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August 9, 2024

## Consolidated Financial Results for the Three Months Ended June 30, 2024 (Under Japanese GAAP)

Company name: OSAKA SODA Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 4046  
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 Scheduled date to commence dividend payments —  
 Preparation of supplementary material on financial results : None  
 Holding of financial results briefing : None

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
June 30, 2024	24,114	4.0	3,309	17.9	4,065	16.0	2,785	15.9
June 30, 2023	23,193	(9.9)	2,807	(45.5)	3,504	(40.8)	2,404	(42.1)

Note: Comprehensive income For the Three months ended June 30, 2024: ¥3,799 million [(16.4)%]  
 For the Three months ended June 30, 2023: ¥4,535 million [0.2 %]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2024	109.78	—
June 30, 2023	94.50	—

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2024	152,605	112,422	73.7
March 31, 2024	150,541	109,765	72.9

Reference: Equity  
 As of June 30, 2024: ¥112,416 million  
 As of March 31, 2024: ¥109,760 million

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	45.00	—	45.00	90.00
Fiscal year ending March 31, 2025	—				
Fiscal year ending March 31, 2025 (Forecast)		45.00	—	10.00	—

Note: 1. Revisions to the forecast of cash dividends most recently announced: Yes

2. The Company will issue a 5-for-1 stock split for common shares with an effective October 1, 2024. Concerning the projected year-end dividend per share for the fiscal year ending March 31, 2025, the dividend amount based on the number of shares after the stock split is shown, and the total full-year dividend is displayed as “ - .” Based on the number of shares prior to the stock split, the projected year-end dividend for the fiscal year ending March 31, 2025, is 50 yen for a full-year dividend of 95 yen per share.

## 3. Consolidated financial results forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings Per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half year (cumulative)	50,000	7.2	7,100	44.0	7,600	26.2	5,200	28.6	204.94
Full year	103,000	8.9	16,000	52.5	16,800	39.9	11,500	50.3	90.65

Note: 1. Revisions to the forecast of consolidated financial results most recently announced: None

2. The Company will issue a 5-for-1 stock split for common shares with an effective October 1, 2024. Projected basic earnings per share for the year ending March 31, 2025, uses the number of shares after the stock split. Based on the number of shares prior to the stock split, basic earnings per share are expected to be 453.24 yen.

**\* Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
  - (ii) Changes in accounting policies due to other reasons: None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatement: None
- (4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2024	26,732,017 shares
As of March 31, 2024	26,732,017 shares

- (ii) Number of treasury shares at the end of the period

As of June 30, 2024	1,359,172 shares
As of March 31, 2024	1,359,017 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2024	25,372,938 shares
Three months ended June 30, 2023	25,440,473 shares

\* Review of the Japanese-language originals of the attached consolidated quarterly consolidated financial statement contained in this report by certified public accountants or an audit corporation: None

\* Proper use of earnings forecasts, and other special matters

In this document, statements other than historical facts are forward looking statements that reflect the Company's plans and expectations. These forward-looking statements involve risks, uncertainties and other factors that may cause our actual results and achievements to differ from those anticipated in these statements. Please refer to "1. Overview of operating results, etc. (3) Analysis of Forward-looking Statement, Including Consolidated financial results Forecasts" on page 3 of the attached documents.

(Attached Documents)

## INDEX

1. Overview of operating results, etc.	2
(1) Overview of operating results for the first three months	2
(2) Overview of financial position for the first three months	3
(3) Analysis of forward-looking statement, including consolidated financial results forecasts	3
2. Quarterly Consolidated Financial Statements and significant notes thereto	4
(1) Consolidated Balance Sheets	4
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	6
(3) Notes to Quarterly Consolidated Financial Statements	8
(Notes on Premise of Going Concern)	8
(Notes on Major Changes in Shareholders' Equity)	8
(Notes on Quarterly Consolidated Statements of Cash Flows)	8
(Notes on Segment Information and Other Items)	9

## 1. Overview of operating results, etc.

### (1) Overview of operating results for the first three months

During the first three months of the current consolidated fiscal year, the Japanese economy continued to show signs of recovery, including an increase in inbound demand and an improvement in the employment situation. On the other hand, the situation remained difficult due to not only issues such as soaring raw material and fuel prices and rising commodity prices, but also the impact of the prolonged situation in Ukraine, the increasingly tense situation in the Middle East, concerns about the future of the Chinese economy, and the risk that a downturn in overseas economies would depress the domestic economy.

In light of these circumstances, our group has been steadily implementing specific measures in line with the basic policies set forth in our new medium-term management plan, Shape the Future-2025 (FY2023 to FY2025). The three basic policies are continuous strengthening of our base in existing businesses, strengthening of new product creation capabilities, and promotion of sustainability management.

In terms of the “continuous strengthening of our base in existing businesses,” we have been working to enhance our business base by generating stable cash flows and actively investing in growth areas. In the Basic chemicals business, the Allyl Chloride main manufacturing equipment problems that occurred in April 2023 were repaired at the end of June 2024, and the supply problem has been resolved. In the Functional chemicals business, in addition to the recovery in automobile production volume, sales of synthetic rubber and synthetic resin increased as a result of sales expansion activities for existing customers and the promotion of new business development. In the Healthcare business, the demand for pharmaceutical purification materials for diabetes and obesity treatments continued to expand, and sales volume has steadily increased. The market for anti-obesity drugs is growing more rapidly than expected, and we will continue to re-examine demand forecasts.

In terms of the “strengthening of new product creation capabilities,” following the development of ultra-high ionic conductive polymers for all-solid batteries, the development of ultra-high-speed charge/discharge zinc secondary batteries with innovative nano-uniform structured cathodes was adopted as a NEDO research project. In addition to their high level of safety, they are expected to reduce the weight of batteries, so the expectation is that they will be used for light and high-power secondary batteries such as for electric vehicles and drones, and we will steadily develop them to become the next global niche-top product.

In terms of the “promotion of sustainability management,” we established our Basic Purchasing Policy and CSR Procurement Guidelines in order to create a sustainable supply chain that places greater emphasis on human rights, the work environment, and the natural environment, and disclosed them in April of this year. Aiming to “grow together with our employees as a company” as set forth in our Vision Statement, as part of our investment in human capital, we will strive to develop human resources by promoting operational reform activities and working to improve employee engagement.

Net sales for the first three months of the current consolidated fiscal year increased 4.0% year on year to ¥24,114 million. In terms of profit, operating profit increased 17.9% year on year to ¥3,309 million, ordinary profit increased 16.0% year on year to ¥4,065 million, and profit attributable to owners of parent increased 15.9% year on year to ¥2,785 million.

#### < Basic chemicals >

The sales volume of Chlor-Alkali products increased due to a decrease in the impact caused by the manufacturing equipment problems at the Mizushima Plant, but net sales decreased due in part to unit sales price adjustments following the decline in raw material and fuel prices. Although Epichlorohydrin was affected by the softening of overseas market conditions, net sales increased due to a decrease in the impact caused by manufacturing equipment problems and an increase in sales volume. As a result of the above, net sales in the Basic chemicals business increased 0.2% year on year to ¥9,062 million.

#### < Functional chemicals >

In the Synthetic rubber business, net sales increased due to an increase in sales volume of Epichlorohydrin Rubber in line with a recovery in automobile production and the increasing adoption of Acrylic Rubber in Japan and overseas. Although demand for DAP resin was sluggish in Europe, net sales increased due to new adoption primarily in China. Net sales of Allyl Ethers increased due to strong demand for Silane coupling agents in China, particularly for paint applications. As a result of the above, net sales in the Functional chemicals business increased 20.3% year on year to ¥7,799 million.

#### <Healthcare>

Net sales of pharmaceutical purification materials increased due to a steady growth in demand for applications such as diabetes treatments in Europe, the Americas, and Asia. Net sales of active pharmaceutical ingredients (APIs) and their intermediates increased due to expanded sales of intermediates for treatments for diabetes complications and intermediates for insomnia treatments. As a result of the above, net sales in the Healthcare business increased 11.9% year on year to ¥2,472 million.

#### <Trading and Others>

Demand recovered for electronic materials and automotive products, mainly glass fiber, but net sales of consumer products declined due to a drop in domestic consumption caused by rising prices. As a result of the above, net sales in the Trading and others business decreased 12.4% year on year to ¥4,779 million.

### (2) Overview of financial position for the first three months

#### (Assets)

Current assets were ¥92,948 million, an increase of 0.5% since March 31, 2024. This was due primarily to an increase of ¥2,280 million in electronically recorded monetary claims and a decrease of ¥2,004 million in securities. Noncurrent assets were ¥59,656 million, an increase of 2.7% since March 31, 2024. This was due primarily to an increase of ¥1,325 million in investment securities. As a result, total assets at the end of the first three months of the consolidated accounting period were ¥152,605 million, an increase of 1.4% since March 31, 2024.

#### (Liabilities)

Current liabilities were ¥31,747 million, a decrease of 3.4% since March 31, 2024. This was due primarily to decreases of ¥461 million in accrued bonuses and ¥780 million in other current liabilities. Noncurrent liabilities were ¥8,435 million, an increase of 6.6% since March 31, 2024. This was due primarily to an increase of ¥580 million in deferred tax liabilities. As a result, liabilities at the end of the first three months of the consolidated accounting period were ¥40,182 million, a decrease of 1.5% since March 31, 2024.

#### (Net assets)

Net assets at the end of the first three months of the consolidated accounting period were ¥112,422 million, an increase of 2.4% since March 31, 2024. This was due primarily to increases of ¥1,643 million in retained earnings and ¥902 million in unrealized gains on other securities.

### (3) Analysis of forward-looking statement, including consolidated financial results forecasts

There have been no changes to the First half year (cumulative) and full-year performance forecast for the fiscal year ending March 2025 announced on May 10, 2024. We will disclose any changes in the future as appropriate.

2. Quarterly Consolidated Financial Statements and significant notes thereto

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	14,433	14,482
Notes and accounts receivable - trade, and contract assets	30,068	29,476
Electronically recorded monetary claims - operating	4,710	6,990
Securities	23,998	21,994
Merchandise and finished goods	10,065	10,508
Work in process	2,354	2,377
Raw materials and supplies	5,502	5,524
Other	1,314	1,598
Allowance for doubtful accounts	△3	△4
Total current assets	92,444	92,948
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,272	8,128
Machinery, equipment and vehicles, net	12,570	12,205
Land	2,301	2,301
Leased assets, net	614	596
Construction in progress	3,807	4,404
Other, net	365	348
Total property, plant and equipment	27,932	27,983
Intangible assets		
Goodwill	162	151
Software	105	95
Other	504	503
Total intangible assets	772	750
Investments and other assets		
Investment securities	28,224	29,549
Long-term loans receivable	12	11
Deferred tax assets	441	391
Other	735	991
Allowance for doubtful accounts	△21	△22
Total investments and other assets	29,391	30,922
Total non-current assets	58,096	59,656
Total assets	150,541	152,605

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	15,108	15,265
Short-term borrowings	7,172	7,172
Income taxes payable	1,194	1,159
Provision for bonuses	927	465
Current portion of long-term borrowings	65	72
Other	8,392	7,612
Total current liabilities	32,860	31,747
Non-current liabilities		
Long-term borrowings	393	400
Lease liabilities	787	760
Deferred tax liabilities	3,999	4,579
Retirement benefit liability	1,999	1,987
Asset retirement obligations	556	556
Other	179	150
Total non-current liabilities	7,915	8,435
Total liabilities	40,776	40,182
<b>Net assets</b>		
Shareholders' equity		
Share capital	15,871	15,871
Capital surplus	17,014	17,014
Retained earnings	68,102	69,746
Treasury shares	△4,611	△4,612
Total shareholders' equity	96,377	98,019
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,156	13,058
Deferred gains or losses on hedges	71	109
Foreign currency translation adjustment	871	948
Remeasurements of defined benefit plans	283	280
Total accumulated other comprehensive income	13,383	14,396
Non-controlling interests	4	6
Total net assets	109,765	112,422
Total liabilities and net assets	150,541	152,605



## (2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

## Consolidated Statements of Income

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	23,193	24,114
Cost of sales	16,955	17,107
Gross profit	6,237	7,007
Selling, general and administrative expenses	3,430	3,697
Operating profit	2,807	3,309
Non-operating income		
Interest income	3	11
Dividend income	346	407
Share of profit of entities accounted for using equity method	1	4
Foreign exchange gains	297	374
Other	99	77
Total non-operating income	747	875
Non-operating expenses		
Interest expenses	28	28
Other	22	91
Total non-operating expenses	50	119
Ordinary profit	3,504	4,065
Extraordinary losses		
Loss on retirement of non-current assets	40	36
Total extraordinary losses	40	36
Profit before income taxes	3,463	4,028
Income taxes - current	695	1,029
Income taxes - deferred	365	214
Total income taxes	1,060	1,244
Profit	2,402	2,783
Loss attributable to non-controlling interests	△1	△1
Profit attributable to owners of parent	2,404	2,785

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	2,402	2,783
Other comprehensive income		
Valuation difference on available-for-sale securities	1,814	902
Deferred gains or losses on hedges	281	37
Foreign currency translation adjustment	36	66
Remeasurements of defined benefit plans, net of tax	7	△3
Share of other comprehensive income of entities accounted for using equity method	2	12
Total other comprehensive income	2,142	1,015
Comprehensive income	4,544	3,799
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,545	3,798
Comprehensive income attributable to non-controlling interests	△1	0

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Premise of Going Concern)

Not applicable

(Notes on Major Changes in Shareholders' Equity)

Not applicable

(Notes on Quarterly Consolidated Statements of Cash Flows)

Quarterly consolidated statements of cash flows for the first three months of the current consolidated fiscal year have not been prepared. Depreciation expenses (including amortization related to intangible fixed assets excluding goodwill) and amortization of goodwill for the first three months of the consolidated fiscal year are as follows.

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Depreciation	886	932
Amortization of goodwill	14	11

(Notes on Segment Information and Other Items)

The Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(Millions of yen)

	Basic chemicals	Functional chemicals	Healthcare	Trading and Others	Total	Adjustments *1	Consolidated *2
Net sales							
Japan	8,759	1,933	1,069	4,675	16,438	—	16,438
China	—	1,929	204	447	2,581	—	2,581
Asia	185	1,256	194	260	1,896	—	1,896
Europe	100	639	521	66	1,328	—	1,328
Others	—	724	219	4	948	—	948
Revenue from Contracts with Customers	9,045	6,483	2,208	5,454	23,193	—	23,193
Other Revenue	—	—	—	—	—	—	—
External sales	9,045	6,483	2,208	5,454	23,193	—	23,193
Intersegment sales or reclassifications	0	275	1	704	981	(981)	—
Total	9,045	6,759	2,209	6,159	24,174	(981)	23,193
Segment income	171	1,128	1,352	443	3,095	(288)	2,807

Notes:

- (1) Adjustments of segment income of ¥ (288) million are corporate expenses not allocated to reportable segments. Most of above-mentioned corporate expenses are not attributable to a reporting segment and related to fundamental research and development.
- (2) Segment income is adjusted to operating income of consolidated statement of income.

The Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(Millions of yen)

	Basic chemicals	Functional chemicals	Healthcare	Trading and Others	Total	Adjustments *1	Consolidated *2
Net sales							
Japan	8,488	2,208	777	3,988	15,462	—	15,462
China	—	2,082	261	613	2,958	—	2,958
Asia	400	1,495	282	73	2,252	—	2,252
Europe	87	1,138	958	102	2,287	—	2,287
Others	85	873	192	1	1,154	—	1,154
Revenue from Contracts with Customers	9,062	7,799	2,472	4,779	24,114	—	24,114
Other Revenue	—	—	—	—	—	—	—
External sales	9,062	7,799	2,472	4,779	24,114	—	24,114
Intersegment sales or reclassifications	—	189	—	922	1,112	(1,112)	—
Total	9,062	7,988	2,472	5,702	25,226	(1,112)	24,114
Segment income	489	1,349	1,499	299	3,638	(328)	3,309

Notes:

- (1) Adjustments of segment income of ¥ (328) million are corporate expenses not allocated to reportable segments. Most of above-mentioned corporate expenses are not attributable to a reporting segment and related to fundamental research and development.
- (2) Segment income is adjusted to operating income of consolidated statement of income.