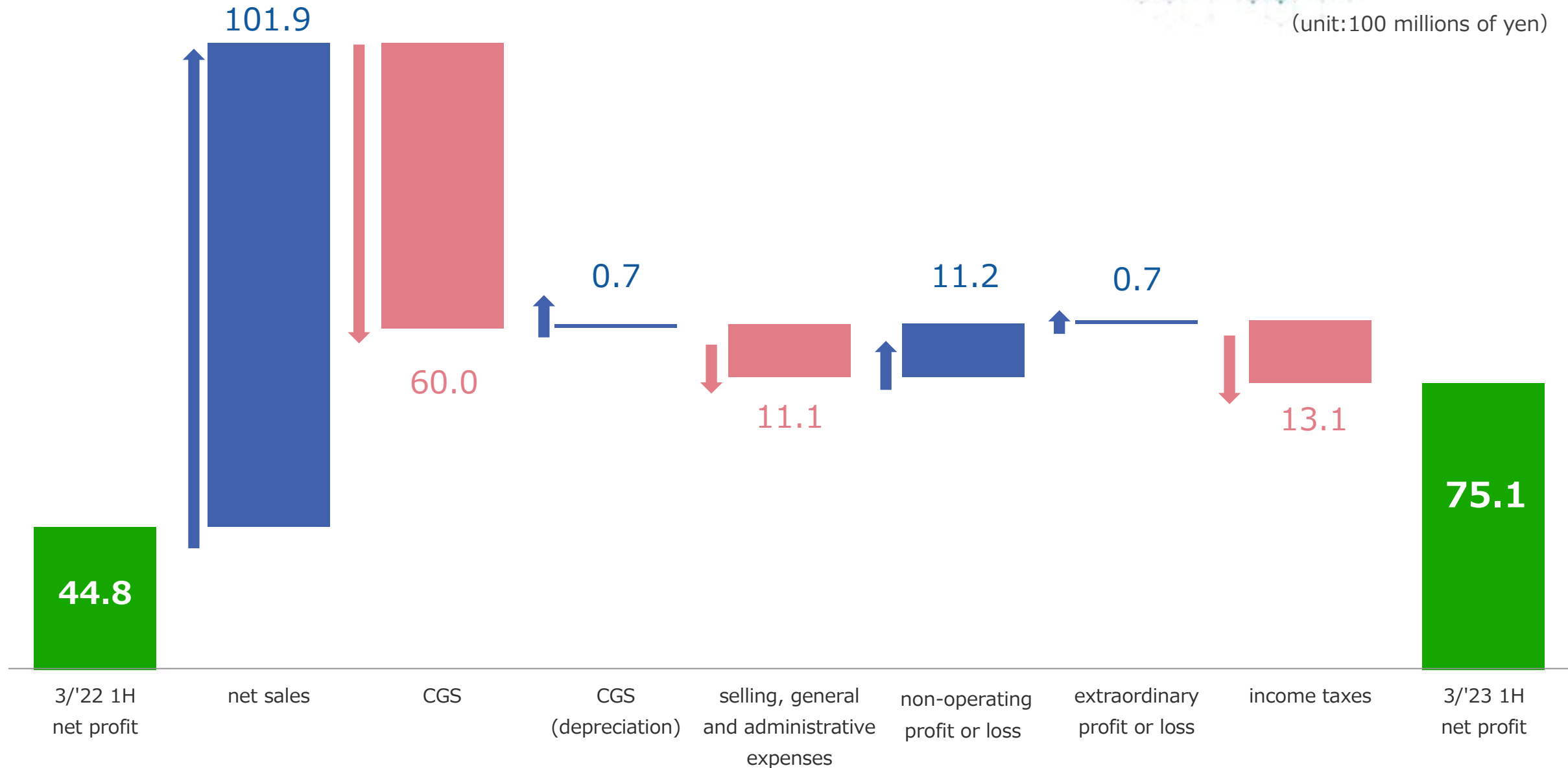
	3/'23			3/'22			1H	original
(unit:100 millions of yen)	1 Q	change	ratio	2Q	change	ratio	result	plan
Life Science	<b>15.8</b>	+4.8	+44.0%	<b>17.6</b>	+7.8	+80.7%	<b>33.4</b>	57.0
Electronic Materials & Functional Chemicals	<b>35.7</b>	+9.6	+36.9%	<b>35.7</b>	+11.4	+47.0%	<b>71.4</b>	120.0



# Net Profit Analysis FY03/2022 1H versus FY03/2023 1H



(unit:100 millions of yen)

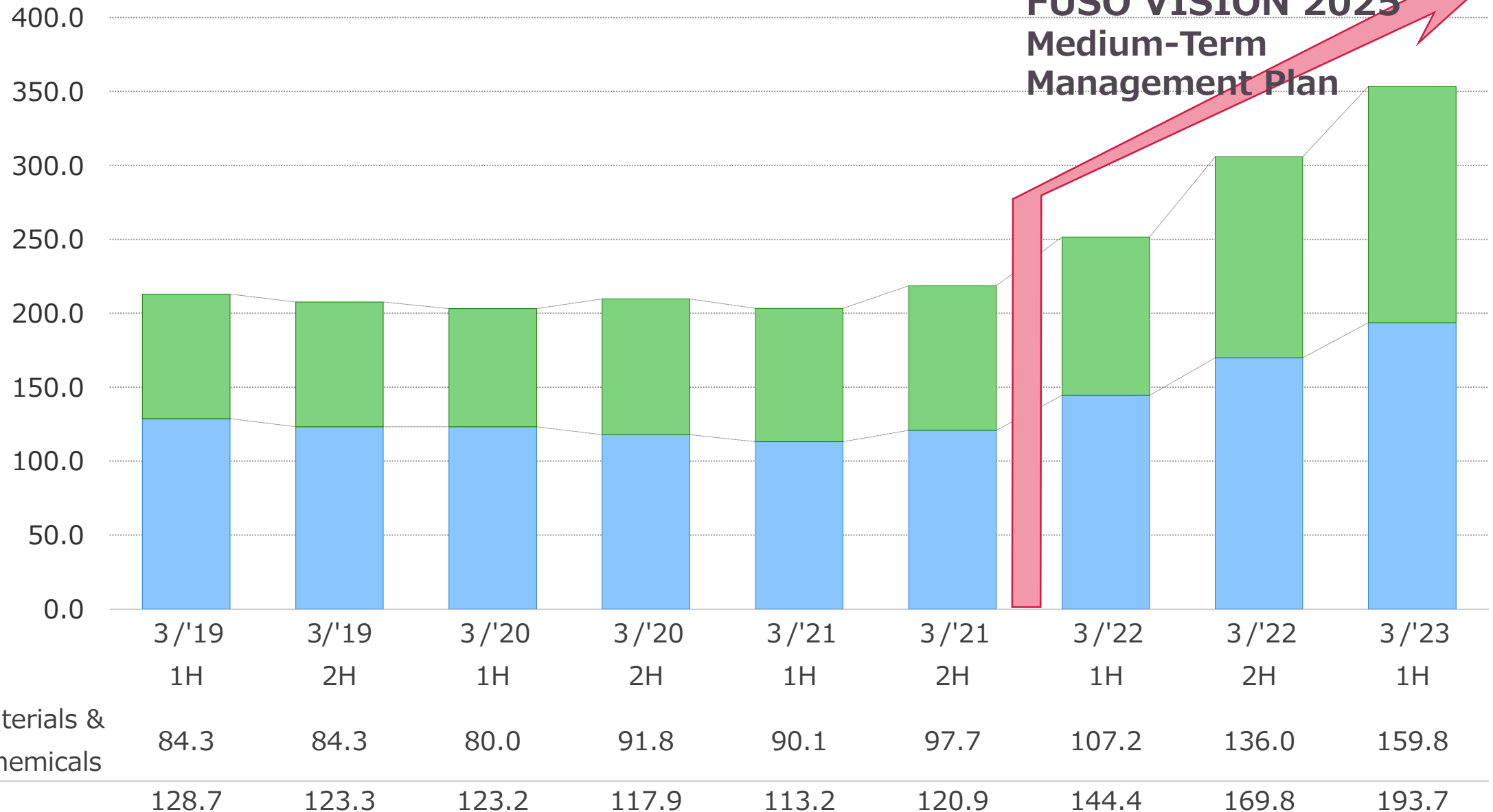


# Net Sales by Segment



**FUSO VISION 2025**  
**Medium-Term**  
**Management Plan**

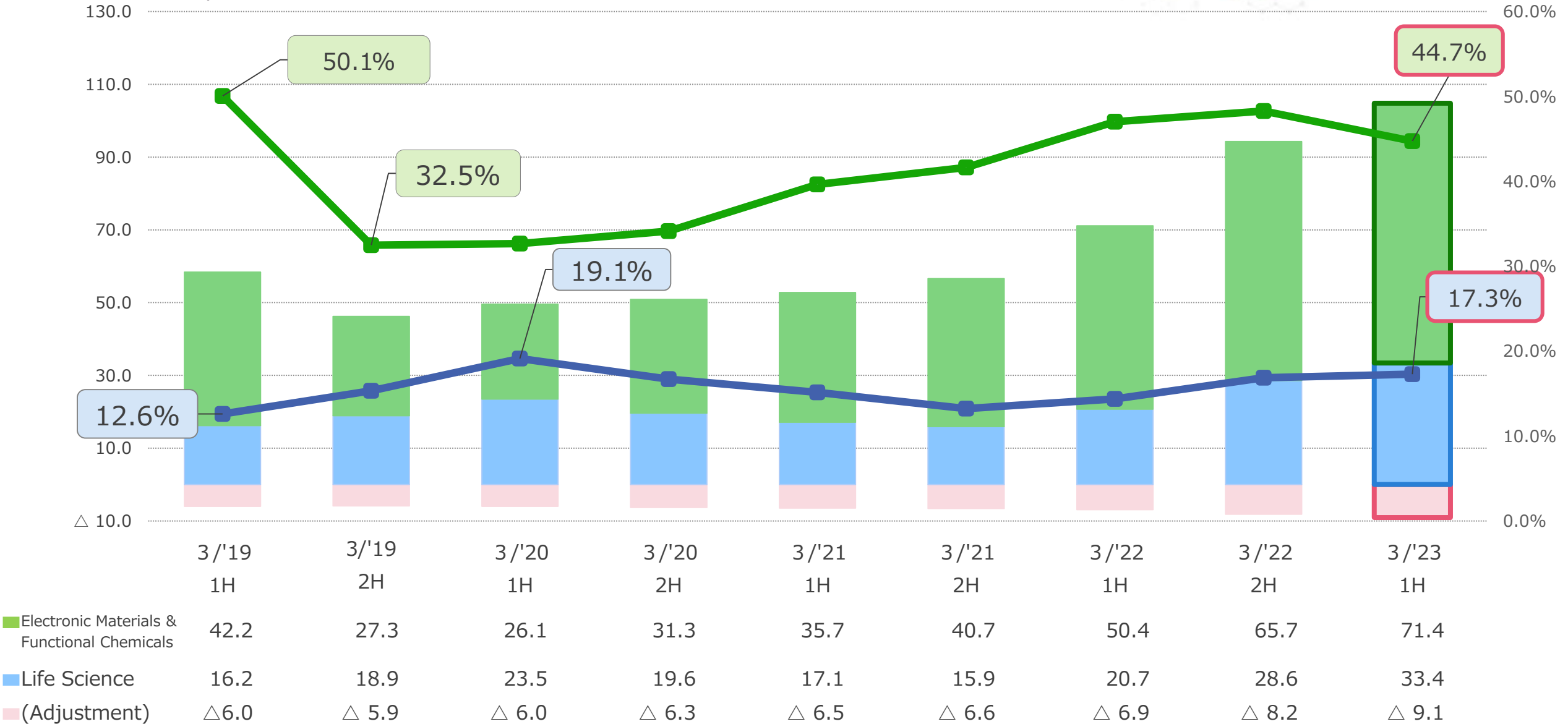
(unit : 100 millions of yen)



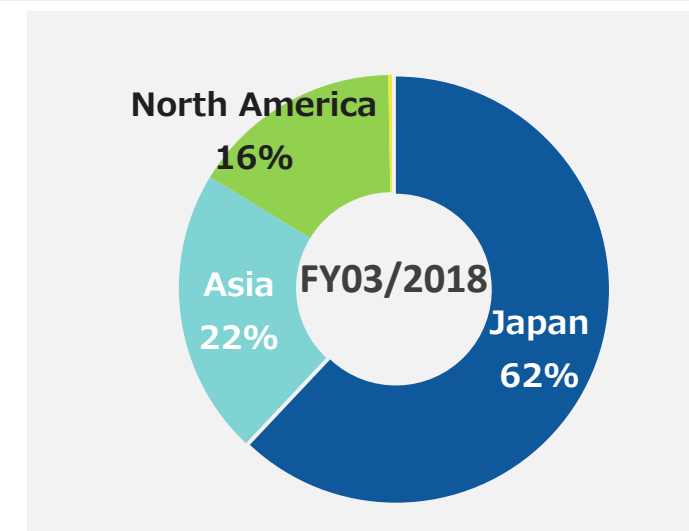
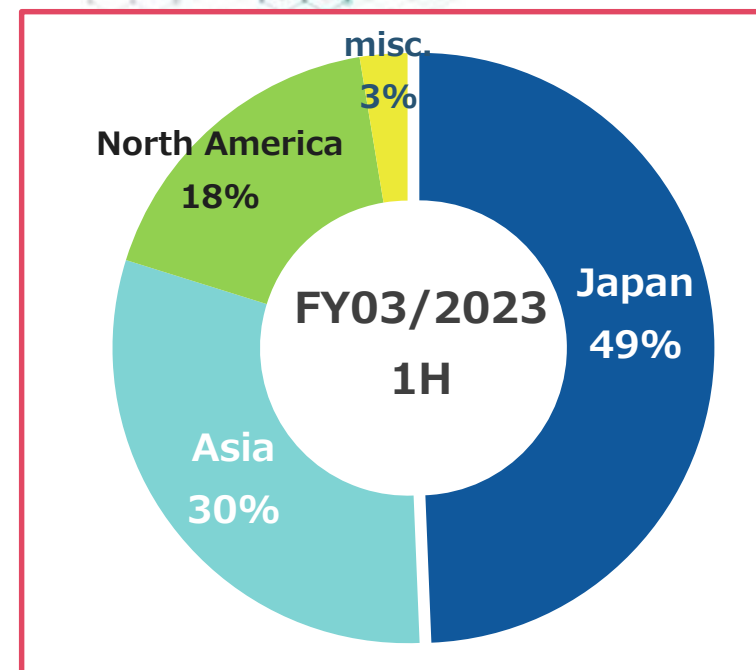
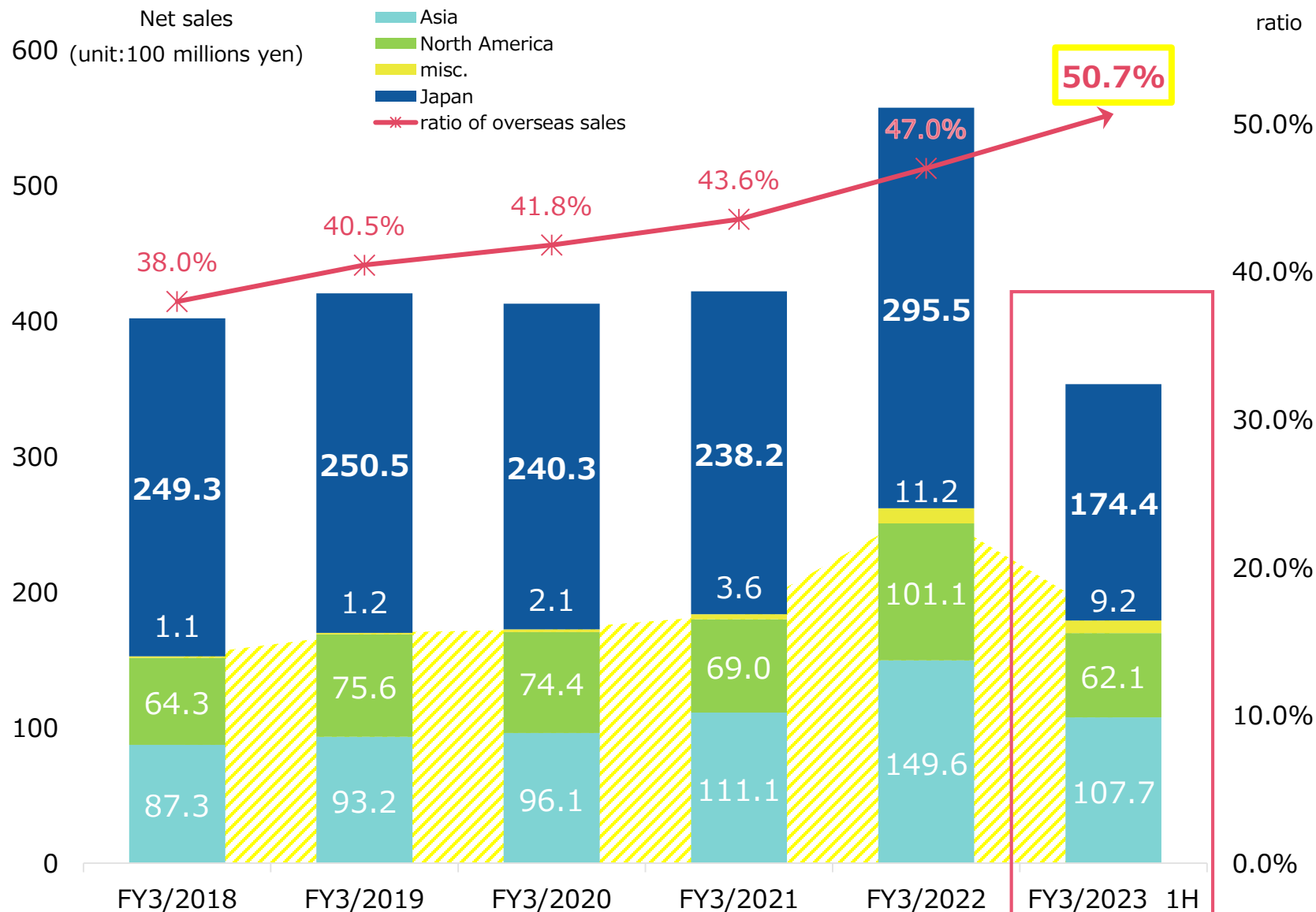
# Operating Profit by Segment

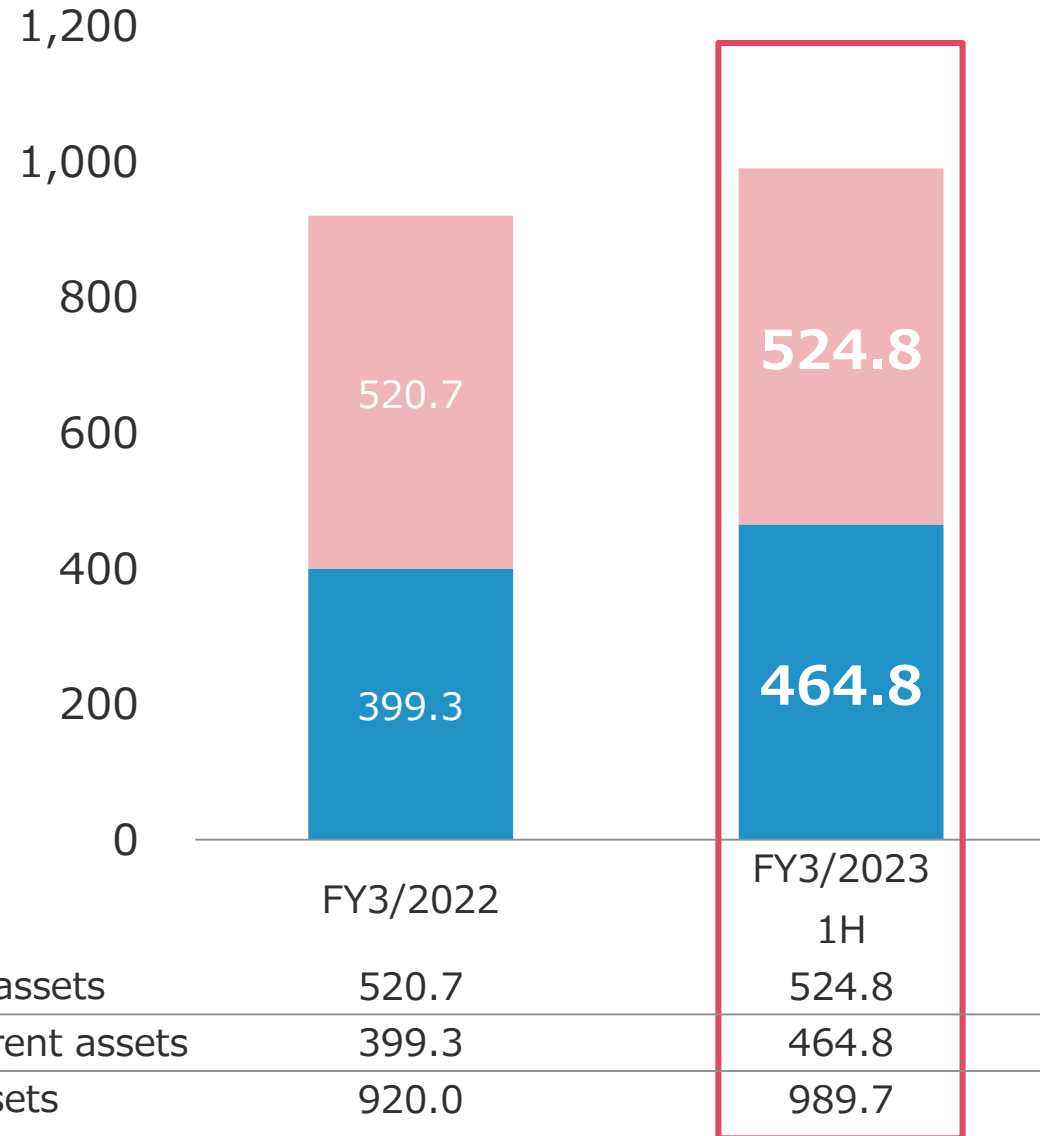


(unit: 100 millions of yen)



# Overseas Sales Growth





(unit : 100 millions of yen)

## ■ Current assets

**(change + 4.0)**

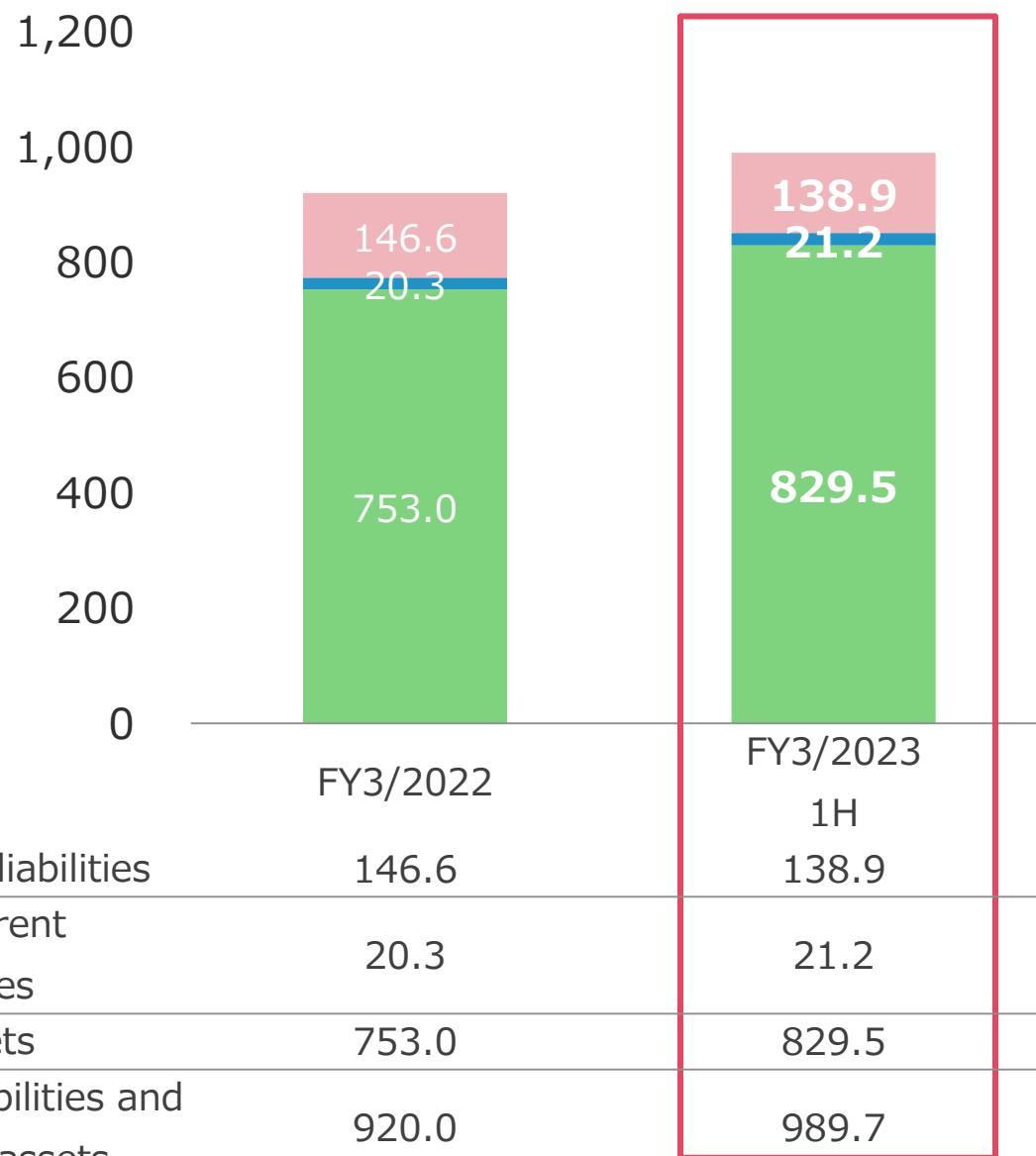
- Decrease in cash and deposits
- Increase in trade receivable
- Increase in inventories

## ■ Non-current assets

**(change +65.5)**

- Increase in construction in progress

# Liabilities /Net Assets



(unit : 100 millions of yen)

## ■ Current liabilities (change $\triangle$ 7.7)

- Decrease in trade accounts payable
- Decrease in accounts payable - other
- Decrease in facilities accounts payable

## ■ Non-current liabilities (change + 0.9)

## ■ Net assets (change +76.4)

- Increase in retained earnings
- Foreign currency translation adjustment



# Consolidated Statements of Cash Flows



(unit: 100 millions of yen)	FY03/2022 1 H	FY03/2023 1 H
Cash flows from operating activities	45.9	<b>52.8</b>
Cash flows from investing activities	△ 17.7	△ <b>86.3</b>
Cash flows from financing Activities	△ 19.9	△ <b>10.6</b>
Effect of exchange rate change on cash and cash equivalents	0.6	<b>12.1</b>
Net increase in cash and cash equivalents	8.8	△ <b>31.9</b>
Cash and cash equivalents at beginning of period	248.3	<b>234.6</b>
Cash and cash equivalents at end of period	257.2	<b>202.6</b>

## ■ Cash flows from operating activities

- Profit before income taxes
- Increase in trade receivable
- Increase in inventories
- Increase in income taxes paid

## ■ Cash flows from investing activities

- Purchase of property, plant and equipment

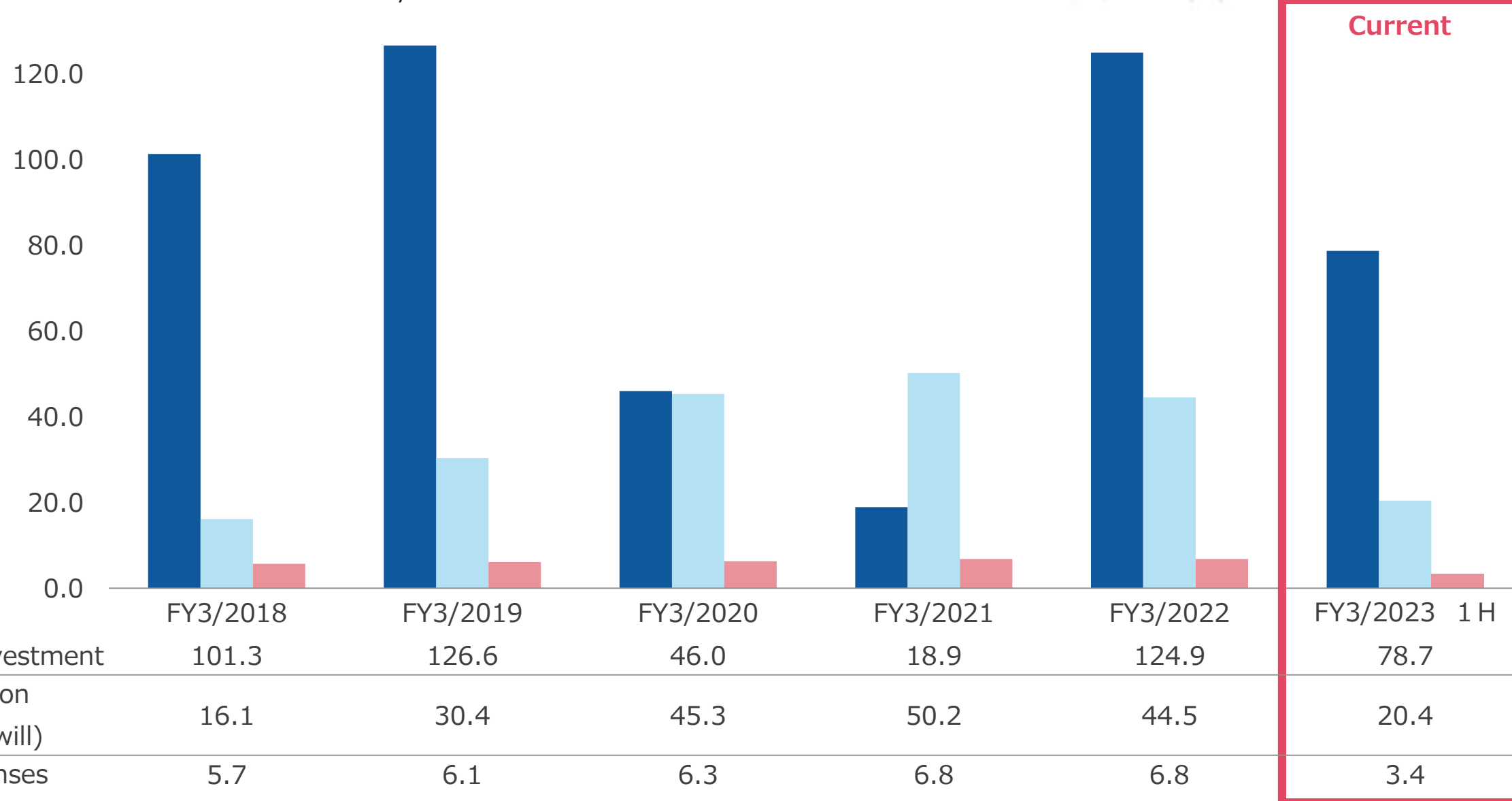
## ■ Cash flows from financing activities

- Dividends paid

# Capital Investment/Depreciation/R&D Expenses



(unit : 100 millions of yen)

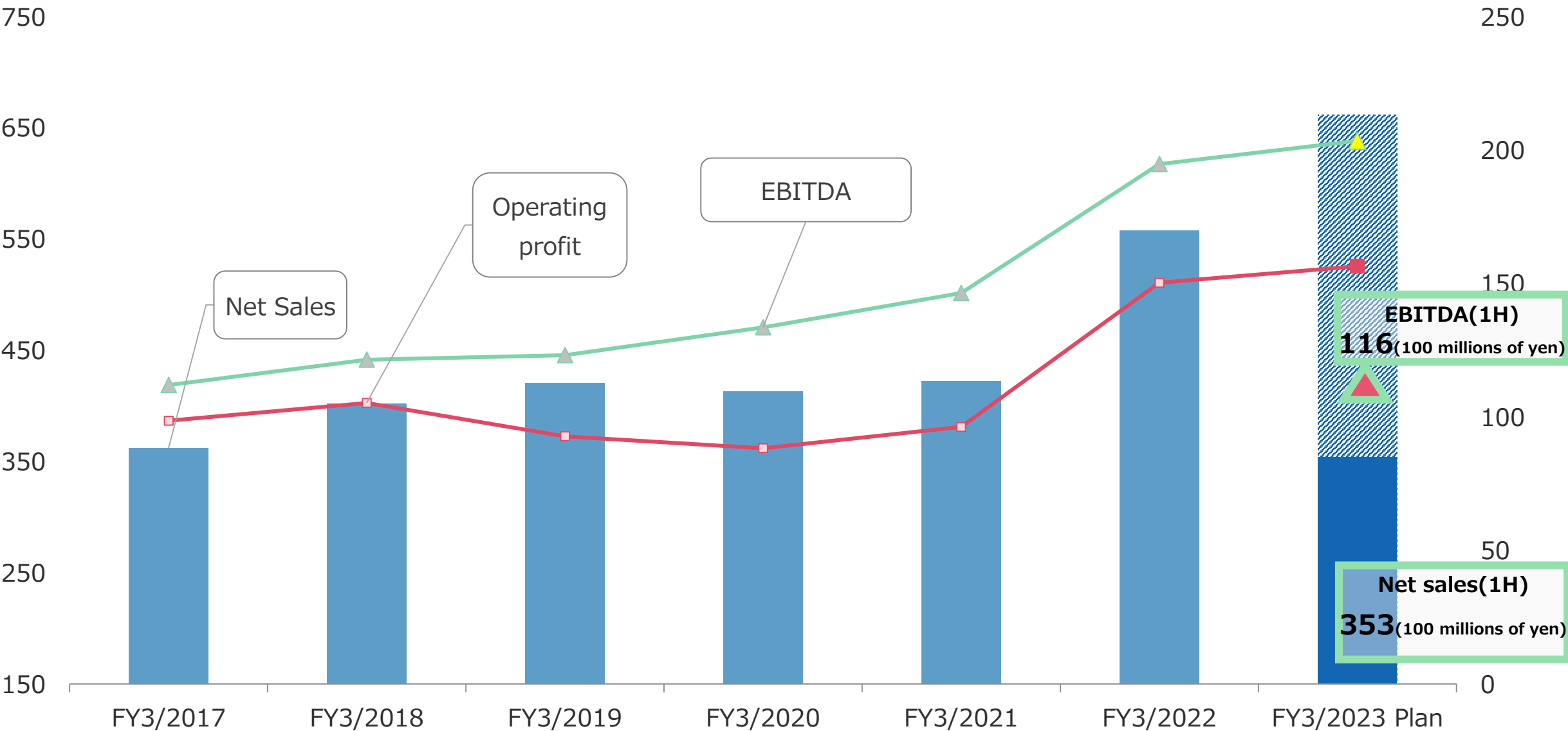


# Operating Profit and EBITDA



Net Sales (unit : 100 millions of yen)

Operating Profit・EBITDA



## 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
- High purity fruit acid



## Electronic Materials & Functional Chemicals



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



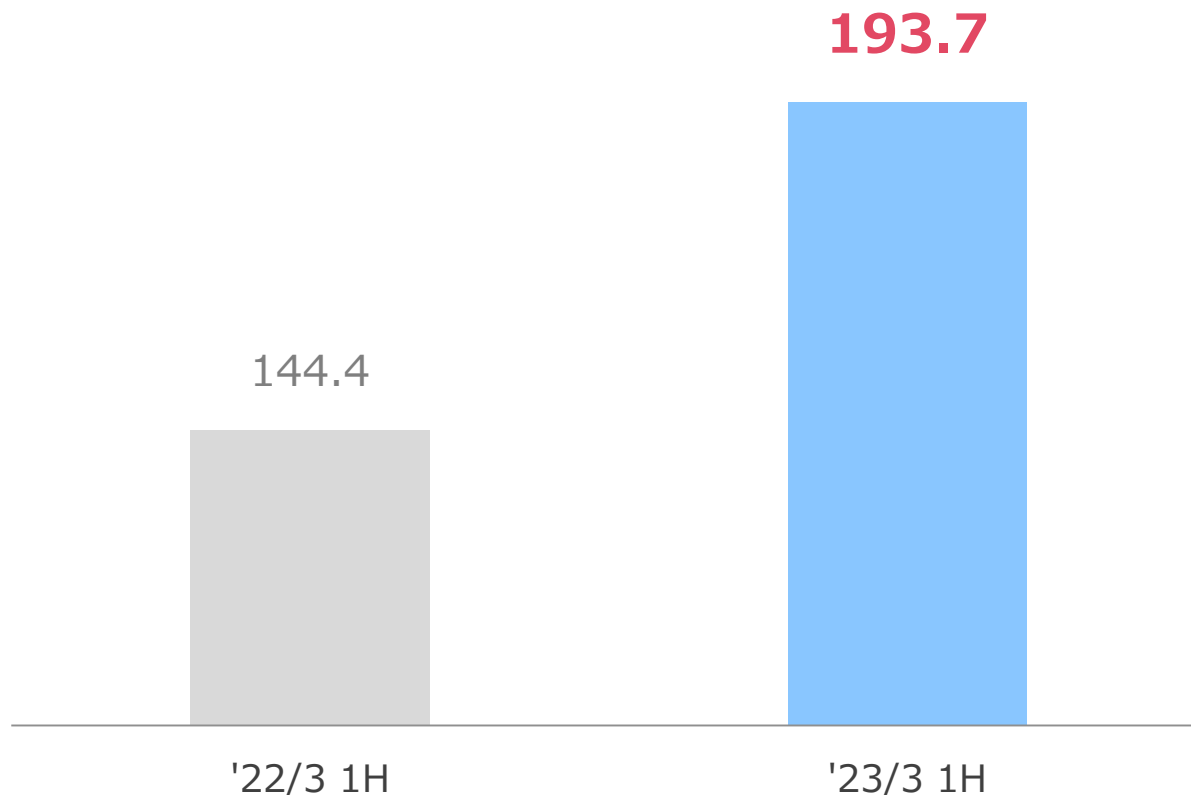
## II. Segments Results

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### Life Science

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(unit:100 millions of yen)	FY03/2023	FY03/2022	Y on Y	
			change	ratio
Net sales	193.7	144.4	+49.3	+34.2% ↗
Operating profit	33.4	20.7	+12.7	+61.3% ↗



## 【Positive factor】

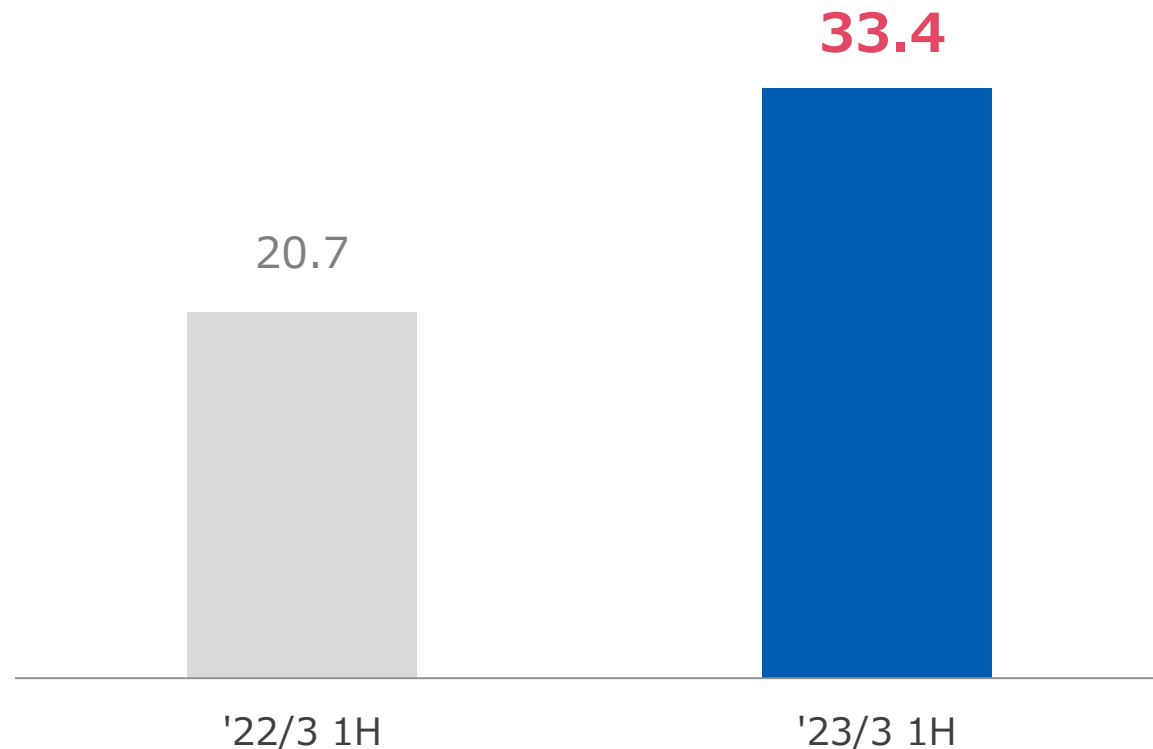
- ◆ Stable sales at Overseas subsidiaries
- ◆ Exchange of Yen
  - 👉 steep rise in raw material and imported products
- ◆ Malic acid (export business)
  - 👉 keep market share in southeast Asia, Europe and US
  - 👉 establish and strengthen sales in Europe, US and south Asia
  - 👉 price revision (pass on higher raw material and freight costs to selling prices)
- ◆ Rise in raw material and purchasing costs
  - 👉 Citric acid
    - secure purchase and maintain market share through collaboration with Qingdao Fuso
    - several price revision
  - 👉 Maleic anhydride, Fumaric acid
    - increase in formula prices

## 【Negative factor】

- ◆ Weak sales for large-scale public works
  - 👉 decrease in citric acid
- ◆ Slowdown in demand for industrial applications
  - 👉 demand in Malic acid and GNA slowed



(unit:100 millions of yen)	FY03/2023	FY03/2022	Y on Y	
			change	ratio
Net sales	<b>193.7</b>	144.4	+49.3	+34.2% ↗
<b>Operating profit</b>	<b>33.4</b>	20.7	+12.7	+61.3% ↗



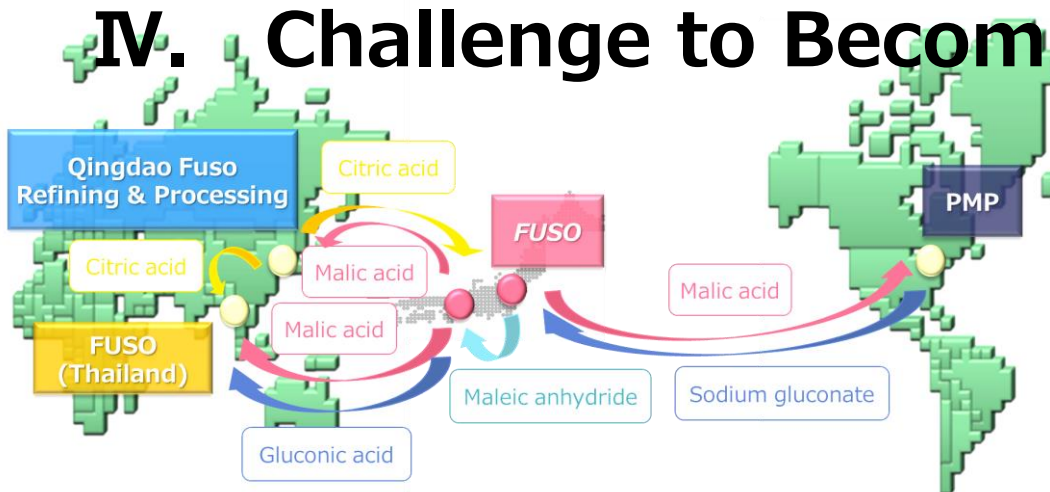
## 【Positive factor】

- ◆ Stable sales at overseas subsidiaries  
 ☞ price revision in GNA (PMP/ market in North America)
- ◆ Export Malic acid  
 ☞ price revision and keeping market share
- ◆ Full-scale operation in Kashima plant  
 ☞ decrease in amortization expense and cost reduction
- ◆ Revised Maleic anhydride/ Fumaric acid spread

## 【Negative factor】

- ◆ Yen's downtrend (depreciation of the ¥ against US\$)  
 ☞ difficult to price revision to competition with domestic products for some products

- I. Realization of FUSO Fruit Acid Complex Concept
- II. Restructuring of Production System and Reinforcement of Production Facilities
- III. Early Launch of New Next-generation Products
- IV. Challenge to Becoming FFA Leading Company



**FFA**  
Functional Fruits Acid

Formulation of Food Additives  
Formulation of Food Materials and Food Additives  
Functional Food Material and Food Additive

# I . Realization of FUSO Fruit Acid Complex Concept



Focused Item	【FY2022 Plans】	【1 <sup>st</sup> Half of FY2022 Results】
Malic acid	<ul style="list-style-type: none"> <li>• expansion sales of beverage application in Southeast Asia</li> <li>• business with new customers in Europe and North/South America</li> <li>• price revision due to trends in raw materials</li> </ul>	<ul style="list-style-type: none"> <li>• expanded our market share for beverage in Southeast Asia</li> <li>• maintain our market share without losing newly acquired customers in Europe/US</li> </ul>
Citric acid	<ul style="list-style-type: none"> <li>• keeping business focusing on trends in raw material prices</li> <li>• flexible price revision due to trends in raw material</li> </ul>	<ul style="list-style-type: none"> <li>• secured materials by collaboration with Qingdao FUSO</li> <li>• maintained the market share and price revision</li> <li>• implemented five price hikes</li> </ul>
Gluconic acid	<ul style="list-style-type: none"> <li>• establishment stable supply chain</li> <li>• expansion sales in growth fields and strengthen relationships with existing customers</li> </ul>	<ul style="list-style-type: none"> <li>• made decision of production capacity expansion due to increased demand in North America</li> </ul>
Fumaric acid Maleic acid	<ul style="list-style-type: none"> <li>• stable business with large customers</li> </ul>	<ul style="list-style-type: none"> <li>• maintained the market share</li> <li>• revised formula price</li> </ul>

# I. Realization of FUSO Fruit Acid Complex Concept



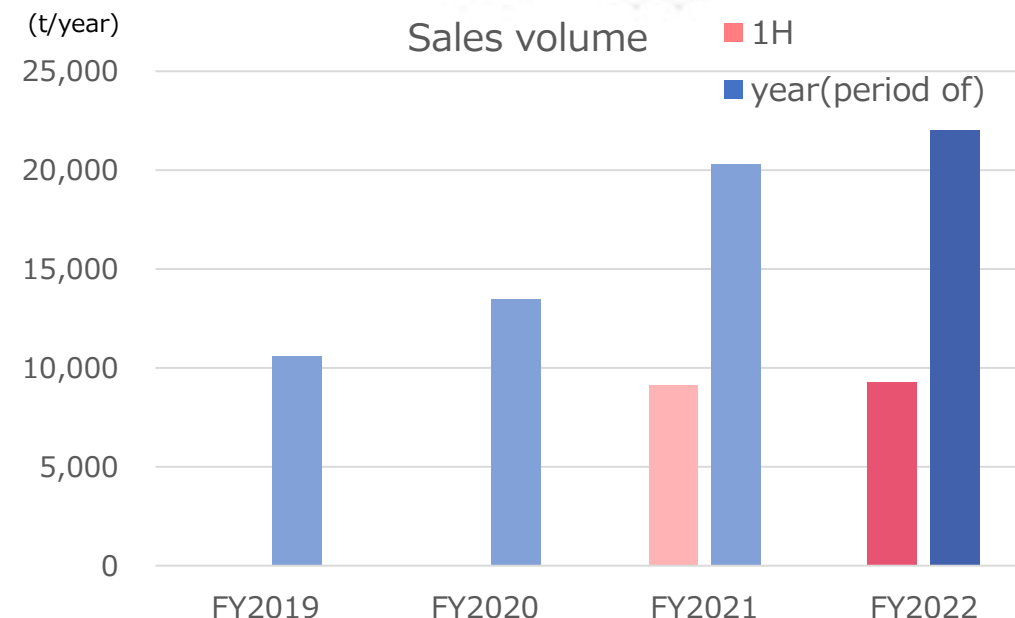
## ● Malic acid

### 【FY2022 Plans】

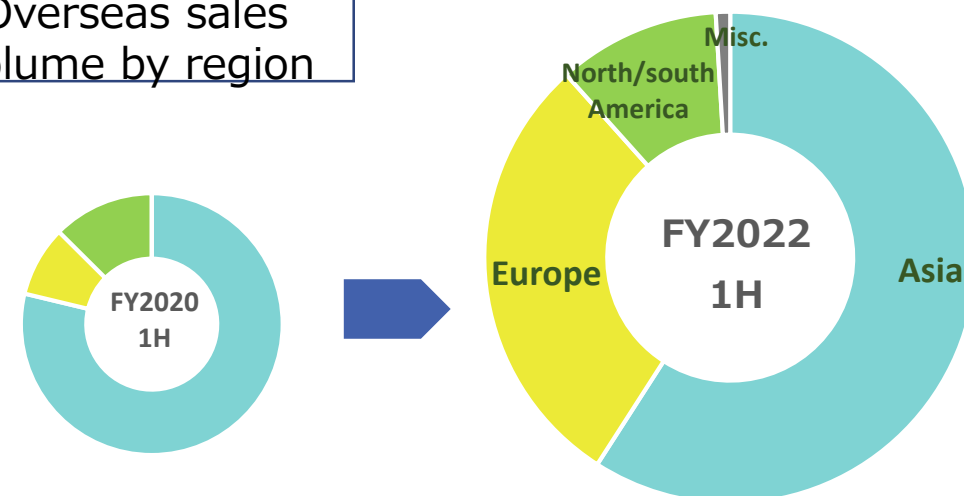
- business with new customers (exports)
- further increase in quantity
- enabling year-round stable production operation of bigger amount

### 【1<sup>st</sup> half of FY2022 Results】

- keep the rate of new customers(exports) in the sales volume
- strengthen the cooperation with foreign dealers
- enabling year-round stable production operation of bigger amount in Kashima
- decrease for industrial applications recently



Overseas sales volume by region



## Ⅱ. Restructuring of Production System and Reinforcement of Production Facilities

### ● Osaka Factory



- Current products : full production
- Coated Fruits Acid : start production

#### 【item】

- Coated Fruits Acid M (Malic acid)
- Coated Fruits Acid C (Citric acid)
- Coated Fruits Acid V (Vitamin C)

### ● Coated Fruits Acid

### ● Relocation of Juso Factory



- Progress as scheduled  
December 2022 : complete relocation  
April 2023 : start production

#### 【items】

- Food Additives Formulation  
Shelf life improver, Yield improver, Browning preventer, Quality improver for Noodles and Tofu, etc.
- Repackage Fruits Acid into small size
- Powdering Fruits Acid



### Ⅲ. Early Launch of New Next-generation Products



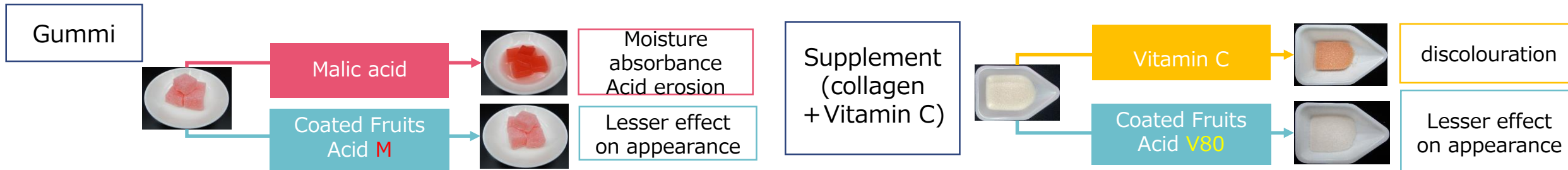
#### ● Coated Fruits Acid

##### 【Business development in FY2023】

- Marketing for confectionery industry at domestic and overseas (Coated Fruits Acid M)
- Marketing for processed food and, healthy food applications, etc. (Coated Fruits Acid C, Coated Fruits Acid M)

##### 【Results in 1<sup>st</sup> Half of FY2023】

- Coated Fruits Acid M, Coated Fruits Acid C : Evaluated samples by confectionery makers at domestic and overseas
- Started development of application
- Started development of non-oil Coated Fruits Acid



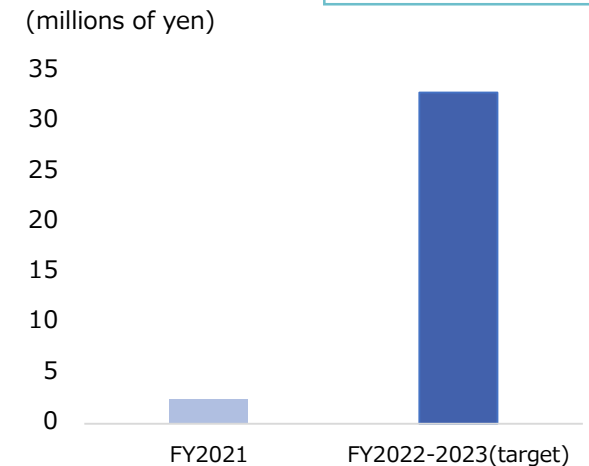
#### ● Bio Stimulant (stress-free formulation)

##### 【Business development in FY2023】

- Preventing from withering plants in the summer
- Minimize the damage of the grass at golf course from heat
- Wet-field rice

##### 【Results in 1<sup>st</sup> Half of FY2023】

- Continuing evaluation for vegetables and wet-field rice



# IV. Challenge to Becoming FFA Leading Company



Products development : by new concept and our own technology

new products	application/demand forecast/progress
TechnoAcid A (Powder Acetic Acid) <b>【patent pending】</b>	<ul style="list-style-type: none"> <li>■ improvement of shelf life, acidity, pH control, reduction of bitterness, application of powdering technology</li> <li>■ Food and flavor/fragrance manufacturers, primary industries</li> <li>■ Under samples evaluation</li> </ul>
TechnoAcid F (Soluble Fumaric Acid Compound)	<ul style="list-style-type: none"> <li>■ Vegetable cleaner and sterilizer</li> <li>■ Manufacturer of prepared foods and fresh foods</li> <li>■ Under samples evaluation</li> </ul>
Lunch Fresh R/RW (Shelf Life/ Quality Improver for Rice) <b>【patent pending】</b>	<ul style="list-style-type: none"> <li>■ Non-sterile rice, prepared foods, vinegared rice, rice crackers, etc.</li> <li>■ Under final evaluation at customer</li> </ul>
Well Dough S (Compounding agent for Bean Powder) <b>Developing markets in North America and Thailand</b>	<ul style="list-style-type: none"> <li>■ Plant-based foods, noodles, crusts, pasta, fresh pastries, etc.</li> <li>■ Food manufacturers, bean flour, miscellaneous bean noodles, rice flour manufacturers</li> <li>■ Under samples evaluation</li> </ul>

Products development (Qingdao FUSO)

- Licensed to manufacture food seasonings in 2021
- Accelerate development and sales of new products in the food sector for Chinese market
- Expansion of development and sales in Food Material product

**Accelerate development of new products toward FFA leading company**

capture the needs of customers in each area, then increase sales for the medium to long term





## I . Capital investment in PMP Fermentation Products, Inc.

Investment	Adding another main fermenter, tanks, etc.
Estimated Investment amount	USD 8,550,000 (Approximately 1.2 billion yen ※Exchange rate: 1USD = 140 JPY)
Financing	Will be funded by cash on hand at PMP
Estimate completion of construction	October in 2023 (Scheduled)



**increase  
production capacity  
by approx. 20%**

## II . Shanghai Food Seasoning R&D Center Develop Chinese domestic food market (1.4 billion market)

- respond to needs of local food makers immediately accelerate development speed
- make a prototype and a proposal for development by installing processing facilities
- Qingdao FUSO Shanghai Branch relocated to the same address, develop new customers effectively with the sales and development units



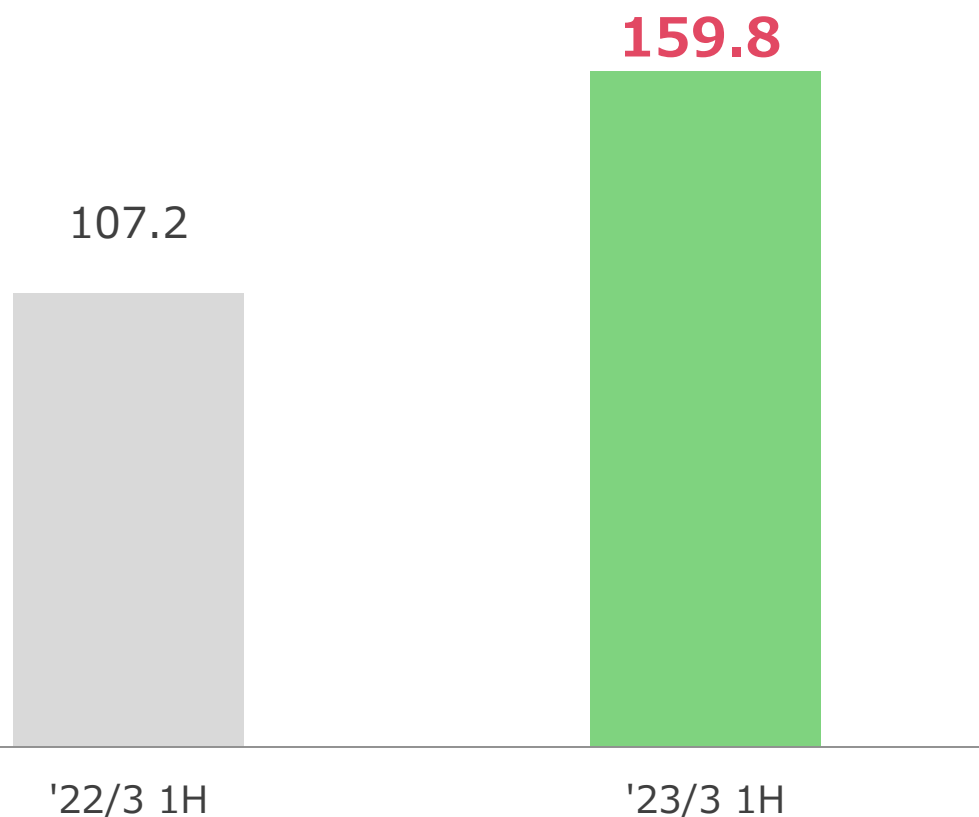
## II. Segments Results

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# Electronic Materials & Functional Chemicals

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			change	ratio
Net sales	159.8	107.2	+52.5	+49.0% ↗
Operating profit	71.4	50.4	+21.0	+41.8% ↗



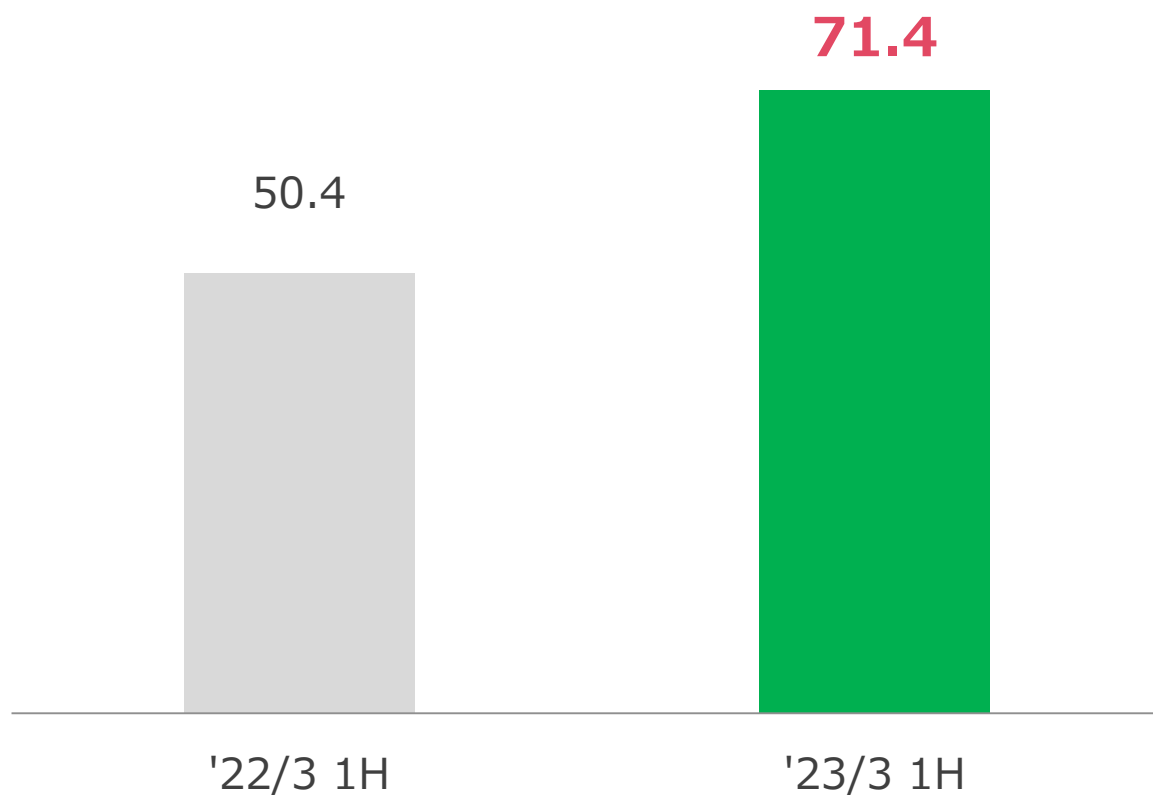
## 【Positive factors】

- ◆ Increase in demand for cutting-edge CMP processes
  - ☞ colloidal silica used newly in advanced semiconductor miniaturization
  - ☞ strong demand due to increase for multi-layers
  - ☞ increase in wafer polishing for advanced technology
- ◆ Accelerated progress to AI, IoT and ICT society
  - ☞ strong demand for servers due to increased data transmission and storage
- ◆ Increase of the inventory level
  - ☞ measures to deal with current uncertain external factors
  - ☞ confusion of transportation and longer shipment until arrive
- ◆ Price revision due to rise in cost of raw material and transportation
  - ☞ revision of product prices due to fluctuations in prices of main raw materials
  - ☞ revision of product prices due to changes in export logistics costs
- ◆ Yen's downtrend (depreciation of the ¥ against US\$)
  - ☞ yen based increase sales (converting dollar based export price and sales in overseas subsidiary)

## 【negative factors】

- ◆ None in particular

(unit:100 millions of yen)	FY03/2023	FY03/2022	Y on Y	
			change	ratio
Net sales	<b>159.8</b>	107.2	+ 52.5	+ 49.0% ↗
<b>Operating profit</b>	<b>71.4</b>	50.4	+ 21.0	+ 41.8% ↗



## 【Positive factors】

- ◆ Increase in sales volume
  - ☞ improvement of capacity utilization and efficiency by increasing production volume
- ◆ Yen's downtrend (depreciation of the ¥ against US\$)
  - ☞ yen based increase sales (converting dollar based export price)
- ◆ Less depreciation cost
  - ☞ diminishing value by fixed rate method since 2019 when the latest two lines operating
- ◆ Refrain from outing in the COVID-19 pandemic
  - ☞ reduction of expenses such as domestic and overseas business travel costs through effective use of web conferencing

## 【Negative factors】

- ◆ Rise in production costs
  - ☞ increase in the price of metallic silicon and subsidiary materials
  - ☞ rise the energy cost
- ◆ Rise in selling and administration cost
  - ☞ increase in export
  - ☞ rise the transportation cost for export and domestic



## **I . Challenge for Semiconductor Polishing Miniaturization**

- deepen collaboration with priority customers
- realize optimal and efficient production
- promote the development of new abrasive grain

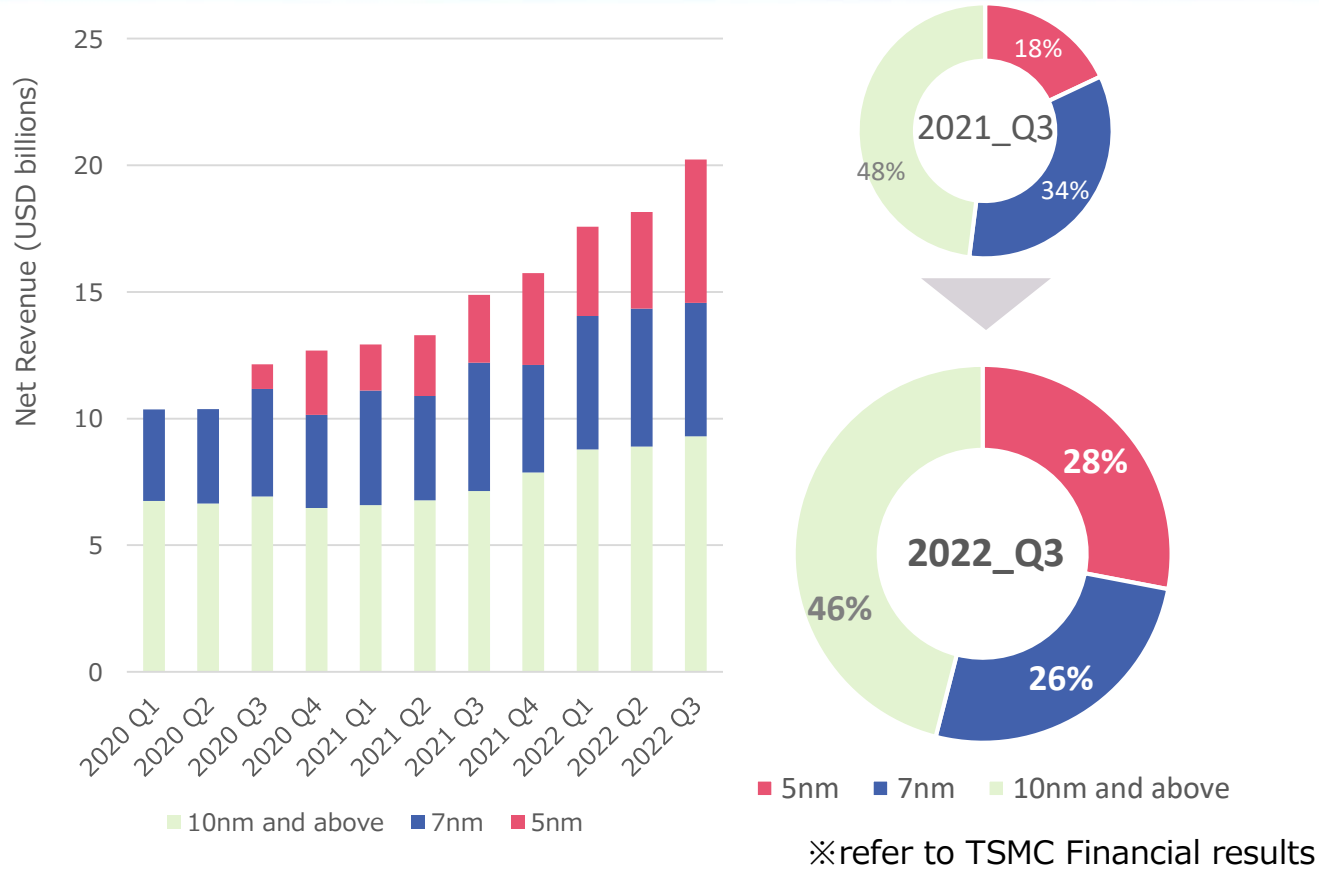
## **II . Strengthen Production, Research and Quality Assurance Systems**

- establish a two-site production system
- increase investment in R&D
- Speed up R&D respond to commercialization rapidly

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

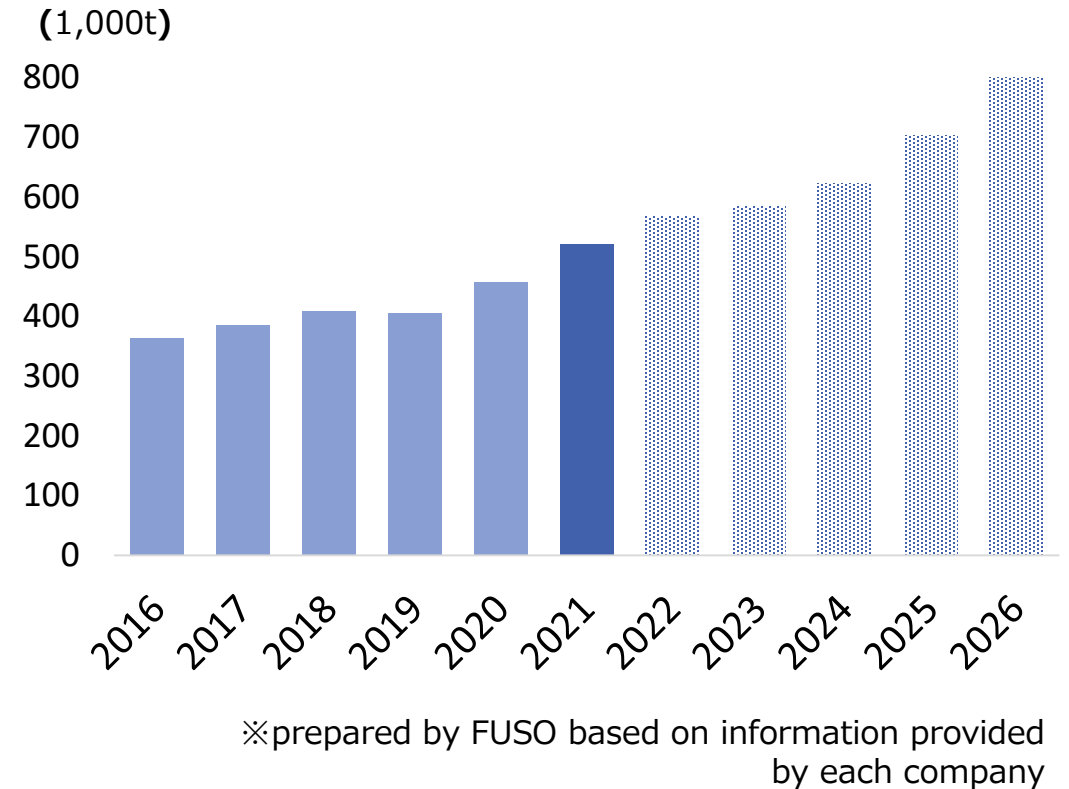
- expand new business
- respond to the price fluctuation of raw material costs, supply products stably
- secure multiple transportation routes

# I . Challenge for Semiconductor Polishing Miniaturization



Under 10nm generation of ratio occupied majority for FY2022 Q3. This trend is expected to continue.

## CMP slurry market forecast



The CMP slurry market is expected to continue to grow on the back of aggressive capital investment by semiconductor manufacturers



## ■ FY2022 outlook of semiconductor manufacturing industry

- extremely high semiconductor production utilization rate due to strong demand for semiconductors in automobiles, data centers and electronic equipment
- customer inventory levels remain high due to supply chain confusion and strong demand for semiconductors around the world
- the market forecast is for 8.8% y/y growth in 2022 (WSTS 2021 Fall Semiconductor Market Forecast)
- the industry further expands semiconductor manufacturers plan continuously to enhance their manufacturing facilities
- expected to start TSMC's 3nm node production in late 2022

## ■ Geopolitical risk

- cutting-edge semiconductor technology has a more significant impact on national and regional stability
- many countries prepare large subsidies to secure cutting-edge technology and manufacturing capacity in their own countries

## ■ Cutting-edge semiconductor technology development

- TSMC decides to start construction of the factory for 2nm level node and makes steady progress in technology development

## 【 Results in 1<sup>st</sup> Half of FY2023 】

- market of memory slowing down since July 2022(Samsung, Hynix)
- reduce production by 30% (Micron)
- despite revised downward by the WSTS semiconductor market forecast, expect to grow more positively than the fall forecast for 2021 (YoY13.9%)

**Strong demand for logic products, no impact on demand for our products**

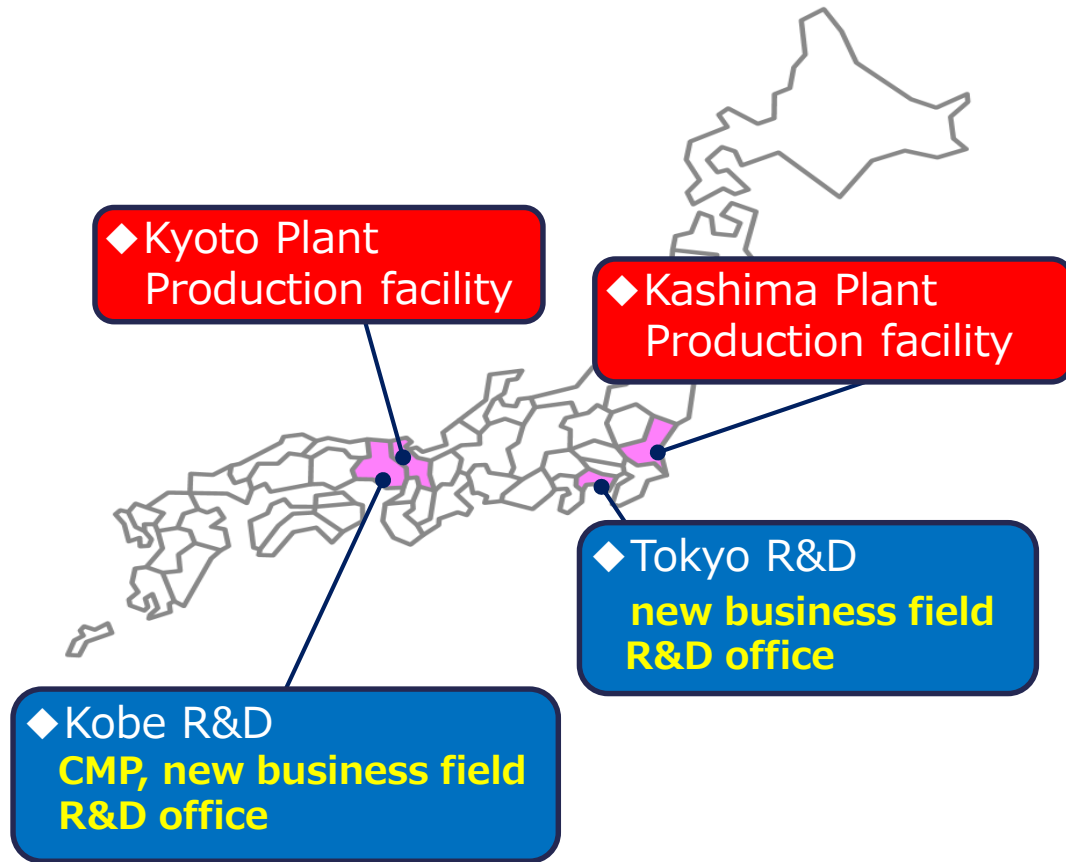
- US : participation to "CHIPS and Science Act of 2022" Subsidies to the semiconductor industry amounted to \$52.7 billion (about 7 trillion yen)
- China : subsidies and preferential financing and tax treatment. The size of the program is expected to exceed \$150 billion. (SIA estimates based on 2014-30 government spending)
- Korea : semiconductor investment of approximately \$260 billion over the next five years
- EU: established a semiconductor investment fund totaling more than \$40 billion from the public and private sectors

- construction of a new plant in Kumamoto (scheduled to launch in December 2024)

**FUSO is under construction to meet strong demand in the near future**



## II. Strengthen Production, Research and Quality Assurance Systems



**Enter a New Phase  
Realize BCP**

### New R&D Center Kobe R&D opened in July 2022

- Plan to expand applications into new fields due to the good location and environment
- Relocate research facilities in Kyoto Office to MEDDEC

\* appearance of KOBE Medical Device Development Center (MEDDEC)



■ **Completed relocation of facilities and R&D members**

### New production base Kashima Plant scheduled to be completed in April 2023

- Distribute production bases to Kyoto and Kashima
- Realize BCP and increase in production capacity
- Contribute to the local community by creating jobs in Kamisu city
- Improve quality and production efficiency



■ **Secured human resources**  
■ **Start a new organization**

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

#### ■ International transportation disruption and increase in cost

- secure multiple routes to supply stably by cooperating with customers
- pass the higher cost that increased in logistics and other on to price

#### ■ Stable procurement of raw materials

- secure raw materials stably by strengthening the supply chain
- increase in the inventory level to prepare for lockdowns and other contingencies

#### ■ Expansion of new business

- assume a recovery of demand for toner applications, which had declined due to COVID-19
- expand business by being used in toner applications for new copier models
- adopted the hollow silica and nano powder products by new customers
- continue to develop new markets for our core technologies

【 Results in 1<sup>st</sup> Half of FY2023 】

#### Response to rapid increase in demand

- adjusted shipment volume by changing transit points, using shipping companies contracted by customers, etc.
- passing on to prices partially increasing export costs after discussions with customers

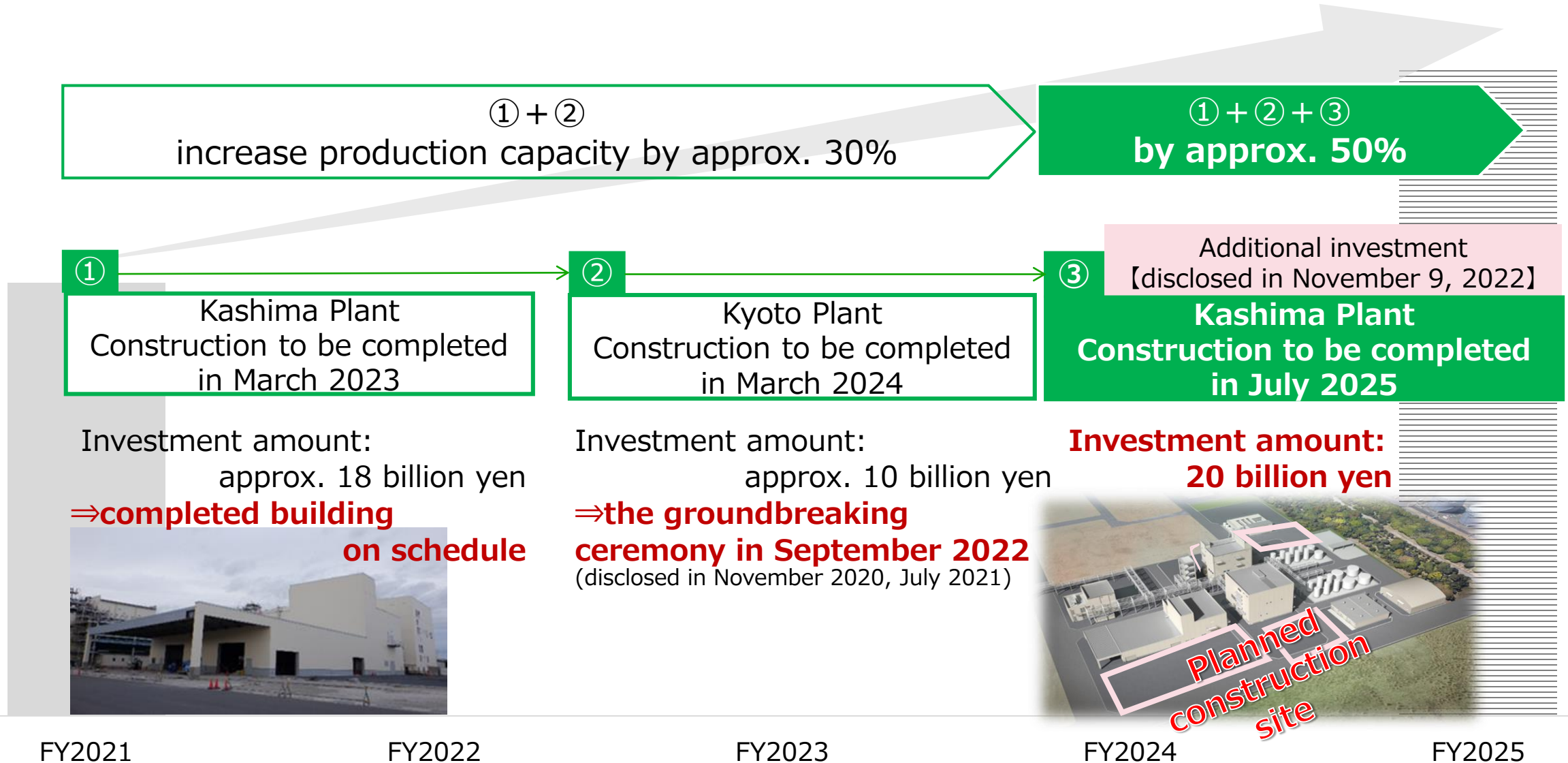
- considered sources of main raw materials from multiple countries, raised inventory levels
- ensured sufficient inventory levels for our production as well as to grasp the demand of customers

- increase in demand due to economic recovery from COVID-19. expecting increased demand in 2H of the year due to needs for new copying machines.
- considering production process for the new adoption of hollow silica.

# FY2025 Production Capacity



## ■ Ultra High Purity Colloidal Silica production capacity

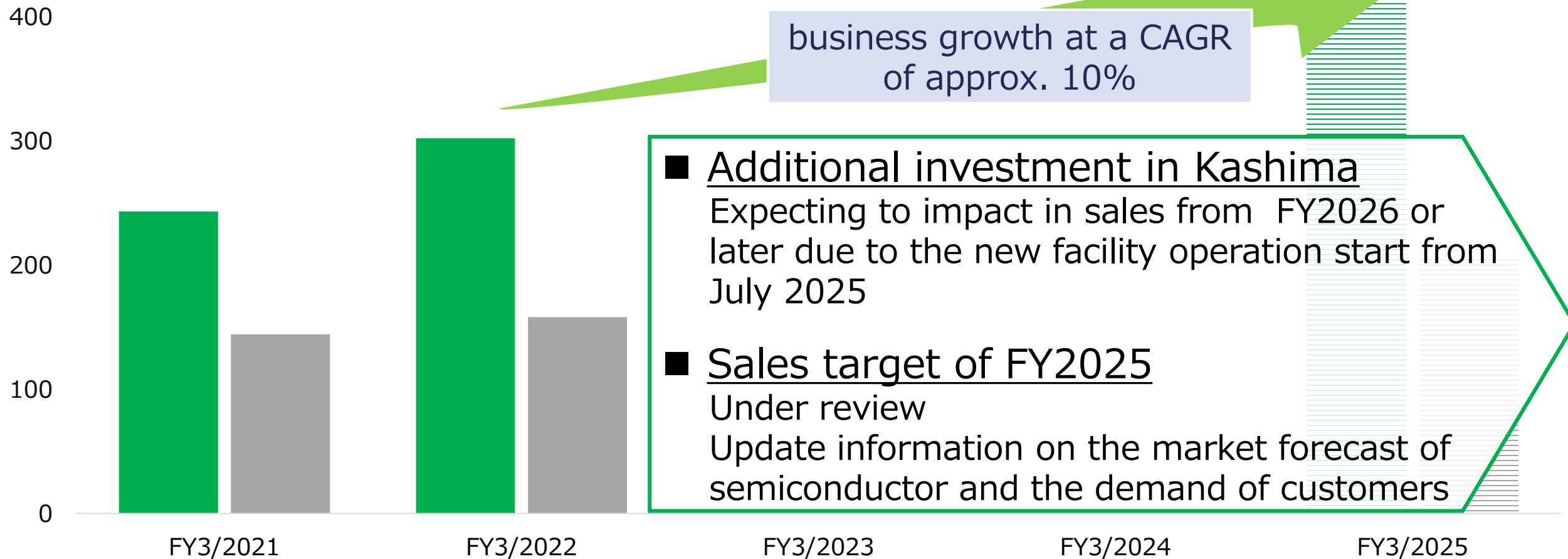


# FY2025 Sales Target



- Sales target for electronic materials business

■ Sales ■ EBITDA



## III. FY2022 Forecast

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

# Forecast for a Full-year of FY3/2023



(unit : 100 millions of yen)	1H Result			Full year budget		
	FY3/2023 1H	vs 1H FY3/2022	1H FY3/2022	FY3/2023	vs FY3/2022	FY3/2022
Net sales	<b>353.5</b>	<b>40.5%</b> ↗	251.6	<b>685.0</b>	<b>22.8%</b> ↗	557.6
■ Life Science	193.7	34.2% ↗	144.4	383.0	21.9% ↗	314.3
■ Electronic Materials	159.8	49.0% ↗	107.2	302.0	24.1% ↗	243.2
Operating profit	<b>95.7</b>	<b>49.1%</b> ↗	64.2	<b>171.0</b>	<b>13.7%</b> ↗	150.3
■ Life Science	33.4	61.3% ↗	20.7	61.5	24.5% ↗	49.4
■ Electronic Materials	71.4	41.8% ↗	50.4	129.0	11.1% ↗	116.1
(Adjustment)	△9.1		△6.9	△19.5		△15.1
Ordinary profit	<b>107.5</b>	<b>65.9%</b> ↗	64.8	<b>181.0</b>	<b>16.7%</b> ↗	155.0
Profit attributable to owners of parent	<b>75.1</b>	<b>67.5%</b> ↗	44.8	<b>125.5</b>	<b>15.2%</b> ↗	108.9
EBITDA	<b>116.2</b>	<b>36.0%</b> ↗	85.5	<b>217.5</b>	<b>11.6%</b> ↗	194.8
Earning per share (EPS)	<b>¥213.2</b>	<b>68.5%</b> ↗	¥126.5	<b>¥356.0</b>	<b>15.6%</b> ↗	¥308.0



# Earnings Forecast



- Record high forecast in both sales and profits
- Significant growth in overseas sales ratio
- More impact of yen depreciation than expected

## Current

- Change of 2H exchange rate to ¥130 (latest : ¥145)
- Materialization of risks such as deterioration and slowdown in the semiconductor market
- High level prices in raw material

## Initial plan

- Annual exchange rate of ¥120 (1H result:¥134)
- Ongoing semiconductor marketing strength
- Rising in raw material prices

	Net sales		Operating profit		Profit attributable to owners of parent		EBITDA	
	Y on Y (%)		Y on Y (%)		Y on Y (%)		Y on Y (%)	
<b>FY3/2023 forecast</b>	<b>68,500</b>	<b>+22.8%</b>	<b>17,100</b>	<b>+13.7%</b>	<b>12,550</b>	<b>+15.2%</b>	<b>21,750</b>	<b>+11.6%</b>
FY3/2023 1H(result)	35,359	+40.5%	9,578	+49.1%	7,516	+67.5%	11,624	+36.0%
FY3/2022 result	55,760	+32.1%	15,034	+56.1%	10,890	+60.0%	19,488	+32.9%
FY3/2022 1H(result)	25,167	+23.7%	6,425	+38.8%	4,488	+45.4%	8,550	+20.1%

Unit: millions of yen



# Forecast for Depreciation



## FY03/2023 2H

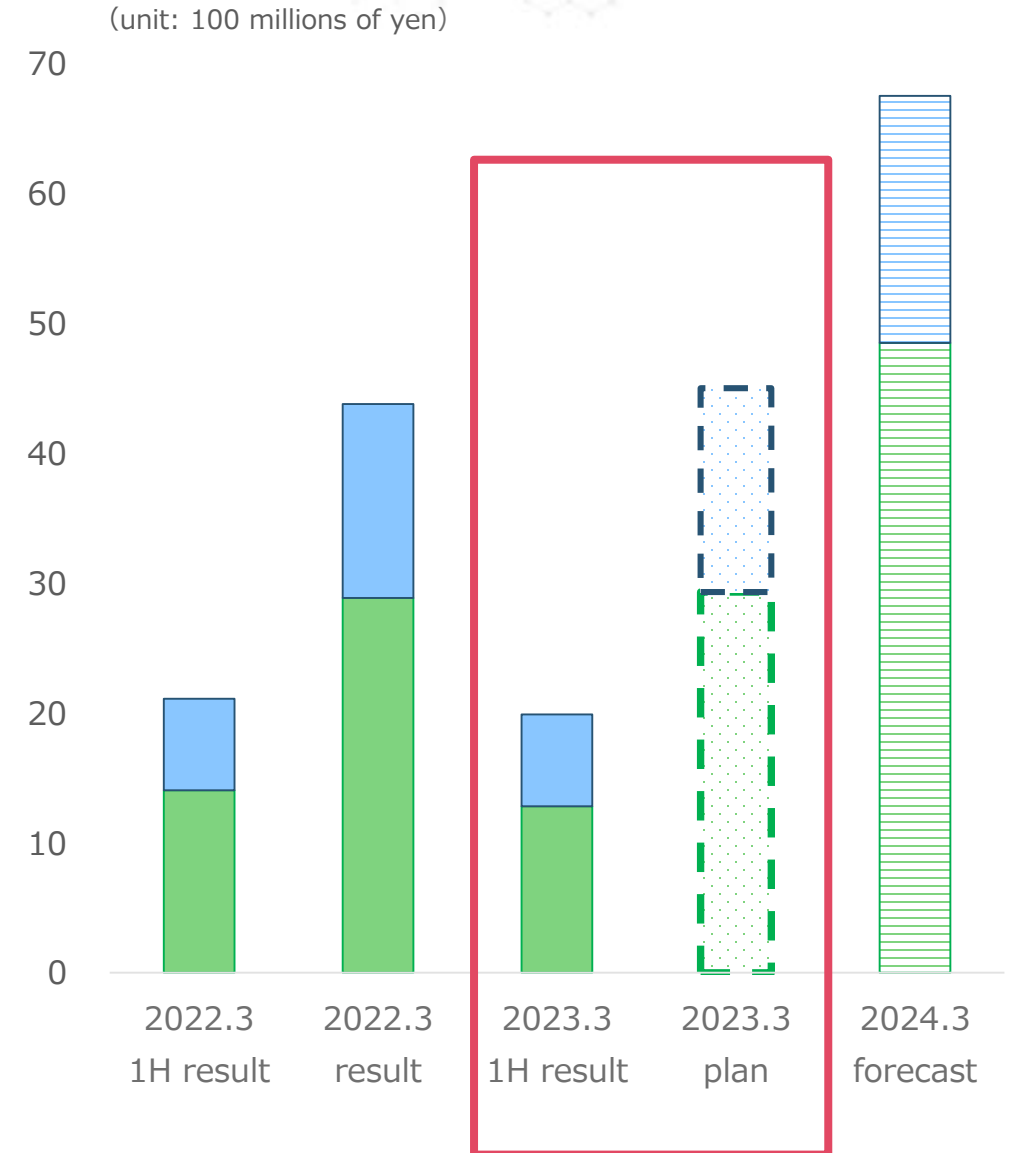
- progressing as planned

## FY03/2024 ~upward trend

- Electronic Materials : the outlook significantly increase, once new facilities start from FY03/2024

(unit: millions of yen)

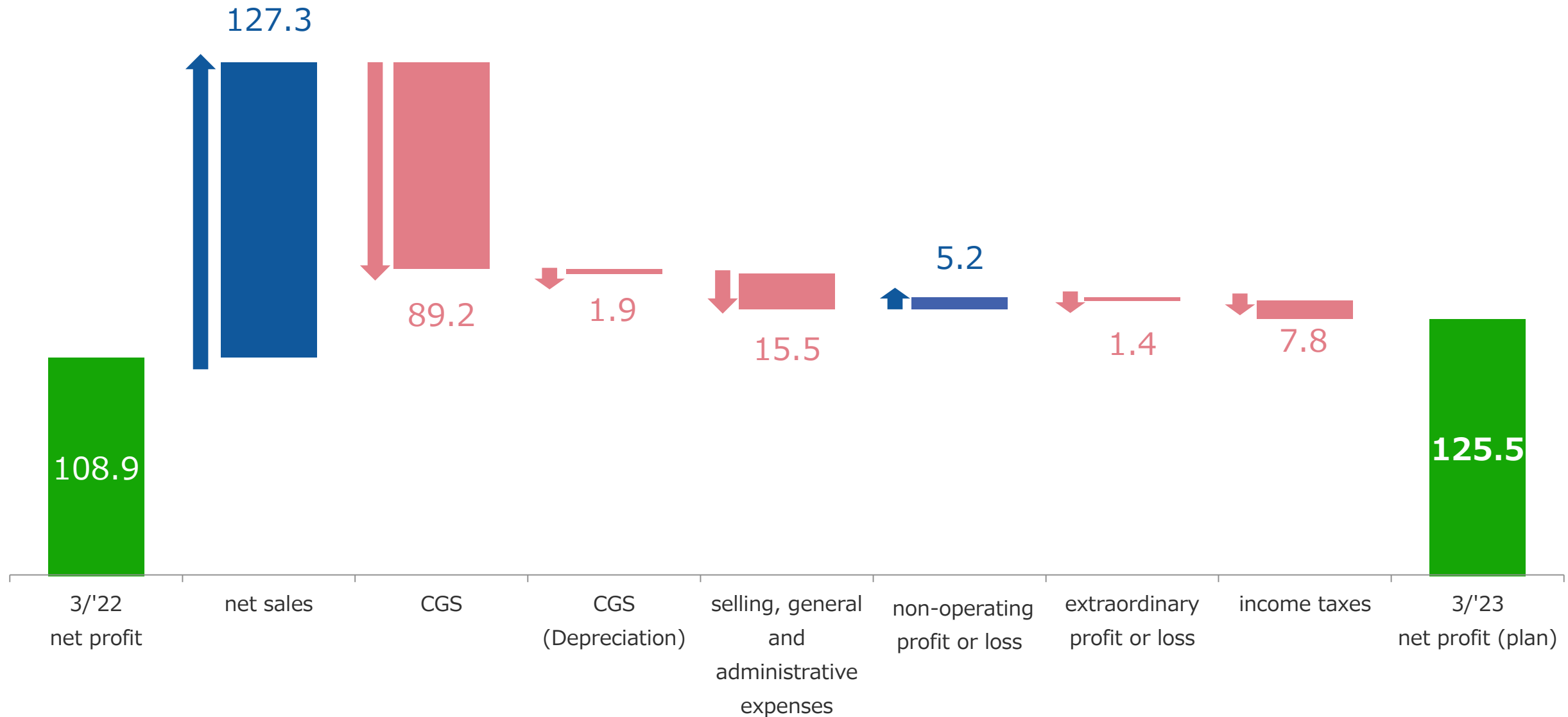
	2022/3	2023/3	2022/3	2023/3	2024/3
	1H Result	1H Result	Result	Plan	Forecast
Life Science	704	<b>706</b>	1,494	<b>1,570</b>	<b>1,900</b>
Electronic Materials	1,403	<b>1,281</b>	2,884	<b>2,930</b>	<b>4,850</b>
Common	16	<b>58</b>	73	<b>150</b>	<b>150</b>
Consolidated Total	2,124	<b>2,046</b>	4,453	<b>4,650</b>	<b>6,900</b>



# Net Profit Analysis FY03/2022 versus FY03/2023(Plan)



(unit : 100 millions of yen)



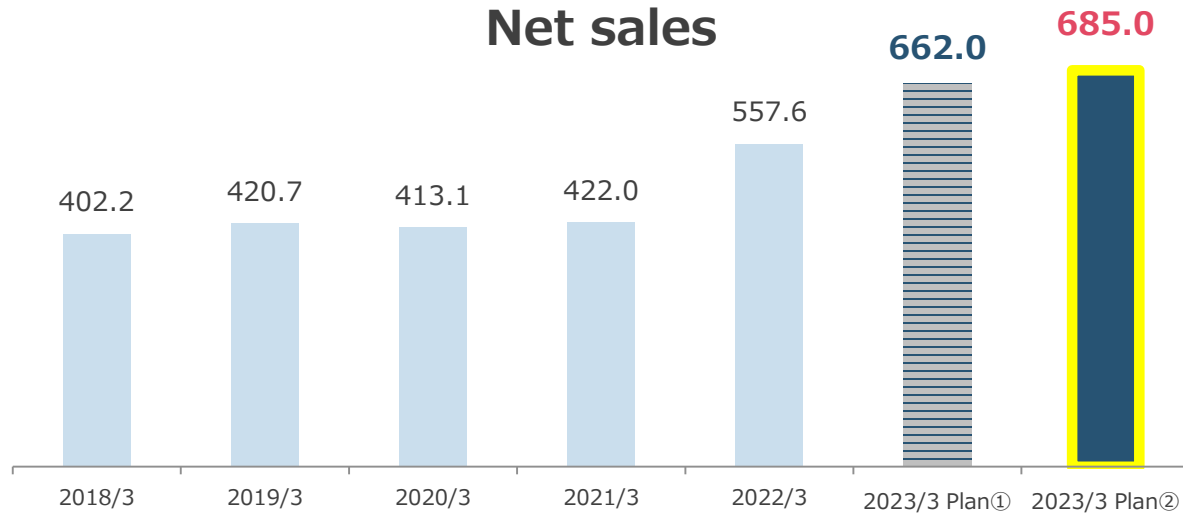
# Business Performance and Plan



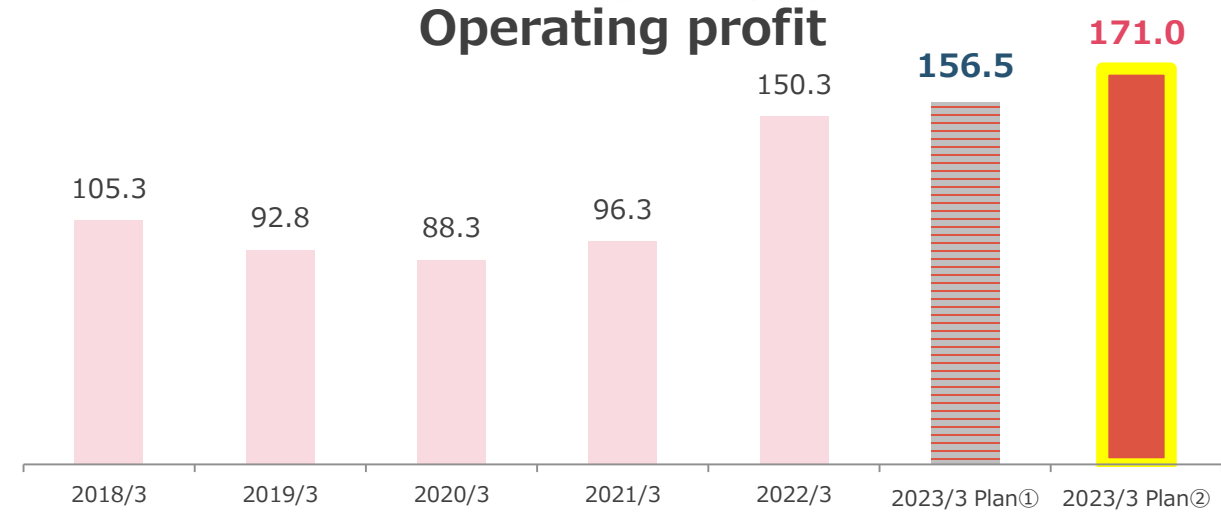
Plan① : original plan in May / Plan② : revised plan in September

unit : 100 millions of yen

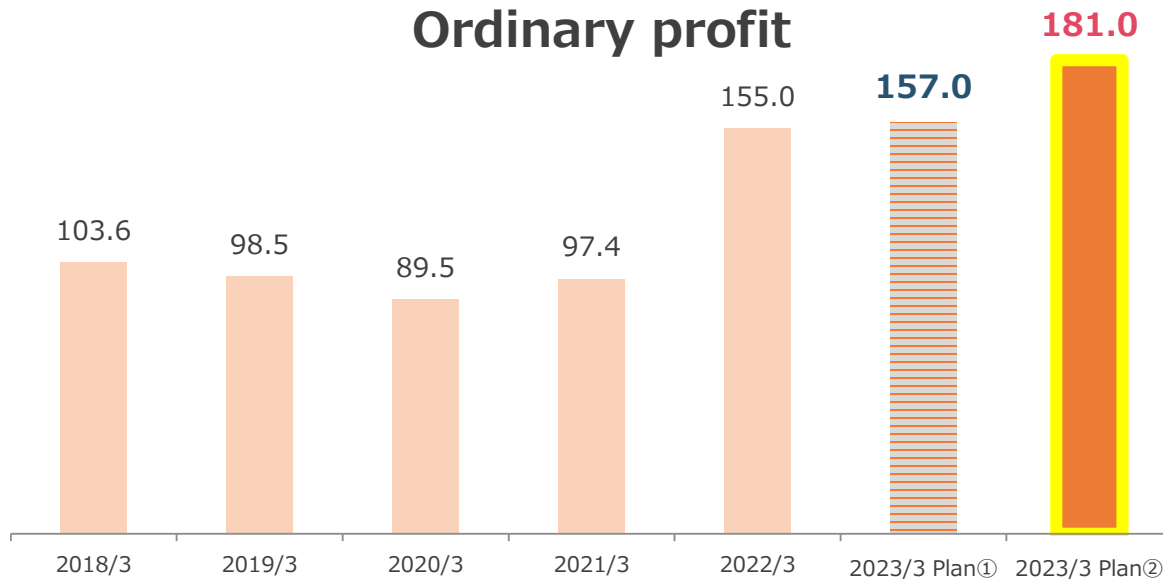
## Net sales



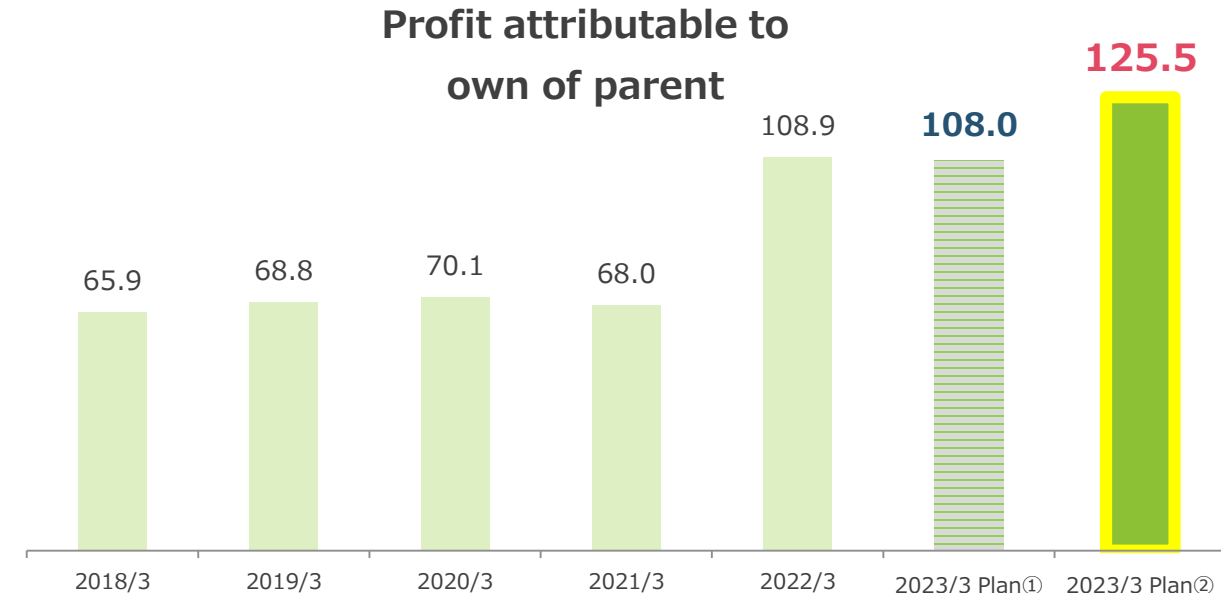
## Operating profit



## Ordinary profit



## Profit attributable to own of parent



# Medium-Term Management Plan 【FUSO VISION 2025】



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 (2025)

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

(unit : billion of yen)

## Performance target (revised plan FY3/2023)

Net Sales **68.5** Operating Profit **17.1** EBITDA **21.7**

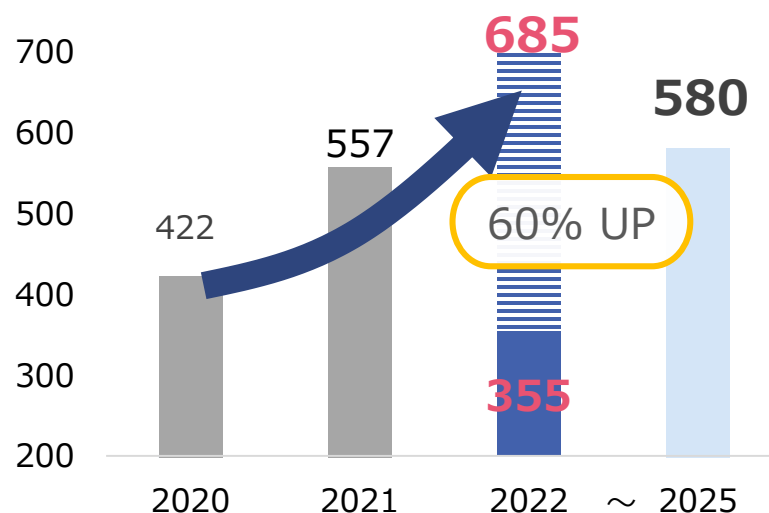
(unit : billion of yen)

# Summary of “Medium-Term Management Plan” (FY2021~FY2025): Review

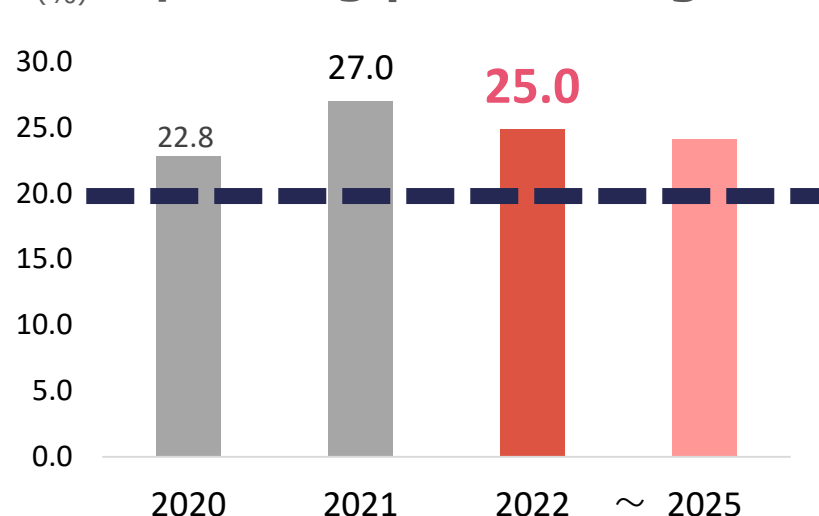


(unit:100  
millions of yen)

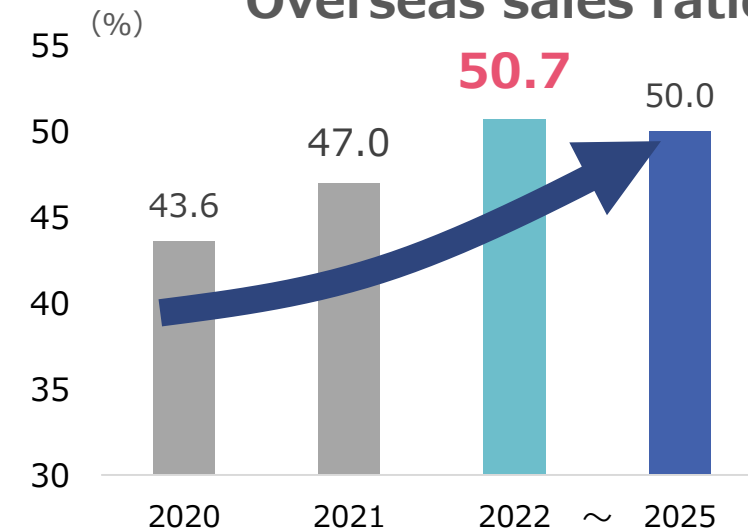
## Net sales



## Operating profit margin



## Overseas sales ratio



## 5-years Performance Target

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

## FY2023 Upward Revision (Sept. 16)

- ◆ Net sales : **60% up**
- ◆ Operating profit margin : **above 25%**
- ◆ Overseas sales ratio : **above 50%**



## Join the UN Global Compact

We joined the UN Global Compact in April 2022. By signing the world's largest sustainability initiative, we will further promote our sustainability management.

### ■ The Ten Principles of the United Nations Global Compact

#### HUMAN RIGHTS

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

#### LABOUR

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

#### ENVIRONMENT

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

#### ANTI-CORRUPTION

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.



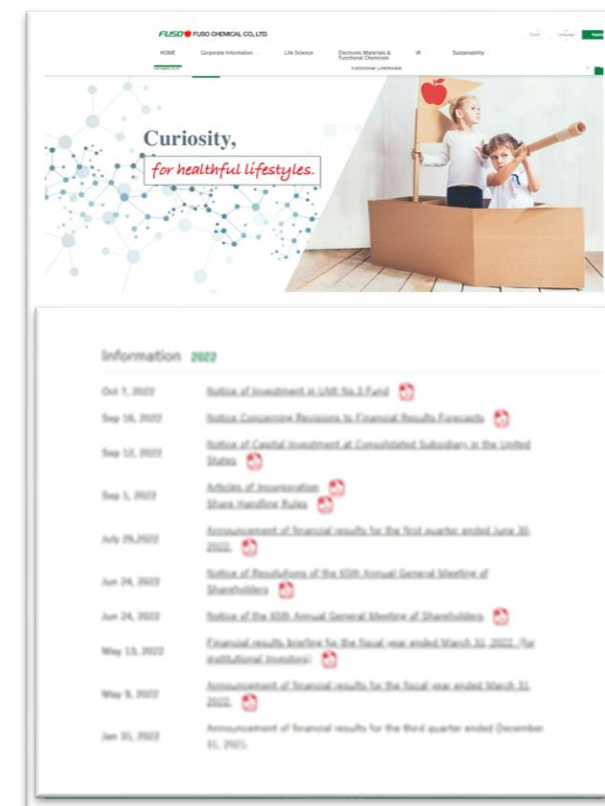
## Improve governance structure

Four of the ten directors are independent outside directors. This has strengthened our management oversight and auditing structure.



## Disclose in English

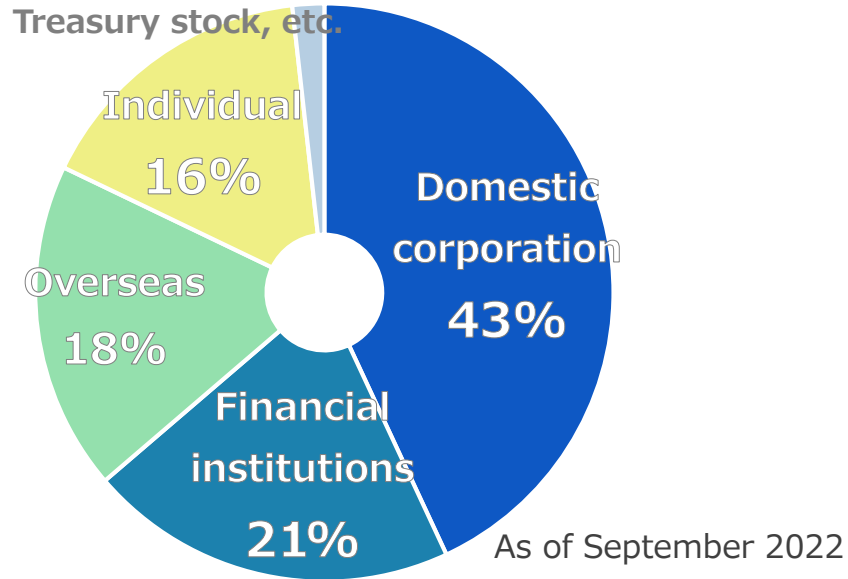
We disclosed financial statements, financial results and CG report in English. We indicate to disclose promptly and enrich our corporate information.



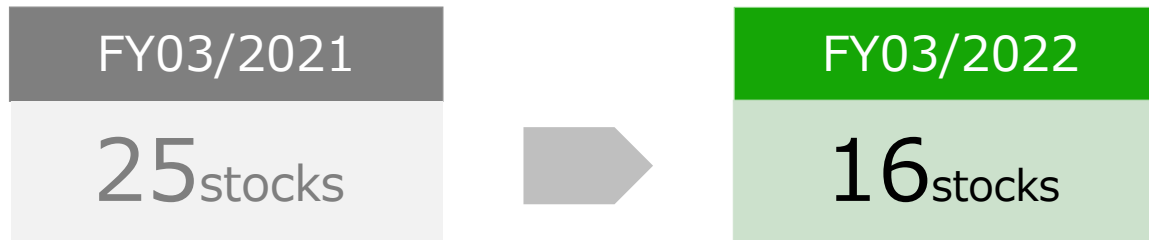
# Stock Information



## ■ Composition of Shareholders

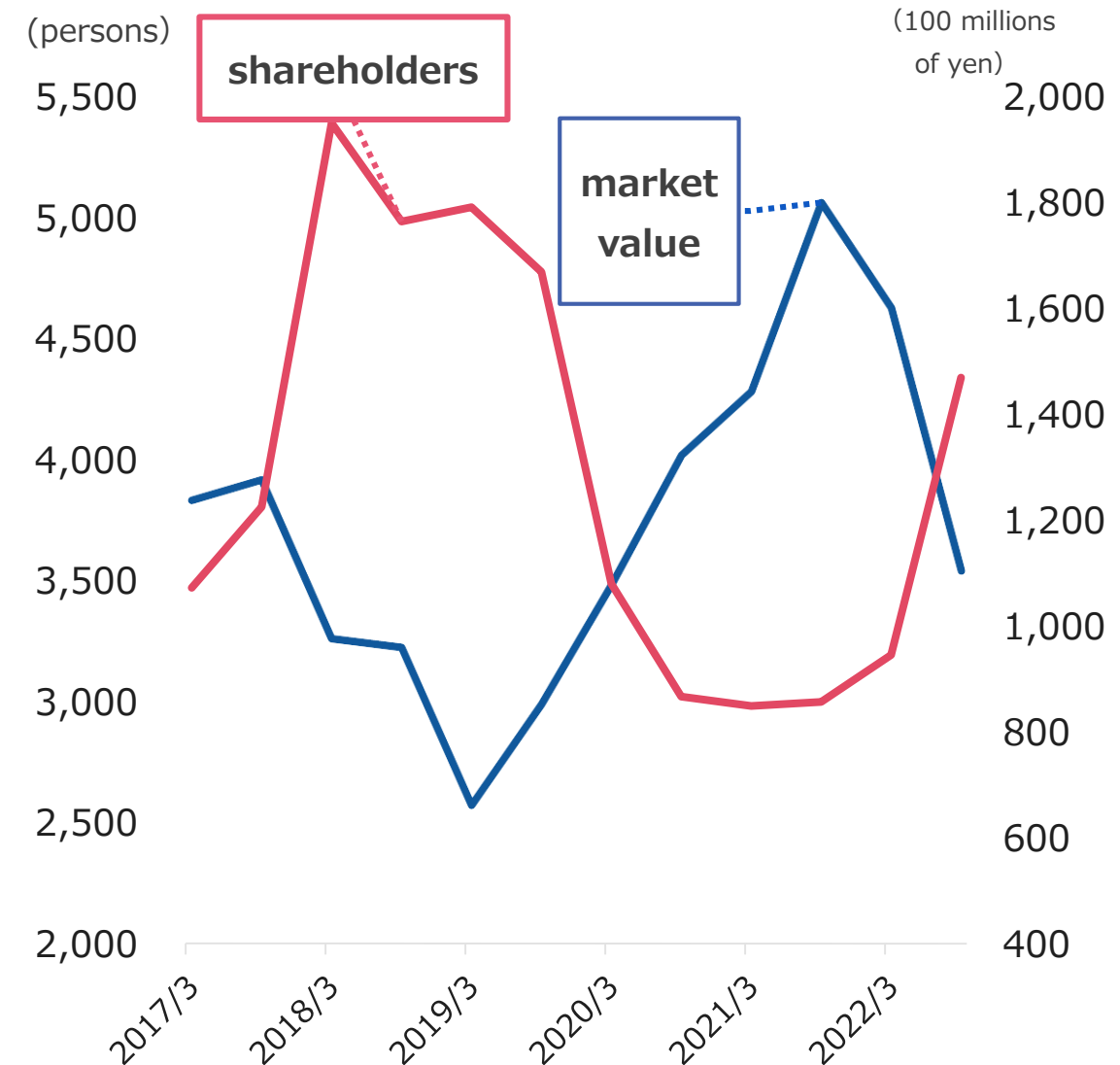


## ■ Cross-held stocks



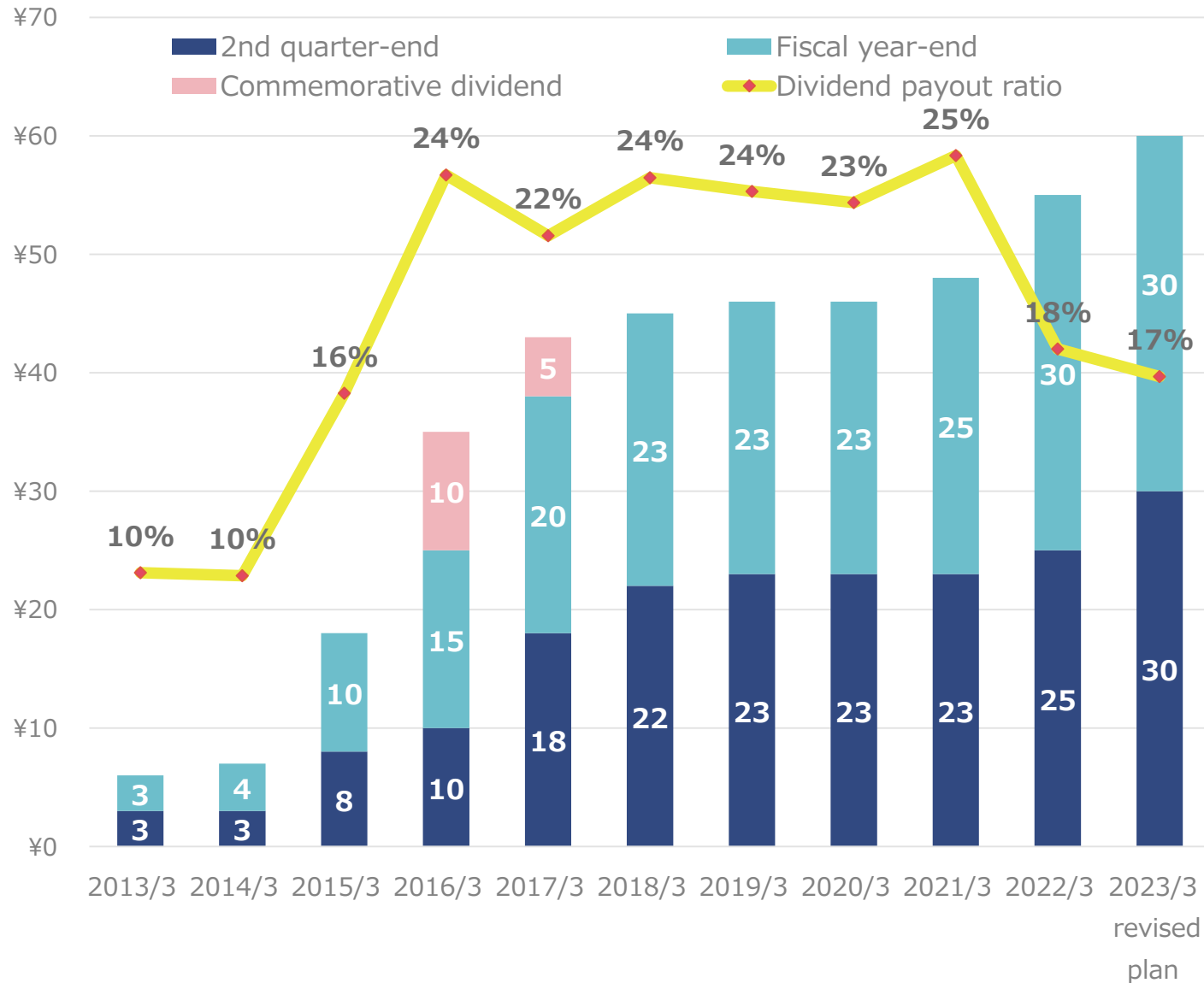
- In accordance with the Corporate Governance Code [Principle 4-1], verify every year whether it is suitable to hold stocks
- Decrease gradually the number of stocks owed by our management policy

## ■ Market capitalization/Number of shareholders





# Return to Stockholders



## Plan to increase dividends

### FY03/2023 Forecast

➡ Cash dividends      **¥60**

2<sup>nd</sup> Quarter-end      **¥30**

Fiscal year-end      **¥30**

### FY03/2022 : dividend increase

➡ Cash dividends      **¥55**

2<sup>nd</sup> Quarter-end      **¥25**

Fiscal year-end      **¥30**

### Basic policy:

Maintain a stable dividend as much as possible rather than maintain a certain dividend payout depending on business results

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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.