



Integrated Report OSAKA SODA REPORT 2024

Corporate Philosophy / Editorial Policy and Table of Contents



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 2023 (April 1, 2023 - March 31, 2024) (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

Corporate Philosophy /	
Editorial Policy and Table of Contents PO	1
Our History P03	3
Interview with the President POS	5
TORY 1 Value Creation	
Value Creation Process POS	9
Business Strengths P1	1
Main Businesses P13	3
TORY 2 Growth Strategy	
Medium-term Management Plan P15	5
• Medium-term Management Plan:	
Shape the Future - 2025 (FY2023–FY2025)	
Strategy by Business Segment P17	7
• Strengthening of New Product Creation Capabilities	
/ Promotion of Sustainability Management P19	9
\cdot Initiatives to Implement Management that is	
Conscious of the Cost of Capital and the Stock Price P20	C

3. We strive to preserve the global environment with the aim of realizing a safe and healthy living space.

STORY 3 System Supporting Value Creation

Sustainability Initiatives	P21
Corporate Governance / Compliance	P23
Climate Change	P27
Creating an Employee-friendly Workplace /	
Developing Human Resources	P29
Human Rights Policy / Procurement Guidelines /	
Responsible Care (RC) Initiative	P31
Environmental Preservation	P33
Process Safety & Disaster Prevention /	
Occupational Safety & Health	P35
Distribution Safety / Chemicals Management	
and Safety and Quality	P37
Non-Financial Highlights	P40
Concolidated Einanaial Highlighta	D/1



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



Sev

en

core

technologie

Interview with the President

Implementing the basic policies of the Medium-Term Management Plan with a focus on further enhancing corporate value

> President and CEO Kenshi Terada

Q. Please talk about changes that occurred in the external environment and initiatives carried out in fiscal 2023.

In this context, in our medium-term management plan: Shape the Future - 2025 (fiscal 2023 to 2025), which

In fiscal 2023 (the fiscal year ended March 31, 2024), the environment surrounding our Group saw social and economic activities return to normal as restrictions on activities following the COVID-19 pandemic were eased. However, an uncertain economic outlook remained due to rising raw material, fuel, and commodity prices, as well as geopolitical risks, the impact of global monetary tightening, and concerns about the future of the Chinese economy. Moreover, along with facing an extremely tough business environment, the Company had to contend with the effects of a malfunction involving allyl chloride production facilities at our Mizushima Plant in April 2023. was announced in November 2023, we have identified issues that need to be addressed for sustainable growth, taking into account various changes affecting the Group that include a growing need to adapt to changes in the business environment, maximize business growth, create new business opportunities, and respond to social demands. We have implemented specific measures to achieve the KPIs set by each division under three basic policies: continuous strengthening of our base in existing businesses, strengthening of new product creation capabilities, and promotion of sustainability management.

Q. Please speak on progress made toward the goals of the medium-term management plan in fiscal 2023, the first year of the plan, and the current status of your initiatives.

The medium-term management plan currently underway aims to realize our vision for 2025 by further strengthening a division-based organizational structure while implementing and establishing business reforms, thereby shifting to more productive ways of working.

Regarding this organizational management, we have established a system that allows us to flexibly plan and execute strategies by having the chemicals, chemical specialties, and healthcare divisions each manage manufacturing, sales, and development in an integrated manner, and we are working to further strengthen our business foundations by making quick decisions as appropriate in a VUCA world.

As part of current operational reform activities, we have been creating new mechanisms by, for example, overhauling our HR system and other internal systems, and by reorganizing our meeting operation and information systems. In fiscal 2023, we entered into a phase in which divisional managers will take the lead in implementing operational reforms using new systems, and I feel that people have gradually become aware of changing the way work is done at the worksite level. Additionally, we plan to modernize our core systems in April 2025 as part of efforts to further accelerate operational reform from a hardware perspective as well.

As for progress by business segment, in our chemicals business, we resolved a supply issue by repairing allyl chloride production facilities at the Mizushima Plant at the end of June 2024. In line with our policy for reviewing our facility management system that was formulated in response to the occurrence of this issue, we are currently taking measures to improve our facility management and strengthen our system for ensuring stable supply. As part of this effort, we have raised the importance of equipment that has a significant impact on production to the most important level and have increased our stock of spare parts. We are also planning the means to strengthen systems for early recovery by reviewing appropriate operating ranges using analytical technology, establishing duplicate production lines, and installing backup equipment. To accomplish this, we plan to invest approximately 1.5 billion yen over the three-year period of our medium-term management plan, and will build a safe and stable supply system by strengthening facility management and carrying out continuous improvement activities. By further strengthening our business, which includes improving facility management and updating aging

equipment, we will firmly establish a foundation for continuing full production at our current capacity during the medium-term management plan period.

In the chemical specialties business, we have been working to cultivate a market and develop new applications for existing Global Niche Top (GNT) products, as well as to expand sales of next-generation GNT products such as acrylic rubber and non-phthalate allyl resin. For acrylic rubber, we are currently expanding sales both in Japan and overseas through the development of new grades, and will continue to strengthen our technical sales capabilities,

including by improving polymers and proposing compounding, in order to expand into components that require even higher heat resistance. For non-phthalate allyl resins, we are working to grow our market share by developing new applications and strengthening our technical support. Our allyl ethers business faced headwinds in the form of weaker demand for silane coupling agents, primarily used in paints, in Europe, the US, and China, as well as softening market conditions. We believe that we can expect a stable market growth rate in the medium to long term, and with regard to investments to expand capacity, we will consider the timing of expansion after assessing current market trends, particularly in China.

In the healthcare business, we are building a foundation for further expansion. With the goal of developing the healthcare business into the third pillar of high-profit businesses, we plan to make concentrated strategic investments of over 8 billion yen in this business area over the three-year period of the medium-term management plan.

In the chromatography business, we have a number of investment plans that are well underway toward meeting increasing demand for pharmaceutical purification materials for diabetes medications and the rapidly expanding market for obesity medications. These plans include building a new production facility at the Matsuyama Plant, which has been completed, and adding one more production line at the Amagasaki Plant as part of the second phase of construction, which has already begun. This will double our current manufacturing capacity, and in addition to strengthening equipment and facilities, we will also strengthen operations in areas such as global operations and branding, in order to make silica gel the global de facto standard. We are also working to expand into polymer gels, a separation and purification method that differs from our current mainstay silica gel for pharmaceutical purification. To this end, we have formed a collaboration with Mitsubishi Chemical Corporation, and are working to sell Mitsubishi's polymer gel at an early date through our sales channels.

In the APIs and their intermediates business, recent years have seen a growing trend toward pharmaceutical manufacturers returning to Japan to procure active pharmaceutical ingredients in the wake of quality issues and stricter environmental regulations. In response, we have built and are operating a large-scale manufacturing facility (PI-3), and are focusing on acquiring new projects with the aim of establishing a full production system as soon as possible. Over the medium to long term, we expect the development of medium molecular weight drugs to accelerate as a modality following low molecular weight drugs and high molecular weight antibody drugs, and have begun considering our next expansion plan with an eye to entering the biopharmaceuticals market. In all of this, we will strive to capture new demand as it is created.

Our aim is to double the current earnings of our healthcare business, which consists of these two core businesses, by fiscal 2030, and we intend to build a stronger business portfolio by strategically allocating resources to businesses with higher profitability.

Q. Could you please explain your plans to strengthen your ability to create new products in order to achieve medium- to long-term growth?

In our medium-term management plan, we are exploring themes that will allow us to demonstrate our innovative



technological capabilities in the four areas of environment and energy, mobility, information and communication, and health and healthcare, and are building a system that will enable us to continuously bring new products to market.

In the environment and energy area, we are focused on developing next-generation battery materials, including ultra-high ionic conductive polymers for solid-state batteries, which have been adopted as part of the New Energy and Industrial Technology Development Organization's Green Innovation Fund Project. Our new battery research building was completed in March 2024, strengthening our system for handling all operations, from product development to evaluation, and we will use this

opportunity to further accelerate our development.

In the mobility area, we launched a new grade of acrylic rubber on the market in 2023, and are developing new silane coupling agents. In the information and communication area, in addition to developing silver nanoparticles as a high thermally conductive adhesive for power semiconductors, we are also developing carbon nanotubes. In the health and healthcare area, we have been developing new purification materials for biopharmaceuticals used in different medical modalities, and the plant-based lactic acid bacteria OS-1010™ as a new anti-aging material that contributes to extending a healthy life span. In this way, numerous development projects using our unique technologies are growing in a variety of areas.

I believe that the research and development needed to thrive in a VUCA world must not only keep up with technological advances, but also be capable of responding quickly to innovations in production technology and changes in customer needs. In order to steadily create and develop the next GNT products, we will of course propose unique solutions to problems by making full use of our proprietary technologies. To further speed development, we will also strengthen progress management for each project, flexibly allocate human resources, develop talent, improve development infrastructure, utilize external resources such as alliances and investments, and create original products. In all of this, our goal is to contribute to realize a sustainable and prosperous society.

Q. What further efforts do you think are necessary to realize sustainability management going forward?

Based on our Basic Policy on Sustainability, which calls for aiming to combine contributing to the realization of a sustainable society through our business activities with enhancing our corporate value, the Sustainability Committee is taking a central role in promoting various measures. These include formulating and implementing measures to reduce greenhouse gas (GHG) emissions and environmental impact, promoting women's active engagement, and investing in human capital, such as through human resource training. With the establishment of our Human Rights Policy in March 2023 and the release of our Basic Purchasing Policy and CSR Procurement Guidelines in March 2024, we are stepping up efforts to create a sustainable supply chain with the understanding and cooperation of our business partners. The Sustainability Committee discusses environmental measures such as expanding the scope of calculations for GHG emissions and considering ways to achieve carbon neutrality by 2050. The committee also holds many discussions about operational reform activities, human resource development, and improving employee engagement, with the aim of becoming a company where employees can fully demonstrate their abilities, which is our ideal image for 2035. Although we are still only halfway there, we will continue to make steady progress toward achieving the KPIs for the important initiatives set out in our medium-term management plan.

Q. What management policy will you adopt going forward to meet the expectations of the stock market?

In fiscal 2023, our Mizushima Plant experienced a malfunction involving production facilities that resulted in performance that was significantly below that of fiscal 2022, but our stock price continued to perform well. We believe that one of the reasons for this is that investors have recognized the high growth potential and profitability of our healthcare business segment, which is comprised primarily of pharmaceutical purification materials. As described in the status of initiatives to implement management that is conscious of the cost of capital and the stock price disclosed in July 2024, our PBR as of the end of March 2024 was 2.34x, exceeding 1x for the second consecutive period. ROE, meanwhile, temporarily fell to the 7% range in fiscal 2023 due to the impact of equipment malfunctions, but the average ROE over the past six years (fiscal 2017-2022) was 9.9%. The mediumterm management plan sets a target ROE of at least 10% for fiscal 2025, the final year of the plan. Our healthcare business is highly profitable and relatively unaffected by the external environment, and is considered to be a growth business. I believe that continuing investment in such growth areas is essential for our sustainable growth. At the same time, we consider distributing profits to shareholders to be an important responsibility, and have set a target total shareholder return ratio of 40% as our shareholder return policy for the three-year period of our medium-term management plan. We will continue striving to further increase our corporate value by strategically allocating capital between investments and shareholder returns. To meet our stakeholders' expectations, we will further enhance our IR activities in ways that include increasing opportunities for dialogue with investors and providing more detailed information. We look forward to your continued support.

INPUT

Financial capital

• Equity ratio: 72.9%

Human capital

• Employees: 1,025

in R&D: 18%

¥27.9 billion

Net assets: ¥109.7 billion

• Ratio of employees engaged

qualification: 1,773 (cumulative)

• Employees with national

Production capital

• Main manufacturing sites:

five sites in Japan

Natural capital

• Water consumption:

31.636 thousand t

Intellectual capital

Research & Development

Seven core technologies

expenditures:

¥2.8 billion

• Property, plant and equipment:

• Capital expenditure: ¥7.1 billion

• Energy consumption (crude oil

equivalent): 166 thousand kL

Raw materials: 349 thousand t

technologies and innovative products **Strenaths**

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

- 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 GNT products as Osaka Soda'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

			Business of	continuity fou	ndation			
Corporat Material i Material i	e governance ssues ssues and Key (elements]						
Material issues	Providing s through l	ocial value business	Strengthening business foundations	Developing human resources		Strengthening	CSR activities	
	Making coolal			Creating an	Occupational			

production systems		manufacturing

New 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



OUTPUT

FY2023 **Consolidated Results**

Net Sales: ¥94.5 billion Operating Income: ¥10.4 billion ROE: 7.3%

By Segment

Basic Chemical Products Net Sales: ¥36.2 billion Operating Income: ¥2 billion

Functional Chemical Products

Net Sales: ¥29.1 billion Operating Income: ¥4.5 billion

Healthcare

Net Sales: ¥11.8 billion Operating Income: ¥5.7 billion

Trading and others Net Sales: ¥17.2 billion

Operating Income: ¥1.2 billion

burden

methods

- and healthcare
- abilities

Environmental

preservation

climate

change

issues

inity nt	Material issues	Providing s through l	ocial value business	Strengthening business foundations	Developing human resources		Strengthening
	Key elements	Making social contributions through business activities	Providing new value demanded by society	Continuously strengthening business foundations	Creating an employee-friendly workplace and developing human resources	Occupational safety and health/ Disaster prevention	Chemicals management, Safety and quality

Social/relationship capital

• Research & Development Center

- Contributions to local commutivity
- Industry-academia-governme collaboration

Group Mission Statement To contribute to the realization of a safe and affluent society through our creative

OUTCOME

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



 Create next-generation pillars of earnings in the fields of Mobility, Information and communication, Environment and energy, and Health

Become a company where employees can fully demonstrate their

Osaka Soda has established a competitive advantage for its products and a global niche top position through its innovative product development.

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 choose to manufacture polyvinyl chloride, which there is a massive market for, through ethylene chlorination, Osaka Soda took the initiative to purse 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.

[Securing a competitive advantage and GNT position]



 Ensure raw material procurement stability and quality stability

Developing niche markets through unique

Through the development of seven core technologies

electrochemical, electrodes, nanotechnology, and

Organic

synthesis

(organic synthesis, inorganic synthesis, polymer synthesis,

biotechnology) based on the technology used at the time

of our founding and their fusion over more than a century,

we have developed products for various industrial fields and

[Seven core technologies developed over

more than a century]

Technology

Electrodes

fusion

Inorganic

synthesis

Polymer

synthesis

Flectrochemica

technologies

expanded our business.

Biotechnology

Nanotechnology

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 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.

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 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 synthetic rubber, it is easy to control polymerization of epichlorohydrin rubber by optimizing the quality of the raw material epichlorohydrin for manufacturing rubber, and thus achieve the physical properties appropriate for market needs. This makes it possible to improve the quality of our synthetic rubber, and ensures 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.

[Maximizing profit through integrated manufacturing]

Supplying our own materials provides competitiveness



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 facilities management that supports safe and stable manufacturing. One aspect of our facilities 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.

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

Basic Chemicals

Chlor-Alkali business

The core business since the founding of Osaka Soda, the chlor-alkali business consists of a product lineup that supports a broad range of industries.



Caustic soda Main uses: bleaching agent for paper and pulp, chemicals, soap and detergent, etc.



Sodium chlorite Main uses: bleaching agent for fibers, softener, etc.



Main uses: water supply and sewerage disinfection and sterilization, industrial wastewater treatment, etc.

AC and EP business

Allyl chloride and epichlorohydrin are not only materials for functional chemical products, the foundation of Osaka Soda's innovative product development, but also are used as raw materials for epoxy resin, pharmaceuticals, and agricultural chemicals, and thus support a wide range of industries.



Main uses: semiconductors, laminated sheets, anticorrosion paint, carbon fiber binder, etc.



Allyl chloride Main uses: raw material for pesticides, etc.

Functional Chemicals

Synthetic resin business

The business is centered on DAP resin, a product that resulted in Osaka Soda being included in the Ministry of Economy, Trade and Industry's Global Niche Top Companies Selection 100 List. Synthetic resins meet a broad range of industrial needs due to their unique physical properties.



Diallyl phthalate (DAP) resin Main uses: UV curable inks. electronic and electrical parts. etc.



Non-phthalate allyl resin (RADPAR[™]) Main uses: UV curable inks. electronic devices etc.



High-purity epoxy resin Main uses: niconductor sealants, circuit boards, etc.

Synthetic rubber business

Offering an outstanding balance of physical properties, including heat resistance and oil resistance, Osaka Soda's specialty synthetic rubber is used as a material suited for high performance cars and environmental regulations.



Epichlorohydrin rubber Main uses: automotive fuel hoses, intake and exhaust hoses. electric, transcription, and development rolls for OA



Acrylic rubber Main uses: turbo charger hoses and gaskets for cars, etc.

Allyl ethers businesses

Allyl ethers are used as raw material for silane coupling agents that help bond chemical materials as well as in fields that demand high performance, such as electronic materials and coatings.



Allyl ethers Main uses: reinforcing carbon fibers, semiconductor sealants, printed circuit boards, and high-gloss wood coatings

Other businesses

Electrodes

Osaka Soda's electrodes reduce power consumption and offer high durability.



Electrodes for plating steel sheets Main uses: industrial equipment for steel manufacturing plants, power plants, common salt electrolysis plants, circuit board plants, etc.

Modifying agent for low fuel consumption tires

Osaka Soda's CABRUS™ is used as a modifying agent for low fuel consumption tires.



Modifying agent for low fuel consumption tires Main uses: low fuel consumption tires

Trading and others

Consumer products This business undertakes product planning and sales of such products as health products and cosmetics.



Foods with functional claims

Healthcare

Chromatography business

The business undertakes the manufacturing and sales of specialty silica gel, which is indispensable for pharmaceutical R&D and purification processes, and analytical equipment and packed columns.



Silica gel

Columns

foods

Main uses: purification of pharmaceuticals and precision analytical equipment



Main uses: analysis of such

cosmetics, and functional

products as pharmaceuticals.



Analytical equipment and devices Main uses: food products, environmental measurements, etc

APIs and their intermediates business

Leveraging its unique biotechnology and organic synthesis technology, Osaka Soda offers a wide range of contract services that extend from the research stage to commercial manufacturing



Sial acid Main uses: various pharmaceutical ingredients



Production of pharmaceuticals from extracted animal enzymes Main uses: various APIs and their intermediates

Material recycling

Osaka Soda operates a fluorescent tube recycling business by applying metal absorption technology acquired from the electrolysis business.



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 resiliency 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.



< Basic policies >

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.

Chemicals business	Actively strengthen facility management, invest in maintenance and renewal, and maintain and expand our market share.
Chemical specialties 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.
Healthcare business	Establish a foundation for Osaka Soda's third highly-profitable business (increase production capacity and enter new business fields).

2) Strengthening of new product creation capabilities

We will strengthen company-wide efforts to further promote market-in-type development and nurture the products that will become the pillars of the next generation.

3) Promotion of sustainability management

We will deepen dialogue with stakeholders by promoting various measures and expanding disclosure based on our Basic Policy on Sustainability, and thus further increase 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.

< Performance targets (FY2025) >



< FY2023 Summary (by segment) >



Sales volume declined for various reasons, including the impact of production equipment problems at our Mizushima Plant. However, we reduced the decline in earnings with contributions from price revisions implemented in the previous fiscal year in response to rising fuel and raw material prices.

Epichlorohydrin

Functional Chemicals



Healthcare



Trading and Others

(Fiscal) 2022*



2023

Chlor-alkali

Synthetic rubber and synthetic resin overseas, with particularly strong growth in uses in Asia. and the U.S., but was firm in China.

Allvl ethers Earnings were impacted by not only weak demand for silane coupling agents, particularly for uses in paints in Europe, the U.S., and China, but also adjustments in shipments due to production equipment problems at the Mizushima Plant.

Chromatography

As for pharmaceutical purification materials, demand related to diabetes medications in Europe, the U.S., and Asia increased. In addition, construction to reinforce facilities moved forward as planned.

- APIs and their intermediates
- Specialty polymer materials Sales of coatings were firm.
- Consumer products
- Functional products lackluster.

* Reportable segments were changed in fiscal 2023. Figures for fiscal 2022 reflect the change to new segments.

In addition to sales adjustments as a result of problems with production equipment, various other factors, including weaker demand for epoxy resin, impacted earnings.

As for synthetic rubber, epichlorohydrin rubber sales and income increased as the volume of car production recovered. Acrylic rubber was adopted for new uses both in Japan and

Demand for synthetic resin, mainly diallyl phthalate (DAP) resin, was weak in Japan, Europe,

Sales of nucleic acid drug substances, osteoporosis drug substances, and anti-cancer drug intermediates rose as a result of newly expanded facilities (PI-3) at the Matsuyama Plant.

Sales of consumer products continued to increase as they did in the previous fiscal year.

Earnings for electronic materials and automotive products, mainly glass fibers, were

Strategy by Business Segment (implementing the medium-term management plan)

Basic Chemicals



Executive Officer General Manager. Chemicals Division

Kenichi Katsuma

Business description • Consists of the electrolysis business (since the

founding of the Group) and epichlorohydrin business

Core products

• Chlor-alkali products (caustic soda, chlorine gas, sodium hypochlorite, hydrochloric acid, etc.), allyl chloride, and epichlorohydrin

Medium-term management plan basic policy Maintain full production with current capacity and work to maintain and expand sales share

Kev measures

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

Increasing the resiliency of the business by establishing an efficient production and logistics system

For basic chemicals, we aim to efficiently undertake integrated production and sales and spread information sharing and unbiased discussions in order to achieve the medium-term management targets. Through this, we are working to create a system to enliven communication and quickly solve problems with independent ideas and actions in order to work on key measures.

Measures to improve the ability to coordinate and balance production between the four electrolysis plants include maintaining and expanding market share and reinforcing a system that can generate stable earnings by promoting sales closely tied to local customers and flexibly responding to changes in the environment.

As for increasing production efficiency and renewing aging facilities, we will work to improve and increase the efficiency of production processes required for basic chemicals, an energy-intensive business, and build an optimal production system. We will strengthen facility management and aim to build a production system resilient to problems and continue to undertake full production with current production capacity in order to fulfil our responsibility to supply chlor-alkali products related to a wide range of industrial fields and allyl chloride and epichlorohydrin, the raw materials for our functional chemicals as well as for customers.

Measures to increase the efficiency of logistics operations and reinforce the logistics system include reinforcing our system that makes a flexible response possible by leveraging the strengths of our four electrolysis plants. In addition to achieving overall optimization by building a system for the efficient movement of products between plants and support for regular repairs, we will establish the optimal delivery system closely tied to customer needs and communities.

In order to improve core technologies and develop new businesses, we will strive to develop and introduce new products by working to increase information gathering capabilities through exchanges of information and opinions between the R&D and production divisions and stronger partnerships with outside entities.

Functional Chemicals



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

Takeshi Kimura

Business description

• Centered on the derivatives business, which uses allyl chloride and epichlorohydrin produced by the basic

chemicals business as raw materials • Consists of the three core businesses of synthetic

rubber, synthetic resin, and allyl ethers

Core products

 Epichlorohydrin rubber. DAP resin. allvl ethers. modifying agent for low fuel consumption tires, electrodes, etc.

Medium-term management plan basic policy Expand scale of business for existing GNT products. acrylic rubber, and non-phthalate allyl resin

Key measures

 Increase capacity of allyl ethers production facilities

- · Expand sales of acrylic rubber and non-phthalate allvl resin
- Improve profitability of the rubber compound business in North America
- · Strengthen development and sales capabilities

Aiming to reinforce the foundation of existing GNT businesses and expand next-generation GNT businesses

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.

For the synthetic rubber business, we steadily ascertained market needs while car fuel regulations were strengthened, and flexibly made new proposals to customers, which made it possible to achieve an increase in epichlorohydrin rubber sales.

For acrylic rubber, too, we were able to capture numerous new projects and expand sales volume by quickly proposing technologies through close collaboration between research and sales to meet the need for alternatives to other types of rubber. We are also working to increase our cost competitiveness by continually working to expand production capacity through more efficient production processes and investments to eliminate bottlenecks.

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, and thus expanding the scale of business. Although the current supply and demand environment has temporarily deteriorated on account of the economic slowdown, we will carefully examine and cautiously ascertain future demand trends to determine when to expand production.

Healthcare



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

Takeshi Kimura

Business description Consists of the pharmaceutical purification material business, which includes silica gel and analytical equipment (packed columns, etc.), and the APIs and their intermediates business of SANYO FINE CO., LTD., a Group company

Core products

• Silica gel, analytical equipment, packed columns, APIs and their intermediates, optically active substances, etc.

Medium-term management plan basic policy Maximize business synergies based on a total solution provider strategy

Kev measures

- 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 facilities (SANYO FINE
- Matsuyama Plant) Further expand facility capabilities (SANYO FINE)
- Reinforce the high potency pharmaceutical field
 Enter the biopharmaceutical field

Trading and others

Daiso Chemical Co., Ltd. President and CEO

Eiii Masuda

Business description Consists primarily of products handled by DAISO CHEMICAL CO., LTD., a chemical trading company. and material recycling

Core products

 Inorganic chemicals, solvents, painting materials, coatings, photosensitive resins, glass fibers, health food. cosmetics, consumer products, building materials, etc.

Medium-term management plan basic policy 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

Key measures

materials

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

17

The material Osaka Soda jointly developed with Yamagata University for semisolid state batteries allows battery and separator manufacturers, customers for the Osaka Soda Group, to use their existing production facilities to quickly launch mass production of battery cells. We, as the trading company of the Group, thoroughly know the strengths of materials, and are taking the initiative in collaborating with customers and solving issues.

In order to expand the consumer products business, we are strengthening our marketing, sales, development, technology, and logistics operations to provide services that meet customers' demands and building an organization to implement product development that anticipates consumer trends.

We were able to start delivery of some newly developed photosensitive materials in fiscal 2023. In addition, new initiatives include expanding the Technical Service Department and diversifying our earnings base, as we try to increase customer trust by possessing maintenance functions along with equipment sales. On the other hand, for businesses and products easily impacted by the outside environment, such as solvents, we have begun to see the results of measures to revise costs, particularly logistics ones, strengthen information gathering capabilities,

Taking on the responsibility for rapid growth with aggressive capital expenditure and the broadening of business fields

Pharmaceutical purification materials

In the silica gel business, even after completion of the first phase expansion of facilities at the Amagasaki Plant, we are producing at full capacity. We are also working to steadily capture strong demand for products such as those used in diabetes medications and obesity medications using emergency increased production based on extended operating hours. Construction of new silica gel production facilities at the Matsuyama Plant was completed in September 2024 as planned, and the second phase expansion at the Amagasaki Plant is progressing as expected. Recently, there has been a prominent trend toward companies quickly entering the biosimilar market for obesity medications, and we are considering next-period plans to expand production with an eye toward greater future demand. As for expanding into polymer gels, we have concluded a joint-development and sales agreement with Mitsubishi Chemical Corporation and are moving forward with customer evaluations of development grades. We are also working to tie this to early commercialization.

APIs and their intermediates

As for APIs and their intermediates, we are steadily expanding commissioned production for pharmaceutical manufacturers by making use of the PI-3 facilities, which were completed at the Matsuyama Plant in March 2023, and have begun to examine plans to further expand production in the next period.

To reinforce high potency pharmaceuticals, we have examined mass production facilities, but will carefully make a decision, including regarding the timing of such efforts, because the market is forming at a pace slower than expected.

Turning to the biopharmaceutical field, we are examining expanding into such biopharmaceuticals as anti-cancer drugs based on VHH antibodies through joint development with Japanese startups as well as moving forward with entering the market by introducing independently developed samples to pharmaceutical makers.

Aiming to expand the business through information gathering and proposal capabilities as a chemical trading company

In the trading and others business, we are strengthening information gathering capabilities, mainly by local subsidies in Japan. Europe, the U.S., and Asia, and working to improve proposal capabilities so that we can support solutions to problems in each business phase.

and improve earnings by thoroughly conducting business that stresses profitability. Measures to strengthen profitability and information gathering capabilities of overseas subsidies include moving forward with having staff assigned overseas develop more diversified information sources and nurturing local staff through OJT by assigning technical sales staff. We will also further promote the development of a robust network that can demonstrate both the flexibility and information gathering capabilities demanded of a trading company.

Strengthening of New Product Creation Capabilities

As its ideal image for 2035, Osaka Soda aims to establish the next-generation pillars of earnings in the four priority fields of environment and energy, mobility, information and communication, and health and healthcare. Through the medium-term medium plan: Shape the Future - 2025, we are moving forward with building a system that accelerates development and will enable us to continuously bring new products to market, and one element of these efforts was the construction of a new battery research building in March 2024. In addition to selecting development themes that make it possible to demonstrate our innovative technology capabilities and promoting the rapid commercialization of promising development themes that arose during the previous medium-term management plan, we are working to nurture new development themes.

< Progress during the first year of the medium-term management plan >

• Environment and energy

· Created a system to accelerate the development of ultra-high ionic conductive polymers for all solid batteries with the completion of the battery research building

Mobility

- Introduced new grades of acrylic rubber into the market
- Information and communication
- Moved to the commercialization stage for silver nanoparticles

• Health and healthcare

- · Introduced silica gel for new columns (size exclusion, high alkali resistance)
- · Developed practical applications for fructobacillus fructosus OS-1010[™] as an anti-aging material.

Environment and Storage battery materials energy Main themes • Polymer electrolytes for LIB(unique polyethers) • Ultra-high ionic conductive polymers for all

solid batteries • SiO-based anode binders and others

Mobility

Main themes

- New grades of acrylic rubber
- Sensor and actuator materials
- Polymer alloy materials, etc.

Information and communication

Main themes

- Silver nanoparticles for die-bonding materials (for SiC and GaN power semiconductors)
- Carbon nanotubes, etc.

Health and healthcare

Main themes

19

- New columns (size exclusion, high alkali resistance)
- Anti-aging materials
- New biopharmaceutical purification materials
- Protein drugs (CDMO), etc.

Semiconductor peripheral materials

Materials for biopharmaceuticals and

healthy long lives

Promotion of Sustainability Management

The Group formulates various policies, strategies, and measures as well as supervises and monitors their implementation, which is primarily handled by the Sustainability Committee, while deepening dialogue with all stakeholders and working to further enhance corporate value by expanding disclosure. In fiscal 2023, the Sustainability Committee met two times and deliberated on the following themes.

• Main themes deliberated by the Sustainability Committee

- Broadening of actual reductions in the volume of greenhouse gas (GHG) emissions and the scope of calculations
- · Current state of achieving human capital-related KPIs and future measures
- Initiatives related to human rights issues
- Formulating and releasing Basic Purchasing Policy and CSR Procurement Guidelines
- · Examination of initiatives to achieve carbon neutrality in 2050

Progress

- Formulated Human Rights Policy (March 2023)
- · Released Basic Purchasing Policy and CSR Procurement Guidelines (March 2024)
- · Broadened the scope of GHG emissions calculations
- · Built mechanism to promote initiatives to improve
- employee engagement
- Issued an integrated report
- Promoted dialogue with shareholders and investors through expanded IR disclosure

< Dialogue with stakeholders >

Valuing dialogue with investors, Osaka Soda is working to expand opportunities for dialogue by management, including the representative director. In addition, feedback regarding dialogue with investors conducted by the IR department manager is provided to management twice a year at Management Committee and Board of Directors meetings.

[Actual Dialogue]

Responsible party	Forum	Fiscal 2021	Fiscal 2022	Fiscal 2023
	Financial results explanatory meeting	2	2	2
President & CEO	Individual meeting	5	5	6
	Engagement meeting	0	0	1
Directors and	Business explanatory meeting	0	0	1
officers	Engagement meeting	0	1	1
	Group meeting	0	7	11
IR	Individual meeting	34	48	79
manager	Engagement meeting	0	2	2
	Plant tour	0	3	2

Initiatives to Implement Management that is Conscious of the Cost of Capital and the Stock Price

(%) 14

12

10

< Analysis of current conditions: ROE exceeds cost of equity >

Osaka Soda is moving forward with management that is conscious of cost of the capital and the stock price, which the Tokyo Stock Exchange recommends. Osaka Soda's cost of equity has recently been around 5%-6%, and its average ROE over the past six years (through fiscal 2023, the fiscal year ended March 2024) is 9.9%. Although it temporarily declined to 7.3% in fiscal 2023 due to the impact of manufacturing equipment problems at the Mizushima Plant, it still exceeded the cost of equity. In the medium-term management plan, we tout a target ROE of 10% or more in fiscal 2025 (fiscal year ending March 2026), the final year of the medium-term management plan.

< Analysis of current conditions: P/B ratio exceeds 1 for 2 consecutive periods >

Osaka Soda's P/B ratio at the end of March 2024 was 2.34x, surpassing 1x for the second consecutive (times) 2.50 fiscal year. We recognize that actively investing in the healthcare business and disclosing information with 2.00 the healthcare business as an independent segment in fiscal 2023 resulted in greater valuation of our 1.50 business growth potential as well as an improvement in our stock price and P/B ratio. In addition to continuing 1 00 to aim to further raise ROE through aggressive investments in growth fields, we are striving to deepen 0.50 understanding by disclosing our growth strategy to investors through IR activities.

< Cash allocation >

Based on the medium-term management plan, we will strategically allocate cash flows from operating activities and cash on hand to investments and shareholder return. The medium-term management plan includes plans to make total investments of 25.0 billion yen over three years (FY2023-FY2025)-15.5 billion yen in strategic investments and 9.5 billion yen in investments for maintenance and production efficiency—as well as up to 20.0 billion yen for other investments and financing. Our goal is to enhance corporate value by steadily implementing various measures based on the three basic policies of continuous strengthening of our base in existing businesses, strengthening of new product creation capabilities, and promotion of sustainability management.

< Main investments >

- trategic investments 15.5 billion ven
- Silica gel manufacturing facilities (Matsuyama)
- Silica gel manufacturing facilities (second phase expansion of Amagasaki Plant)
- Mass production facilities for high potency APIs and their intermediates
- Allyl ethers manufacturing facilities (expansion)
- Core systems • Battery research building, etc.

Investments for maintenance and production efficiency

 Update electrolysis facilities • Update aging facilities at each plant







[ROE]



[P/B ratio]



[Cash Allocation for Future Growth (FY2023-FY2025)]

sh on and		Investments and financing: Approximately 20.0 billion yen	M&As and alliances	 Allocate mainly in the fields of healthcare and functional chemicals Use cash on hand to cover any shortfall from cash flows from operating activities
n flows rom rating vities: ximately 0.0 on yen		Investments:	Strategic investments: 15.5 billion yen	 Healthcare field accounts for a majority (plan more than 8.0 billion yen) Investments in R&D (all solid batteries) and information systems
		Approximately 25.0 billion yen	Investments for maintenance and production efficiency: 9.5 billion yen	 Investments to update aging facilities and reduce costs, etc. Goal is to eliminate plant problems
		Shareholder return: Approximately 12.0 billion yen	Dividends and share buybacks	 Continue to pay stable dividend and aim to achieve a total shareholder return of 40% through use of share buybacks



lew office (Amagasaki Plant)



Silica gel manufacturing facili[.] (Matsuyama Plant)



Basic Policy on Sustainability

Osaka Soda 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.

Osaka Soda identifies material issues, sets important elements for the four material issues, and then works to achieve KPIs and carry out measures to implement this Basic Policy. We are also aware that addressing climate change issues and developing human resources are urgent issues for the Company.

Initiatives to Ensure Sustainability

< Governance >

At the Group, the Sustainability Committee, which is directly under the Board of Directors, formulates strategies and policies, ascertains the state of initiatives in each department and material issues related KPIs, and manages related progress as well as regularly submits reports and proposals to the Board of Directors.

	Board of	f Directors	
Re	port 🕇	Арр	roval
	Sustainabili	ty Committee	
Chair: I Membe	President & C ers: Directors persons a	EO , executive offic appointed by th	cers, le chair
Progress re	port 🕇	Insti	ruction
Produc	tion, busines: & Group	s, corporate div companies	visions,

< Strategy >

As for providing social value through business and strengthening business foundations, two of the Group's material issues, Osaka Soda formulated concrete measures related to such issues as undertaking stable production, improving product quality, and reinforcing technology development capabilities, and promotes related initiatives. In light of the Basic Policy on Sustainability, we not only contribute to the realization of a secure, affluent society by manufacturing and supplying a lineup of products that support industrial infrastructure but also continue to enhance corporate value by building a firm business foundation and expanding business.

As one 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 (transition risk) and risks related to the physical impact of global warming (physical risk), using a 1.5°C–2°C scenario and 4°C scenario, but also formulates response measures. Osaka Soda will respond to these risks and opportunities by developing materials that reduce environmental impact and conserve energy through improved energy efficiency, extended service life, and elimination of solvents.

Risks with a major impact

Opportunities with a major impact

Increased offset credit price

Increased carbon price and other

regulatory compliance costs

development and implementation of environmentally friendly technologies

Turning to developing human resources, Osaka Soda aims 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. In order to achieve this, Osaka Soda revised its employee evaluations and education and training system and is focusing on creating an internal environment in line with the human resource development policy to ensure diversity.

- Human resource development policy to ensure diversity:
- Operate a system of career training and early career rotations so that employees can work for many years with peace of mind
- Revisions to the personnel system and education and training system:

Build a system that makes it possible for all employees to make the most of their abilities based on the Group Mission Statement

• Developing the company's internal environment Foster a workplace culture that is more understanding of diverse workstyles and strive to develop a workplace environment in which the appropriate person is assigned to the appropriate position in line with the business strategy, diverse human resources respect each other, and all employees play an active role

< Risk Management >

Production-related risks are handled by the RC Committee, Quality Assurance Committee, and Engineering and Technology Division, and information management-related risks are handled by the Information Management Committee. Each related division and body identifies and evaluates risks, and reports them to the Board of Directors after deliberating on response measures, and the Board of Directors actively deliberates the issue. As for climate change–related risks, serious risks are identified by evaluating when they might materialize and the seriousness of the impact on business based on scenario analysis. For identified serious risks, the Sustainability Committee deliberates on the issue, proposes a response policy, strategy, and measures, and reports on this to the Board of Directors.

< Metrics and Targets >

Regarding providing social value through business and strengthening business foundations, Osaka Soda sets targets related to such issues as improving intensity and curbing nonconforming products in order to enhance corporate value by creating a firm business foundation and expanding business. As for strengthening CSR activities and developing human resources, we have set target figures for such issues as reduction of GHG emissions and ratio of female managers.

[Material issues and Key elements]

Material issues	Providing s through I	ocial value ousiness	Strengthening business foundations	Develo human res
Key elements	Making social contributions through business activities	Providing new value demanded by society	Continuously strengthening business foundations	Creatin employee- workplac developing resour

Material issues and Measures (KPIs)

	intinuousiy strengthening bu
	Reviewing work standards
Strengthening efforts for stable production	effectiveness Operator training u
Improving product quality	 Conducting regular training to rais change management Surveying s
Reinforcing technological development capabilities and passing on fundamental technologies	 Conducting regular technical meet Curbing non-conforming products
Strengthening production facility management system	 Strengthening autonomous mainte management system Introducing,
Promoting DX	 Promoting visualization and standa infrastructure and networks Impr through automation/AI
Developing Human Resources: Creating	an employee-friendly workpl
Initiative	
Reforming corporate culture and organizational culture	Instilling the management philosop
Expanding educational opportunities	Clarifying skills by grade Revie
Promoting women's active engagement	 Reviewing recruitment activities (ra Reviewing personnel and education chiefs by 1.5x by fiscal 2025 [vs. fisc
Promoting work-life balance	 Encouraging use of annual paid lea Encouraging male employees to use
Strengthening CSR Activities: Occupatio	nal safety and health / Disas
Initiative	
Eliminating lost worktime injuries by promoting health and safety activities	 Organizing, understanding, and up Utilizing information from past issu worktime accidents) Implanting sa
Promoting mental health care and activities for better physical health	 Interviews at high-stress workplace health training (absences from work of examination for those who require de (checkup findings, re-testing/detailed)
Curbing serious accidents	 Mitigating risks through hazard so Improving security management le
Preparing for major natural disasters	• Upkeep of disaster prevention equation anticipation of large-scale earthquake
Chemicals management / Safety and qu	ality
Initiative	
Complying with domestic and international chemical regulations	 Appropriately complying with Japa Evaluation Law, the Chemical Substar Destruction Law Appropriately co outside Japan Disseminating info Conducting compliance training
Providing product safety information	 Preparing and providing product S Providing information on chemical Supporting customer research required
Addressing climate change issues	
Initiative	
Reducing greenhouse gas emissions	 Introducing high-efficiency equipm Streamlining production processes Promoting the use of green energy
Environmental preservation	
Initiative	
Reducing industrial waste landfill rate	 Increasing recycling rate of ash du

STORY 3 / System Supporting Value Creation

Strengthening CSR activities a an Occupational Chemicals Addressing friendly safety and management/ Environmental climate health/ e and Safety and change preservation Disaster human quality issues ces prevention Isly strengthening business foundations ls • Reflecting on past issues and confirming countermeasure continuity/ training using skill maps ing to raise awareness levels for quality assurance • Rigorously enforcing urveying suppliers on their CSR, quality management, and other initiatives nical meetings • Taking cost reduction measures products us maintenance management system 🜘 Reinforcing scheduled maintenance troducing, operating, entrenching a facilities management system nd standardization 🛛 🔵 Standardizing operations, updating ERP, updating Improving productivity/R&D speed Increasing operational efficiency workplace and developing human resources

Measure (KPI)

philosophy system • Promoting and executing business reforms

Reviewing education and training programs

ctivities (ratio of female new graduates hired: 20% or more) d education systems (Increasing the ratio of female managers, including section 25 [vs. fiscal 2021])

ual paid leave (target: 70% or more) ovees to use the childcare leave system

/ Disaster prevention

Measure (KPI)

ng, and upholding work procedures • Promoting 5S activities n past issues and incidents • Instilling the Safety Guidelines (zero lost Iplanting safety skill acquisition systems

workplaces and activities to improve the workplace environment • Mental rom work due to mental health issues: less than 0.6%) • Recommending rerequire detailed testing or re-testing • Promoting specific health guidance ng/detailed testing rate: 70% or more)(checkup findings: less than 30%)

hazard source identification activities, including KY*, RA, SA, HAZOP gement level ● Promoting facility management (zero serious accidents)

ention equipment, goods, and materials
Conducting disaster drills in earthquakes, etc.
Reviewing BCP
Planned renewals of aging facilities

KY* : Hazard prediction activities

Measure (KPI)

with Japanese chemical laws and regulations such as the Chemical Substances cal Substances Management Law, and the Fluorocarbons Recovery and priately complying with EU-REACH and other chemical laws and regulations hating information on revisions to chemical laws and regulations training

product Safety Data Sheets (SDSs) on our corporate website a chemical substance content through JAMP chemSHERPA search requests

Measure (KPI)

cy equipment • Promoting energy conservation activities

een energy (reduce GHG emissions: by 30% in fiscal 2030 [vs. fiscal 2013])

Measure (KPI)

Increasing recycling rate of ash dust
 Reducing volume and recycling of brine mud
 Promote in-house reuse (final landfill rate: less than 1% in fiscal 2030)

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 composed of representatives of the production divisions, business divisions, corporate divisions, and Group companies. Auditors participate as observers

< Nomination of Directors and Auditors and Determination of Compensation >

The Board of Directors, including the independent outside directors, nominate candidates for directors and auditors who are elected by the General Meeting of Shareholders.

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 auditors are determined through consultation between the auditors 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, performancelinked 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 auditors 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 auditors 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 2023, Osaka Soda actively moved forward with deliberations on serious risks that impact business. The Company has also increased opportunities for deliberations through such activities as holding informationsharing meetings, which are attended by outside directors and auditors, in order to further promote the exchange of information and common awareness based on an independent, objective perspective. Osaka Soda will work even harder to undertake such activities as holding deliberations by the Board of Directors on the continuing development of human resources.



Fair Transaction Management Committee

23

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.

< Conducting Compliance Training >

In fiscal 2023, we provided officers, managers, and others with compliance training on the topics of greater human rights awareness and harassment and insider trading regulations, which was conducted by Chuo Sogo LPC (Legal Professional Corporation) and attended by more than 100.

	The Information Management Committee establishes policy on the handling and management of information that is held and obtained, and optimizes information management.
e	The Trade Committee conducts the appropriate management of export control of national security-related goods to maintain international peace and security.
;	Osaka Soda complies with the Antimonopoly Law, the Unfair Competition Prevention Law, and other relevant laws and regulations to ensure that our company and Osaka Soda Group do business fairly.

Directors and Auditors (As of June 27, 2024)



Director (outside) Hakaru Hyakushima

Director and Lead Executive Officer Bun'yu Futamura General Manager, Chemical Specialties Division Shigetsugu Fujiyabu General Manager, Healthcare Division Takeshi Kimura

Full-time Auditor (outside)

Auditor (outside) Shinji Mori

Director (outside) Okiko Miyata

Director (outside)

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

Representative Director, President and CEO Kenshi Terada

Full-time Auditor Yasushi Segawa

< Director Skill Matrix >



Messages from the Outside Directors

Outside Director Bun'yu Futamura



Apr. 1972 Joined NIPPON STEEL CORPORATION Jun. 2001 Director, Member of the Board, NIPPON STEEL

- Apr. 2006 Managing Director, Member of the Board, NIPPON
- Jun. 2006 Managing Executive Officer, NIPPON STEEL

Apr. 2007 Vice President, Executive Officer, NIPPON STEEL Jun. 2007 Representative Director, Vice President, NIPPON Apr. 2009 Director, Member of the Board, NIPPON STEEL

Issues regarding implementing the medium-term management plan

Osaka Soda is striving to implement its medium-term management plan, the final year of which is fiscal 2025, and it has already been one and a half years since the start of the plan in fiscal 2023. When measuring the extent to which the plan has been implemented, important indicators, particularly for the manufacturing business, are how capital expenditure plans, which are for individual fiscal years, are revised to reflect subsequent changes in the business environment and what projects have been decided upon at the current time. It has been decided to invest a total of 25.0 billion yen over three years, 15.5 billion yen in strategic investments and 9.5 billion yen in investments for maintenance and production efficiency. Our capital expenditure plans, which marshal the insight necessary for Osaka Soda's growth, require time from when the plan is decided on until when those expenditures have an impact. Therefore, to promote implementation of the plan, it is necessary to guide the whole company towards the best design so that the examination processes, which extend until a decision is made, move forward as quickly as possible. I will contribute to quickly achieving the targets in the medium-term management plan from an outside perspective by measuring progress from various perspectives and sharing issues.

Outside Director Hakaru Hyakushima



- Apr. 1981 Joined the Ministry of Finance . Jul. 1999 Assistant Regional Commissioner of Criminal Investigation Department of Tokyo Regional Taxa Bureau Jul 2011 Deputy Commissioner of Commissioner's Secreta National Tax Agency Jul. 2012 Regional Commissioner of Nagoya Regional Taxat Bureau Apr. 2015 President of Japan Mint
- Apr. 2018 Deputy Director-General of Minister's Secretariat Ministry of Finance
- Apr. 2019 Professor of Faculty of Management of Otemon

Ensuring the effectiveness of governance, sustainability management, and the Board of Directors

Having been entrusted with the duty by shareholders, outside directors are expected to supervise management of Osaka Soda from an independent, objective perspective with a focus on achieving sustainable corporate growth and medium- to long-term enhancement of corporate value. At Board of Directors meetings, the three outside directors actively participate in discussions in order to meet those expectations. I think that spending sufficient time on deliberations, which involves the management team encouraging us to make comments and listening to and respecting our opinions, increases effectiveness. I strive to participate in discussions while checking whether Osaka Soda is fulfilling its responsibility to society from the perspective of various stakeholders. I also think that fulfilling our responsibilities to society will lead to the growth of the company and corporate value. With experience in legal research and actual administration, I am particularly focused on compliance and responsible care.

Outside Director Okiko Miyata



- Apr. 1975 Research Student, Biopharmaceutical Chemistry Medicinal Chemistry) Laboratory, Kobe Women's Pharmacy (present Kobe Pharmaceutical Universi
- Apr. 2001 Assistant Professor, Medicinal Chemistry Laborat Pharmaceutical University
 - Associate Professor, Medicinal Chemistry Laborat Pharmaceutical University
- Apr. 2008 Professor, Medicinal Chemistry Laboratory, Kobe Pharmaceutical University

Evaluating Osaka Soda's strengths, superiority, and good points

Leveraging my experiences gained by participating in teaching, training, and operations at universities, I started to regularly visit the Corporate R&D Center and create opportunities for discussions with all R&D members this year. While doing so, I felt that we have created an open environment that makes meaningful exchange of opinions possible. Because I also feel this way when attending Board of Directors meetings, I think that Osaka Soda has fostered a climate in which everyone can actively speak without hesitation. A workplace with an open atmosphere is an important factor for creating new things and implementing transformations.

While valuing Osaka Soda's Vision Statement of respecting the values of each and every one of our employees and aiming to be a company that grows together, I will do all that I can to further develop the workplace environment, promote women's active engagement, and develop human resources from an objective perspective so that employees can do their work with vitality and a sense of fulfilment.

STORY **3** System Supporting Value Creation

	Jun. 2009	Representative Director and President, NIPPON STEEL
		9 Meterial Ca. Ltd.)
N SIEEL		& Material CO., Ltd.)
	Jun. 2013	Director and Advisor, NIPPON STEEL Chemical
	Apr. 2014	Advisor, NIPPON STEEL Chemical
STEEL	Jun. 2015	Outside Director, Tsukishima Kikai Co., Ltd. (present
		Tsukishima Holdings Co., Ltd.)
	Jun. 2015	Outside Director, Osaka Soda Co., Ltd. (current position)

		University (current position)
		Senior Visiting Research Fellow of Policy Research Institute
tion		Ministry of Finance (current position)
	Jun. 2019	Outside Director, Osaka Soda Co., Ltd. (current position)
ariat of	Oct. 2019	Part-time lecturer of Kyoto University School of
		Government
tion	Jun. 2020	Outside Audit & Supervisory Board Member of
		Sumitomo Riko Company Limited (current position)
	Mar. 2021	Trustee, Kyoto International Conference Center (current
of		position)
	Jun. 2022	External Board Director of FUSO CHEMICAL CO., LTD
Gakuin		(current position)

(present	Feb. 2016	Visit
College of		City
ity)	Apr. 2016	Spee
tory, Kobe		Univ
	Apr. 2019	Pres
tory, Kobe	Jun. 2021	Outs
	Apr. 2022	Prof
		(cur
	Jun. 2022	Chai
		Univ

ting Professor, Graduate School of Science, Osaka University (present Osaka Metropolitan University) cial Assistant to the President, Kobe Pharmaceutical /ersity sident, Director, Kobe Pharmaceutical University side Director, Osaka Soda Co., Ltd. (current position) essor Emeritus, Kobe Pharmaceutical University ent position) airman of the Board of Directors, Kobe Pharmaceutical

University (current position)

Addressing climate change

In light of proposals by the Task Force on Climate-Related Financial Disclosures (TCFD), Osaka Soda has decided on governance, strategy, risk management, and metrics and targets.

< Governance and Risk Management >

Osaka Soda's Sustainability Committee operates a system for receiving reports on climate change from the production, business, and corporate divisions and each Group company, and supervising related initiatives. Recognizing that appropriately addressing climate change is an important issue, the Committee regularly reports to the Board of Directors on the content of deliberations conducted in related departments and the state of achieving KPIs, and provides suggestions.

a to and resolution by the Board of Dir

< Strategy >

Osaka Soda uses the 1.5–2°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, and formulates measures related to addressing risks and opportunities.

An increased carbon price and 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 manufacturing processes. Furthermore, Osaka Soda considers strengthening support for developing and introducing environment 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.

	Ri	sk/Opportunity Type	Period of Occurrence	Business Impact	Action Policy	
		Increased carbon price and other regulatory compliance costs	Short term	High	Introducing high-efficiency equipment Promoting energy conservation activities	
T	Policies and	Increased offset credit prices	Long term	High	 Streamlining production processes Promoting use of green energy 	
risks ^{*1}	regulations	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	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 	
risks*²		Stopped operations due to damage in the supply chain	Medium term	Medium	Implementing supply chain management for sustainable procurement	
		Unstable supply of natural resources, water,	Medium term	Medium	· Diversifying row material suppliars	
	Chronic	electricity, raw materials, etc.	Medium term	Medium	· Diversitying faw material suppliers	
		Increased subsidies for the development and implementation of environmentally friendly technologies	Short term	High		
Opportunites	Products and services	Increased demand for materials, components, and solutions for environmentally friendly equipment	Short term	Medium	 Developing materials reducing environmental impact and conserving energy by improving energy efficiency, extending service life, and eliminating solvents 	
		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.

< Metrics and Targets >

Having selected greenhouse gas (GHG) emissions as a metric to evaluate climate change, we aim to reduce fiscal 2030 GHG emissions (total for Scope 1+2) 30% compared to fiscal 2013.

Moreover, fiscal 2023 GHG emissions totaled 604 thousand t-CO2e (Scope 1+2: 277 thousand t-CO2e) as a result of a decline in manufacturing activities.

[GHG emissions from business activities and target



[Fiscal 2023 GHG Emissions]

					GHG emissions [thousand t-CO2e]		
Scope 1	Direct emissions				52.8		
Seene 2	Indirect emissions from	(Market-bas	sed)		224.5		
Scope 2	energy sources	(Location-b	ased)		277.7		
Scope 3	Other indirect emissions			326.9			
GHG protocol GHG emissions [thousand t-C0ze]				GHG protocol	GHG emissions [thousand t-CO2e]		
Category 1	Purchased goods and services	6	176.7	Category 8 Upstream leased assets		_*1	
Category 2	Capital goods		18.5	Category 9	Downstream transportation and distribution		
Cotogony 2	Fuel-and energy-related activities		89.7	Category 10	Processing of sold products	_*2	
Category 5	(not included in Scope 1 or Scope 2)			Category 11	Use of sold products	_*2	
Category 4	Upstream transportation and o	distribution	39.4	Category 12	12 End-of-life treatment of sold products		
Category 5	Waste generated in operations	3	1.5	Category 13	ategory 13 Downstream leased assets Exc		
Category 6	Business travel		0.5	Category 14 Franchises Exclud		Excluded*3	
Category 7	Employee commuting		0.6	Category 15	Investments Excluded		

*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

* 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

V3.4 are used

Energy efficiency and clean energy

< Target >

In addition to reducing GHG emissions, Osaka Soda is moving forward with reducing energy use and increasing the efficiency of energy use. Our goal is to increase the percentage of non-fossil electricity to 59% in fiscal 2030 in line with the revised Act on Rational Use of Energy.

< Introducing High-Efficiency Equipment >

Osaka Soda is working to improve electricity intensity by increasing electrolyzer efficiency through modifications to existing facilities. In fiscal 2023, we improved electrolyzer efficiency at the Matsuyama Plant and Okayama Plant, work on which started in the previous fiscal year, and introduced high-efficiency electric facilities at the Amagasaki Plant.

As for updating aging facilities, Osaka Soda plans to reduce energy consumption by adopting more efficient equipment, and will move forward with increasing the efficiency of equipment, including electrolyzers and electrical equipment.

< Promoting Energy Conservation Activities >

The Group conducts educational activities to increase knowledge and awareness of energy efficiency through the energy conservation committees and RC committees at each business site. Furthermore, the Group has set uncovering energy efficiency themes as an annual target for each department. In addition to reducing steam use through the collection of waste heat and cutting energy use through the introduction of LEDs, which we have done in the past, we added heat insultation for facilities as an energy efficiency theme and reduced the use of steam in equipment such as electrolysis facilities in fiscal 2023.

STORY **3** System Supporting Value Creation

* 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.3.4 or the Ministry of the Environment's Emission Intensity Database For Calculating GHG Emissions Throughout the Supply Chain

< Reducing Energy Consumption >

In addition to considering the introduction of high-efficiency equipment when updating facilities, Osaka Soda aims to reduce energy use by streamlining production processes and laborsaving measures, and reduce GHG emissions by utilizing clean energy. In fiscal 2023, energy use was about 166 thousand kL (crude oil equivalent), a decrease of approximately 26.2% year on year. We will continue to strive to reduce energy use through the streamlining of production process.

< Utilizing Clean Energy >

As one of its alternate energy measures is to make use of hydrogen generated from soda electrolysis, Osaka Soda installed 5 hydrogen boilers. Fuel use was reduced by about 5,300 kL (equivalent to 14,000 t-CO₂) on a crude oil equivalent basis in fiscal 2023 through the use of hydrogen boilers.



Hydrogen boiler (Matsuyama Plant)



City gas boilers (Amagasaki Plant)

Health management

As our ideal image for fiscal 2035, the 120th anniversary of our founding, our Group aims to be a company where employees can fully demonstrate their capabilities. To achieve this, we are working to promote the health of our employees.



Health Management Declaration

In order to increase employee engagement and maximize productivity, creativity, and motivation, Osaka Soda is committed to health 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

- 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 obvsical and mental health.
- 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.
- Regarding health as an important management issue, we will actively engage in various measures and continue to verify and improve their impact.

< Organization for action >

In September 2023, we re-established an organization for practicing health management, which included appointing a public health nurse to our head office. Led by the Human Resources Department, the organization works with various committees such as the RC Committee (Safety & Health Committee) and the Sustainability Committee to share KPIs and works toward continuous improvement based on the PDCA cycle.



< Indicators and targets >

Based on a strategic map outlining the Group's management priorities and health management initiatives, we set and monitor indicators for improving work engagement, and reducing both absenteeism and presenteeism. We are also taking various measures to bring about changes in awareness and behavior, as well as to improve outcomes, which are closely related to these indicators.

		(FY)	2025 target	2023	2022
Work	Results (score)		70 points	57	56
*1	Response rate (%)		_	91.3	93.6
Absenteeism	Rate of absence due to mental health issues *2		Less than 0.6%	1.7%	0.6%
Changes in	Regular health check- attendance rate	-up	100%	100%	100%
and behavior	Detailed examination attendance rate		Over 70%	50.5%	39.4%
Outcomes	Rate of people with abnormal findings du health checkup	ring	Less than 30%	32.3%	32.3%
	Paid leave usage rate		Over 70%	81.8%	75.8%

*1 : Measured via Relo's Engagement Survey

*2 : Those who are absent or on leave for one month or more due to mental illness

< Mental health measures >

We conduct stress checks once a year to instill a preventative approach that encourages employees to be aware of mental health issues and take action early. In 2023, we began conducting engagement surveys four times a year as part of a focus on more positive mental health initiatives.

We also conduct interviews at high-stress workplaces to understand employees' specific stresses and take concrete measures to improve situations, including assigning additional staff. Furthermore, we have public health nurses and certified psychologists on-site at all times as part of a system for ensuring that employees can easily seek advice. We update the content of our self-care and line-care training every year with the aim of improving employees' self-care abilities and gradually upgrading managers' skills.

< Regular health checkups and follow-ups >

The attendance rate for regular health checkups in 2023 remained at 100%. Health management personnel at each business site encourage employees who are deemed to require detailed examinations or re-examinations to undergo examinations, and are required to report the results of those examinations.

< 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.

< Reducing 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 put in more than 60 hours of overtime per month are required to have a meeting with an industrial physician to assess their health.

Creating an Employee-friendly Workplace

The Group has identified creating an employee-friendly workplace and developing human resources as material issues, and is working to reform its corporate culture and organizational culture, expand educational opportunities, promote women's participation in the workforce, and encourage work-life balance.

< Developing the Company's Internal Environment >

In order to develop the company's internal environment, Osaka Soda not only created and operates several types of systems, such as a flextime system, work interval system, telecommuting system, and a system to encourage male employees to take childcare leave, but is also moving forward with efforts to foster a workplace culture that is more understanding of diverse workstyles. We are working to develop a workplace environment in which the appropriate person is assigned to the appropriate position in line with the business strategy regardless of nationality, gender, whether new graduate or mid-career hire, or other attribute, diverse human resources respect each other, and all employees play an active role.

In February 2024, we rebuilt the aging office building at the Amagasaki Plant and improved the workplace environment. The new office building integrates the quality assurance group and is designed to improve operational efficiency.

< Promotion of women's active engagement >

With the 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 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 chiefs) to 1.5 times the proportion in fiscal 2021 by March 31, 2026, and promote the taking of childcare leave by male employees.

In fiscal 2023, we achieved our goal of having more than 20% of new graduate hires be female, the proportion of women in management positions was 6.9%, and the rate of male employees taking childcare leave was 64.3%.

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

In May 2024, our company received three-star certification as an Osaka City Leading Company in Women's Participation, a program organized by the city of Osaka, for the second consecutive year.



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 Corporate Philosophy, 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 to ensure diversity, 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.

< Expanding educational 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, we have established competency requirements (knowledge and skills according to roles and duties) that serve as guidelines for human resource development, and have established selfstudy support tools and training systems for acquiring such knowledge and skills.

In fiscal 2023, we implemented human resource development programs such as training for selected expatriate staff and career training for managers.

< 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 2023 was 41, bringing the total number of qualified employees to 1,773.

Number of Qualified Employees 1,773 (cumulative)]				
	(as of M	arch 2024)		
Name of qualification	Category	Number of qualified		

[Status of Main National Qualification Acquisition: Total

Name of qualification	Category	Number of qualified employees
Health Officer	Class 1	82
Food Hygiene Officer	-	15
Name of qualification Health Officer Food Hygiene Officer Pollution Control Officer Qualified Person for Energy Management High Pressure Gas Manufacturing Process Safety Manager Boiler Engineer Hazardous Materials Engineer Poisonous and Deleterious Substances Manager Industrial Waste Processing Facility Manager Specially Controlled Industrial Waste Manager High Pressure Gas Sales Safety Chief Electricity Engineer	Water Class 1	148
Foliation Control Officer	Atmosphere Class 1	99
Qualified Person for Energy Management	_	82
High Pressure Gas Manufacturing	Class A and Class B Chemical	88
Process Safety Manager	Category Class 1 Class 1 Class 1 Class 1 Atmosphere Class 1 Class A and Class B Chemical Class A and Class B Chemical Class A and Class B Class A and Class B Class A and Class B Class A Class A Class A Class A Class A Class 2 Class 3 Class 1 Class 2 Class 2 Class 2 Class 2 Class 3 Class 1 Class 2 Class 2 Class 2 Class 2 Class 2 Class 3 Class 1 Class 2 Class 2 Class 2 Class 2 Class 3 Class 1 Class 2 Class 2 Class 2 Class 2 Class 2 Class 3 Class 1 Class 2 Class 3 Class 1 Class 2 Class 3 Class 1 Class 2 Class 3 Class 2 Class 2 Class 3 Class 2 Class 3 Class 2 Class 2 Class 2 Class 3 Clas	222
	Special level	5
Boiler Engineer	Level 1	142
	Level 2	294
Hazardous Materials Engineer	Class A	322
Poisonous and Deleterious Substances Manager	-	84
Industrial Waste Processing Facility Manager	-	9
Specially Controlled Industrial Waste Manager	-	58
High Pressure Gas Sales Safety Chief	_	28
	Class 2	10
Chief Electricity Engineer	Atmosphere Class 1 - Class A and Class B Chemical Class A and Class B Machinery Special level Level 1 Level 2 Class A Class A - Class 2 Class 3 Class 1 Class 2	27
	Class 1	9
Electrician	Class 2	49

Human Rights Policy

< Background for formulating >

The Osaka Soda Group Human Rights Policy is based on the Basic Policy on Sustainability, the goal of which is to combine contributing to the realization of a sustainable society through our business activities with enhancing our corporate value.

This policy stipulates that the Group will respect the human rights of all people based on an awareness that human rights are the most basic element for conducting business activities, as well as promote initiatives related to respect for human rights in light of the UN Guiding Principles on Business and Human Rights, which was approved by the United Nations Human Rights Council in 2011. At a time when companies are expected to play a greater role in respecting human rights in recent global business, this policy states the Group's thoughts on respecting human rights as the social responsibility of companies and achieving sustainable growth along with society.

< Initiatives >

As for initiatives to implement its Human Rights Policy, Osaka Soda is moving forward with interviews of tier-one suppliers regarding the state of related initiatives in order to implement human rights due-diligence that complies with the UN Guiding Principles. Osaka Soda also plans to establish and announce to the general public in fiscal 2024 a dedicated email address for outside inquiries so that it can reinforce its mechanisms related to help and complaints.

Procurement Policy

< Background for formulating >

The Group set and then announced its Basic Purchasing Policy and CSR Procurement Guidelines in March 2024. Having set its basic thoughts on and policy for sustainable purchasing and procurement activities in its Basic Purchasing Policy, the Group fulfills its social responsibility and strives to undertake sustainable procurement throughout the supply chain. In addition, the Group will conduct sustainable purchasing and procurement in collaboration with suppliers, and has indicated guidelines for working with suppliers as its CSR Procurement Guidelines.

< Initiatives >

While of course conducting routine business activities in line with the various items stipulated in the Basic Purchasing Policy, the Group confirms not only that products conform to quality and safety standards when new suppliers are used but also the quality stability of suppliers through evaluations that include analysis figures for past production lots.

Furthermore, Osaka Soda started in May 2024 to provide targeted companies with explanations of the various items in the CSR Procurement Guidelines so that all tier-one suppliers endorse and implement those items. We will ascertain conditions at each company and conduct sustainable procurement in collaboration with those companies.



Responsible Care (RC) Initiative

< 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.



< 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.



PLAN	DO
RC Committee Site RC Committee	Sites
gets and measures for the fiscal year loption of the RC action plan on of the RC action plan at sites	Activities based on the RC action plan and campaigns to prevent serious accidents

[Targets and Results of Responsible Care Activities]

Targets for Fiscal 2023		
Environmental Preservation	 Reduce CO² emissions Reduce industrial waste landfill rate 	Redu to im in pro Redu
Process Safety & Disaster Prevention	 Achieve zero serious accidents Comply with laws and regulations and in-house standards, etc. 	Preve and p syste
Occupational Safety & Health	 Achieve zero lost worktime accidents Promote safety and health activities Promote better mental and physical health 	Achie work offeri
Distribution Safety	 Reduce distribution accidents (reduce 50% compared to fiscal 2022) 	Distri safet
Chemical Safety	 Comply with chemical substance regulations both in Japan and overseas Provide product safety information 	Com the R overs
Quality Assurance	 Reduce quality issues Ensure thorough operation of 4M change management Raise awareness of quality compliance 	Redu QC p
Dialogue with Society	 Promote local community interactions and social contribution activities 	Subn Asso

- 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.

- uced GHG emissions 199 thousand tons-CO2e as a result of continuing efforts nprove facilities and processes and achieve other objectives as well as a decline oduction
- ced final landfill rate to 4.6% through initiatives to recycle industrial waste.
- ented serious accidents by undertaking risk mitigation activities, safety patrols, point and call activities as well as promoting the use of a security management em at high-pressure gas certified sites.
- eved a vear-on-vear decline in lost worktime accidents as a result of revising procedures, thoroughly conducting safety checks of non-standard work. ing safety education by outside entities, and other initiatives.
- ibution accidents increased despite working with logistics companies to provide v guidance, educate drivers, and improve customers' facilities
- plied appropriately with regulations for chemical products in Japan (Act on Regulation of Manufacture and Evaluation of Chemical Substances, etc.) and seas (REACH in Europe, etc.).
- uced quality issues as a result of implementing change management, employing process charts, and promoting trend management for product quality.
- mitted reports to the government and to the Japan Chemical Industry ciation and actively engaged in local association and council activities.

Responsible Care Policies

< Environmental Preservation >

- 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

< Guidelines >

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.

< Status of ISO14001 Certification By Business Site >

Osaka Soda is working to both promote its business and reduce the environmental impact of its business activities. As the guideline for this, we stipulate that core plants obtain ISO14001 certification, international standards on environmental management system, and make routine improvements.

Plant	Date of Certification	Certifier	Registration Number	Data renewed
Amagasaki Plant	May 2001	Japan Quality Assurance Organization	JQA-EM1558	April 2022
Matsuyama Plant	June 2001	Japan Quality Assurance Organization	JQA-EM1631	June 2022
Mizushima Plant	October 2000	Japan Quality Assurance Organization	JQA-EM1051	August 2021

Material Balance of Production Activities

The material balance resulting from our production activities during fiscal 2023 is shown below.



Initiatives for Reducing Waste

Under the basic environmental preservation policy of striving to reduce our environmental impact and curb global warming in harmony with the global environment, Osaka Soda actively works to make effective use of resources (cyclic use), which includes recycling and in-house reuse of waste.

< Reducing Industrial Waste Landfill Rate >

Osaka Soda has set a target of reducing the final landfill rate to less than 1% by fiscal 2030. In fiscal 2023, the final landfill volume was 1,679 tons, and the final landfill rate declined 1.7 percentage points year on year to 4.6% as a result of promoting recycling.

[Final landfill rate]



Initiatives for the Effective Use of Resources (Cyclic Use)

< Reducing Volume of and Recycling Brine Mud >

Osaka Soda strives to recycle brine mud generated from electrolysis. Since fiscal 2023, we have expanded related initiatives to all factories, making it possible to recycle waste.

< Promoting In-house Reuse >

Osaka Soda reduces waste through its 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. Osaka Soda is also engaged in the conversion of organic sludge generated from wastewater treatment into fertilizer, and the sorting, collection, and recycling of garbage.

Initiatives to Prevent Atmospheric and Water Pollution

Our 5 plants (Kitakyushu, Amagasaki, Matsuyama, Mizushima and Okayama), and the Matsuyama Plant of SANYO FINE CO., LTD. engage in production activities in 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 area, and Osaka Soda not only strives to comply with environmentrelated laws but also to prevent and reduce atmospheric and

water pollution. The environmental impact of our wastewater is primarily attributable to the emissions from processes for organic products, etc. (organic products, plastics, pharmaceutical intermediates, etc.), and Osaka Soda takes steps to reduce this impact.



Facility for recovery of valuable materials through thermal decomposition of wastewater (Matsuyama Plant)

We are assiduously working to conduct operations with an awareness of saving the world through the power of chemistry.

> Toru Kubota Production Section 1 Mizushima Plant



Using equipment that recovers and recycles steam and chemical compounds that are the byproducts of production processes, Osaka Soda strives to reduce waste and GHG emissions.

The Mizushima Plant produces allyl chloride (AC) and epichlorohydrin (EP). The Production Section 1 which I work in, operates hydrochloric acid production facilities that use chemical compounds obtained from side reactions during production as raw materials, and has eliminated the disposal of byproduct chemical compounds by recovering them as valuable materials and using them as an energy source. We are also working to reduce the volume of steam used by not only recovering heat from high-temperature wastewater generated during the epichlorohydrin production process but also using drain water from steam used in rectifying towers as a heat source for other facilities.

I joined Osaka Soda fifteen years ago and feel that solutions have still not been found to environmental problems because natural disasters, such as torrential rains and massive typhoons, have increased in frequency as a result of continuing global warming. Under these conditions, I think that it is extremely significant that members of the department that I belong to operate a system that recovers resources and energy from waste. At the same time, an awareness that we are making considerable contributions to saving the global environment through the power of chemistry serves as an inspiration for not only our daily work but also daily life. There are many things that Osaka Soda can do and things that we can do in our individual lives. I hope to implement initiatives that take the environment into consideration, starting with minor ones.

Responsible Care Policies

< Process Safety & Disaster Prevention >

- 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.

Process Safety and Disaster Prevention Initiatives

Osaka Soda is taking action for security 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 operation to be implemented at each business site under the purview of the Group-wide and individual business 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).

< Identifying Hazard Sources and Mitigating Risks >

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. In fiscal 2023, we proceeded with risk mitigation initiatives with respect to identified sources of hazards as a response to our KPI for using KY, RA, SA, HAZOP and others to reduce risks and identified sources of hazards.

< Improving Security Management Level >

Mizushima Plant and Okayama Plant have established and are operating a security management system based on the Security Management Policy. In fiscal 2023, both plants, which are certified as approved sites of business under the High Pressure Gas Safety Act, operated a security management system and also underwent security certification inspections and internal audits in order to improve the security management level, a KPI.

Security Management Policy

- 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



Security certification inspection

< Promoting Facility Management >

A facility management system has been introduced and put into operation for systematic facility management. In addition, to encourage autonomous maintenance activities, Osaka Soda helps personnel gain qualification for the Autonomous Maintenance Certificate. In fiscal 2023, seven employees qualified for the Autonomous Maintenance Certificate (level 1). In the same fiscal year, in order to promote facility management (zero serious accidents), a KPI, we undertook security management at the Mizushima Plant and Okayama Plant based on the approved high-pressure-gas certified site of a business system. As a result, there were zero serious accidents (class A accidents) and zero class A (minor) accidents at the plants. We are continuing to reinforce our security management system.

< 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 Shindo scale) or higher are automatically sent safety confirmation messages.

< Disaster Prevention Drills >

Each site participated in local disaster prevention drills. Comprehensive disaster prevention drills, reporting and communication drills, oil spill response team dispatch drills, and high pressure gas disaster prevention drills were also held within sites. We conduct comprehensive disaster training drills and other activities at each plant and workplace in order to conduct disaster drills in anticipation of large-scale earthquakes, etc., a KPI. We will continue to improve our response capabilities in the case of a major earthquake or other disaster.





Amagasaki Plant





tsuyama Plant

Mizushima Plant

< Business Continuity Plan >

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. In fiscal 2023, we revised the BCP for earthquakes, torrential rains, and infectious diseases.

Responsible Care Policies

< Occupational Safety & Health >

- 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.

Occupational Safety and Health Initiatives

< Preventing Lost Worktime Accidents >

By working to implement such measures as serious accident prevention and KY activities and regular meetings of the RC Committee (includes the Safety & Health and Process Safety & Disaster Prevention Committee), we are working to prevent lost worktime accidents with the goal of zero lost worktime accidents, a KPI.

[Number of Annual Lost Worktime Accidents (Year)]

(year)	2019	2020	2021	2021	2023
umber of lost worktime ccidents	1	1	3	2	1
requency rate of lost orktime accidents*	0.70	0.71	2.02	1.34	0.68

 \ast Frequency rate = (No. of victims of lost worktime accidents \div total working hours) x 1,000,000 Frequency rate of accident victims per 1,000,000 working hours

< Fostering Hazard Prediction (KY) Trainers >

Each plant and the Research Center foster hazard prediction (KY) trainers through external courses, which are reflected in workplace KY activities.



< Providing Non-Technical Skills Education >

Non-technical skills (NTSs) are skills that supplement technical skills and contribute to the safe and efficient execution of work and consist of situational awareness, communication, leadership, courage to speak out, verbalizing, reflection, and overcoming the authority gradient.

Osaka Soda provides NTSs education at 5 plants to prevent errors related to human factors and ensure safety.



< Safety and Basic Skills Training >

Osaka Soda is 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. In fiscal 2023, 22 employees received the training.

We have established safety and stable manufacturing through routine training.

Masakazu Irifune

Electrolysis Section Kitakyushu Plant



I participated in hands-on safety training that was held jointly with other companies. By actually seeing crosssectional diagrams and the actual movement, including opening and closing, of valves, pumps, and control valves, I feel the training allowed me to relearn things that I have intuitively mastered until now through OJT. As one of the people responsible for plant safety, this was an extremely valuable experience as it made it possible to not only gain an understanding of detailed structures and principles, which is difficult to do when using only reference material, but also added to my training related to envisioning hazards that could occur at the workplace from a safe location.

I would like to reduce the chance of accidents and support safe manufacturing through experience-based actions that I learned in the training.

Distribution Safety / Chemicals Management and Safety and Quality

Chemicals Management / Safety and Quality

Responsible Care Policies

< Distribution Safety >

(1) We will promote comprehensive safety in all our logistics operations and reduce risks in the transport and distribution of our products.

Distribution Safety Initiatives

< Holding Transportation Subcommittee Meetings and Emergency Response Drills >

Each plant held periodic Transportation Subcommittee meetings and strove to ensure safe transportation by freight companies and drivers. The relevant people at plants and freight companies held joint emergency response drills and reporting and communication drills.



< Yellow Cards and GHS Labels >

We have prepared yellow cards for products classified as toxic substances, deleterious substances, and hazardous materials. Furthermore, we provided education, reporting, and communication drills for drivers aimed at ensuring safety during transportation and an appropriate response in an emergency.

In order to ensure safety during the mixed transport and storage of products in drums and oil drums, we affixed Globally Harmonized System (GHS) labels (container yellow cards) to product containers that show emergency measures, the guideline number and the UN number.



< Distribution Safety Commendations >

Under its freight company commendation program, the Group recognizes outstanding companies and drivers that have significantly contributed to the reduction of logistics accidents. In fiscal 2023, one driver in the Kitakyushu area, four drivers in the Amagasaki area, two drivers in the Matsuyama area, and one driver in the Mizushima area were presented with an outstanding driver commendation.

Responsible Care Policies

< Chemical & Product Safety >

- (1) We will strive to eliminate quality problems, 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.

Providing Safety Information

< Safety Data Sheets (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.



Safety data sheet (SDS)

< JAMP*1 chemSHERPA*2 >

Osaka Soda always makes efforts for substance management of our products and 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 Verv 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 I aw is a shortened title for the Act on the Regulation of Manufacture and Evaluation of Chemical Substances.



chemSHERPA

Chemical Substance Management

< Guidelines >

As for chemical substance management guidelines, the inhouse 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)

< Fiscal 2023 Transfers of Substances Subject to PRTR Law >

Substances subject to PRTR Law (unit: t)	Emissions			Transfers	Emissions and transfers	Main 100 VOCs designated by	
Туре	Atmospheric	Water resources	Soil	Total	Waste	Total	the Ministry of the Environment
N-Hexane	38.07	0	0	38.07	31.00	69.07	*
Toluene	1.21	0	0	1.21	130.00	131.21	*
Butyl alcohol	0	0	0	0	0	0	*
3-Chloro-1-propene	2.30	0	0	2.30	0	2.30	*
Trichloroethylene	0.81	0	0	0.81	22.00	22.81	*
Epichlorohydrin	1.33	0	0	1.33	0	1.33	*
1,2-Dichloropropane	0.04	0.10	0	0.14	0	0.14	*
1,3-Dichloropropene (D-D)	0.22	0.09	0	0.31	0	0.31	
Diallyl phthalate	0	0	0	0	0	0	
Dimethylamine	0.09	0.02	0	0.11	0	0.11	
Allyl alcohol	0.02	0	0	0.02	0	0.02	
1-Allyloxy-2,3-epoxypropane	0.74	0	0	0.74	0	0.74	
Ethylene oxide	0.10	0	0	0.10	0	0.10	*
1,2,3-Trichloropropane	0	0	0	0	0	0	
1,2-Epoxypropane	0	0	0	0	0	0	*
Chlorodifluoromethane (HCFC-22)	0.07	0	0	0.07	0	0.07	
Ferric chloride	0	0	0	0	0	0	
Organotin compounds	0	0	0	0	0	0	
Tributyl phosphate	0	0	0	0	0	0	
Dichloromethane	0.02	0	0	0.02	15.00	15.02	*
Ethyl acrylate	0.01	0.10	0	0.11	0	0.11	
n-Butyl acrylate	0.01	0.06	0	0.07	0	0.07	
Pyridine	0	0	0	0	2.00	2.00	
Tertiary butyl hydroperoxide	0	0	0	0	0	0	
Pentaerythritol	0	0	0	0	0	0	
Methyl alcohol	0	0	0	0	0	0	
Phthalic anhydride	0	0	0	0	0	0	
Acetone	0	0	0	0	0	0	*
Ethylene glycol	0	0	0	0	0	0	*
Total	45.04	0.37	0	45.41	200.00	245.41	
Dioxins [-]*	8.20	3.20	0	11.40	0	11.40	

- 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.)

* Unit for dioxins: mg-TEQ/vea



Quality Management and Assurance

< Quality Assurance Policy >

In order to provide products that satisfy its customers, the Group continuously works to establish product reliability and safety and improve quality assurance levels. To this end, Osaka Soda has adopted the methods in ISO 9001, the international standard for quality management systems, and ICH-GMP (Good Manufacturing Practice Guide for Active Pharmaceutical Ingredients) for quality management.

<Quality Assurance Organization Structure >

Our quality assurance organization is headed by the Quality Assurance Committee, which reports directly to the President. This committee manages industrial manufacturing products such as chemicals, functional chemicals, and polymers, products subject to GMP such as modified silica gel, and external products such as outsourced products, as indicated in the figure below.

In addition, ISO 9001-certified plants conduct internal audits and undergo external audits, and GMP organizations conduct internal audits for continuous improvement.



Management Based on ISO 9001

< ISO 9001 Certification By Business Site >

As part of our RC activities, Osaka Soda implements initiatives on safety and quality assurance for the chemicals and products in our business activities as well as to respond promptly to customer requirements and to prevent quality problems

Accordingly, our three main plants have ISO 9001 certification, the international standard for quality management systems. As a part of ISO activities, each site conducts a management review to check customer satisfaction levels, which are evaluated through the marketing department every six months, in our efforts to enhance customer satisfaction through continuous improvements as Osaka Soda strives to provide products that satisfy our customers

< Improving Quality Assurance Level >

Quality audits are conducted twice a year at each plant to prevent quality incidents 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 quality incident case studies and providing compliance education on the importance and role of quality assurance groups.

In fiscal 2023, we worked to revise the QC process schedule and rigorously enforce change management in order to curb non-conforming products, a KPI.

Furthermore, we set material purchase specification sheets with suppliers and confirm that analysis figures of delivered raw materials meet the acceptance standards.

< Preventing Quality Problems >

Osaka Soda operates a database in order to promptly respond to and correct quality problems 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 problems.

Fulfilling our important responsibilities by always learning

Chiho Uno Environment and Quality Section Amagasaki Plant



Osaka Soda offers compliance training to create opportunities for employees to rediscover what quality is and what role quality assurance plays. Quality is a promise made to customers, and we have a duty to keep that promise. Therefore, it is important that we provide accurate figures using proper testing methods and precise equipment. It is essential that we give greater priority to quality than costs and delivery time. Quality assurance is the last line of defense, and we keep in mind that the responsibility for quality assurance is vital when conducting routine business.

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 2021
Mizushima Plant	June 1994	Japan Quality Assurance Organization	JQA-0539	June 2023

Environmental (E)	Unit	FY2021	FY2022	FY2023
< Input > Energy use (total) *1	thousand kL	220	225	166
(energy intensity)		0.590	0.612	0.676
< Input > Water use *1	thousand t	23,400	26,337	31,636
< Output > GHG emissions due to business activities (Scope1+2) *2	thousand t-CO2e	491.6	475.4	277.3
GHG emissions (Scope 1)	thousand t-CO2e	89.1	81.6	52.8
GHG emissions (Scope 2)	thousand t-CO2e	402.5	393.9	224.5
< Output > GHG emissions (Scope 3) * ^{3,4}	thousand t-CO2e	_	401.4	326.9
< Output > Total GHG emissions (Scope 1+2+3) *4	thousand t-CO2e	_	873.9	604.2
< Output > Atmospheric pollutant emissions *1				
SOx (sulfur oxide)	t	3.0	2.4	3.2
NOx (nitrogen oxide)	t	96.2	97.1	68.4
Ash dust	t	3.7	4.4	4.7
< Output > Wastewater (total) *1	thousand t	32,873	32,160	30,609
< Output > Water pollutant emissions *1				
COD load	t	281	249	184
Total nitrogen emissions	t	58	74	55
Total phosphorous emissions	t	5.3	4.9	4.1
< Output > Waste emissions				
Industrial waste volume *2	t	33,007	32,811	36,188
(of which is from Osaka Soda business sites in Japan)	t	30,578	30,345	34,408
Recycling rate *2	%	88	91	99.7
Final landfill volume *2	t	3,499	2,068	1,679
(of which is for Osaka Soda business sites in Japan)	t	3,323	1,905	1,307
Final landfill rate *2	%	10.6	6.3	4.6
< Output > Emissions of chemical substances subject to PRTR Law *1				
Atmospheric emissions	t	49.2	48.1	45.0
Emissions into water resources	t	3.2	3.2	0.4
Emissions into soil	t	0.0	0.0	0.0
 *1 Osaka Soda's 5 main plants in Japan (including Sanyo Fine Matsuyama Plant) *2 Osaka Soda Group business sites in Japan 				

*3 Osaka Soda business sites in Japan (of which, Osaka Soda's 5 plants for some categories)

*4 Disclosed starting with FY2022 figures

Number of employees (consolidated) Ratio of female employees (consolidated) Ratio of female managers (consolidated) *1.2 Ratio of female managers (Osaka Soda only) *1.2 Ratio of female new graduates hired (consolidated) Annual paid leave use ratio *3 Childcare leave use ratio for male employees (consolidated) *1 Childcare leave use ratio for male employees (Osaka Soda only)* Absences from work due to mental health issues *3 Checkup findings *3 Checkup findings, re-testing/detailed testing rate *3

*1 Disclosed starting with FY2022 figures Vanagers include section chiefs

*3 Aggregated based on employees of Osaka Soda (including those seconded to other entities)

Governance (G)	Unit	FY2021	FY2022	FY2023
Board of Directors meetings	times	13	13	13
Board of Auditors meetings	times	12	11	12
Nomination and Compensation Committee meetings	times	2	8	5
Percentage of directors who are outside directors (as of March 31 of each year)	%	42.9	50.0	50.0

STORY 3 System Supporting Value Creation

Unit	FY2021	FY2022	FY2023
People	991	1,017	1,025
%	18.1	18.8	18.9
%	_	6.3	6.9
%	_	3.2	5.2
%	21.4	31.3	20.8
%	72.1	75.8	81.8
%	_	45.5	64.3
%	_	35.7	66.7
%	0.5	0.6	1.7
%	32.0	32.3	32.3
%	40.7	39.4	50.5

Consolidated Financial Highlights

Business Performance



Operating income (millions of yen) 18,000 15.557 0.492 2 3/1

Book-value per share (BPS)

(Yen) 5,000.00

4.000.00

2,000.00

1.000.00

2,912.9Ł 3,000.00



Dividend per share (Annual)

90.0 90.0

(Yen) 100.0

80.0

60.0

40.0

20 C

Capital ratio

62.4

60.0

(%) 80.0

65 (

4.325.88

3.912.48

2019 2020 2021 2022 2023 (FY)



Net income

Financial Indicators





Cash Flow

(millions of ye 8,000

6.000

4,000

2,000

7 4 97

2019 2020 2021

6417

3 07/





Share Data (fiscal year-end)



Per Share Data

Net income per share (EPS) (Yen) 500.00 428.43 404.73 400.00 300.84 300.00 276 1 57.37 200.00 100.00 2022 2023(FY)

Assets / Liabilities

2019 2020 2021



Financial Indicators





2019 2020 2021 2022 2023(FY)

(times 35.0



0 2019 2020 2021 2022 2023(FY)

Price-Earnings Ratio (PE ratio)

Price to-book ratio (P/B ratio)



0 2019 2020 2021 2022 2023 (FY)

120,000 110.85



Net assets

40.0



64.7 64.9

2019 2020 2021 2022 2023 (FY

72.9

72.1



Interest-bearing liabilities

(millions of yen)



23

5.000

2019 2020 2021 2022 2023 (F

R&D expenditures



Cash flows from financing activities



-8,000 2019 2020 2021 2022 2023(FY)

Cash and cash equivalents at end of period

(millions of yen) 50,000



Market capitalization



42

Corporate Information (As of March 31, 2024)

Company Name	OSAKA SODA CO., LTD.
Headquarters	1-12-18, Awaza, Nishi-ku, Osaka 550-0011, Japan
Establishment	October 26, 1915
Capital	¥15,871 million
Number of Employees	1,025 (Consolidated)

Osaka Soda Group Network (as of March 31, 2024)

Main Sites

Headquarters/1-12-18, Awaza, Nishi-ku, Osaka 550-0011, Japan Tokyo Branch/ Palaceside Bldg. 8F, 1-1, Hitotsubashi 1-chome, 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

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.	Resource 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

Stock Information (as of March 31, 2024)

Stock Information

Total number of shares authorized to be issued: 60,000,000 shares Total number of shares issued: 26,732,017 shares Number of shareholders: 5,193

Major Shareholders (top ten)

Name of Shareholder	Shareholding (1,000 shares)	Shareholding percentage(%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,277	12.91
Custody Bank of Japan, Ltd. (Trust Account)	2,272	8.95
MUFG Bank, Ltd.	876	3.45
THE BANK OF FUKUOKA, LTD.	822	3.24
THE IYO BANK, Ltd.	748	2.95
Mizuho Bank, Ltd. (MHBK)	669	2.63
Nippon Life Insurance Company	637	2.51
Stock Holding Union of OSAKA SODA's Business Partners	616	2.42
Sompo Japan Insurance Inc.	615	2.42
Asahi Kasei Corporation	586	2.31

Note: Shareholding percentage is calculated after deducting treasury stock (1,359,017 shares) from the total number of shares issued.



Independent Auditor

Shareholders Meeting June

Annual General

TSE Prime Market (Securities code: 4046) Ernst & Young ShinNihon LLC

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

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.
DestinHaus Capital Fund 1 LP	Investment Business
Elite Advanced Polymers, Inc.	Manufacture and Sale of Rubber Products

Shareholder Registry Administrator Mitsubishi UFJ Trust and Banking Corporation 4-5, Marunouchi 1-Chome, Chiyoda-ku, Tokyo 100-8212, Japan

Shareholders Distribution



Note: The Company's shareholding percentage (5.08%) of treasury stock is included in Individuals and others.



OSAKA SODA CO., LTD. 12-18, Awaza 1-chome, Nishi-ku, Osaka 550-0011, Japan Telephone: +81-6-6110-1560 Facsimile : +81-6-6110-1603 https://www.osaka-soda.co.jp