














OSAKA SODA Report

Integrated Report OSAKA SODA REPORT 2025

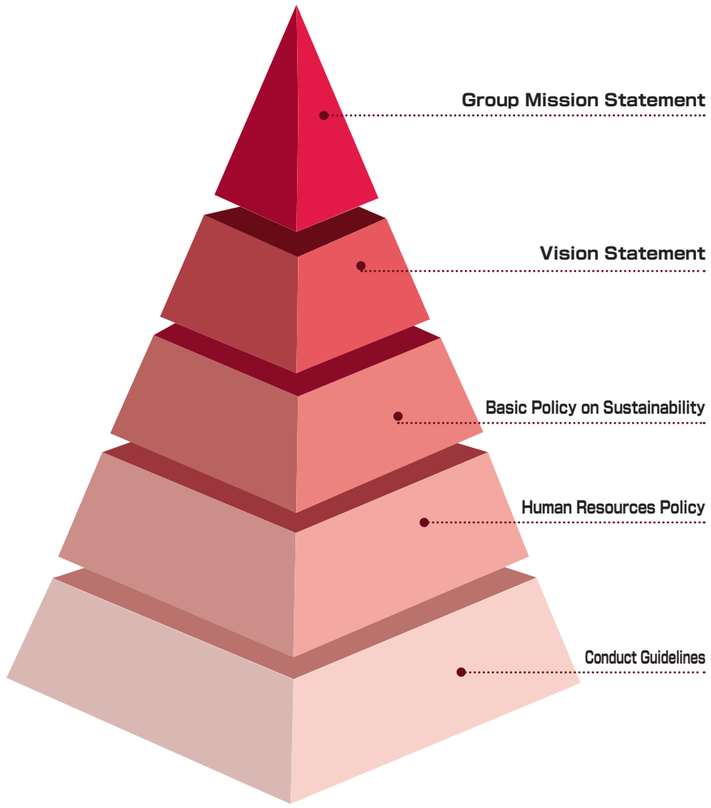
OSAKA SODA

OSAKA SODA CO., LTD. Public Relations Group, Corporate Planning Dept.
JP Tower Osaka 19F 2-2, Umeda 3-chome, Kita-ku, Osaka 530-0001 Japan
TEL: +81-6-7733-1005 FAX: +81-6-7733-1101
https://www.osaka-soda.co.jp/en/

2025.11

OSAKA SODA

Something Better with Chemicals



Group Mission Statement

To contribute to the realization of a safe and affluent society through our creative technologies and innovative products

Vision Statement

Be a corporate group that provides new value to society through chemistry

1. Contribute to the realization of a sustainable society through environmentally and safety-conscious manufacturing
2. Meet the needs of our customers with globally competitive technologies and qualities
3. Respect the values of each and every one of our employees and aim to be a company that grows together

Basic Policy on Sustainability

Aiming to combine contributing to the realization of a sustainable society through our business activities with enhancing our corporate value

Human Resources Policy

1. Self-disciplined members of society
2. People who continuously achieve personal growth

Conduct Guidelines

1. We observe laws, regulations, and social norms and engage in fair and sound corporate activities.
2. We carry out research and development and provide high quality, reliable products.
3. We strive to preserve the global environment with the aim of realizing a safe and healthy living space.
4. We respect the human rights, individuality, and values of others and build a positive working environment.
5. We observe corporate regulations and make appropriate disclosures to stakeholders.

Editorial Policy: This report is issued to explain the Group's corporate value creation initiatives to all stakeholders in easy-to-understand terms. The report includes detailed information on the status of activities and data in order to help deepen understanding of the Group's business activities and ESG-related initiatives.

Reporting Period: Fiscal year 2024 (April 1, 2024 – March 31, 2025) (some parts of this report include activities undertaken outside the reporting period)

Reporting Entities: OSAKA SODA CO., LTD., and OSAKA SODA Group companies (however, for non-financial data and some other parts, the scope of data is different.)

Note Regarding Outlook: This report includes the outlook for such items as future plans and strategy. Actual results may differ from the outlook for various reasons.

Table of Contents

To continue enhancing our corporate value, Osaka Soda will stay in tune with society's evolving needs.

We will continue evolving to meet new social demands while steadily expanding our existing business foundation. To that end, we have set goals for our 120th anniversary in 2035 of building a business foundation that is both resilient and flexible, and becoming a company where employees can fully demonstrate their abilities.
Let's take a look at how we will build new value-creation capabilities, and how it follows from an analysis of our current situation.

OSAKA SODA CO., LTD.
President and CEO

Kenshi Terada

The Osaka Soda Group strives to embody our Group Mission Statement: "To contribute to the realization of a safe and affluent society through our creative technologies and innovative products." We aim to both contribute to the creation of a sustainable society and enhance corporate value by developing products that leverage our proprietary technologies in high-growth areas such as next-generation battery materials, next-generation semiconductors, EV-related fields, and healthcare. As social issues become more complex and the future grows increasingly uncertain, the needs of both industry and international society are diversifying. As a "Corporate group that provides new value to society through chemistry," we pursue initiatives that will help us continue to secure our place as a trusted and chosen company for all our stakeholders.

Business Environment and Current Situation

Strengthening our business foundation and creating growth opportunities in an uncertain external environment

First, I would like to discuss the environment surrounding our Group and our current situation.
As we entered fiscal year 2025, concerns about downside economic risks have persisted due to the impact of U.S. tariff measures, uncertainty over China's economic outlook, and ongoing inflation. Even under these conditions, we expect our Healthcare business, particularly pharmaceutical purification materials, to continue its steady expansion. The markets for diabetes and obesity medications are rapidly expanding, and the silica gel used in their purification processes is expected to play a key role in supporting our growth. We view this strong demand as an opportunity for business expansion and are accelerating capital investment accordingly. In Basic Chemicals, we see increased demand driven by semiconductor manufacturers expanding into the Kyushu region as a business opportunity and are promoting expanded sales of hydrochloric acid and other products. In Functional Chemicals, we aim to further strengthen the global share of our existing top-share products while expanding next-generation businesses such as acrylic rubber and non-phthalate allyl resin. In R&D, we are pursuing the development of new materials such as ultra-high ionic conductive polymers for all-solid batteries and high-performance carbon nanotubes.
As these examples show, our business domains that leverage our strengths offer solid opportunities for growth, and we will continue advancing efforts toward sustainable value creation.

FY2024 Results and Key Initiatives

Higher revenue and profit driven by resolving production problems and growth in the Healthcare business

Next, let's look at the details of the fiscal year 2024 (the fiscal year ended March 31, 2025) results.

In fiscal year 2024, the Healthcare business experienced significant growth driven by increased demand for diabetes and obesity medications.
The resolution of major equipment problems in the allyl chloride production facilities at the Mizushima Plant by the end of June 2024 also contributed to higher revenue and profit compared with the previous year. Specifically, consolidated net sales increased 2.0% year on year to ¥96.4 billion, operating income rose 26.2% to ¥13.2 billion, ordinary income increased 17.9% to ¥14.2 billion, and profit attributable to owners of parent rose 35.0% to ¥10.3 billion.
By segment, Basic Chemicals posted higher revenue and profit. The main reason for this recovery was the resolution of manufacturing equipment problems at the Mizushima Plant, which led to higher sales volumes for chlor-alkali and epichlorohydrin.
Functional Chemicals recorded lower revenue and profit. Demand was firm for synthetic resin, especially for overseas UV ink applications, and for allyl ethers, primarily for coating applications in China, resulting in higher sales volumes. However, net sales declined mainly because reduced automobile production volume in Europe and Asia affected sales of synthetic rubber and shipments of acrylic rubber were adjusted due to debottlenecking enhancement work. Operating income was affected by lower selling prices for allyl ethers due to weaker market conditions and by rising raw material costs.
Healthcare recorded higher revenue and profit. Strong performance was driven by the steady expansion of demand for pharmaceutical purification materials used in diabetes and obesity medications across Europe, the U.S., and Asia.
The Trading and Others segment posted lower revenue and profit. Although demand recovered for glass fiber products, mainly for electronic materials and automotive applications, revenue declined due to lower sales of consumer products and the impact of withdrawing from the plant engineering business at the end of fiscal year 2022.

Corporate Value and Shareholder Returns

Sustainable enhancement of shareholder value through continuous evolution of our business portfolio

Focusing on highly profitable businesses such as Healthcare

We are carefully responding to market expansion trends in the pharmaceutical industry and advancing active capital investment and product development.
One such example is the expansion of our silica gel production facilities. Amid rapidly rising demand, the dedication of on-site teams and construction personnel allowed us to complete the new equipment at the Matsuyama Plant and the expansion work at the Amagasaki Plant ahead of schedule in September 2024. We have begun detailed evaluation of our next expansion plan, and are aiming to finalize decisions within 2025.

We are also accelerating the expansion of our product lineup. To address pharmaceutical modalities and the globally expanding biopharmaceutical market, we are focusing on developing products that utilize our proprietary modification technologies, including ADME gels for preparative use. We are also working to expand sales of the analytical columns we launched in recent years, such as size-exclusion chromatography columns and highly alkali-resistant columns.
In active pharmaceutical ingredients (APIs) and their intermediates, our subsidiary SANYO FINE CO., LTD. began operating dedicated cell-culture equipment in July 2024 as part of its move to enter the biopharmaceutical contract development and manufacturing services field. We plan to strengthen production capacity in stages in line with future market expansion.
Through these initiatives, we are enhancing our competitiveness in the pharmaceutical field and transitioning to a business structure that is more resilient to external fluctuations to achieve sustainable growth. ↗

Enhancing shareholder returns alongside ongoing portfolio transformation

While transforming our portfolio toward higher-profit businesses through active capital investment, we also maintain a balanced approach to growth investment and shareholder returns.
Although full-year results for fiscal year 2024 fell below plan due to market conditions for products centered on Basic Chemicals, steady expansion of the Healthcare business and improvements such as resolving manufacturing equipment problems at the Mizushima Plant strengthened our business environment. Based on these factors, we maintained the year-end dividend at ¥10 per share as initially forecast, ensuring stable returns.
To improve capital efficiency and strengthen shareholder returns, we also conducted a stock buyback totaling ¥1.8 billion in February 2025. As a result, the total shareholder return ratio over the year reached 40.7%, achieving the medium-term management plan target of 40%. ↙

A company is a collective of individuals, and each person being able to fully develop their strengths is the true engine of our growth.

We have maintained our dividend level without reductions for 23 consecutive years from fiscal year 2001, effectively sustaining a progressive dividend policy. With the rise in individual shareholder ownership following the stock split in October 2024, we introduced a progressive dividend as our basic dividend policy starting in fiscal year 2025 to further strengthen shareholder returns.
We will continue striving to enhance corporate value sustainably while providing stable returns to our shareholders.

Long-term Outlook: Toward and Beyond Our 120th Anniversary

Reforms to sustain the creation of new products for long-term growth and a sustainable society

We will celebrate our 120th anniversary in 2035. As we approach that milestone, we aim to build a business foundation that is both resilient and flexible, and to become a company where employees can fully demonstrate their abilities.
In our business, we emphasize strengthening the foundations of our three existing segments so that they can achieve stable growth and serve as pillars that combine profitability and competitiveness. We intend to establish new businesses, our fourth and fifth, that will become sources of new value creation for the future, enabling organic collaboration across businesses and building a flexible business foundation capable of adapting to change.
The Company was founded during the early days of Japan's chemical industry by establishing a unique electrolytic process for producing caustic soda in response to industrial needs. Since then, we have flexibly responded to industrial innovations and societal changes by employing technologies such as diallyl phthalate (DAP) resin for molded materials during the period of rapid economic growth, epichlorohydrin rubber supporting the automotive industry, and allyl ethers used in semiconductors and electronic materials.

Profile

Kenshi Terada

Joined the Company in 1988 after graduating from the Faculty of Engineering at Kyoto University. Engaged in research as a researcher and contributed to the launch of new products. Leveraging this expertise, he moved into technical sales and, from the late 1990s, helped establish overseas operations in Southeast Asia and Europe while expanding business in automotive markets and the Functional chemicals business. Drawing on his diverse career and experience, he was appointed President and CEO in 2017. He continues to serve in this role today.

Our ability to continuously sense change has built a strong business foundation and fostered a culture of taking on challenges. This is the origin and driving force of Osaka Soda.
The world is becoming more diverse by the day, with the needs of our customers becoming increasingly segmented. The VUCA era is truly a time when we cannot predict what comes next. For companies to survive, they must draw on many perspectives and diverse insights. We must recognize needs that lie somewhere beyond our current thinking, including those that exist among our customers. We are fully committed to rebuilding a bold organizational culture capable of sensing opportunities and proposing solutions that only our Company can provide. It is our duty to refine and improve our multiple world-leading products so they remain trusted indefinitely.

Transforming individual strengths into organizational strength: Human resource reform that unlocks potential

In promoting market-driven development, the ability to capture information is most important. This requires the ability to grasp essential customer needs and collaborate across departments, and people are the driving force behind all of it. This is why I am so focused on improving the internal environment so that every individual can work more freely and proactively.
As part of these efforts, we have introduced new internal proposal systems and revised our reward programs. Our primary goal is to instill the belief that acting independently and taking ownership have real value. Even if a proposal does not materialize, the act of individuals taking initiative and that mindset spreading across the Company will transform Osaka Soda into a self-driven, continuously growing organization.
Ultimately, this leads to the creation of value as a company that can work alongside customers to overcome their challenges.

Every employee is unique, with their own unique strengths. Our aim is to strengthen organizational capability by developing talent who can draw out and enhance those strengths, and by building a broad coaching network.

Diversity as a source of corporate growth

When individual uniqueness is activated, countless ideas emerge, forming networks and becoming the starting point for change. Age, gender, and educational background do not matter. Differences themselves are our strengths. To reaffirm and communicate these values inside and outside the Company, we formulated the Osaka Soda Group DE&I Declaration. Based on the belief that diversity brings innovation and growth, we aim to embed these changes not as temporary efforts but as a lasting organizational culture.
We have already begun DE&I training by job level in fiscal year 2025 and are implementing programs such as e-learning for all employees, including messages from top management, to promote understanding and drive behavioral change.
I am convinced that companies that embed DE&I early will accelerate their growth and prevail in competition.
Our Group Mission Statement states: "To contribute to the realization of a safe and affluent society through our creative technologies and innovative products." Under this Group Mission Statement, we will strive to become a company where diverse talent can act autonomously, continue to grow, and find true fulfillment in their work.
While driving these cultural transformations, our Group will continue contributing to society by promoting concrete initiatives across all ESG dimensions under our Basic Policy on Sustainability, which states: "Aiming to combine contributing to the realization of a sustainable society through our business activities with enhancing our corporate value."

Creating something better with chemicals in the future by fusing and deepening our seven core technologies

1913 ●Established Japan's first manufacturing method for caustic soda using electrolysis
1915 Establishment of OSAKA SODA CO., LTD.
1916 Built Kokura Plant
1931 Built Amagasaki Plant
1952 Built Matsuyama Plant

The Daiso electrolyzer

Kokura Plant

Headquarters when Osaka Soda was founded (Ujiden Building)

1961 Opening of Research Center
1962 ●Started production of diallyl phthalate (DAP) resin
1971 Built Mizushima Plant
●Built an integrated manufacturing system for allyl chloride (AC) and epichlorohydrin (EP)
1978 ●Started production of allyl ethers
1979 ●Started production of epichlorohydrin rubber
1987 ●Expanded into electrode business

Research Center

Epichlorohydrin (EP) production facility

Diallyl phthalate (DAP) resin production facility

1992 ●Started production of pharmaceutical purification materials (silica gel)
1994 ●Started production of active pharmaceutical ingredients (APIs) and their intermediates
2001 ●Started production of modifying agent for low fuel consumption tires
●Expanded into the material recycling business

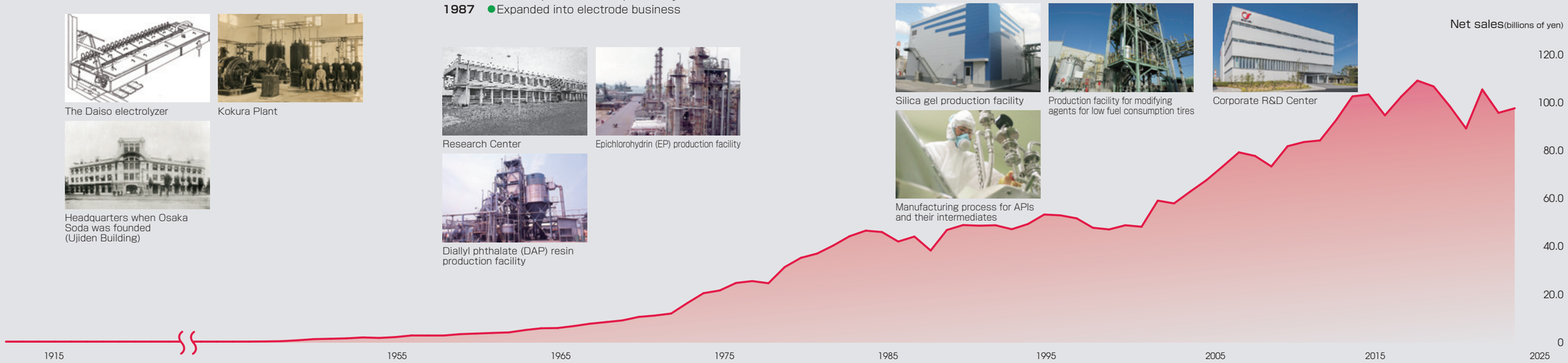

Silica gel production facility


Production facility for modifying agents for low fuel consumption tires

Manufacturing process for APIs and their intermediates

2017 Opening of Corporate R&D Center
●Started production of acrylic rubber
●Entered the analytical equipment, packed columns business
2018 ●Started production of non-phthalate allyl resin


Corporate R&D Center



1913- Contributed to Japan's industrial development as a pioneer in electrolysis technology
1960s- Created new value added through unique chemical technology Established an integrated manufacturing system for the AC and EP chain
1990s- Entered the Healthcare business
2000s- Created a new global niche top business

History of developing niche markets through unique technologies

Seven core technologies

Electrochemical
Established Daiso electrolytic method
1916 Started production of chlor-alkali

Electrodes
1987 Expanded into the electrode business
Separation and purification methods of metal ions
2001 Expanded into the material recycling business

Inorganic synthesis
1976 Production of sodium silicate (-1996)
Modification technology for silica gel
1992 Started production of pharmaceutical purification materials / 2007 Started production of modified silica gel

Organic synthesis
1961 Started production of allyl chloride (AC)
1971 Started production of epichlorohydrin (EP)
1978 Started production of allyl ethers / 1986 Expanded grade of products
2001 Started production of modifying agent for low fuel consumption tires
1999 Expanded into the APIs and their intermediates business
1994 Started production of optically active substances

Polymer synthesis
1962 Started production of DAP resin
1980 Started production of high-heat-resistant grades
2018 Started production of non-phthalate allyl resin
1979 Started production of epichlorohydrin rubber
2003 Started production of grades for use in OA
2017 Started production of acrylic rubber

Biotechnology
Waste water treatment systems
2000 Developed battery materials
2004 Started production of functional food ingredients

Nanotechnology
2013 Developed silver nanoparticles
2017 Developed carbon nanotubes

pp. 9-10

Osaka Soda has captured the top market share for numerous products by creating indispensable products for various industries through its innovative product development technology.

Key Businesses | Basic Chemicals | Functional Chemicals | Healthcare | Environment and Others

Basic Chemicals

❶ Caustic soda

Used in a wide range of fields including paper and pulp bleaching, chemical fibers, soap and detergents, coagulants, and manufacturing processes for food and chemical products. It is an essential chemical in our daily lives.

Functional Chemicals — No. 1 Globally

❷ Epichlorohydrin rubber

This specialty synthetic rubber is produced using our proprietary process and, thanks to its heat and oil resistance, is used for fuel hoses around automobile engines. Its semi-conductive properties also make it suitable for components in office automation equipment such as multifunction printers.

Basic Chemicals — No. 1 in Japan

❸ Epichlorohydrin

Boasting Japan's largest production capacity, epichlorohydrin is used as a core raw material for our functional chemical products and, as a raw material for epoxy resins, is widely applied in electronic materials and coatings, as well as adhesives and many other products.

Functional Chemicals — No. 1 Globally

❹ Allyl ethers

Used as raw materials for silane coupling agents, they serve in semiconductor encapsulants, functional paints, and binders for carbon fiber used in aircraft bodies, supporting numerous industries across a wide range of fields. Our products hold world-leading sales records.

Basic Chemicals

❺ Caustic potash

A strongly alkaline chemical. It supports agriculture as a fertilizer raw material and is used in dyeing assistants, alkaline battery electrolytes, and liquid soap, among other applications.

Basic Chemicals

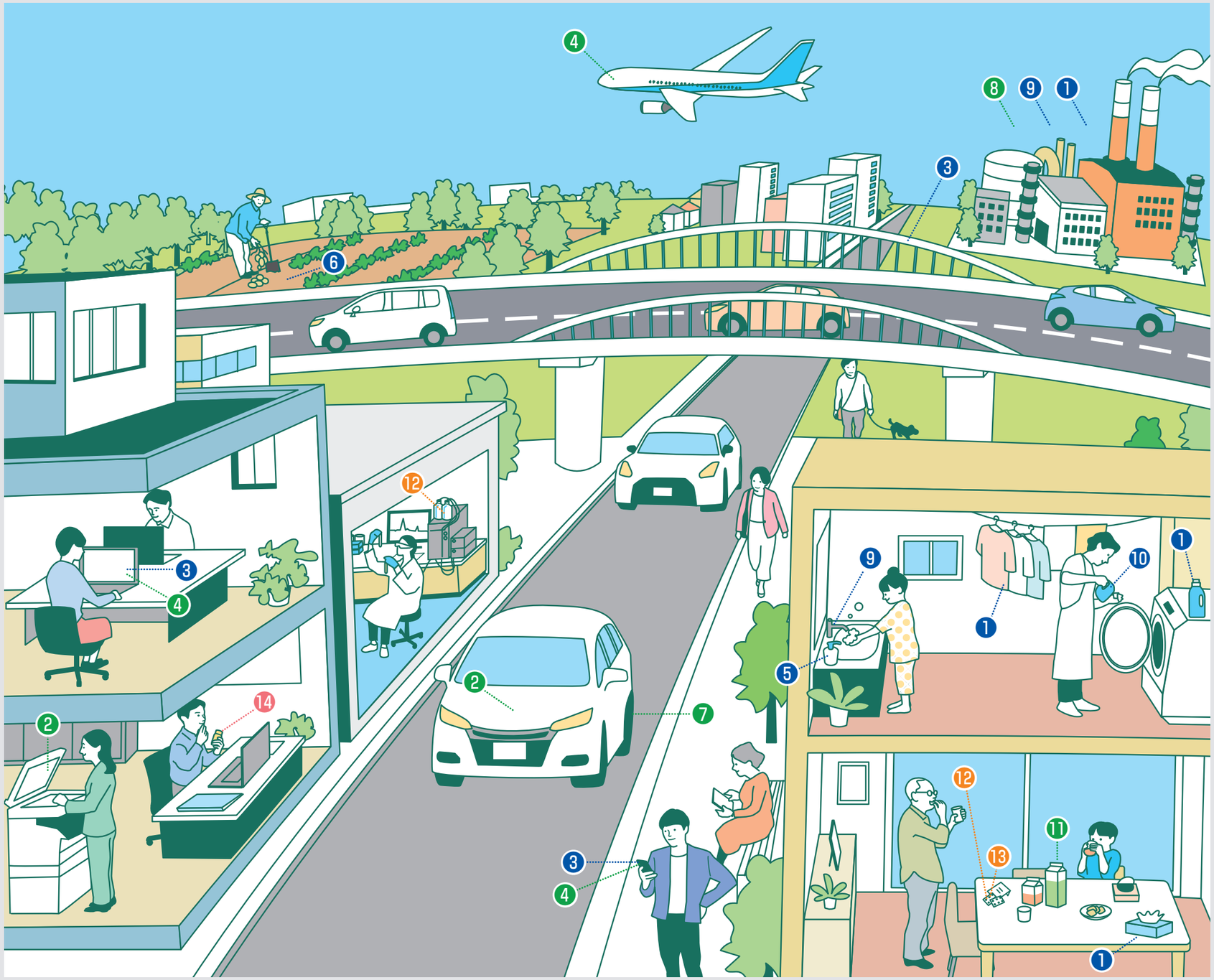
❻ Allyl chloride

Used as a primary raw material for our epichlorohydrin and functional chemical products, and its derivatives are used as raw materials for agrochemicals and pharmaceuticals.

Functional Chemicals — No. 1 in Japan

❼ CABRUS™

CABRUS™ is used as a modifying agent for low fuel consumption tires, helping bond rubber and silica, which typically do not blend well. The spread of low fuel consumption tires containing CABRUS™ contributes to global environmental preservation.



Functional Chemicals — No. 1 in Japan

❽ Electrodes

Electrodes used in the fundamental chemical reaction of electrolysis serve the soda industry and are also used in electroplating, production of copper foil for lithium-ion batteries, and seawater electrolysis systems used in power plants. We hold Japan's top market share in electrodes for steel sheet plating.

Basic Chemicals

❾ Sodium hypochlorite

A chemical with strong oxidizing power. Due to its excellent sterilizing properties, it is indispensable for hygiene management and is used in disinfection and sterilization of water and sewage systems and industrial wastewater treatment, among other applications.

Basic Chemicals — No. 1 in Japan

❿ Sodium chlorite

Used for bleaching textiles and in fabric softeners, and is also utilized in disinfectants due to its ability to break down bacteria and viruses for sterilization.

Functional Chemicals — No. 1 Globally

⓫ Diallyl phthalate (DAP) resin

Diallyl phthalate (DAP) resin, an ultraviolet-curable resin, helps improve quick-drying performance in solvent-free UV inks. It is also used in electrical components that require high durability, such as high-temperature and high-voltage environments.

Healthcare — No. 1 Globally

⓬ Silica gel for liquid chromatography / Analytical equipment, packed columns

Used in fractionation and purification processes in the development, analysis, and manufacturing of pharmaceuticals, cosmetics, and food products. Our pharmaceutical purification materials are offered in more than 300 grades and hold the world's top market share.

Healthcare

⓭ Active pharmaceutical ingredients and their intermediates

Using our proprietary organic synthesis and biotechnology capabilities, we provide wide-ranging contract services from pharmaceutical research to commercial production, supporting pharmaceutical companies.

Environment and Others

⓮ Foods with functional claims (SOU-NOU-KAN)

A supplement developed through an industry-government-academia collaboration project between the Company and Ehime Prefecture. It uses citrus peel powder from Ehime Prefecture as its raw material and is a food with functional claims that helps maintain memory, which declines with age.

Story 1 Value Creation

Business Strengths

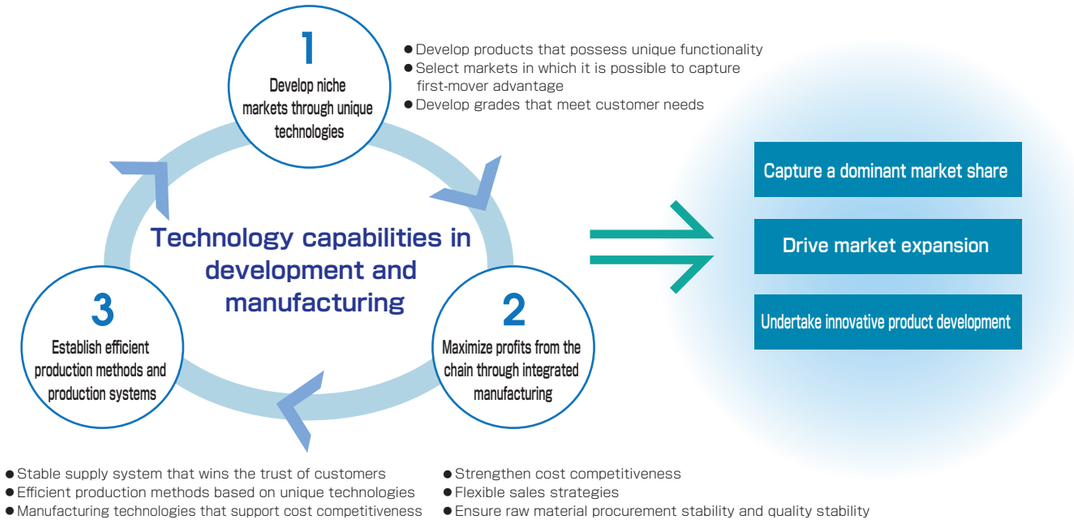
An eye on new niche fields to enter

The history of Osaka Soda begins with the establishment of a unique electrolytic method in 1913 and launch of caustic soda manufacturing based on technology developed in Japan, a first for the country. This technology, called the Daiso electrolytic method, was revolutionary as it makes highly efficient manufacturing possible. Since that time, Osaka Soda's technology has become a foundation for its innovative product development made possible by combining revolutionary technologies developed from R&D and technologies that help establish efficient production methods and production systems.
When entering the petrochemistry business in the 1970s, Osaka Soda chose to start manufacturing allyl chloride (AC) and epichlorohydrin (EP) through propylene chlorination. While many chemical companies chose to manufacture polyvinylchloride, for which there was a massive market, through ethylene chlorination, Osaka Soda took the initiative to pursue the possibility of establishing a competitive advantage, and boldly undertook commercialization with an eye on a niche market.
Even after that, we grew by quickly entering new fields and capturing first-mover advantage by applying technologies developed when Osaka Soda was founded and melding them with new technologies we acquired. Because of both our perspective on selecting markets and the potential of unique products that leverage our unique technology capabilities, we established a market presence and built a business environment partially shielded from price competition.

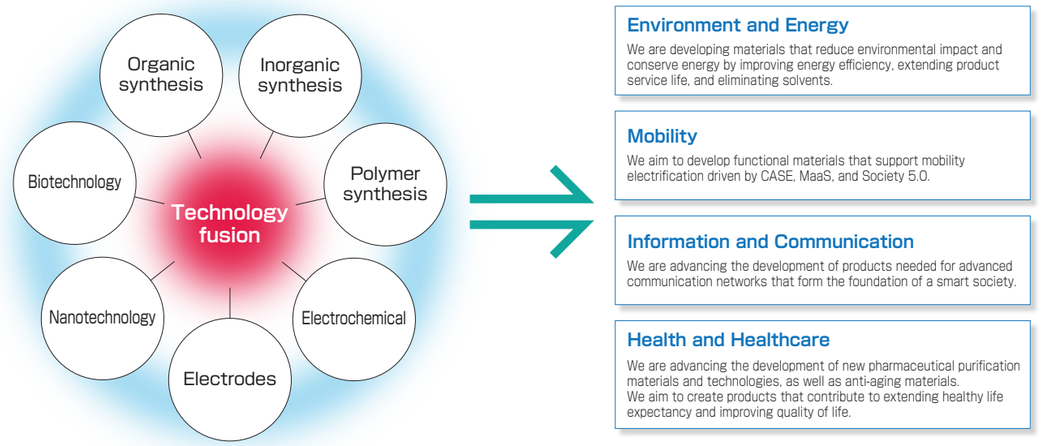
Developing niche markets through unique technologies

Through the development of seven core technologies (organic synthesis, inorganic synthesis, polymer synthesis, electrochemical, electrodes, nanotechnology, and biotechnology) based on the technology used at the time of our founding and their fusion over a span of 110 years, we have developed products for various industrial fields and expanded our business.
Each time it has entered a new market, Osaka Soda has deepened its unique core technologies by melding them with new technologies. By developing and manufacturing products that possess special functionality and high added value based on organic, inorganic, and polymer synthesis, we have built a foundation for our current lineup of global niche top (GNT) products. During the process of capturing the top market share, we have strengthened Osaka Soda's brand power by making use of our seven core technologies, steadily meeting diverse customer needs, including needs for different grades, and developing new uses, which is the reason we continue to be chosen by customers. It is precisely because of our development capabilities acquired through our unique technologies that we have been able to continually expand business without succumbing to changes in the market.

[Securing a competitive advantage and GNT position]



[Seven core technologies developed over the span of 110 years]



Maximizing profit from the AC and EP chain with integrated manufacturing

The source of our competitiveness is our integrated manufacturing that begins with electrolysis. Osaka Soda manufactures numerous functional chemical products that boast the top global share, using substances such as chlorine created from electrolysis and this AC and EP chain is a distinguishing aspect of Osaka Soda. One advantage of this product chain is that we can use our own materials to manufacture and sell high-value-added products, such as specialty synthetic rubber, synthetic resins, and allyl ethers. This also makes it possible to undertake stable raw material procurement, strengthen cost competitiveness, improve quality, and select flexible sales strategies adapted to the external environment, thus maximizing profit from the chain.
For example, when manufacturing specialty synthetic rubber, it is easy to control polymerization of epichlorohydrin rubber by optimizing the quality of the raw material epichlorohydrin for manufacturing rubber. This allows us to achieve the physical properties appropriate for market needs, making it possible to improve the quality of our specialty synthetic rubber and ensuring the superiority of our products. This also offers advantages in terms of sales. When the business environment deteriorates, a company's capacity utilization rate generally must decline, but we possess a lineup of products with top global share as we consume epichlorohydrin in house, which makes it possible to adopt a flexible sales strategy appropriate for conditions. Therefore, in basic chemical products, we have secured a stable consumer of chlorine due to in-house demand, and in functional chemical products, we benefit from stable quality, cost competitiveness, and stable procurement by using our own materials, and thus maximize profit from the chain through integrated manufacturing.

Establish efficient production methods and production systems

Osaka Soda undertakes manufacturing through a chain that begins with electrolysis and has continued to focus on and refined its manufacturing technology just like its R&D because it has strengthened its safe and stable supply system and achieved greater cost competitiveness by improving manufacturing efficiency.
As for Osaka Soda's lineup of global niche top products, one factor that prevents other companies from entering the market is that our products are difficult to imitate as they are technically challenging to manufacture because we use manufacturing methods based on unique technology. We consider not only our unique manufacturing methods but also manufacturing technology acquired through this process as important. Specifically, in basic chemical products, we are improving allyl chloride yield by increasing efficiency in upstream electrolysis and introducing cutting-edge equipment, such as simulators, in order to improve our cost competitiveness. In functional chemical products, we are continually working to increase manufacturing and energy efficiency by improving our manufacturing technology, which has included improving each process through automation and making them more labor and energy efficient. As for manufacturing DAP resin, we fully automated all processes in the 1990s, which has made it possible to increase not only cost competitiveness, but the stability of quality, too.
As for our production system, we undertake routine manufacturing activities in order to fulfil our responsibility as a supplier with facility management that supports safe and stable manufacturing. One aspect of our facility management is continually improving related operations, which includes refining our diagnostic technology, updating facilities and equipment in light of improvements, maintenance, conducting cyclic management of equipment updates, and securing backup equipment and parts. Reinforcing our stable supply system by thoroughly managing facilities and winning the trust of customers and the market will support our business expansion.

Value Creation Process

Group Mission Statement

To contribute to the realization of a safe and affluent society through our creative technologies and innovative products

INPUT

Financial capital
- Net assets: ¥115.5 billion
- Equity ratio: 75.1%

Human capital
- Employees: 1,019
- Ratio of employees engaged in R&D: 18%
- Employees with national qualification: 1,703 (cumulative)

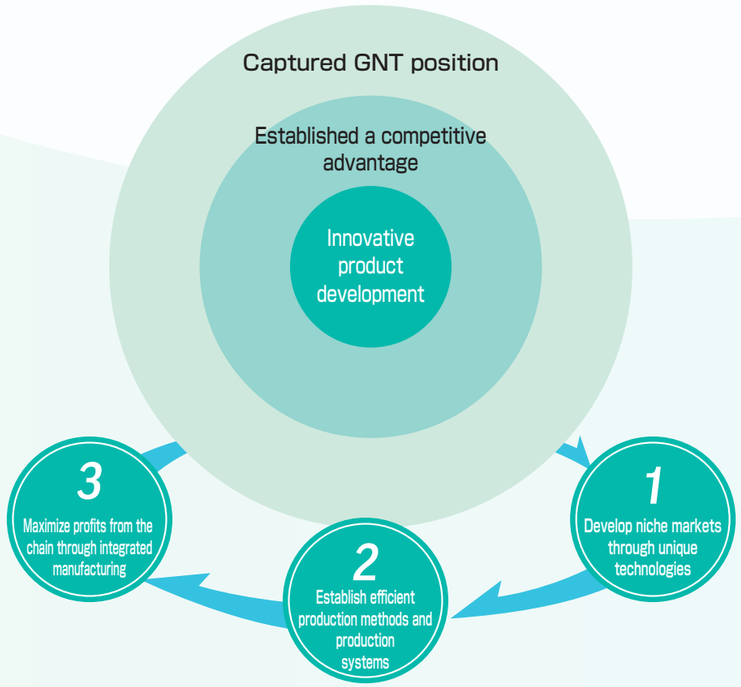
Production capital
- Property, plant and equipment: ¥29.2 billion
- Main manufacturing sites: five sites in Japan
- Capital expenditure: ¥6.3 billion

Natural capital
- Energy consumption (crude oil equivalent): 204 thousand kL
- Water withdrawal: 33,782 thousand tons
- Raw materials: 481 thousand tons

Intellectual capital
- Research & Development expenditures: ¥2.9 billion
- Research & Development Center
- Seven core technologies

Social/relationship capital
- Contributions to local community
- Industry-academia-government collaboration

Strengths Established a global niche top (GNT) position, a competitive advantage due to innovative product development



Interaction between strengths, foundation, and strategy

Business Strategy: Our Vision for 2025 pp. 15-16

Basic Policy of the Medium-term Management Plan: Shape the Future - 2025

1) Continuous strengthening of our base in existing businesses 2) Strengthening of new product creation capabilities 3) Promotion of sustainability management

Business continuity foundation

- Corporate governance
- Material issue

Material issues	Providing social value through business		Strengthening business foundations	Strengthening CSR activities				Developing human resources
Key elements	Making social contributions through business activities	Providing new value demanded by society	Continuously strengthening business foundations	Addressing climate change issues	Environmental preservation	Occupational safety and health / Process safety and disaster prevention	Chemicals management / Safety and quality	Creating an employee-friendly workplace and human resource development

OUTPUT

FY2024 Consolidated Results

Net sales	¥ 96.4 billion
Operating income	¥ 13.2 billion
ROE	9.2 %

● By segment

Basic Chemicals
Net sales ¥37.6 billion
Operating income ¥2.2 billion

Functional Chemicals
Net sales ¥29.0 billion
Operating income ¥4.3 billion

Healthcare
Net sales ¥13.6 billion
Operating income ¥7.0 billion

Trading and others
Net sales ¥16.0 billion
Operating income ¥0.9 billion

OUTCOME

Aiming to combine contributing to the realization of a sustainable society through our business activities with enhancing our corporate value

Basic Chemical Products

Value created

Contributions to the creation of a healthy living environment that provides peace of mind
- Chlor-alkali products are used for water treatment chemicals, fertilizers, agricultural chemical raw materials, and disinfectants

Functional Chemical Products

Value created

Contributions to reduced environmental impact
- DAP resin is used for energy efficient UV ink that does not use organic solvents
- Epichlorohydrin rubber contributes to reduction of transpiration gases from cars
- Acrylic rubber is used around turbo engines for eco-friendly cars
- CABRUS™ is used in the modifying agent for low fuel consumption tires

Healthcare

Value created

Contributions to the pharmaceutical industry, which is providing more diverse treatment methods
- Pharmaceutical purification materials are used in the production process for diabetes medications
- APIs and their intermediates contribute to the pharmaceutical industry through contract development and manufacturing business

(the 120th anniversary of our founding)

Our ideal image for 2035 pp. 15-16

Story 2 Growth Strategy

Medium-term Management Plan: Shape the Future - 2025 (FY2023-FY2025)

Through the medium-term management plan: Shape the Future - 2025 (FY2023-FY2025), we will work to enhance corporate value by clarifying issues and further increasing the resilience of our business foundation as we work to realize our vision for 2025, a milestone, with an eye toward our ideal image for 2035, the 120th anniversary of our founding. We will also reinforce sustainability management in order to meet the demands of society and the market. Our goal is to post record performance in the final year of the plan by moving forward with key measures to achieve sustainable growth based on a business foundation strengthened through the previous medium-term management plan.

EMPOWER THE NEXT - 22
(FY2021–FY2022)

2025
Shape the Future - 2025
(FY2023–FY2025)

Our Vision

- For the Basic Chemicals business, strengthen resistance to changes in the business environment and generate stable profit by reinforcing existing businesses, creating new businesses, and expanding the scale of business
- For the Functional Chemicals business, maintain and expand the market share of global niche top products as the Group's growth engine by expanding existing businesses and developing new applications and materials
- For the Healthcare business, expand into growth fields such as biopharmaceuticals in response to changes in pharmaceutical modalities
- Establish a development system for the continuous launch of new products

2035
The 120th anniversary of our founding

Our Ideal Image

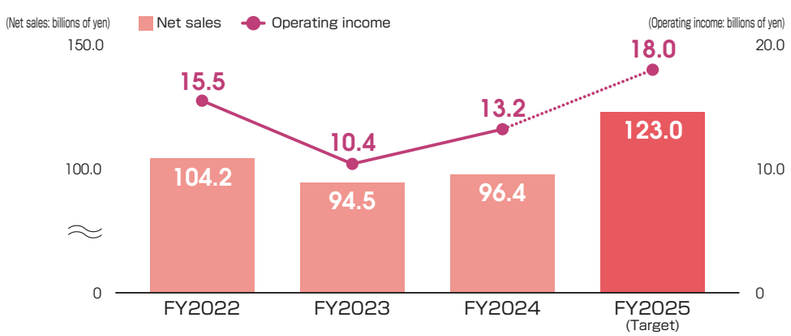
To put the new philosophy system into practice and root it in the corporate culture

- Build a resilient and flexible business foundation supported by the Basic Chemicals, Functional Chemicals, and Healthcare businesses
- Create next-generation pillars of earnings in the fields of Environment and Energy, Mobility, Information and Communication, and Health and Healthcare
- Become a company where employees can fully demonstrate their abilities

Medium-term Management Plan Targets(FY2025)

Performance targets (Consolidated)

Net sales	¥123.0 billion
Operating income	¥18.0 billion
ROE	10.0% or higher



Basic Policy

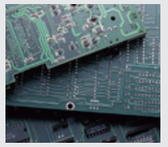
1. Continuous strengthening of our base in existing businesses

We will expand our business base by generating stable cash from existing businesses and actively investing in growth areas.

Basic chemicals business

Actively strengthen facility management, invest in maintenance and renewal, and maintain and expand our market share.


Chlor-alkali


Epichlorohydrin

Functional chemicals business

- Cultivate the market for global niche top (GNT) products, such as synthetic resin and synthetic rubber, and develop new applications.
- Expand our acrylic rubber and non-phthalate allyl resin business.


Diallyl phthalate (DAP) resin


Allyl ethers

Healthcare business

Establish the foundation for our third high-profit business (strengthen production capacity, expand into new business domains).


Pharmaceutical purification materials


APIs and their intermediates

2. Strengthening of new product creation capabilities

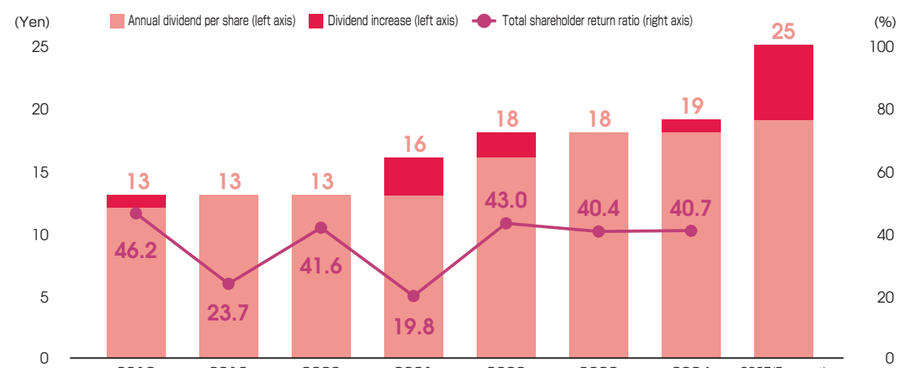
We will strengthen Company-wide efforts to further promote market-driven development and nurture the products that will become the pillars of the next generation.
To accelerate development, we will strengthen management for each theme, allocate human resources flexibly, develop human resources, enhance development infrastructure, and make greater use of external resources, including alliances and equity investments. Our priority development fields will be the four areas of Environment and Energy, Mobility, Information and Communication, and Health and Healthcare. Through these initiatives, we aim to achieve early market launch of the next global niche top products.

3. Promotion of sustainability management

Our Basic Policy on Sustainability states that we "Aim to combine contributing to the realization of a sustainable society through our business activities with enhancing our corporate value." Under this policy, the Sustainability Committee will take the lead in promoting various initiatives such as reducing GHG emissions and expanding related disclosures, implementing environmental impact reduction measures, promoting women's active engagement, investing in human capital, including employee education, and responding to the revised Corporate Governance Code. In addition, by enhancing the information disclosed in our integrated report and other publications, we will deepen our dialogue with investors and all other stakeholders, and work to further increase our corporate value.

Shareholder Return Policy

Our Group considers the distribution of profits to shareholders to be an important responsibility, and dividends are determined by comprehensively taking into account factors such as the results of each fiscal year, the continuity of stable dividends, and internal reserves for future business development. In the medium-term management plan for FY2023-FY2025, we aim to achieve a total shareholder return ratio of 40% by continuing stable dividends and utilizing stock buybacks. In addition, to further enhance shareholder returns, we introduced a progressive dividend policy starting in fiscal year 2025.



Amount of stock buybacks	¥1.6 billion	—	¥1.0 billion	—	¥2.2 billion	¥0.8 billion	¥1.8 billion	¥6.0 billion*

* This includes the planned amount of stock buybacks, capped at ¥5.0 billion, approved on November 7, 2025, for the acquisition period from November 10, 2025, to January 30, 2026.

Note: The Company implemented a stock split at a ratio of 5 shares for each common share on October 1, 2024. Annual dividends per share for fiscal year 2018 have been calculated on the assumption that the stock split was in effect at the beginning of that fiscal year.

Basic Chemicals

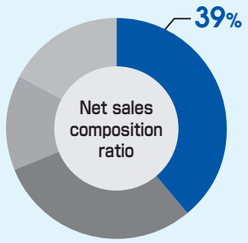
The Basic Chemicals consists of the electrolysis business (since the founding of the Group) and the epichlorohydrin business.
The main products are chlor-alkali products (caustic soda, chlorine gas, sodium hypochlorite, hydrochloric acid, etc.), allyl chloride, and epichlorohydrin.

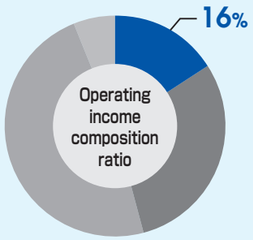
Executive Officer
General Manager,
Chemicals Division
Kenichi Katsuma

FY2024 business performance

Net sales
¥37.6 billion

Operating income
¥2.2 billion





Chlor-alkali

Although production and sales volumes increased for each product, weak demand for caustic potash and market conditions for caustic soda resulted in net sales remaining at approximately the same level as the previous fiscal year.
With the resolution of manufacturing equipment problems at our Mizushima Plant and the resulting recovery in production and sales volumes, operating income increased.

Epichlorohydrin

Net sales and operating income increased due to the resolution of manufacturing equipment problems and the recovery in demand for epoxy resin.

Basic policy of the medium-term management plan and key measures

Maintain full production with current capacity and work to maintain and expand sales share

- Improve ability to coordinate and balance production between four electrolysis plants
- Increase production efficiency and renew aging facilities
- Increase efficiency of logistics operations and reinforce related systems
- Improve core technologies and develop new businesses

Progress toward achieving strategic targets under the medium-term management plan

In Basic Chemicals, production and sales have worked as one toward achieving the medium-term management plan by running more efficient meetings, facilitating information sharing, and encouraging open, fact-based discussions.
Through this, we are working to create a system that energizes communication and quickly solves problems with independent ideas and actions to advance key measures.
To Improve ability to coordinate and balance production between four electrolysis plants, we are strengthening sales activities and improving production and shipping facilities in parallel to promote community-based sales and respond flexibly to changing conditions.
To increase production efficiency and renew aging facilities, we are making planned capital investments to improve manufacturing processes and enhance efficiency, aiming to build an optimal, resilient production process and steadily advance improvements.
To increase efficiency of logistics operations and reinforce related systems, we are leveraging the strength of our four-plant electrolysis system to build a structure capable of agile response in emergencies, reviewing inter-plant transfers, improving maintenance support frameworks, and advancing facility upgrades. To continue meeting customer needs, we will reassess our logistics systems and work to build an optimal, locally rooted delivery structure.
In order to improve core technologies and develop new businesses, we will continue striving to develop and introduce new businesses by working to increase information gathering capabilities through exchanges of information and opinions between the R&D and production divisions and stronger partnerships with external entities.

Functional Chemicals

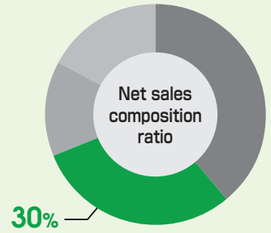
The Functional Chemicals is centered on derivative businesses that use allyl chloride and epichlorohydrin, produced by the Basic Chemicals business, as raw materials.
It comprises three core businesses—synthetic rubber, synthetic resin, and allyl ethers—whose main products include epichlorohydrin rubber, diallyl phthalate (DAP) resin, allyl ethers, modifying agents for low fuel consumption tires, and electrodes.

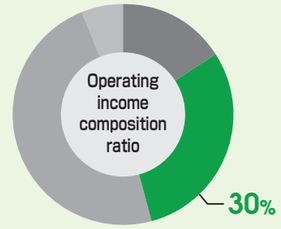
Director and Lead Executive Officer
General Manager,
Chemical Specialties Division
General Manager,
Healthcare Division
Takeshi Kimura

FY2024 business performance

Net sales
¥29.0 billion

Operating income
¥4.3 billion





Synthetic rubber / Synthetic resin

For synthetic rubber, although the price revisions implemented last year took hold, a decline in automobile production and shipment adjustments due to debottlenecking work for acrylic rubber led to a slight decrease in net sales, while operating income increased.
For synthetic resin, steady demand for UV inks overseas resulted in increases in both net sales and operating income.

Allyl ethers

Demand for silane coupling agents remained firm, particularly for coating applications in China, resulting in higher net sales, but operating income declined due to softening market conditions.

Basic policy of the medium-term management plan and key measures

Expand scale of business for existing GNT products, acrylic rubber, and non-phthalate allyl resin

- Increase capacity of allyl ethers production facilities
- Expand sales of acrylic rubber and non-phthalate allyl resin
- Improve profitability of the rubber compound business in North America
- Strengthen development and sales capabilities

Progress toward achieving strategic targets under the medium-term management plan

For Functional Chemicals, we are working to reinforce the business foundation of existing GNT products and expand the scale of business for new GNT products, basic policies in the medium-term management plan, by reinforcing ties between production, sales, and development, and working to improve organizational and human resource capabilities in the three fields of synthetic rubber, synthetic resins, and allyl ethers.
In the synthetic rubber business, we are expanding sales of epichlorohydrin rubber by capturing replacement demand from other types of rubber and needs arising from stricter automotive fuel regulations, while making timely new proposals to customers.
For acrylic rubber as well, we continue to secure numerous new projects to meet replacement demand from other types of rubber and increase sales volume. We are also working to increase our cost competitiveness by continually working to expand production capacity through more efficient production processes and better debottlenecking.
In the synthetic resin business, even as overall demand for ink declines, we are striving to increase sales volume by steadily capturing demand related to the switch from oil-based inks to UV inks.
Furthermore, for non-phthalate allyl resin, we are focused on finding new uses in the field of low-viscosity inks and for overseas package printing.
In the allyl ethers business, we are leveraging our greater production capacity, one element of the previous medium-term management plan, and reinforcing sales activities, thus expanding the scale of business. Although current market softness is having some impact, demand is gradually recovering, and we will continue examining plans for the next capacity expansion.

Healthcare

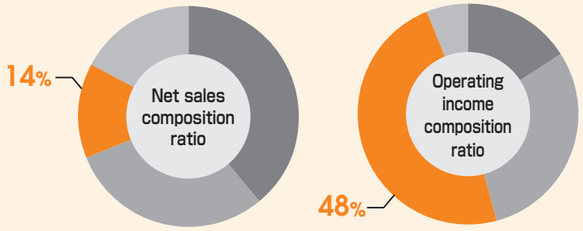
The Healthcare consists of the chromatography business, centered on pharmaceutical purification materials, and the active pharmaceutical ingredients (APIs) and their intermediates business of our Group company, SANYO FINE CO., LTD.
Its main products include pharmaceutical purification materials, analytical equipment, packed columns, APIs and their intermediates, and optically active substances.

Director and Lead Executive Officer
General Manager,
Chemical Specialties Division
General Manager,
Healthcare Division
Takeshi Kimura

FY2024 business performance

Net sales
¥ 13.6 billion

Operating income
¥ 7.0 billion



Chromatography

Pharmaceutical purification materials achieved double-digit growth in net sales as demand for diabetes medications and other applications expanded steadily in Europe, the United States, and Asia. Operating income increased by more than 20% year on year, absorbing the impact of higher depreciation and labor costs associated with expanded silica gel production facilities.

APIs and their intermediates

Although sales of intermediates for insomnia treatment drugs increased, sales of nucleic acid drug substances and other products declined, resulting in a slight decrease in both net sales and operating income.

Basic policy of the medium-term management plan and key measures

Maximize business synergies based on a total solution provider strategy

Pharmaceutical purification materials

- Undertake first phase expansion of silica gel facilities and launch full production (Amagasaki Plant)
- Construct new silica gel production facility (Matsuyama Plant)
- Undertake second phase expansion of silica gel facilities (Amagasaki Plant)
- Develop and introduce polymer gel

APIs and their intermediates

- Launch full operation of PI-3 facility (SANYO FINE CO., LTD., Matsuyama Plant)
- Further expand facility capabilities (SANYO FINE CO., LTD.)
- Reinforce the high potency pharmaceutical field
- Enter the biopharmaceutical field

Progress toward achieving strategic targets under the medium-term management plan

Pharmaceutical purification materials

In the silica gel business, strong demand for pharmaceutical purification materials used in diabetes and obesity medications prompted earlier-than-planned production starts. The new facility at the Matsuyama Plant, completed in September 2024, began commercial operation in July 2025, ahead of the original schedule. The second phase of expansion at the Amagasaki Plant was also completed about a year early and began production in September 2025. In the obesity medications field, biosimilar market entry in emerging countries such as China and India is accelerating. To address future demand growth, the next production capacity expansion plan is scheduled to be finalized within 2025. For polymer gels, we are working toward early commercialization through collaboration with Mitsubishi Chemical Corporation, expanding the lineup of development grades, and advancing customer evaluations.

APIs and their intermediates

In the field of APIs and intermediates, contract manufacturing orders from pharmaceutical companies continue to increase, supported by the operation of the large-scale PI-3 facility at the Matsuyama Plant, which was completed in March 2023. We are steadily scaling up existing projects and acquiring new ones, and we have begun evaluating the next production capacity expansion plan to further grow the business.
In biopharmaceuticals, we are jointly developing VHH antibodies with RePHAGEN Co., Ltd., a startup with advanced technological capabilities, and have begun selling five types of antibodies. Operation of the GMP-compliant lab-scale facilities began in July 2025 as initially planned, enabling us to fully engage in Contract Development and Manufacturing Organization (CDMO) services for VHH antibodies while expanding into additional biopharmaceutical fields such as anticancer agents.

Trading and Others

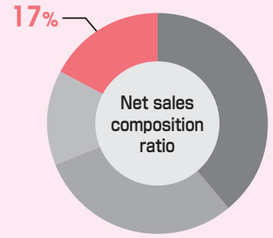
The Trading and others consist primarily of products handled by DAISO CHEMICAL CO., LTD., a chemical trading company, and material recycling.
Main products include inorganic chemicals, solvents, paint materials, coatings, photosensitive resins, glass fibers, health food, cosmetics, consumer products, and building materials.

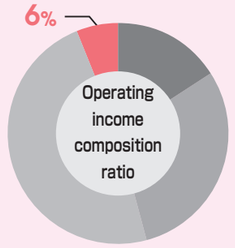
DAISO CHEMICAL CO., LTD.
President and CEO
Eiji Masuda

FY2024 business performance

Net sales
¥ 16.0 billion

Operating income
¥ 0.9 billion





Specialty polymer materials

Sales of printing-related materials, including photosensitive resins, and sales to overseas markets performed strongly.

Functional products

Demand recovered mainly for glass fiber, electronic materials, and products for automotive applications.

Other

Results were affected by the withdrawal from the plant engineering business at the end of fiscal year 2022.

Basic policy of the medium-term management plan and key measures

Work to strengthen information gathering capabilities to fully demonstrate the function of the Osaka Soda Group and to expand the business in both Japan and overseas

- Launch commissioned production of semi-solid state batteries
- Conduct sales of newly developed photosensitive materials
- Strengthen profitability and information gathering capabilities of overseas subsidiaries
- Expand the consumer products business
- Improve earnings from the solvent business

Progress toward achieving strategic targets under the medium-term management plan

The Trading Company is strengthening information gathering capabilities through collaboration between Japan and local subsidiaries in Europe, the United States, and Asia, while enhancing proposal capabilities to help customers solve issues at each phase of their business. It is also actively pursuing new development opportunities with flexible thinking unconstrained by conventional boundaries.
For the semi-solidstate batteries jointly developed by Osaka Soda and Yamagata University, DAISO CHEMICAL CO., LTD. is working closely with battery cell and separator manufacturers to advance efforts toward early commercialization, including improvements to battery cells and the establishment of a mass-production framework.
To expand the consumer products business, we are building an organizational structure that enables product development ahead of consumer trends through hiring specialized personnel and enhancing training, thereby delivering services aligned with customer needs.

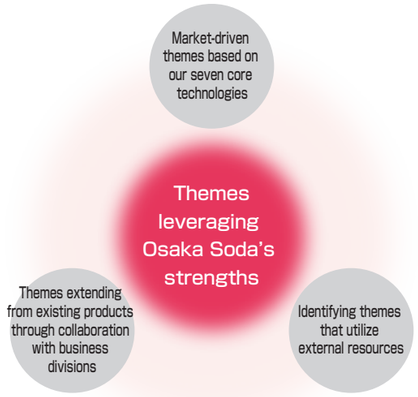
For photosensitive materials, in addition to equipment sales, we are building a sustainable earnings model through joint equipment development with customers and technical services. Going forward, it will increase the number of dedicated technical staff and work to expand into new fields within technical services.
For businesses and products easily affected by external factors, such as solvents, we are achieving steady results in improving profitability through both sales promotion and cost reductions, mainly via shared logistics.
Overseas subsidiaries are expanding their information sources through expatriate staff in addition to their conventional activities in new market development and sales promotion, thereby accelerating the identification of potential customer needs. By assigning technical sales personnel and improving local staff skills through on-the-job training, we are further accelerating the development of a strong network capable of fully delivering the functions expected as a trading company from customers.

Strengthening of New Product Creation Capabilities

In the medium-term management plan: Shape the Future - 2025, we are working to establish a development system for the continuous launch of new products, as defined in our vision for 2025.

Research and Development Policy

To generate development themes that leverage our strengths, we focus on market-driven themes based on core technologies, themes that extend from existing products in collaboration with business divisions, and identify themes that utilize external resources.
To accelerate development, we aim to build a highly productive R&D structure by strengthening organizational frameworks and personnel management, enhancing theme progress management, developing systems and infrastructure for theme exploration, and reinforcing intellectual property strategies.



Strengthening Theme Exploration Capabilities

Effective October 2025, the Development Sales Group of the Development & Commercialization Division was incorporated into the Corporate Planning Department. This organizational change aims to accelerate the exploration and creation of new businesses by strategically leveraging Company-wide resources, including information, expertise, networks, and funding from both business and corporate divisions.
We also established the Corporate R&D Theme Exploration Committee to discuss, at a professional level, the exploration and formulation of themes that leverage our strengths. This committee discusses and processes new development themes that will serve as pillars of next-generation growth from a Company-wide perspective.

Four Priority Areas and Key Development Themes

Environment and Energy — Storage battery materials

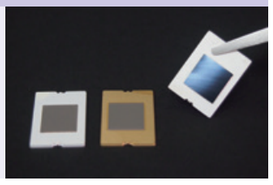
Main themes
- Ultra-high ionic conductive polymers for all solid batteries
- Polymer electrolytes for lithium-ion batteries (LIB) (unique polyether)
- Water-based binders for LIB

Mobility — Materials for the new normal for cars

Main themes
- New acrylic rubber
- Sensor and actuator materials
- New coupling agents for tires

Information and Communication — Semiconductor peripheral materials

Main themes
- Silver nanoparticles for sintering pastes
- Carbon nanotubes



Health and Healthcare — Materials for biopharmaceuticals and healthy long lives

Main themes
- New biopharmaceutical purification materials
- Anti-aging materials
- APIs and their intermediates (high potency active pharmaceuticals, biopharmaceuticals)

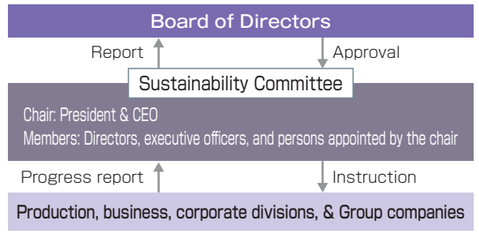
Promotion of Sustainability Management

Basic Policy on Sustainability

The Group set its Basic Policy on Sustainability as we aim to combine contributing to the realization of a sustainable society through our business activities with enhancing our corporate value based on the Group Mission Statement of contributing to the realization of a safe and affluent society through our creative technologies and innovative products. Based on this policy, we have identified four material issues: "providing social value through business," "strengthening business foundations," "strengthening CSR activities," and "developing human resources."

Promotion Structure

The Company has established a Sustainability Committee under the Board of Directors and built a structure for receiving reports and overseeing sustainability matters. The Sustainability Committee, chaired by the President and CEO and composed primarily of directors and executive officers, formulates policies, strategies, and initiatives; monitors and manages progress and KPI achievement across divisions and the four material issues; and provides regular reports and recommendations to the Board of Directors.



Strategy

Under the material issue of "providing social value through business," the Group aims to become a corporate group capable of sustainable growth. We seek to contribute to a sustainable global environment across all of our corporate activities by strengthening existing businesses and building competitive advantages through new product development. Looking ahead, in the four priority fields of Environment and Energy, Mobility, Information and Communication, and Health and Healthcare, which are expected to grow, we aim to help solve social issues and create new growth opportunities by developing new global niche top products. For "strengthening business foundations," we are working to build a robust business base by ensuring stable production, improving product quality, reinforcing technological development capabilities, passing down core technologies, and strengthening production facility management systems. As an initiative to address climate change issues, which is included in "strengthening CSR activities," Osaka Soda not only identifies risks related to transitioning to a carbon-free society and risks related to the physical impact of global warming, using a 1.5°C–2°C scenario and 4°C scenario, but also formulates response policies. An increased carbon price, other regulatory compliance costs, and increased offset credit prices are considered risks with a major impact, and there are plans to address these risks by moving forward with introducing high-efficiency equipment and rationalizing production processes. We consider strengthening support for developing and introducing environmentally friendly technologies as an opportunity with a major impact, and will respond by developing materials that reduce environmental impact and conserve energy through improved energy efficiency, extended service life, and elimination of solvents. Turning to "developing human resources," we aim to contribute to the growth of society and the Group by incorporating the values of diverse people and creating a work environment in which each and every employee feels job satisfaction. Our human resource development policy is to ensure that all employees can thrive and envision their future career paths so that they can work with peace of mind over the long term. To achieve this, we are reviewing our HR systems and education and training systems, fostering a workplace culture that supports diverse work styles, and developing a work environment where diverse personnel respect one another and can succeed together.

Risk Management

For risks and opportunities, the relevant divisions discuss and identify Company-wide risks and opportunities, evaluate them, and determine which are material. Each division and organization formulates response policies for the identified risks and opportunities. These response policies are discussed by the Sustainability Committee and then reported to the Board of Directors. The Board of Directors actively discusses the reported risks and opportunities and resolves on response policies as well as the formulation of related strategies and initiatives.

Activities

In promoting sustainability management under the medium-term management plan, we are working to further enhance corporate value by enriching disclosure through this report and other means and deepening dialogue with all stakeholders. In fiscal year 2024, the Sustainability Committee discussed the following topics.

Main Topics Discussed by the Sustainability Committee

- Examination of initiatives to achieve carbon neutrality in 2050
- Initiatives for water resource conservation
- Supplier survey results and future responses
- Promotion of the diversity promotion project

Progress Status

- Formulation of a GHG emission reduction roadmap
- Enhanced data disclosure regarding water resource conservation
- Publication of a DE&I Declaration (July 2025)

Story 3 Foundation Supporting Value Creation

Material Issue

We are advancing KPIs and concrete initiatives for the four material issues and eight key elements defined under our Basic Policy on Sustainability.

[Material Issues and Key Elements]

Material issues	Providing social value through business		Strengthening business foundations	Strengthening CSR activities				Developing human resources
Key elements	Making social contributions through business activities	Providing new value demanded by society	Continuously strengthening business foundations	Addressing climate change issues	Environmental preservation	Occupational safety and health / Process safety and disaster prevention	Chemicals management / Safety and quality	Creating an employee-friendly workplace and human resource development

Material Issues and Measures (KPIs)

Initiative	Measure (KPI)
Strengthening Business Foundations: Continuously strengthening business foundations	
Strengthening efforts for stable production	● Reviewing work standards ● Reflecting on past issues and confirming countermeasure continuity/effectiveness ● Operator training using skill maps
Improving product quality	● Conducting regular training to raise awareness levels for quality assurance ● Rigorously enforcing change management ● Surveying suppliers on their CSR, quality management, and other initiatives
Reinforcing technological development capabilities and passing on fundamental technologies	● Conducting regular technical meetings ● Taking cost reduction measures ● Curbing non-conforming products
Strengthening production facility management system	● Strengthening autonomous maintenance management system ● Reinforcing scheduled maintenance management system ● Introducing, operating, entrenching a facility management system
Promoting DX	● Promoting visualization and standardization ● Standardizing operations, updating ERP, updating infrastructure and networks ● Improving productivity/R&D speed ● Increasing operational efficiency through automation/AI
Addressing climate change issues	
Reducing greenhouse gas emissions	● Introducing high-efficiency equipment ● Promoting energy conservation activities ● Streamlining production processes ● Promoting use of clean energy (Reduce total Scope 1 and Scope 2 GHG emissions by 30% by fiscal year 2030 compared with fiscal year 2013)
Environmental preservation	
Reducing industrial waste landfill rate	● Increasing recycling rate of ash dust ● Reducing volume and recycling of brine mud ● Promoting in-house reuse (final landfill rate: less than 1% in fiscal year 2030)
Strengthening CSR Activities: Occupational safety and health / Process safety and disaster prevention	
Eliminating lost worktime accidents by promoting safety and health activities	● Organizing, understanding, and upholding work procedures ● Promoting 5S activities ● Utilizing information from past issues and incidents ● Instilling the Safety Guidelines (zero lost worktime accidents) ● Implanting safety skill acquisition systems
Promoting mental healthcare and activities for better physical health	● Interviews at high-stress workplaces and activities to improve the workplace environment ● Mental health training (absences from work due to mental health issues: less than 0.6%) ● Recommending reexamination for those who require re-testing or detailed testing ● Promoting specific health guidance (checkup findings, re-testing/detailed testing rate: 70% or more) (checkup findings: less than 30%)
Curbing serious accidents	● Mitigating risks through hazard source identification activities, including KY, RA, SA, HAZOP ● Improving security management level ● Promoting facility management (zero serious accidents)
Preparing for major natural disasters	● Upkeep of disaster prevention equipment, goods, and materials ● Conducting disaster drills in anticipation of large-scale earthquakes, etc. ● Reviewing BCP ● Planned renewals of aging facilities
Chemicals management / Safety and quality	
Complying with domestic and international chemical regulations	● Appropriately complying with Japanese chemical laws and regulations such as the Chemical Substances Evaluation Law, the Chemical Substances Management Law, and the Fluorocarbons Law ● Appropriately complying with EU-REACH and other chemical laws and regulations outside Japan ● Disseminating information on revisions to chemical laws and regulations ● Conducting compliance training
Providing product safety information	● Preparing and providing product Safety Data Sheets (SDSs) on our corporate website ● Providing information on chemical substance content through JAMP chemSHERPA ● Supporting customer research requests
Developing Human Resources: Creating an employee-friendly workplace and human resource development	
Reforming corporate culture and organizational culture	● Instilling the management philosophy system ● Promoting and executing business reforms
Expanding educational opportunities	● Clarifying skills by grade ● Reviewing education and training systems
Promoting women's active engagement	● Reviewing recruitment activities (ratio of female new graduates hired: 20% or more) ● Reviewing HR and education systems (Increasing the ratio of female managers, including section chiefs by 1.5x by fiscal year 2025 [vs. fiscal year 2021])
Promoting work-life balance	● Encouraging use of annual paid leave (target: 70% or more) ● Encouraging male employees to use the childcare leave system

Responsible Care

What is Responsible Care?

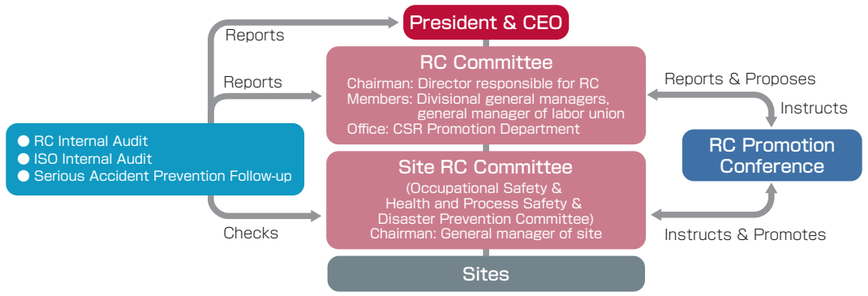
Responsible Care (RC) is a voluntary management initiative taken by companies engaged in the manufacture or handling of chemical substances for implementing improvements and procedures in support of health, safety, and environmental protection. Through this initiative, management policies are adopted to protect the environment and uphold safety over the entire product life cycle of chemical substances from development to manufacture, distribution, use, final consumption, and disposal. This approach is based on the principles of self-direction and acceptance of responsibility.

Responsible Care®
OUR COMMITMENT TO SUSTAINABILITY

Basic Approach to Responsible Care

- Osaka Soda will make efforts for continuous improvement of environmental, health, and safety performance across the entire product lifecycle, from product development through disposal, as well as facility, process, and technology-related security, and will publish the results of such efforts.
- Management will show strong leadership and strive to preserve the environment and secure health and safety in Japan and overseas.
- In addition to complying with the laws and regulations of individual countries and with international rules, Osaka Soda will strive to raise the level of its voluntary initiatives.
- Through RC activities, Osaka Soda will contribute to improving quality of life and realizing a sustainable society to enhance public trust.

■ Organizational structure of Responsible Care



Osaka Soda is continuously improving our RC activities including Occupational Safety & Health and Process Safety & Disaster Prevention by adopting the PDCA cycle.

PLAN	DO	CHECK	ACTION
RC Committee Site RC Committee RC targets and measures for the fiscal year and adoption of the RC action plan Adoption of the RC action plan at sites	Sites Activities based on the RC action plan and campaigns to prevent serious accidents	RC Internal Audit ISO Internal Audit Audit and report on RC action status	RC Committee RC Promotion Conference Review of plan and incorporation of changes in the plan for the subsequent fiscal year according to the RC action report and legal requirements

■ Targets and results of Responsible Care activities

	Targets for FY2024	Results for FY2024
Environmental Preservation	● Reduce CO_2 emissions ● Reduce industrial waste landfill rate	Although we undertook facility upgrades and process improvements, a significant increase in production volume resulted in GHG emissions rising by 220 thousand t-CO_2e from the previous fiscal year, reaching 497 thousand t-CO_2e. Reduced final landfill rate to 2.4% (-1.0% year over year) through initiatives to recycle industrial waste.
Process Safety & Disaster Prevention	● Comply with laws and regulations and in-house standards, etc. ● Achieve zero serious accidents	By thoroughly operating a security management system at high-pressure gas certified sites, promoting planned maintenance of equipment, and reinforcing pre-work safety checks, we prevented the occurrence of serious accidents.
Occupational Safety & Health	● Achieve zero lost worktime accidents ● Promote safety and health activities ● Promote better mental and physical health	Through thorough procedure checks and KY (hazard prediction) before non-routine work, conducting risk assessments for chemical substances, and sharing information on their hazards, we achieved zero lost worktime accidents.
Distribution Safety	● Reduce distribution accidents	By strengthening safety guidance for logistics contractors and promoting safety checks of customer facilities, distribution accidents fell compared with the previous fiscal year. Scan for more details
Chemical Safety	● Comply with chemical substance regulations both in Japan and overseas ● Provide product safety information	Appropriately complied with laws and regulations for chemical products in Japan (Chemical Substances Evaluation Law, etc.) and overseas (EU-REACH, etc.). We used tools such as JAMP chemSHERPA to provide customers with safety information on our products.
Quality Assurance	● Reduce quality issues ● Raise awareness of quality compliance	By employing QC process charts, promoting trend management of product quality, and establishing consistent change-management practices, quality issues decreased compared with the previous fiscal year.
Dialogue with Society	● Disclose RC-related information ● Promote interactions with and contributions to local communities	We submitted required reports to government agencies and the Japan Chemical Industry Association, and actively participated in community activities organized by industry groups. Scan for more details

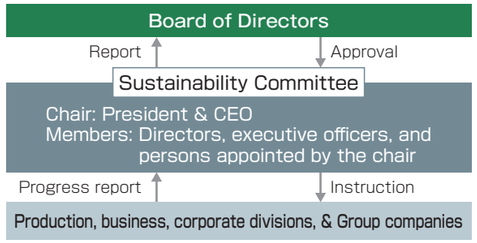
Addressing Climate Change Issues

Disclosure Based on the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations

We recognize that climate change is a global challenge and that minimizing its impact through our business activities is of critical importance. We position efforts toward a carbon-free society as a corporate responsibility and actively work to address climate change through measures such as reducing GHG emissions and energy consumption. Guided by the TCFD recommendations, we have established the following framework for governance, strategy, risk management, and metrics and targets.

Governance

We position the management of climate-related risks as a key management issue. The Board of Directors receives reports on climate change from the Sustainability Committee, chaired by the President and CEO, and oversees progress on initiatives aimed at achieving emission reduction targets.



Strategy

Osaka Soda uses the 1.5°C–2°C and 4°C scenarios to identify risks associated with the transition to a carbon-free society (transition risks) and risks associated with the physical impact of global warming (physical risks), respectively. When identifying climate-related risks and opportunities, we classify the timing of risk emergence as short term (less than one year), medium term (one year or more but less than three years), and long term (three years or more), and assess their impact on our business. Under the 1.5°C–2°C scenario, transition risks are assumed to be relatively higher than physical risks, whereas under the 4°C scenario, physical risks, such as operational disruptions and unstable resource supply resulting from more frequent typhoons, floods, and other natural disasters, are assumed to be relatively higher. We have identified the transition and physical risks and opportunities related to climate change that are material to the Company and have formulated response policies accordingly.

Risk/Opportunity Type			Period of Occurrence *3	Business Impact	Response Policy
Transition risks *1	Policies and regulations	Increased carbon price and other regulatory compliance costs	Short term	High	・Introducing high-efficiency equipment ・Promoting energy conservation activities ・Streamlining production processes ・Promoting use of clean energy
		Increased offset credit prices	Long term	High	
		Increased prices and difficulties in procurement of some materials due to regulations	Short term	Medium	・Requesting and actively supporting decarbonization activities in the supply chain
	Markets	Decreased demand for commercial products with high environmental impact	Short term	Medium	・Studying low-carbon production processes
Physical risks *2	Acute	Decreased capacity utilization of business sites due to sudden disasters	Medium term	Medium	・Upkeep of disaster prevention equipment, goods, and materials ・Conducting disaster drills in anticipation of large-scale earthquakes, etc. ・Reviewing BCP ・Planned renewals of aging facilities
		Stopped operations due to damage in the supply chain	Medium term	Medium	・Implementing supply chain management for sustainable procurement
	Chronic	Unstable supply of natural resources, water, electricity, raw materials, etc.	Medium term	Medium	・Diversifying raw material suppliers
			Medium term	Medium	
Opportunities	Products and services	Increased subsidies for the development and implementation of environmentally friendly technologies	Short term	High	・Developing materials that reduce environmental impact and conserve energy by improving energy efficiency, extending service life, and eliminating solvents
		Increased demand for materials, components, and solutions for environmentally friendly equipment	Short term	Medium	
		Captured business opportunities by developing environmentally friendly technologies ahead of competitors	Short term	Medium	
	Markets	Enhanced corporate image by promoting disclosure of climate-related information	Short term	Medium	・Disclosing investment and development information for growth of environmentally friendly businesses

*1 Assumed to occur most significantly under the 1.5/2°C scenario *2 Assumed to occur most significantly under the 4°C scenario, etc.
*3 Short term: Less than one year, Medium term: One year or more but less than three years, Long term: Three years or more

Risk Management

The Company identifies and evaluates sustainability-related risks and opportunities through discussions among relevant divisions, extracting Company-wide risks and opportunities, and determining which are material. For climate-related risks and opportunities, the departments responsible first discuss them, after which the Sustainability Committee identifies and evaluates Company-wide risks. For the identified material risks and opportunities, the Sustainability Committee discusses and formulates response policies, strategies, and initiatives, and conducts reviews. The matters discussed are then reported regularly to the Board of Directors, which resolves on them.

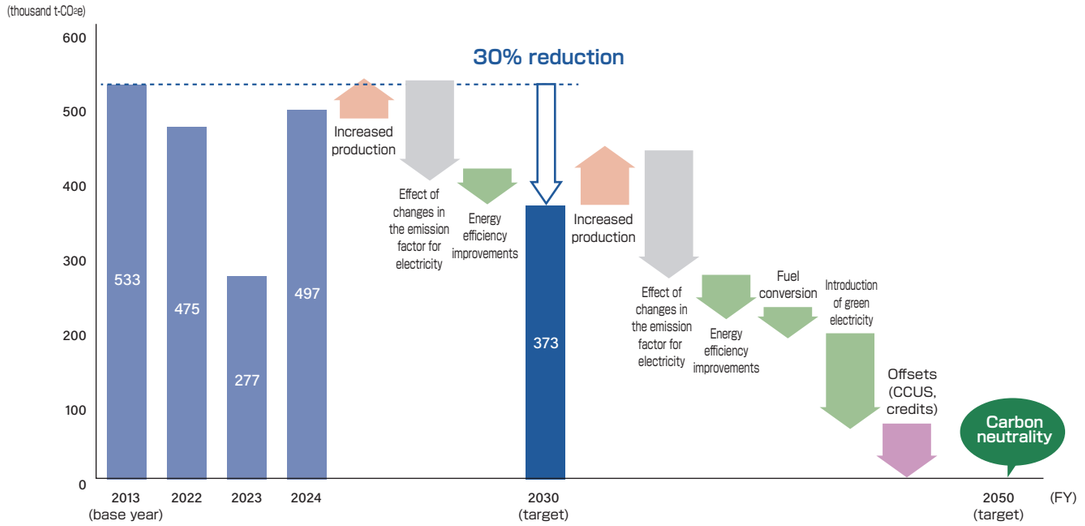
Discussions at relevant departments in charge of risks and opportunities
↓
Identification of Company-wide risks and opportunities
↓
Evaluation of identified risks and opportunities
↓
Consultation and review of response policies for addressing identified material risks and opportunities
↓
Reporting to and resolution by the Board of Directors

Metrics and Targets

The Company uses GHG emissions as a metric for evaluating its climate change response and has set a target of reducing total Scope 1 and 2 GHG emissions by 30% by fiscal year 2030, compared with fiscal year 2013. To achieve this target, we are actively pursuing efforts to reduce energy use and improve energy efficiency, including streamlining production processes, introducing high-efficiency equipment, and reusing energy through thermal recovery.

Additionally, by pursuing fuel conversion, adopting non-fossil power, using Carbon dioxide Capture, Utilization and Storage (CCUS) technologies, and utilizing biomass and recycled fuels, we aim to curb emissions and achieve carbon neutrality by fiscal year 2050. We are also focusing on developing and providing products that help reduce GHG emissions, contributing to the realization of a carbon-neutral society.

■ GHG emissions reduction roadmap (total Scope 1 and 2)



■ GHG emissions in FY2024

Due to increased production activities, GHG emissions in fiscal year 2024 totaled 975 thousand t-CO_2e (with Scope 1 and 2 combined amounting to 497 thousand t-CO_2e).

			GHG emissions [thousand t-CO_2e]
Scope 1	Direct emissions		85.1
Scope 2	Indirect emissions from generation of purchased energy	(Market-based)	412.2
		(Location-based)	329.9
Scope 3	Other indirect emissions		476.5

Scope 3		GHG emissions [thousand t-CO_2e]	Scope 3		GHG emissions [thousand t-CO_2e]
Category 1	Purchased goods and services	292.6	Category 9	Downstream transportation and distribution	— *2
Category 2	Capital goods	19.9	Category 10	Processing of sold products	— *2
Category 3	Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	112.0	Category 11	Use of sold products	— *2
Category 4	Upstream transportation and distribution	49.3	Category 12	End-of-life treatment of sold products	— *2
Category 5	Waste generated in operations	1.2	Category 13	Downstream leased assets	Excluded *3
Category 6	Business travel	0.6	Category 14	Franchises	Excluded *3
Category 7	Employee commuting	0.8	Category 15	Investments	— *4
Category 8	Upstream leased assets	— *1			

*1 Not calculated since included in Scope 1 and 2 *2 Not calculated since it is difficult to collect activity data as they are used by many customers and for many purposes
*3 Excluded since target business is not conducted *4 Not included in calculation since it is not a major business of the Group.

*Scope of calculations
Scope 1, 2: Osaka Soda Group domestic business sites
Scope 3 (categories 1, 2, 4, 6, 7): Osaka Soda domestic business sites
Scope 3 (categories 3, 5): Osaka Soda Group domestic business sites

*Emissions intensity used
When calculating Scope 1 and 2 emissions, Osaka Soda uses coefficients from the Ministry of the Environment's system for calculating, reporting, and making public GHG emissions.
When calculating Scope 3 emissions, emission factors from IDEA Ver.3.5 or the Ministry of the Environment's Emission Intensity Database For Calculating GHG Emissions Throughout the Supply Chain V3.5 are used.

Please visit our website for details on our energy efficiency initiatives and use of clean energy to reduce GHG emissions.

Environmental Preservation

Responsible Care Policies

< Environmental Preservation >

(1) We will strive to reduce our environmental impact and curb global warming in harmony with the global environment.
(2) We will promote energy and resource conservation, and make efforts to reduce waste and promote their effective use.

Reducing Environmental Impact

■ Guidlines

The guidelines on activities to reduce Osaka Soda's environmental impact primarily concern formulating an annual action plan (RC Implementation Program) to achieve each department's targets set in line with Responsible Care Policies and being compliant with international standards for environmental management systems.

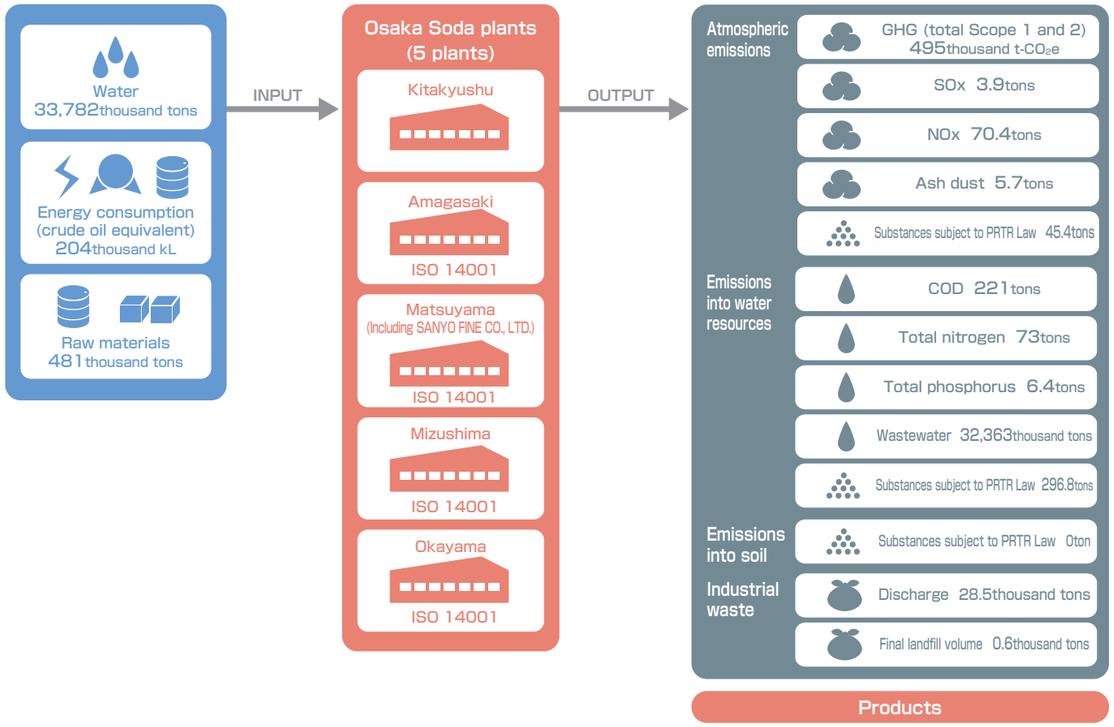
■ ISO 14001 certification by site

We regard balancing business growth with consideration for the global environment as a key management issue.
To reduce the environmental impact of our business activities, we promote continuous improvement efforts based on ISO 14001, the international environmental management standard.
As of present, four of our five plants are certified under ISO 14001, meaning that 80% of our facilities comply with the international standard.
In fiscal year 2024, there were no violations of environmental laws or regulations.

Plant	Date of certification	Certifier	Registration number	Date renewed
Amagasaki Plant	May 2001	Japan Quality Assurance Organization	JQA—EM1558	April 2025
Matsuyama Plant	June 2001	Japan Quality Assurance Organization	JQA—EM1631	June 2025
Mizushima Plant / Okayama Plant	October 2000	Japan Quality Assurance Organization	JQA—EM1051	August 2024

Material Balance of Production Activities

The material balance resulting from our production activities during fiscal year 2024 is shown below.



Waste Reduction and Effective Use of Resources

■ Basic approach to waste reduction and effective resource utilization

Under the basic environmental preservation policy of striving to reduce our environmental impact and curb global warming in harmony with the global environment, the Group actively works to make effective use of resources (cyclic use), which includes recycling and in-house reuse of waste. In managing waste, we strictly comply with laws and regulations while establishing site-specific management standards and implementing voluntary initiatives to reduce environmental impact.
We also regard waste as a resource and work to create new value through its effective utilization.

■ Toward achieving our waste reduction targets

The Group has set a target of reducing its final landfill rate for industrial waste to below 1% by fiscal year 2030, aiming to achieve zero emissions. The Group manufactures a wide range of chemical products, which results in the generation of various types of waste. These include sludge, waste liquids, ash from combusted solid fuels used for energy, cleaning fluids, waste plastics, and retired equipment. In particular, we actively promote the recycling of sludge, which accounts for approximately 40% of our waste generated in Japan.

Final landfill volume in fiscal year 2024 was 717 tons. Thanks to our recycling efforts, the final landfill rate declined 1.0 percentage point year on year to 2.4%. We continue to reduce landfill volume by focusing on recycling organic sludge and ash.

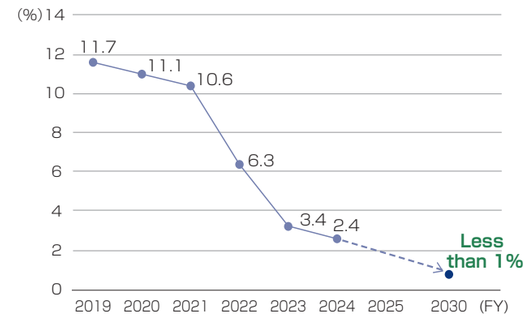
Initiative 1 **Volume reduction and recycling of brine mud**

The Company operates electrolysis businesses at four plants primarily in western Japan, and actively promotes the recycling of brine mud generated by electrolysis. As a result of shifting from landfill disposal to recycling of brine mud, we achieved 100% recycling in fiscal year 2024.

Initiative 2 **Promoting in-house reuse**

The Company reduces waste through a system that recovers hydrochloric acid and steam from hydrochloric acid production facilities and liquid waste combustion facilities, reusing these as resources and energy. These facilities use organochlorine compounds, by-products of our manufacturing processes. The steam recovered through this process is reused as an energy source for the plant, helping reduce fossil fuel consumption.

[Final landfill rate]



■ Preventing air pollution

The Company has concluded pollution control agreements with local governments for emissions of air pollutants such as SOx (sulfur oxides), NOx (nitrogen oxides), and ash dust, and adheres to voluntary control standards that exceed legal requirements.

(Unit: ton)

(FY)	2022	2023	2024
SOx (sulfur oxides)	2.4	3.2	3.9
NOx (nitrogen oxides)	97.1	68.4	70.4
Ash dust	4.4	4.7	5.7

Promoting the reduction and recycling of waste plastics and waste rubber

Administration Section
Matsuyama Plant
Kouji Honda

At the Matsuyama Plant, we are working to reduce and recycle waste plastics and waste rubber with the aim of lowering environmental impact and contributing to a resource-circulating society.
Reducing and recycling waste plastics and rubber is not only environmental preservation, but also a critical issue directly linked to corporate sustainability. Viewing waste as a resource, I work to promote understanding of resource circulation by communicating the importance of sorting and recycling to new employees and other departments as part of my role in advancing the recycling of waste plastics and rubber. I believe that the accumulation of small improvements leads to Company-wide results and that having all employees on the ground share this awareness is where everything begins.
I am convinced that when each employee is mindful and takes action, we can build a better future, and I will continue striving to contribute to a sustainable society from the viewpoint of those working on the front lines.

Water Resource Conservation

■ Basic approach to water resource conservation

Our five plants (Kitakyushu, Amagasaki, Matsuyama, Mizushima, and Okayama), and the Matsuyama Plant of SANYO FINE CO., LTD., engage in production activities along the coast waters of the Seto Inland Sea and nearby waters, making wastewater management a key theme for preserving the beautiful environment of the Seto Inland Sea. Osaka Soda has also concluded agreements on pollution prevention and environmental preservation with the local communities where our plants are located, and we not only strive to comply with environment-related laws but also to prevent and reduce water pollution.

■ Efforts to conserve water resources

The environmental impact of our wastewater is primarily attributable to the emissions from processes for organic products, etc. (organic products, plastics, pharmaceutical intermediates, etc.). The Group manufactures a wide variety of chemical products, and water is an indispensable resource throughout these manufacturing processes. Specifically, water is used for heating, cooling, and cleaning in manufacturing processes, as well as in removal equipment for reaction solvents and chemicals. After use, nearly all water is treated appropriately before being discharged into rivers or the ocean. We actively work to reduce environmental impact by recycling cooling water and improving manufacturing process efficiency to reduce water withdrawal.

Cooling water recycling equipment (cooling tower)

■ Assessment of water risks

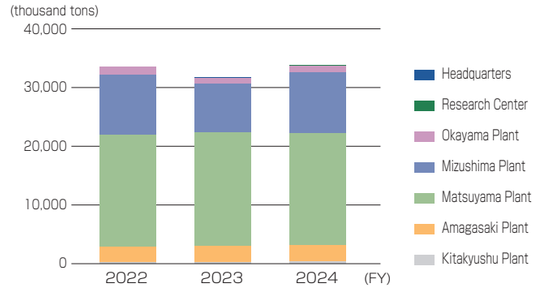
The Group recognizes that accurately identifying water risks associated with business activities, including those in water-stressed regions (where freshwater availability per capita is less than 1,700 m^3), and achieving sustainable water use through stakeholder engagement are critical issues. To this end, we use Aqueduct, a water risk assessment tool developed by the World Resources Institute (WRI), to evaluate water risks in the regions where all of our domestic and overseas production sites operate.

Based on the survey results as of the end of March 2025, we confirmed that none of the Group's plants that use water in their manufacturing processes are located in areas where water stress is rated "medium - high" or above.

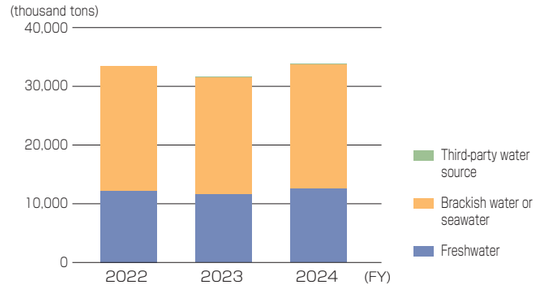
■ Status of water resource use

Water withdrawal and wastewater discharge conditions at the Group's plants and business sites are as follows.

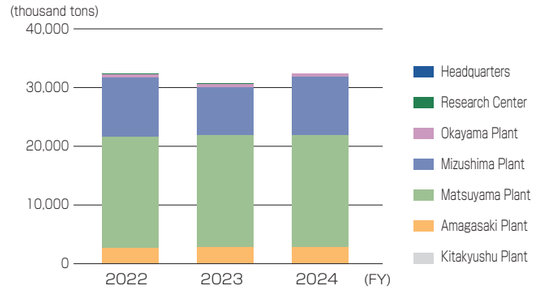
Water withdrawal by site



Water withdrawal by source type



Water discharge by site



[Scope of calculation]
Osaka Soda (Kitakyushu Plant, Amagasaki Plant, Matsuyama Plant, Mizushima Plant, Okayama Plant, Research Center, Headquarters), Matsuyama Plant of SANYO FINE CO., LTD.

[Total nitrogen emissions] (Unit: ton)

(FY)	2022	2023	2024
Total emissions	74.0	55.0	73.5

[Total phosphorus emissions] (Unit: ton)

(FY)	2022	2023	2024
Total emissions	4.9	4.1	6.4

[COD load]

(FY)	2022	2023	2024
Total emissions [Unit: ton]	249	184	221
Emissions per unit sales [Unit: ton/million yen]	0.0034	0.0027	0.0031

[Scope of calculation]
Osaka Soda (Kitakyushu Plant, Amagasaki Plant, Matsuyama Plant, Mizushima Plant, Okayama Plant), Matsuyama Plant of SANYO FINE CO., LTD.

Occupational Safety and Health

Responsible Care Policies

< Occupational Safety and Health >

(1) We will foster a culture of safety, reduce potential hazards, and strive to eliminate workplace accidents.
(2) We will make efforts to establish a pleasant workplace environment, and to maintain and promote the health of our employees.

Based on our Responsible Care Policies, we share RC targets not only with Group employees but also with partner companies through the Contractor Safety Council and work together on serious accident prevention and KY (hazard prediction) activities. In the Contractor Safety Council, Facilities Maintenance Sections at each plant work with partner companies to conduct regular safety training and, through safety patrols, identify hazardous areas on site and propose improvements to strengthen safety awareness.

Preventing Lost Worktime Accidents

We aim to achieve zero lost worktime accidents and establish annual safety activity plans at each site, with progress monitored by the Site RC Committee, which meets monthly. By working to implement such measures as serious accident prevention and KY activities and regular meetings of the RC Committee (includes the Occupational Safety & Health and Process Safety & Disaster Prevention Committee), we are working to prevent lost worktime accidents. In 2024, there were zero lost worktime accidents and zero fatal accidents among employees.

[Number of lost worktime accidents]

(year)	2020	2021	2022	2023	2024
Number of lost worktime accidents	1	3	2	1	0
Frequency rate of lost worktime accidents* (%)	0.71	2.02	1.34	0.68	0.00

* Frequency rate = (No. of victims of lost worktime accidents ÷ total working hours) x 1,000,000
Frequency rate of those affected by accidents per 1,000,000 working hours

Safety Training and Education

We recognize the importance of safety education in manufacturing sites and provide safety training at onboarding, as well as safety and basic skills training.

(Unit: participants)

(FY)	2023	2024
Safety training (onboarding)	21	28
Safety and basic skills training	Total 33	Total 43

Key Training Programs

■ Safety training

We provide safety training to all new employees and those assigned to plant operations. They learn the fundamental safety knowledge required at manufacturing sites.

■ Safety and basic skills training

We are working to improve understanding of the basic principles of machinery, electricity, and instruments and skills related to such operations as maintenance by introducing training for plant engineers provided by independent organizations.

■ Fostering hazard prediction (KY) trainers

We conduct training led by external instructors at each plant and the Research Center to develop KY (hazard prediction) trainers. Trainers then lead KY activities in their respective workplaces.

■ Non-technical skills training

We conduct non-technical skills (NTS) training at each plant to prevent human-factor-related errors and ensure safety.

Production Section 2
Matsuyama Plant
Fumito Udaka

Applying what I have learned to support safe and stable operations

I participated in safety training at another plant, where I learned about types and causes of corrosion, such as pitting and crevice corrosion, as well as bolt tightening order and torque control. In addition, through EFD exercises showing the flow of piping and instruments, I gained knowledge useful for maintenance work. I also gained new insights into addressing potential hazards in workplaces of different scales and product lines. I hope to deepen my understanding of fundamental principles through on-site practice going forward.

Process Safety and Disaster Prevention

Responsible Care Policies

< Process Safety and Disaster Prevention >

(1) We will make efforts to prevent major accidents and disasters with the mindset that everything begins with safety.
(2) We will comply with relevant laws and regulations, promote security management of facilities, and strictly follow our crisis management system during emergency situations.

Osaka Soda is taking action for process safety and disaster prevention, including establishing a basic policy for security management implemented at each business site. Furthermore, Osaka Soda has built a security management system for security, facilities, and operations to be implemented at each business site under the purview of the Group-wide and individual Site RC Committees. In addition, Osaka Soda strives to prevent serious accidents with both soft and hard measures. These include training operators to improve their field capabilities and operating techniques, and carrying out systematic maintenance management for facilities (planned and preventive maintenance).

Improving Security Management Level

Mizushima Plant and Okayama Plant have established and are operating a security management system based on the Security Management Policy. As certified sites under the High Pressure Gas Safety Act, the Mizushima Plant and Okayama Plant operate a security management system and also undergo security certification inspections and internal audits.

Security Management Policy

1. Strive for zero accidents and zero injuries based on the concept that safety is the starting point for all activities
2. Strictly follow the crisis management system during emergency situations
3. Promote security management of facilities and strive to improve security capabilities
4. Maintain and continually improve the security management system
5. Uphold specific requirements set forth at the plant
6. Establish security management targets based on this policy and strive to achieve them
7. Review security management targets at least once a year at the plant RC Committee
8. Disseminate this policy to all plant workers for greater understanding and to ensure proper implementation, upkeep, and improvement

Promoting Facility Management

We aim to achieve zero serious accidents and are strengthening facility management to maintain safe and stable operations. In fiscal year 2024, the number of serious accidents (Class A incidents) and quasi-Class A incidents remained at zero, and we carried out planned facility management through the operation of our facility management system. To further promote autonomous maintenance, we encourage employees to obtain the Autonomous Maintenance Specialist certification, and five employees passed the Level 1 certification in fiscal year 2024. We are continuing to reinforce our security management system.

Mitigating Risks through Hazard Source Identification and Risk Assessment

Our operations involve handling a wide range of chemical substances. By assessing risks based on the types and quantities of chemicals handled, as well as risks associated with specific tasks, and by implementing appropriate measures, we work to create a healthy and safe work environment for all employees. HAZOP and other methods are used to identify hazard sources, conduct risk assessments, and systematically implement risk mitigation countermeasures according to the magnitude of risk.

Disaster Preparedness

■ Emergency call

In the event of a major earthquake or other disaster or emergency, our safety confirmation system simultaneously sends e-mails and other communications to employees' registered contact information. Employees at business sites in the area of an earthquake of seismic intensity 5 (on the Japanese seismic intensity scale) or higher are automatically sent safety confirmation messages.

■ Disaster prevention drills

The Group ensures proper maintenance of plant facilities and strict control of hazardous materials, high-pressure gases, and toxic substances as part of our process safety and disaster prevention activities. We maintain the crisis management system necessary to prevent accidents and disasters, while conducting various drills to prepare for emergencies. Each site conducts comprehensive disaster prevention drills, reporting and communication drills, oil spill response team dispatch drills, high-pressure gas disaster prevention drills, and more. Comprehensive disaster prevention drills assuming large earthquakes are also conducted at each plant and workplace, and we will continue working to further enhance our ability to respond when disasters occur.

■ Joint disaster prevention drills

In fiscal year 2024, the Mizushima Plant participated in a high-pressure gas transport accident drill organized by the Okayama Prefecture High-Pressure Gas Regional Disaster Prevention Council. By working with fire departments, police, and other related authorities to train for swift and accurate responses in simulated disaster scenarios, we strive to build a disaster prevention framework in cooperation with the local community.

■ Business continuity plan (BCP)

In preparation for a major earthquake, which is forecast to occur in the near future, Osaka Soda has formulated a business continuity plan (BCP) for each manufacturing site assuming damage to production facilities at each workplace and based on forecasts for the restoration of utilities including various raw materials, water, and electricity as well as logistics. Moreover, Osaka Soda has also prepared emergency response guidelines at each site and made all employees aware of the chain of command in an emergency and the procedures for confirming safety. We also continued reviewing our BCP for earthquakes, heavy rainfall, and infectious diseases in fiscal year 2024.

Chemicals Management / Safety and Quality

Responsible Care Policies

< Chemical & Product Safety >

(1) We will strive to eliminate quality issues, and provide products that will satisfy our customers.
(2) We will strive for proper chemical management by ensuring the safety control of items such as high-pressure gases, hazardous materials, and poisonous and deleterious substances.
(3) We will take measures so our business partners will be able to safely handle chemicals.

Ensuring Chemical and Product Safety

■ Guidelines for chemical substance management

As for chemical substance management guidelines, our in-house database is updated when necessary to comply with chemical substance regulations both in Japan and overseas and address such issues as revisions to those regulations.

- PRTR Law (Act on the Assessment of Releases of Specified Chemical Substances in the Environment and the Promotion of Management Improvement)
- Chemical Substances Evaluation Law (Act on the Regulation of Manufacture and Evaluation of Chemical Substances)
- Chemical Substances Management Law (Act on the Assessment of Releases of Specified Chemical Substances in the Environment and the Promotion of Management Improvement)
- Fluorocarbons Law (Act on Rational Use and Appropriate Management of Fluorocarbons)
- Overseas chemical substance-related regulations (EU, England, Turkey, Asia, etc.)

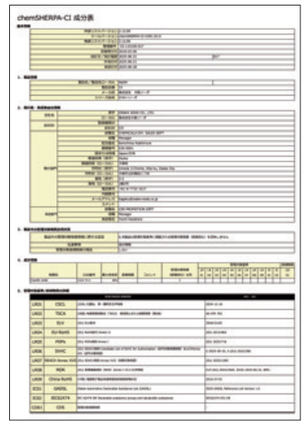
■ Provision of safety information

Safety data sheet (SDS)

Osaka Soda creates safety data sheets (SDSs) for our products and publishes many of them on our website to swiftly provide the latest information on those products.

JAMP*1 chemSHERPA*2

Osaka Soda always makes efforts for substance management and the collection of information. Osaka Soda prepares Information Sheets on the Content of Certain Chemical Substances using Osaka Soda's own format to supplement our SDSs, as well as chemSHERPA from the Joint Article Management Promotion-consortium (JAMP), in order to respond to requests from customers regarding detailed information on the content of chemical substances, including RoHS*3 and SVHC*4, in addition to Japan's Chemical Substances Evaluation Law*5. Osaka Soda responds promptly to regular list revisions and provides information to customers.



*1 JAMP is an acronym for Joint Article Management Promotion-consortium.
*2 chemSHERPA is a sheet for basic information transfer to facilitate sharing of information on chemical substances in products that lists the name of laws and regulations, etc., under which product constituents are declarable substances and whether a product contains a declarable substance or not.
*3 RoHS is an acronym for Directive on the Restriction of the use of certain Hazardous Substances in electrical and electronic equipment.
*4 SVHC is an acronym for Substances of Very High Concern with carcinogenic and mutagenic effects, reproductive and developmental toxicity and other serious impacts on human health and the environment.
*5 Chemical Substances Evaluation Law is a shortened title for the Act on the Regulation of Manufacture and Evaluation of Chemical Substances.

■ Management of emissions of substances subject to PRTR Law

Based on the Act on the Assessment of Releases of Specified Chemical Substances in the Environment and the Promotion of Management Improvement (Chemical Substances Management Law or PRTR Law), as well as other domestic and international chemical regulations, we promote proper chemical management and prevent pollution. Total emissions of substances subject to PRTR Law in fiscal year 2024 amounted to 342 tons. We will continue monitoring substances subject to PRTR Law and work to ensure appropriate control of emissions.

[Trends in total emissions of substances subject to PRTR Law] (Unit: ton)

(FY)	2022	2023	2024
Substances subject to PRTR Law	51.28	239.64	342.16

(From fiscal year 2023, chloric acid and its potassium and sodium salts were newly added to the list of substances subject to PRTR Law)

Emissions of substances classified among the Ministry of the Environment's 100 major volatile organic compounds (VOCs) are shown below.

[Trends in VOC emissions] (Unit: ton)

(FY)	2022	2023	2024
VOC emissions	46.0	44.0	44.6

Emissions and transfer of substances subject to PRTR Law in FY2024

Substances subject to PRTR Law (Unit: ton)	Emissions				Transfers	Emissions and transfers	Main 100 VOCs designated by the Ministry of the Environment
Type	Atmospheric	Water resources	Soil	Total		Total	
n-Hexane	38.20	0.00	0.00	38.20	27.80	66.00	★
Toluene	1.28	0.00	0.00	1.28	148.37	149.65	★
Butyl alcohol	0.00	0.00	0.00	0.00	0.00	0.00	★
3-Chloro-1-propene	2.38	0.00	0.00	2.38	0.00	2.38	★
Trichloroethylene	0.84	0.00	0.00	0.84	1.70	2.54	★
Epichlorohydrin	1.75	0.00	0.00	1.75	0.00	1.75	★
1,2-Dichloropropane	0.07	0.13	0.00	0.19	0.00	0.19	★
1,3-Dichloropropene (D-D)	0.00	0.00	0.00	0.00	0.00	0.00	
Diallyl phthalate	0.00	0.00	0.00	0.00	0.00	0.00	
Dimethylamine	0.08	0.02	0.00	0.10	0.00	0.10	
Allyl alcohol	0.03	0.00	0.00	0.03	0.00	0.03	
1-Allyloxy-2,3-epoxypropane	0.56	0.00	0.00	0.56	0.00	0.56	
Ethylene oxide	0.10	0.00	0.00	0.10	0.00	0.10	★
1,2,3-Trichloropropane	0.00	0.00	0.00	0.00	0.00	0.00	
1,2-Epoxypropane	0.02	0.00	0.00	0.02	0.00	0.02	★
Chlorodifluoromethane (HCFC-22)	0.00	0.00	0.00	0.00	0.00	0.00	
Ferric chloride	0.00	0.00	0.00	0.00	0.00	0.00	
Organotin compounds	0.00	0.00	0.00	0.00	0.00	0.00	
Tributyl phosphate	0.00	0.00	0.00	0.00	0.00	0.00	
Dichloromethane	0.02	0.00	0.00	0.02	1.59	1.60	★
Ethyl acrylate	0.01	0.10	0.00	0.11	0.00	0.11	
n-Butyl acrylate	0.01	0.06	0.00	0.08	0.00	0.08	
Pyridine	0.00	0.00	0.00	0.00	2.70	2.70	
Tertiary butyl hydroperoxide	0.00	0.00	0.00	0.00	0.00	0.00	
Pentaerythritol	0.00	0.00	0.00	0.00	0.00	0.00	
Methyl alcohol	0.04	0.00	0.00	0.04	0.00	0.04	
Phthalic anhydride	0.00	0.00	0.00	0.00	0.00	0.00	
Acetone	0.00	0.00	0.00	0.00	0.00	0.00	★
Ethylene glycol	0.00	0.00	0.00	0.00	0.00	0.00	★
Chloric acid and its potassium and sodium salts*	0.00	296.47	0.00	296.47	0.00	296.47	
Total	45.38	296.78	0.00	342.16	182.15	524.31	
Dioxins (Unit: mg-TEQ/year)	8.00	3.48	0.00	11.48	0.00	11.48	

* Added to the list of substances subject to PRTR Law starting in fiscal year 2023

Quality Assurance Policy

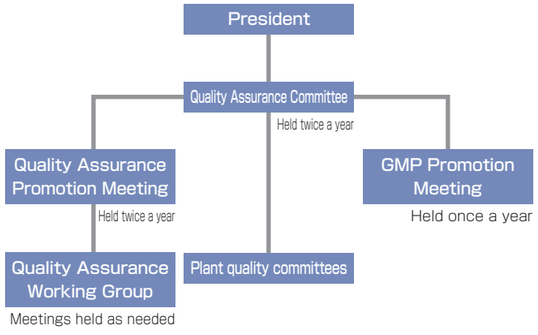
The Group has established a Basic Policy on Quality to ensure compliance with laws and regulations and enhance customer satisfaction. We work to ensure product reliability and safety and continuously improve the level of quality assurance. To achieve this, we apply ISO 9001, the international standard for quality management systems, as well as GMP methodologies, in our quality management and quality assurance practices.

Quality Assurance Policy

1. We will comply with all laws and regulations and provide products and services that satisfy our customers.
2. We strive for consistent product quality and production through continuous improvement of our quality management system.
3. We will consider the environment throughout the product life cycle and provide products that can be handled safely and reliably.
4. We will accurately grasp customer needs and work to improve quality.
5. We will conduct quality assurance activities to enhance customer trust.

Quality assurance Organization Structure

Under the structure shown below, with the Quality Assurance Committee reporting directly to the President as the highest decision-making body, we provide quality assurance tailored to required levels for industrial products such as chemicals, functional materials, and polymers, as well as GMP-covered products like modification silica gel, and outsourced products.



ISO 9001 certification by site

Three of our main plants have obtained ISO 9001 certification. Utilizing the ISO 9001 quality management system, we pursue continuous improvement and work to enhance customer satisfaction.

Plant	Date of certification	Certifier	Registration number	Date renewed
Amagasaki Plant	March 1996	Japan Quality Assurance Organization	JQA−1181	March 2024
Matsuyama Plant	October 1995	Japan Quality Assurance Organization	JQA−0998	June 2025
Mizushima Plant	June 1994	Japan Quality Assurance Organization	JQA−0539	June 2023

Initiative 1 Improving quality assurance levels

Quality audits are conducted twice a year at each plant to prevent quality issues and ensure consistent quality. In parallel with quality audits, the quality assurance group of each plant is also involved in efforts to raise the level of quality assurance by examining case studies of quality issues and providing compliance education on the importance and role of quality assurance groups. Furthermore, we set material purchase specification sheets with suppliers and confirm that the analysis figures of delivered raw materials meet the acceptance standards.

Initiative 2 Preventing quality issues

Osaka Soda operates a database in order to promptly respond to and correct quality issues such as complaints. By sharing the information in the database, Osaka Soda conducts Company-wide horizontal deployment of corrective action to prevent the occurrence of similar quality issues.

Quality assurance as the “last line of defense”

Environment & Quality Section
Mizushima Plant
Mayumi Ishizaki

It is often said that the quality assurance group is the “last line of defense” in ensuring quality compliance. I believe that fulfilling this role requires alignment across the entire workplace. When sharing information, I make sure to explain the reasoning behind actions, why they are required, and what happens if they are not followed. In addition to compliance training by the CSR Promotion Department, our workplace meetings also include training based on case studies from other companies and reference materials. To prevent quality issues, we not only conduct tests but also focus on analyzing results and providing feedback to manufacturing divisions. I perform my daily duties with the firm understanding that quality should be prioritized above cost and delivery time as the true “last line of defense.”

CSR Procurement

Building a Responsible Supply Chain

The Group conducts its business activities based on our Basic Policy on Sustainability to "Aim to combine contributing to the realization of a sustainable society through our business activities with enhancing our corporate value."
In our procurement activities, we have established a Basic Purchasing Policy and CSR Procurement Guidelines, and we work to fulfill social responsibilities across the entire supply chain and achieve sustainable procurement.
The Group believes that the understanding and cooperation of our business partners are essential, and we place importance on conducting assessments and maintaining ongoing dialogue to build a responsible supply chain.

Basic Purchasing Policy

1. Compliance with laws and regulations
   Osaka Soda Group complies with Japanese and overseas laws and social norms in its purchasing activities.
2. Human rights and labor
   Osaka Soda Group promotes purchases from business partners that respect human rights and do not engage in unfair discrimination, forced labor, child labor, or other human rights violations.
3. Environment, quality, and safety
   With corporate social responsibility in mind, Osaka Soda Group promotes purchases from business partners that take environmental preservation, quality assurance, and occupational safety into consideration.
4. Fair and impartial transactions
   Osaka Soda Group strives for fair, impartial, and transparent transactions and builds relationships of trust with our business partners.
5. Managing information
   Osaka Soda Group appropriately manages important matters and information obtained through transactions and strives to maintain confidentiality.
6. Cutting off ties with antisocial forces
   Osaka Soda Group will cut off any relations with antisocial forces and organizations.

Scan for CSR Procurement Guidelines

Implementation of CSR Procurement Self-Assessment

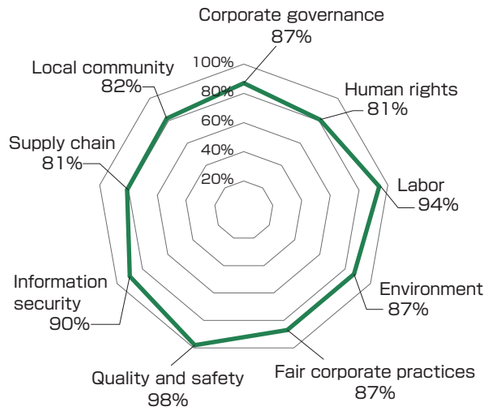
In fiscal year 2024, we conducted an assessment using the Self-Assessment Questionnaire (SAQ) developed by the Global Compact Network Japan (GCNJ), targeting domestic raw material providers.

Survey Overview

- Survey period: Questionnaire sent and responses requested in May 2024
- Survey content: CSR Procurement Self-Assessment Questionnaire
- Number of companies surveyed: 87
- Number of respondents: 58
- Response rate: 67%

The results of the questionnaire showed an overall average score across Japan at 87.4%. All categories scored above 80%, and no significant risk cases were identified. The Group will continue working to identify and mitigate supply chain risks by conducting regular assessments and improving response rates. Furthermore, by confirming supplier initiatives through the survey and maintaining continuous dialogue, we will strengthen relationships and support progress toward sustainable procurement.

CSR Procurement Self-Assessment results (FY2024)



Fulfilling corporate social responsibility in procurement activities

SCM Department, Engineering & Technology Division
Hisashi Kimura

We have established the CSR Procurement Guidelines, which outline the matters we ask our suppliers to work on as part of sustainable procurement activities. Based on these guidelines, we request that suppliers complete the CSR Procurement Self-Assessment Questionnaire. We currently receive responses from more than 60% of suppliers. We consider this a very significant achievement in fulfilling our social responsibility through procurement activities.
We will continue conducting regular assessments and working to identify and reduce supply chain risks. To advance social responsibility across the entire supply chain, we ask for the continued understanding and cooperation of our suppliers as we move forward together.

Diversity, Equity, and Inclusion

Creating a Supportive and Inclusive Workplace

Guided by our Vision Statement to "respect the values of each and every one of our employees and aim to be a company that grows together," the Group recognizes the importance of human capital and works to create an environment where diverse talent can thrive. To embody the personnel vision outlined in our Human Resources Policy, which calls for self-disciplined members of society and people who continuously achieve personal growth, and to fulfill our responsibility as a globally expanding company, we established our Diversity, Equity, & Inclusion (DE&I) Declaration.
The Group recognizes that promoting DE&I is a key factor in accelerating corporate growth and strengthening competitiveness. We define DE&I as follows and promote a corporate culture, workplace environment, and talent development practices aligned with these principles.

Osaka Soda Group
Diversity, Equity, & Inclusion Declaration

Through our creative technologies and innovative products, Osaka Soda contributes to the realization of a safe and affluent society. To this end, we promote Diversity, Equity, and Inclusion and aspire to be a rewarding workplace where diverse individuals can fully leverage their strengths, act autonomously, and continue to grow.

(Approved by the Board of Directors on March 24, 2025)
OSAKA SODA CO., LTD.
President and CEO
Kenshi Terada

Osaka Soda Group's definition of diversity, equity, & inclusion

What is Diversity?

Embracing the diverse individuality of employees committed to self-growth and opening our doors widely to all. Individuality includes both visible and non-visible characteristics, such as race, ethnicity, nationality, language, gender, age, disability, health, physical traits, family, social status, education, work history, values, culture, religion, personality, experience, sexual orientation, gender identity, and more.

What is Equity?

Providing an environment where every employee committed to self-growth can participate and succeed equitably. By respecting each individual's background and circumstances and supporting diverse working styles, we provide fair opportunities to take on challenges and evaluate those efforts impartially.

What is Inclusion?

Ensuring that employees committed to self-growth respect one another's individuality and work together to bring out each other's strengths. Regardless of roles or circumstances, team members engage in open and objective discussions and carry out their shared mission.

Approach to Ensuring Diversity in Appointing Core Talent

The Group appoints talent based on aptitude and ability, regardless of nationality, gender, or whether they joined as new graduates or mid-career hires. We strive to create an environment where diverse individuals can respect and succeed alongside one another.
In the promotion of women's active engagement, the Group has a goal of creating a work environment where all employees, both male and female, can thrive. Since April 2021, we have been promoting initiatives in line with the General Employer Action Plan Based on the Act on the Promotion of Women's Active Engagement in Professional Life. We recognize that increasing the proportion of female employees, the proportion of female managers (including section or group chiefs), and the rate of male employees taking childcare leave are key issues. To improve these numbers, we have set a target to increase the proportion of female new graduate hires to 20% or more, increase the proportion of female managers (including section or group chiefs) to 1.5 times (8.7%) the proportion in fiscal year 2021 by March 31, 2026, and promote the taking of childcare leave by male employees. In fiscal year 2024, women accounted for 13.3% of new graduates hired, and as of March 31, 2025, women represented 6.6% of management positions.
As of March 31, 2025, foreign nationals accounted for 4.1% of the Group's management. We are working to further increase this proportion as we continue our global expansion. Meanwhile, many of our Group's managers are mid-career hires with diverse backgrounds, and as of March 31, 2025, mid-career professionals accounted for 42.5% of management. We will continue proactively appointing the talent necessary for our future growth.

Certified as a Three-star Osaka City Leading Company in Women's Participation

Our efforts to promote childcare leave for male employees and foster a workplace culture that embraces diverse working styles were recognized in May 2025, when we received the three-star certification as an Osaka City Leading Company in Women's Participation for the third consecutive year.
As for one of the evaluation indicators used for certification, the childcare leave uptake rate among male employees in the Group for fiscal year 2024 was 77.4%.

Health and Productivity Management

As our ideal image for fiscal year 2035, the 120th anniversary of our founding, our Group aims to be a company where employees can fully demonstrate their capabilities. Our initiatives to promote employee health in pursuit of this vision have been recognized, and we have been certified as an Outstanding Organization of KENKO Investment for Health for four consecutive years from fiscal year 2022.

2025 健康経営優良法人 KENKO Investment for Health 大規模法人部門

Health and Productivity Management Declaration

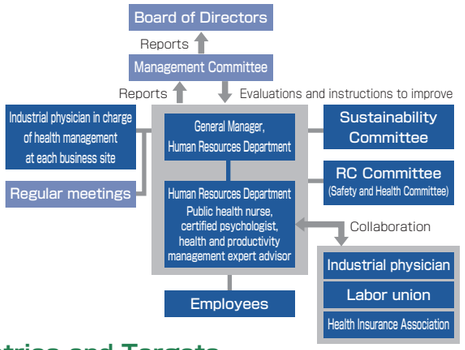
In order to increase employee engagement and maximize productivity, creativity, and motivation, Osaka Soda is committed to health and productivity management to maintain and improve the physical and mental health of employees and their families, and to ensure a vibrant and safe work environment.

Basic Policy

1. We will strive to provide information and create opportunities to raise awareness so that employees and their families can improve their health literacy and work autonomously to maintain and promote their physical and mental health.
2. We will strive to create a workplace environment in which diverse human resources can work with enthusiasm and peace of mind, as well as to stimulate communication and foster an open workplace culture.
3. Regarding health as an important management issue, we will actively engage in various measures and continue to verify and improve their impact.

Promotion Structure

We have established an organization for practicing health and productivity management, which includes appointing a public health nurse to our headquarters. The Human Resources Department works with various internal committees and external organizations to share KPIs and promote continuous improvement based on the PDCA cycle. These activities are reported to the Management Committee for evaluations and instructions to improve, and are also reported to the Board of Directors.



Metrics and Targets

Based on a strategic map outlining the Group's management priorities and health and productivity management initiatives, we set and monitor metrics for improving work engagement, reducing absenteeism, and reducing presenteeism, while implementing various measures for improvement.

(FY)	2025 (target)	2022	2023	2024
Work engagement*1	70 points	56 points	57 points	59 points
Presenteeism*2	Maintain current level	—	—	13.1%*
Absenteeism*3	Less than 1.0% (less than 0.6%)	0.8% (0.6%)	2.0% (1.7%)	1.1% (0.9%)

* Data collection began in fiscal year 2024

*1 Measured via Relo's Engagement Survey

*2 Measured using a QQmethod employee questionnaire.
Productivity loss rate = 1 - (work volume / 10 × work quality / 10)
Annual productivity loss = productivity loss rate × number of symptomatic days over 3 months × 4 (converted to one year)

*3 Percentage of employees absent for one month or longer due to illness. Values in parentheses represent cases due to mental health conditions.

[Scope of calculation] Employees of Osaka Soda (including those seconded to other entities)

Toward Achieving Our Targets

Initiative 1 Regular health checkups and follow-up

The Company places great importance on reducing occupational safety and health risks and protecting employees' physical and mental well-being. We aim to maintain a 100% participation rate in regular health checkups, and achieve a 70% participation rate in follow-up and detailed examinations in fiscal year 2025. Health management staff at each site encourage employees to undergo examinations, and employees are required to report their results. In fiscal year 2024, the participation rate in regular health checkups was 100%, and the participation rate in follow-up and detailed examinations was 68.8%. We will continue strengthening our follow-up system and work toward achieving a 100% participation rate in follow-up and detailed examinations.

Initiative 2 Mental health measures

To foster a psychologically safe workplace, we conduct an annual stress check along with quarterly mental engagement surveys. As proactive mental health initiatives, we assess stress conditions through interviews with high-stress workplaces, implement improvement measures, provide on-site consultation with public health nurses and licensed psychologists, and offer training in self-care and line-care. These training programs incorporate techniques such as assertion and teleology (finding purpose) to improve employees' self-care abilities and enhance managerial skills.

Initiative 3 Preventing overwork and long working hours

By implementing flextime, establishing intervals between shifts, and utilizing a telecommuting program, we are working to reduce long working hours. Employees who exceed 60 hours of overtime in a month undergo a fatigue accumulation assessment and an interview with an industrial physician to evaluate their health condition.

Initiative 4 Improving health literacy

We create mechanisms that enable employees to be aware of their health in a fun and personal way, such as by providing a health support app, conducting e-learning courses, and holding walking events. Working with the RC Committee (Safety and Health Committee), we upload monthly health-themed videos to the internal portal and encourage employee feedback through likes, comments, and surveys.

Human Resource Development

Human Resource Development Policy

Our goal is to contribute to society and the growth of the Group by creating a work environment where every individual can enjoy a sense of fulfillment. Based on the components of our Management Philosophy system, namely our Vision Statement, which calls for respecting the values of each and every one of our employees and aims to be a company that grows together, and our Human Resources Policy of cultivating self-disciplined members of society who continuously achieve personal growth, we have established HR systems and education and training systems that enable all employees to maximize their capabilities.

As part of our human resource development policy, we have introduced career training and early career rotations to enable employees to envision their future careers and work for the long term with peace of mind.

Developing Talent

■ Expanding training opportunities

In order to ensure that all employees embody our Human Resources Policy, we have formulated an education plan that emphasizes setting learning goals, holding training interviews, and independently developing the competencies needed to fulfill the roles expected of employees. As part of this, the Human Resources Department works with each division and site to establish competency requirements (knowledge and skills according to roles and duties) that serve as guidelines for human resource development, and has established self-study support tools and training systems for acquiring such knowledge and skills.

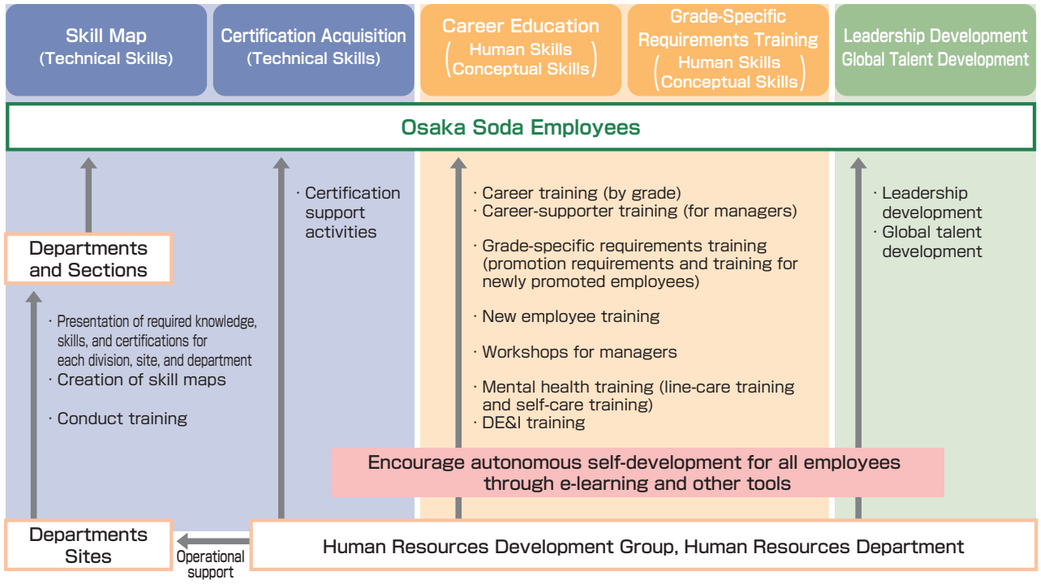
■ Encouraging qualification obtainment

In order to enhance the occupational skills of our employees, we set qualification obtainment goals for each business site and provide support for obtainment that includes workplace study sessions. The number of additional employees who obtained major qualifications in fiscal year 2024 was 72, bringing the total number of qualified employees to 1,703.

[Status of main national qualification acquisition:
Total number of qualified employees 1,703 (cumulative)] (as of March 2025)

Name of qualification	Category	Number of qualified employees
Health Officer	Class 1	76
Food Hygiene Officer	—	12
Pollution Control Officer	Water Class 1	147
	Atmosphere Class 1	87
Qualified Person for Energy Management	—	79
High Pressure Gas Manufacturing Process Safety Manager	Class A and Class B Chemical	82
	Class A and Class B Machinery	203
Boiler Engineer	Special level	4
	Level 1	125
	Level 2	283
Hazardous Materials Engineer	Class A	313
Poisonous and Deleterious Substances Manager	—	120
Industrial Waste Processing Facility Manager	—	5
Specially Controlled Industrial Waste Manager	—	41
High Pressure Gas Sales Safety Chief	—	30
Chief Electricity Engineer	Class 2	10
	Class 3	26
Electrician	Class 1	11
	Class 2	49

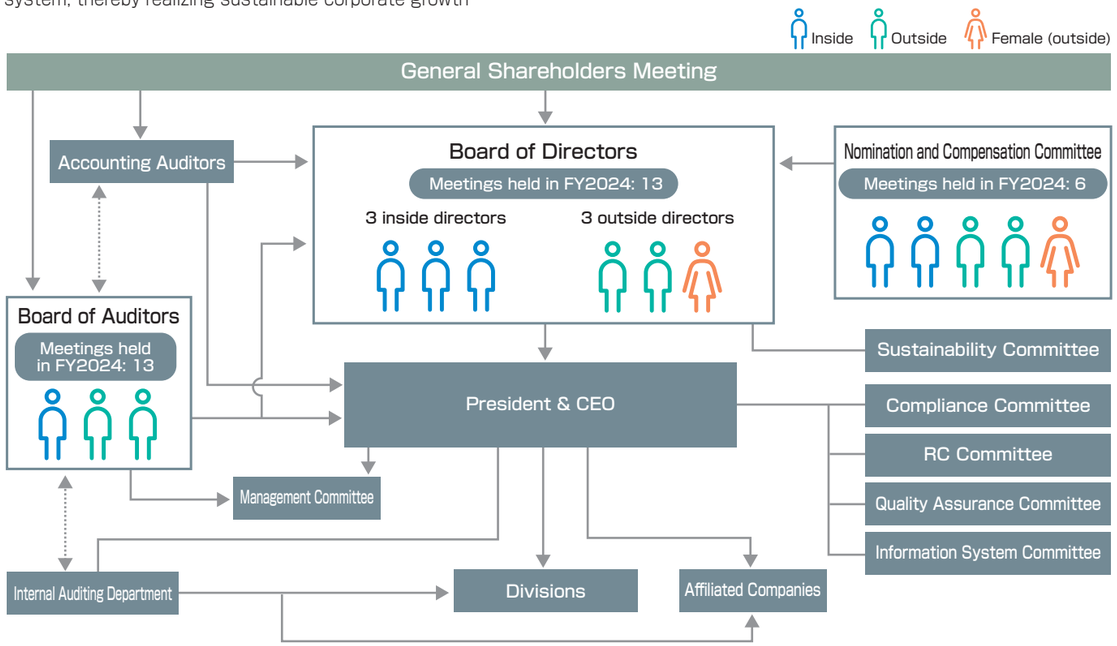
Training Structure Diagram



Corporate Governance / Compliance

Basic Approach toward Corporate Governance

Based on the Group Mission Statement of contributing to the realization of a safe and affluent society through our creative technologies and innovative products, the Group formulated a basic policy of ensuring the transparency and fairness of management and further enhancing the corporate governance system, thereby realizing sustainable corporate growth and medium- to long-term enhancement of corporate value. As a company with a Board of Auditors, Osaka Soda has established a system to enhance corporate governance and increase its effectiveness through a management system that makes appropriate supervision possible with directors undertaking accurate decision making and executive officers implementing operations.



Board of Directors	In addition to taking up important matters in line with the rules of procedure for the Board of Directors, the Board of Directors deliberates on the progress of business performance and examines actions to be taken. Osaka Soda has made the term of office for directors one year and introduced an executive officer system that allocates management decision-making and executive oversight functions to the Board of Directors and the implementation of operations to executive officers, the goal of which is to implement efficient corporate management and clarify responsibility.
Management Committee	Composed mainly of directors, the Management Committee is an advisory body for the Representative Director. The committee deliberates important issues in the performance of the duties of the directors, forming a structure under which decision making by the Representative Director is understood and implemented accurately.
Board of Auditors	The Board of Auditors actively participates in important in-house meetings, including Board of Directors meetings, which makes it possible for the board to properly supervise the execution of duties by directors.
Nomination and Compensation Committee	The Nomination and Compensation Committee is a voluntary advisory body to the Board of Directors, and a majority of its members are independent outside directors. The committee was established to further reinforce corporate governance by strengthening not only the independence and objectivity of Board of Directors functions related to the nomination and compensation of directors, executive officers, and similar parties, but also accountability and fostering the next-generation management resources.
Sustainability Committee	The Sustainability Committee, an organization under the Board of Directors, formulates sustainability policies, strategies, and measures, as well as ascertains the state of achieving the four material issues and manages progress. The committee, which the President and CEO serves as the chair of and the General Manager of the Administration Division serves as the vice chair of, is centered around the directors and executive officers, and composed of representatives of the production division, business division, corporate division, and Group companies. Audit & supervisory board members participate as observers.

■ Nomination of directors and audit & supervisory board members and determination of compensation

The Board of Directors, including the independent outside directors, nominates candidates for directors and audit & supervisory board members who are elected at the General Shareholders Meeting.
The amounts of compensation for individual directors are determined in accordance with internal rules by the President and CEO, who is entrusted to do so by the Board of Directors. These amounts are within the limit decided at the General Shareholders Meeting and subject to the report of the Nomination and Compensation Committee, and reported to the Board of Directors. The amounts of compensation for audit & supervisory board members are determined through consultation between the members within the limit decided at the General Shareholders Meeting.
At the Board of Directors meeting held on May 11, 2020, a policy on compensation for individual directors was adopted. Designed to increase linkage with performance and strengthen the motivation of directors to contribute to the enhancement of corporate value, compensation for directors (excluding outside directors), which is based on work responsibilities and performance, consists of fixed compensation, performance-linked compensation that is tied to performance for a single fiscal year, and stock-based compensation, which provides a long-term incentive. Compensation for outside directors and audit & supervisory board members consists only of fixed compensation out of consideration of independence.

■ Evaluation of the effectiveness of the Board of Directors

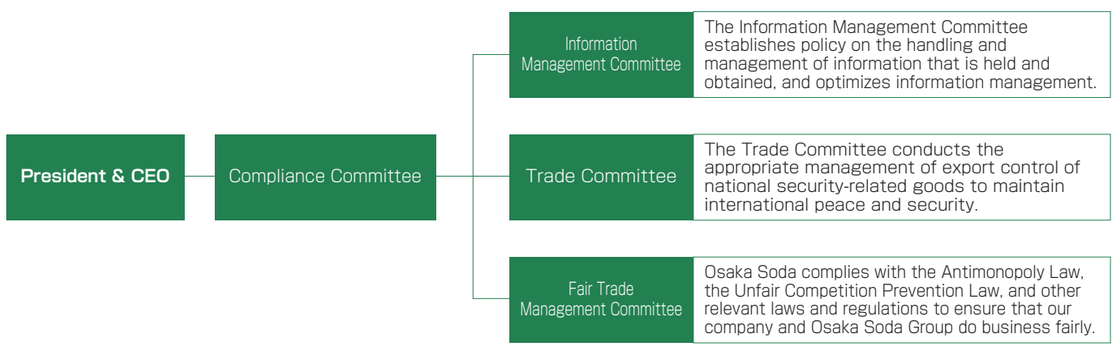
Osaka Soda implemented self-evaluation questionnaires for all the directors and audit & supervisory board members on the effectiveness of the Board of Directors. Based on the collated results of the questionnaires, all the members of the Board of Directors analyzed and evaluated the effectiveness of the Board and discussed future initiatives. As a result, they confirmed that Osaka Soda's Board of Directors is operated appropriately and efficiently and engages in lively and constructive discussions, securing its overall effectiveness.
In fiscal year 2024, we actively advanced discussions on human resource development as well as on major risks that may affect our businesses. In fiscal year 2025, we will continue our discussions on human resource development, while also actively engaging in discussions on the progress of the current medium-term management plan, which concludes this fiscal year, and in medium- to long-term discussions associated with formulating the next medium-term management plan.

Compliance System

Having established a Compliance Program, we are working to thoroughly educate all officers and employees about this in order to clarify its basic approach toward corporate ethics and observance of laws and regulations.
We established a Compliance Committee, which is directly under the president, to build and maintain the compliance system while three expert committees, subordinate organizations of the Compliance Committee, address technical issues. To further reinforce the compliance system, we have built a system to request legal opinions when necessary, by inviting attorneys to serve as outside members of the Compliance Committee and expert committees.
The Internal Auditing Department, which is independent of operating divisions and directly under the president, was established as the internal audit department and audits operations and prepares audit reports based on Business Audit Rules.
We have also created a system to address violations of laws and ordinances and other compliance violations by operating a whistleblower system that consists of the Compliance Committee's advising desk and an independent attorney as a reporting desk based on whistleblower regulations that stipulate such items as guaranteeing the anonymity of whistleblowers if desired and not subjecting whistleblowers to disadvantageous treatment.
The Group has no connections to anti-social forces and entities that threaten the order and safety of civil society and refuses all unreasonable demands.

■ Compliance Program

We have established and implement a Compliance Program by systematically creating Conduct Guidelines and Rules of Conduct that are based on the Group Mission Statement and reflect the Company's ethos that has developed since its establishment.
Group officers and employees thoroughly comply with laws and ordinances and act according to corporate ethics in line with this Compliance Program. It is understood that in order to continue to develop business and enhance corporate value, the most important factor is that each person be honest and possess the confidence and responsibility of a professional, accept the individuality of others and diversity, and make all efforts to achieve targets, and put this into practice.



Directors and Audit & Supervisory Board Members (As of June 27, 2025)

President and CEO
Kenshi Terada

Director and Lead Executive Officer
General Manager, Engineering & Technology Division
Atsuo Konishi

Director and Lead Executive Officer
General Manager, Chemical Specialties Division
General Manager, Health Care Division
Takeshi Kimura

Director (outside)
Bun'yu Futamura

Director (outside)
Hakaru Hyakushima

Director (outside)
Okiko Miyata

Full-time Audit & Supervisory Board Member (outside)
Shigetsugu Fujiyabu

Audit & Supervisory Board Member
Yasushi Segawa

Audit & Supervisory Board Member (outside)
Shinji Mori

< Director Skill Matrix >

Director		Knowledge, experience, capabilities, etc., expected of Directors					
	Name	Management experience	Global business experience	Finance, accounting, and M&A	Business strategy and marketing	R&D, production, and quality management	Compliance and risk management
Inside	Kenshi Terada	●	●	●	●	●	●
	Atsuo Konishi					●	●
	Takeshi Kimura	●	●		●		●
Outside	Bun'yu Futamura	●		●	●	●	●
	Hakaru Hyakushima	●		●		●	●
	Okiko Miyata	●	●		●	●	●

Among the knowledge, experience, capabilities, etc. in the skill matrix above, those with ● are fields in which individual Directors are expected to exert their skills.

Messages from the Outside Directors

Outside Director **Bun'yu Futamura**

Career Highlights

Bun'yu Futamura has served as Representative Director, Vice President of NIPPON STEEL CORPORATION, and as Representative Director and President of NIPPON STEEL Chemical Co., Ltd. (present NIPPON STEEL Chemical & Material Co., Ltd.).

Evaluating the progress of the current medium-term management plan and issues ahead

The entire Company is working together to execute the medium-term management plan in pursuit of our vision for 2025. Looking back, the unexpected malfunction of production equipment at the Mizushima Plant in April 2023 hampered progress in the first year. However, in addition to promoting initiatives aligned with the three policies, "continuous strengthening of our base in existing businesses," "strengthening of new product creation capabilities," and "promotion of sustainability management," the Healthcare business saw a sharp increase in silica gel sales by capturing strong demand for diabetes and obesity treatments. As a result, the Company largely recovered its earnings in 2024.
Judging from the accumulation of capital investment projects planned for mid-2025, the total amount on a decision basis far exceeds the initial plan of ¥25.0 billion, positioning these efforts as an early-stage initiative that could raise the starting point for the next medium-term management plan. Our most critical priorities going forward are steady execution of initiatives to further strengthen our earnings foundation, including increased silica gel production at the Amagasaki and Matsuyama Plants and investments to ensure stable operations at the Mizushima Plant, as well as the creation of new functional materials for the next medium-term management plan.

Outside Director **Hakaru Hyakushima**

Career Highlights

Hakaru Hyakushima has served as the Assistant Regional Commissioner of Criminal Investigation Department of Tokyo Regional Taxation Bureau, the Regional Commissioner of Nagoya Regional Taxation Bureau, the President of the Japan Mint, and the Deputy Director-General of Minister's Secretariat of Ministry of Finance, gaining deep expertise and extensive experience as a taxation specialist. He currently serves as a Specially Appointed Professor at Kyoto University School of Government.

Evaluation of strengthening the governance framework and outstanding issues

Our Board of Directors has established its governance framework through a process of thorough deliberation by three outside directors and two outside audit & supervisory board members. But there is still work to be done to continue strengthening this framework. Outside directors are expected to examine management strategies for sustainable growth by applying their broad expertise from an independent standpoint. In particular, outside directors can think beyond internal siloed perspectives, so they are expected to offer opinions that help achieve overall optimization and further enhance corporate value. At the same time, it is important to maintain an appropriate distance from management while supporting appropriate risk-taking that drives growth. As a member of the Nomination and Compensation Committee, I also examine personnel policies and succession policies from the standpoint of achieving overall optimization in growth strategy and enhancing corporate value.

Outside Director **Okiko Miyata**

Career Highlights

Okiko Miyata has served as Professor, President, and Director at Kobe Pharmaceutical University, bringing deep expertise and extensive experience as a pharmaceutical specialist. She currently serves as Professor Emeritus and Chairman of the Board of Directors of the university.

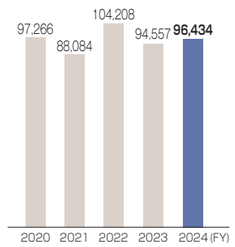
Key themes for further advancing the utilization of human capital

At the Board of Directors meeting in March 2025, we held extensive discussions and formulated our Diversity, Equity, & Inclusion (DE&I) Declaration. We aspire to be a rewarding workplace where diverse individuals can fully leverage their strengths, act autonomously, and continue to grow. To achieve this, the Human Resources Department is leading a wide range of training programs. To make effective use of human resources, it is vital to foster an open environment where people can exchange opinions freely, communicate with consideration for one another, engage in meaningful discussions, and build trusting relationships. Human resources are the most valuable assets of any organization, and are essential for the Company's growth and strengthening of organizational capabilities.
Drawing on my experience in education, research, and university administration, I will continue to contribute, albeit modestly, from an objective standpoint to improving the workplace environment, promoting women's active engagement, and human resource development so that all employees can work energetically and with fulfillment.

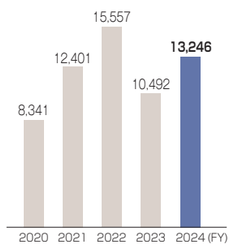
Consolidated Financial Highlights

Business Performance

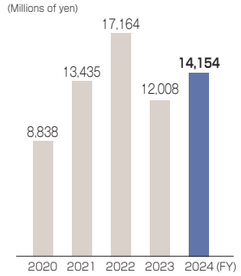
Net sales
(Millions of yen)



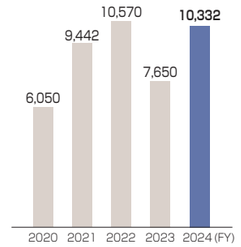
Operating income
(Millions of yen)



Ordinary income
(Millions of yen)

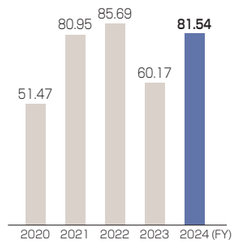


Profit attributable to owners of parent
(Millions of yen)

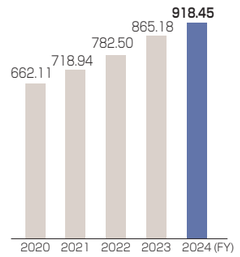


Per Share Data

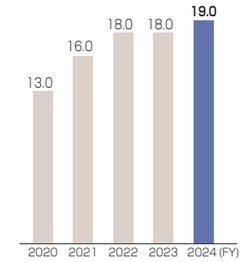
Net income per share (EPS)
(Yen)



Book-value per share (BPS)
(Yen)

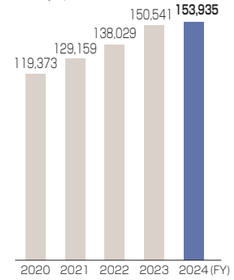


Dividend per share (Annual)
(Yen)

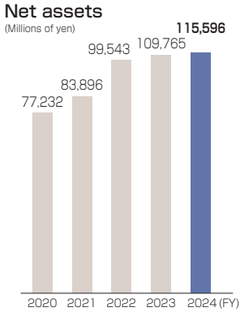


Assets/Liabilities

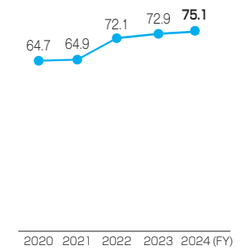
Total assets
(Millions of yen)



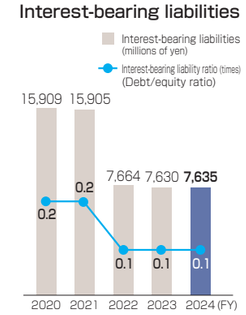
Net assets
(Millions of yen)



Capital ratio
(%)

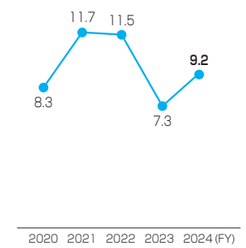


Interest-bearing liabilities

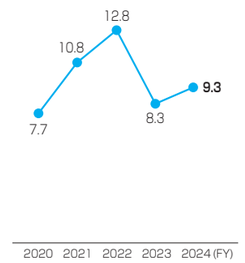


Financial Indicators

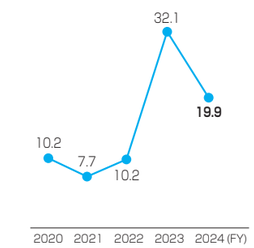
Return on equity (ROE)
(%)



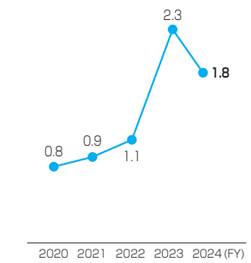
Return on assets (ROA)
(%)



Price-earnings ratio (PE Ratio)
(Times)

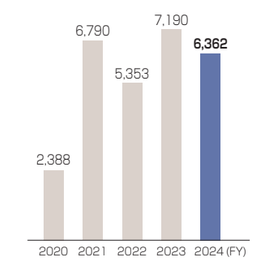


Price to-book ratio (P/B Ratio)
(Times)

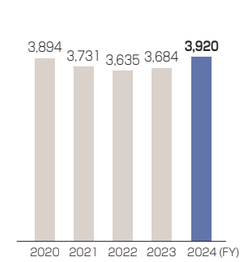


Financial Indicators

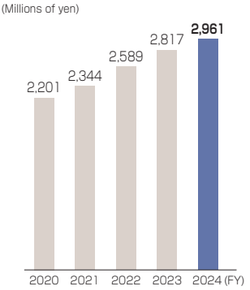
Capex
(Millions of yen)



Depreciation expenses
(Millions of yen)

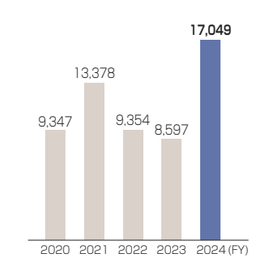


R&D expenditures
(Millions of yen)

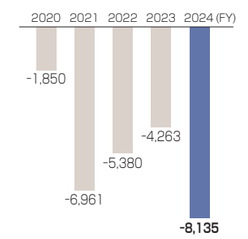


Cash Flow

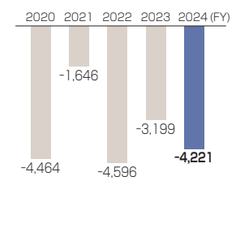
Cash flows from operating activities
(Millions of yen)



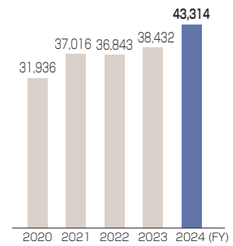
Cash flows from investing activities
(Millions of yen)



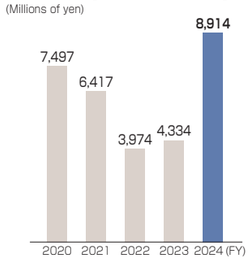
Cash flows from financing activities
(Millions of yen)



Cash and cash equivalents at end of period
(Millions of yen)

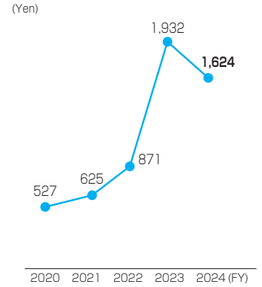


Free cash flow
(cash flows from operating activities + cash flows from investing activities)
(Millions of yen)

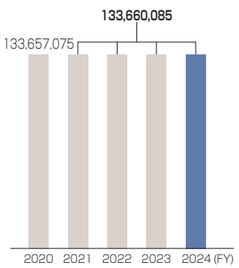


Share Data (fiscal year-end)

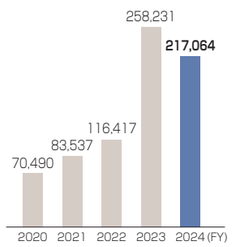
Closing price
(Yen)



No. of issued shares
(Shares)



Market capitalization
(Millions of yen)



* The Company implemented a stock split at a ratio of 5 shares for each common share on October 1, 2024.
* We have calculated "Net income per share (EPS)," "Book-value per share (BPS)," "Dividend per share (Annual)" "Closing price," and "No. of issued shares," assuming the stock split took place at the beginning of fiscal year 2020.

Non-financial Highlights

Environmental (E)	Unit	FY2022	FY2023	FY2024
< Input > Energy comsumption (crude oil equivalent)*1	thousand kL	225	166	204
(energy intensity)		0.612	0.676	0.569
< Input > Water withdrawal*1	thousand tons	33,447	31,636	33,782
< Output > GHG emissions due to business activities (Scope 1 + 2)*2	thousand t-CO_2e	475.4	277.3	497.3
GHG emissions (Scope 1)	thousand t-CO_2e	81.6	52.8	85.1
GHG emissions (Scope 2, market-based)	thousand t-CO_2e	393.9	224.5	412.2
< Output > GHG emissions (Scope 3)*3	thousand t-CO_2e	401.4	326.9	476.5
< Output > GHG emission total (Scope 1 + 2 + 3)	thousand t-CO_2e	873.9	604.2	975.1
< Output > Atmospheric pollutant emissions*1				
SOx (sulfur oxides)	tons	2.4	3.2	3.9
NOx (nitrogen oxides)	tons	97.1	68.4	70.4
Ash dust	tons	4.4	4.7	5.7
< Output > Wastewater (total)*1	thousand tons	32,317	30,625	32,363
< Output > Water pollutant emissions*1				
COD load	tons	249	184	221
Total nitrogen emissions	tons	74	55	73
Total phosphorous emissions	tons	4.9	4.1	6.4
< Output > Waste emissions				
Industrial waste volume*2	tons	32,811	36,944	30,374
(of which is from Osaka Soda business sites in Japan)	tons	30,345	34,408	28,575
Recycling rate*2	%	91.2	94.8	95.9
Final landfill volume*2	tons	2,068	1,262	717
(of which is for Osaka Soda business sites in Japan)	tons	1,905	1,129	633
Final landfill rate*2	%	6.3	3.4	2.4
< Output > Emissions of substances subject to PRTR Law*1				
Atmospheric emissions	tons	48.1	45.0	45.4
Emissions into water resources*4	tons	3.2	194.6	296.8
Emissions into soil	tons	0.0	0.0	0.0

*1 Osaka Soda's five main plants in Japan (including Matsuyama Plant of SANYO FINE CO., LTD.)
*2 Osaka Soda Group business sites in Japan
*3 Osaka Soda business sites in Japan (of which, Osaka Soda's five plants for some categories)
*4 From fiscal year 2023, chloric acid and its potassium and sodium salts were added to the list of regulated substances.

Social (S)	Unit	FY2022	FY2023	FY2024
Number of employees (consolidated)	People	1,017	1,025	1,019
Ratio of female employees (consolidated)	%	18.8	18.9	19.0
Ratio of female managers (consolidated)*1	%	6.3	6.9	6.6
Ratio of female managers (Osaka Soda only)*1	%	3.2	5.2	5.9
Ratio of female new graduates hired (consolidated)	%	31.3	20.8	13.3
Annual paid leave use ratio*2	%	75.8	81.8	79.4
Childcare leave use ratio for male employees (consolidated)	%	45.5	64.3	77.4
Childcare leave use ratio for male employees (Osaka Soda only)	%	35.7	66.7	68.2
Rate of absence due to mental health issues*2	%	0.6	1.7	0.9
Checkup findings*2	%	32.3	32.3	32.4
Checkup findings, re-testing/detailed testing rate*2	%	39.4	50.5	68.8

*1 Managers include section or group chiefs
*2 Aggregated based on employees of Osaka Soda (including those seconded to other entities)

Governance (G)	Unit	FY2022	FY2023	FY2024
Board of Directors meetings	times	13	13	13
Board of Auditors meetings	times	11	12	13
Nomination and Compensation Committee meetings	times	8	5	6
Percentage of directors who are outside directors (as of March 31 of each year)	%	50.0	50.0	50.0

Corporate Information

Company Name	OSAKA SODA CO., LTD.
Headquarters	3-2-2, Umeda, Kita-ku, Osaka 530-0001, Japan
Establishment	October 26, 1915
Capital	¥15,871 million (as of March 31, 2025)
Number of Employees	1,019 (consolidated) (as of March 31, 2025)
Listed on	TSE Prime Market (Securities code: 4046)
Independent Auditor	PricewaterhouseCoopers Japan LLC
Annual General Shareholders Meeting	June

Osaka Soda Group Network

Main Sites

Headquarters/ JP Tower Osaka 19F, 3-2-2, Umeda, Kita-ku, Osaka 530-0001, Japan
Tokyo Branch/ Palaceside Bldg. 8F, 1-1-1, Hitotsubashi, Chiyoda-ku, Tokyo 100-0003, Japan
Chugoku-Shikoku Regional Office/ 2767-29, Kojima-Shionasu, Kurashiki, Okayama 711-0934, Japan
Kyushu Regional Office/ Kamiyohakata Bldg. 4F, 1-2-5, Hakata-ekimae, Hakata-ku, Fukuoka 812-0011, Japan
Research Center/ 9, Otakasu-cho, Amagasaki, Hyogo 660-0842, Japan
Kitakyushu Plant/ 1-3, Kurosakishiroishi, Yahatanishi-ku, Kitakyushu, Fukuoka 806-0004, Japan
Amagasaki Plant/ 11, Otakasu-cho, Amagasaki, Hyogo 660-0842, Japan
Matsuyama Plant/ 77, Kitayoshida-cho, Matsuyama, Ehime 791-8525, Japan
Mizushima Plant/ 2767-13, Kojima-Shionasu, Kurashiki, Okayama 711-0934, Japan
Okayama Plant/ 2767-29, Kojima-Shionasu, Kurashiki, Okayama 711-0934, Japan

Group Companies in Japan

Company Name	Principal Business
DAISO CHEMICAL CO., LTD.	Sale of Chemical Products, Consumer Products
DAISO ENGINEERING CO., LTD.	Manufacture and Sale of Electrodes and Maintenance
SANYO FINE CO., LTD.	Manufacture and Sale of APIs and Intermediates
JMR CO., LTD.	Material Recycling
DS LOGISTICS CO., LTD.	Shipping and Handling of Chemical Products
SANYO FINE IRICA TECHNOLOGY CO., LTD.	Manufacture of Columns, Devices, and other Analysis Equipment
DS WELLFOODS CO., LTD.	Manufacture, Processing and Sale of Health Food Materials
DAISO INSURANCE CO., LTD.	Sales of Casualty Insurance and Life Insurance
INB Planning Co., Ltd.	Manufacture and Sale of Rubber Products

Overseas Group Companies

Company Name	Principal Business
SANYO FINE TRADING CO., LTD.	Sale of Columns, Devices, and other Analysis Equipment
DAISO Fine Chem USA, Inc.	Manufacture and Sale of Pharmaceutical Purification Materials
DAISO Fine Chem GmbH	Sale of Pharmaceutical Purification Materials and Functional Chemicals
DAISO CHEMICAL (Shanghai) CO., LTD.	Importation and Exportation of Functional Chemicals, Electronic Materials, etc.
DAISO CHEMICAL (THAILAND) CO., LTD.	Importation and Exportation of Functional Chemicals, Electronic Materials, etc.

Stock Information (as of March 31, 2025)

Stock Information

Total number of shares authorized to be issued:	300,000,000 shares
Total number of shares issued:	133,660,085 shares
Number of shareholders:	8,173

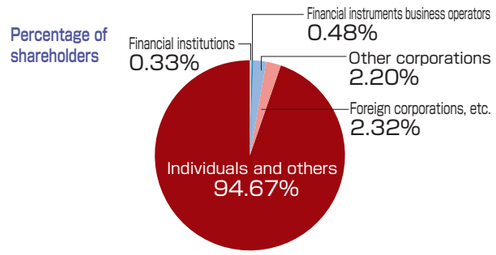
Major Shareholders (top ten)

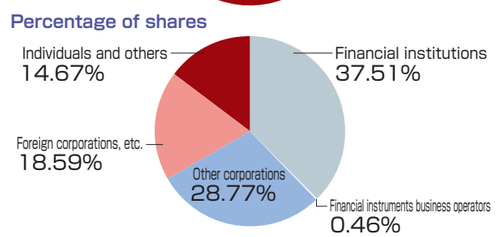
Name of Shareholder	Shareholding (1,000 shares)	Shareholding percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	15,603	12.39
Custody Bank of Japan, Ltd. (Trust Account)	9,408	7.47
MUFG Bank, Ltd.	4,384	3.48
THE BANK OF FUKUOKA, LTD.	4,113	3.26
THE IYO BANK, Ltd.	3,744	2.97
Mizuho Bank, Ltd. (MHBK)	3,348	2.66
Nippon Life Insurance Company	3,188	2.53
Sompo Japan Insurance Inc.	3,077	2.44
Stock Holding Union of OSAKA SODA's Business Partners	2,987	2.37
STATE STREET BANK AND TRUST COMPANY 505001	2,891	2.29

Note: Shareholding percentage is calculated after deducting treasury stock (7,804,540 shares) from the total number of shares issued.

Shareholder Registry Administrator: Mitsubishi UFJ Trust and Banking Corporation
1-4-5, Marunouchi, Chiyoda-ku, Tokyo

Shareholders Distribution





Note: The Company's shareholding percentage (5.84%) of treasury stock is included in Individuals and others.