Semi-annual Financial Results for FY2026

Contents

Semi-annual Results for FY2026

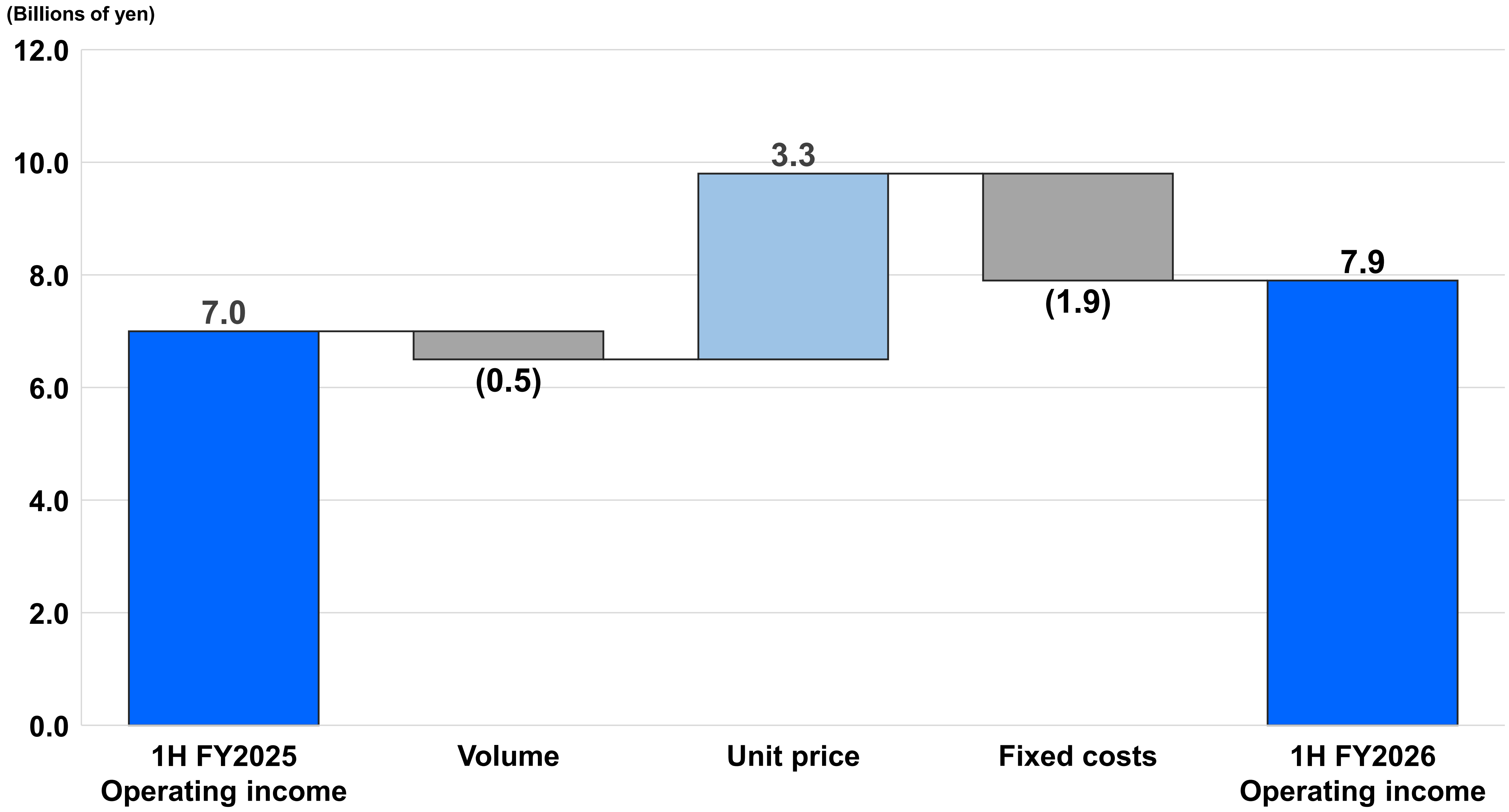
Overview of Semi-annual Results for FY2026

	1H FY2025	1H FY2026	Change	Rate of Change
Net sales (Millions of yen)	80,344	82,405	2,061	+2.6%
Operating income (Millions of yen)	7,018	7,912	893	+12.7%
Operating income ratio	8.7%	9.6%	0.9pp	–
Ordinary profit (Millions of yen)	7,497	8,580	1,082	+14.4%
Net income attributable to owners of parent (Millions of yen)	5,715	6,019	304	+5.3%
Net income per share (yen)	51.76	56.56	4.80	+9.3%
Interim dividend [Annual dividend] (Millions of yen)	32.5 [65.0]	36.0 [72.0]	+3.5 [+7.0]	+10.8% [+10.8%]

<Reference>

Average exchange rate (Yen/USD)	150.20	157.44
Average naphtha price (Yen/kl)	69,850	92,350

Analysis of Changes in Operating Income



Consolidated Results (by Segment) 1H

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(Millions of yen)

Net sales	1H FY2025 A	1H FY2026 B	Volume	Unit price	Change B－A
Commodity Chemicals	36,180	33,352	(5,168)	2,340	(2,827)
Polymer & Oligomer	17,538	19,624	373	1,711	2,085
Adhesive Material	6,761	7,296	(238)	773	535
Performance Chemicals	5,013	5,727	572	141	714
Plastics	13,733	15,208	742	733	1,475
Other/adjustments	1,117	1,195	78	0	78
Total	80,344	82,405	(3,640)	5,701	2,061

(Millions of yen)

Operating income	1H FY2025		1H FY2026		Change
	Operating income	Operating income ratio	Operating income	Operating income ratio	
Commodity Chemicals	4,681	12.9%	3,500	10.5%	(1,180)
Polymer & Oligomer	1,266	7.2%	2,396	12.2%	1,130
Adhesive Material	263	3.9%	206	2.8%	(57)
Performance Chemicals	459	9.2%	903	15.8%	444
Plastics	1,172	8.5%	1,849	12.2%	676
Other/adjustments	(823)	–	(944)	–	(121)
Total	7,018	8.7%	7,912	9.6%	893

Consolidated Statement of Income
(Non-operating Income/Expenses and Extraordinary Income/Losses)

(Millions of yen)

Non-operating income/expenses	1H FY2025	1H FY2026	Change
Interest and dividend income	826	927	100
Equity in earnings of affiliates	90	20	(70)
Foreign currency exchange gains	–	98	98
Rent income on non-current assets	9	7	(2)
Other income	82	55	(27)
Interest expenses	(83)	(172)	(88)
Foreign currency exchange losses	(318)	–	318
Environment readiness fee	(80)	(54)	26
Inactive facilities expenses	(3)	(75)	(71)
Other expenses	(44)	(138)	(94)
Total	479	667	188

Equity in earnings of affiliates (Breakdown)	1H FY2025	1H FY2026	Change
Elmer's & Toagosei Co.	117	–	(117)
Chubu Liquid Oxygen	(26)	20	46
Total	90	20	(70)

(Millions of yen)

Extraordinary income/losses	1H FY2025	1H FY2026	Change
Gain on sale of non-current assets	–	879	879
Gain on sales of investment securities	1,187	277	(910)
Subsidy income	46	341	294
Loss on disposal of non-current assets	(581)	(912)	(330)
Loss on disaster (*)	(50)	(29)	20
Loss on valuation of investment securities	(182)	(464)	(281)
Special suspense account for tax purpose reduction entry	(40)	(336)	(295)
Total	379	(244)	(623)

* Cost of recovery from the Noto Peninsula Earthquake

Exchange rate	Jun. 30, 2025	Dec. 31, 2025	Jun. 30, 2026
Yen/USD	144.81	156.56	162.39
Yen/THB	4.44	4.97	4.87

Consolidated Balance Sheet

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(Millions of yen)

	Dec. 31, 2025	Jun. 30, 2026	Change
Current assets	110,556	107,424	(3,132)
Cash, deposits and securities (1)	31,518	22,017	(9,500)
Trade Receivables	49,558	50,569	1,011
Inventories (2)	25,469	28,462	2,992
Other current assets	4,061	6,428	2,366
Allowance for doubtful receivables	(51)	(53)	(2)
Fixed assets	178,548	189,287	10,738
Property, plant and equipment (3)	129,050	132,602	3,552
Intangible fixed assets	4,723	4,689	(33)
Investment securities (4)	36,029	42,423	6,393
Other fixed assets	8,745	9,572	827
Total assets	289,105	296,711	7,606

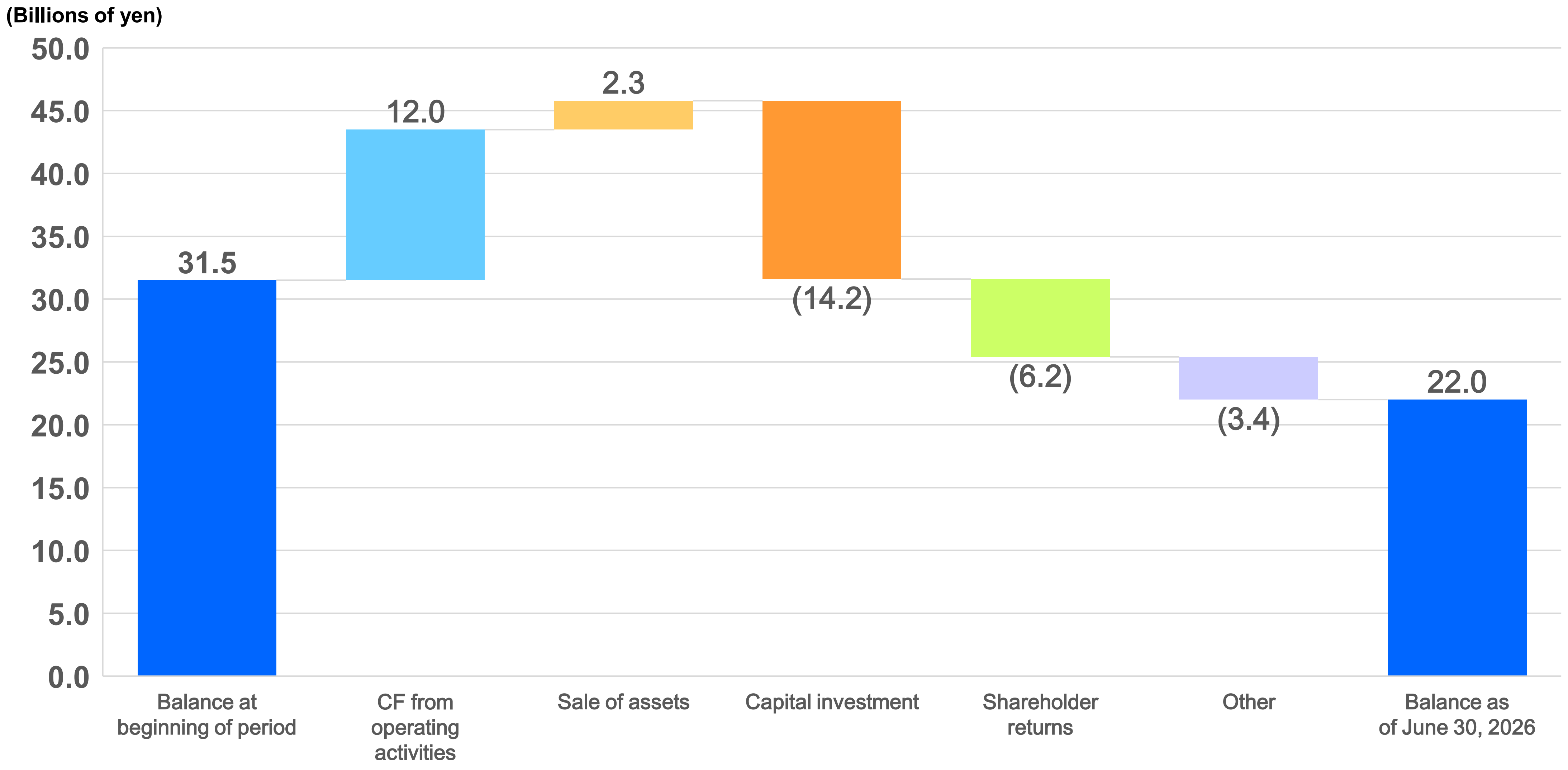
	Dec. 31, 2025	Jun. 30, 2026	Change
Total liabilities	73,160	75,716	2,555
Trade Payables (5)	16,513	19,608	3,095
Bonds	10,000	10,000	0
Bank loans	10,635	10,565	(70)
Accrued income taxes	2,543	2,156	(386)
Other liabilities	33,469	33,386	(83)
Total net assets	215,944	220,995	5,050
Shareholders' equity	190,491	190,455	(35)
Accumulated other comprehensive Income (6)	24,316	29,346	5,030
Non-controlling Interests	1,136	1,192	55
Total liabilities and net assets	289,105	296,711	7,606

Net worth ratio	74.3%	74.1%	(0.2)pp

(1) Decrease due to capital expenditures and higher working capital
(securities: negotiable certificates of deposit)
(2) Increase due to higher product selling prices
(3) Increase due to capital expenditures
(4) Increase due to appreciation of equity holdings

(5) Increase due to higher raw material prices
(6) Increase in valuation difference on investment securities
(due to appreciation of equity holdings)

Cash Allocation (1H FY2026)



Full-year Results Forecast for FY2026

Full-year Consolidated Results Forecast for FY2026
(Year-on-year Comparison)

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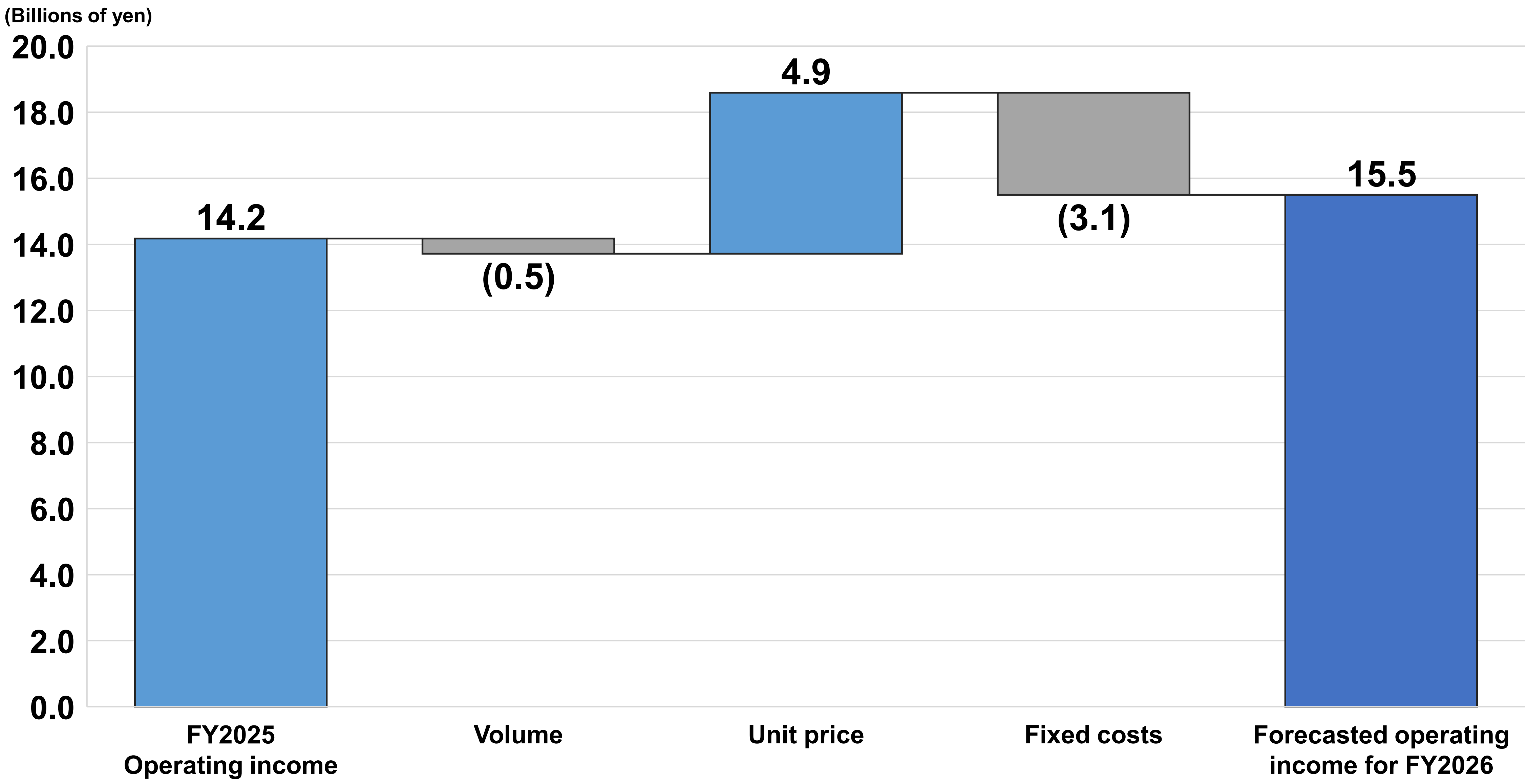
	FY2025 Results			FY2026 Forecast			Change (B-A)
	1H	2H	Annual (A)	1H Results	2H Forecast	Annual (B)	
Net sales	80,344	81,968	162,312	82,405	87,595	170,000	+7,687
Operating income	7,018	7,162	14,180	7,912	7,588	15,500	+1,319
Operating income ratio	8.7%	8.7%	8.7%	9.6%	8.7%	9.1%	+0.4pp
Non-operating income/expenses	479	407	886	667	133	800	(86)
Ordinary profit	7,497	7,570	15,067	8,580	7,720	16,300	+1,232
Extraordinary Income (loss)	379	1,899	2,278	(244)	44	(200)	(2,478)
Net income attributable to owners of parent	5,715	7,051	12,766	6,019	5,781	11,800	(966)
Dividend (Yen)	32.5	32.5	65.0	36.0	36.0	72.0	+7.0

<Reference>

	FY2025 Results	FY2026 Forecast
Average exchange rate (Yen/USD)	149.59	159.00
Naphtha price (Yen/kl)	67,125	91,000

* Naphtha: Approx. ±JPY250 million per JPY1,000/kL change
FX: Approx. -JPY100 million per JPY1/USD depreciation of the yen

Analysis of the Forecasted Changes in Operating Income



Full-year Consolidated Results Forecast for FY2026
(Year-on-year Comparison by Segment)

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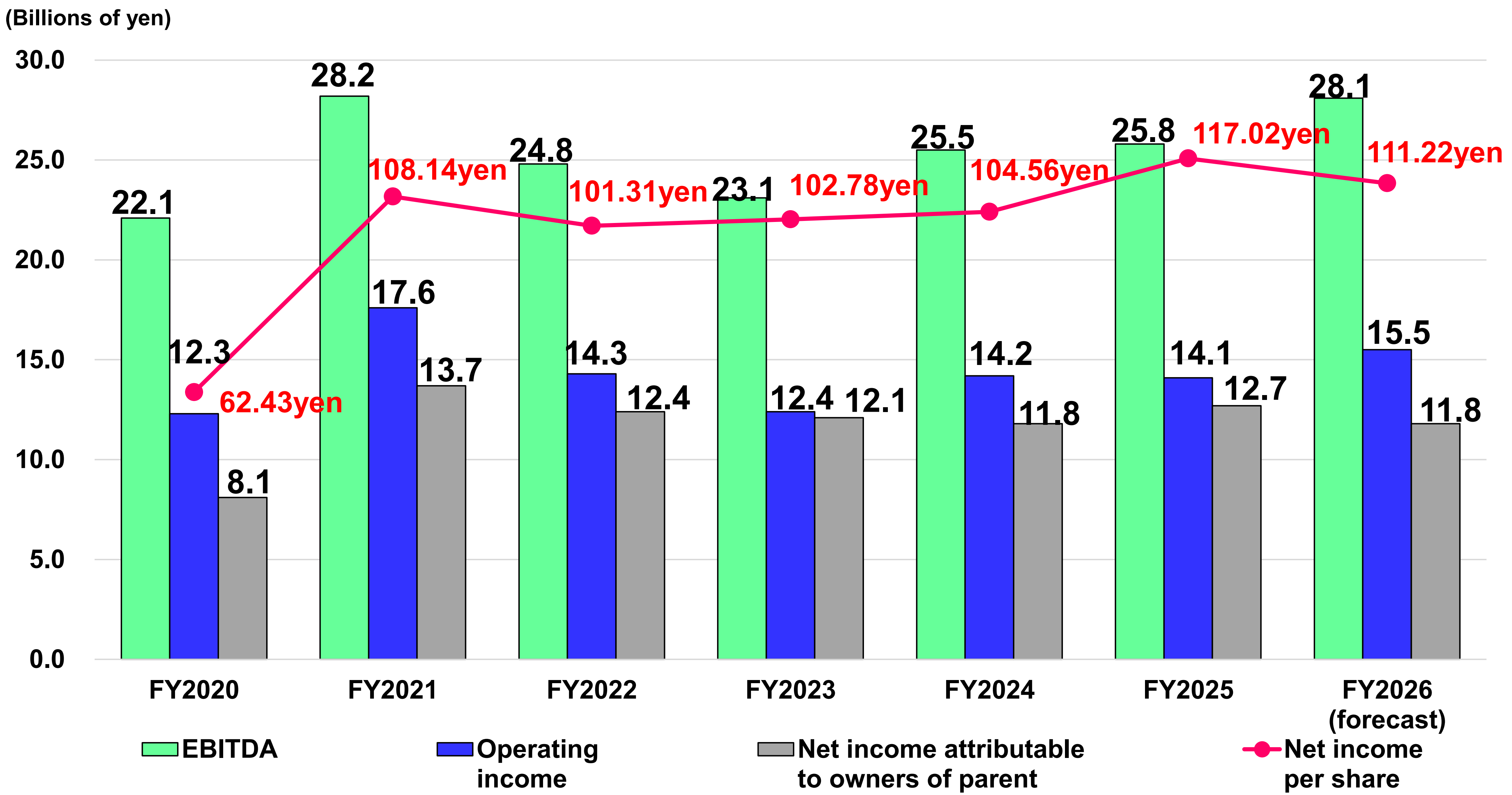
Net sales	FY2025 Results			FY2026 Forecast			Change
	1H	2H	Annual	1H	2H	Annual	
Commodity Chemicals	36,180	35,592	71,772	33,352	37,048	70,400	(1,371)
Polymer & Oligomer	17,538	18,631	36,169	19,624	20,876	40,500	4,331
Adhesive Material	6,761	6,846	13,607	7,296	7,604	14,900	1,293
Performance Chemicals	5,013	5,212	10,225	5,727	5,973	11,700	1,475
Plastics	13,733	14,444	28,177	15,208	14,492	29,700	1,522
Other/adjustments	1,117	1,243	2,360	1,195	1,605	2,800	436
Total	80,344	81,968	162,312	82,405	87,595	170,000	7,688

Operating income	FY2025 Results				FY2026 Forecast				Change
	1H	2H	Annual	Rate	1H	2H	Annual	Rate	
Commodity Chemicals	4,681	4,071	8,752	12.2%	3,500	3,500	7,000	9.9%	(1,752)
Polymer & Oligomer	1,266	1,752	3,018	8.3%	2,396	2,204	4,600	11.4%	1,582
Adhesive Material	263	60	323	2.4%	206	294	500	3.4%	177
Performance Chemicals	459	718	1,177	11.5%	903	997	1,900	16.2%	723
Plastics	1,172	1,582	2,754	9.8%	1,849	1,551	3,400	11.4%	646
Other/adjustments	(823)	(1,022)	(1,845)	–	(944)	(956)	(1,900)	–	(58)
Total	7,018	7,162	14,180	8.7%	7,912	7,588	15,500	9.1%	1,320

Trends in Consolidated Results



Shareholder Return Trends

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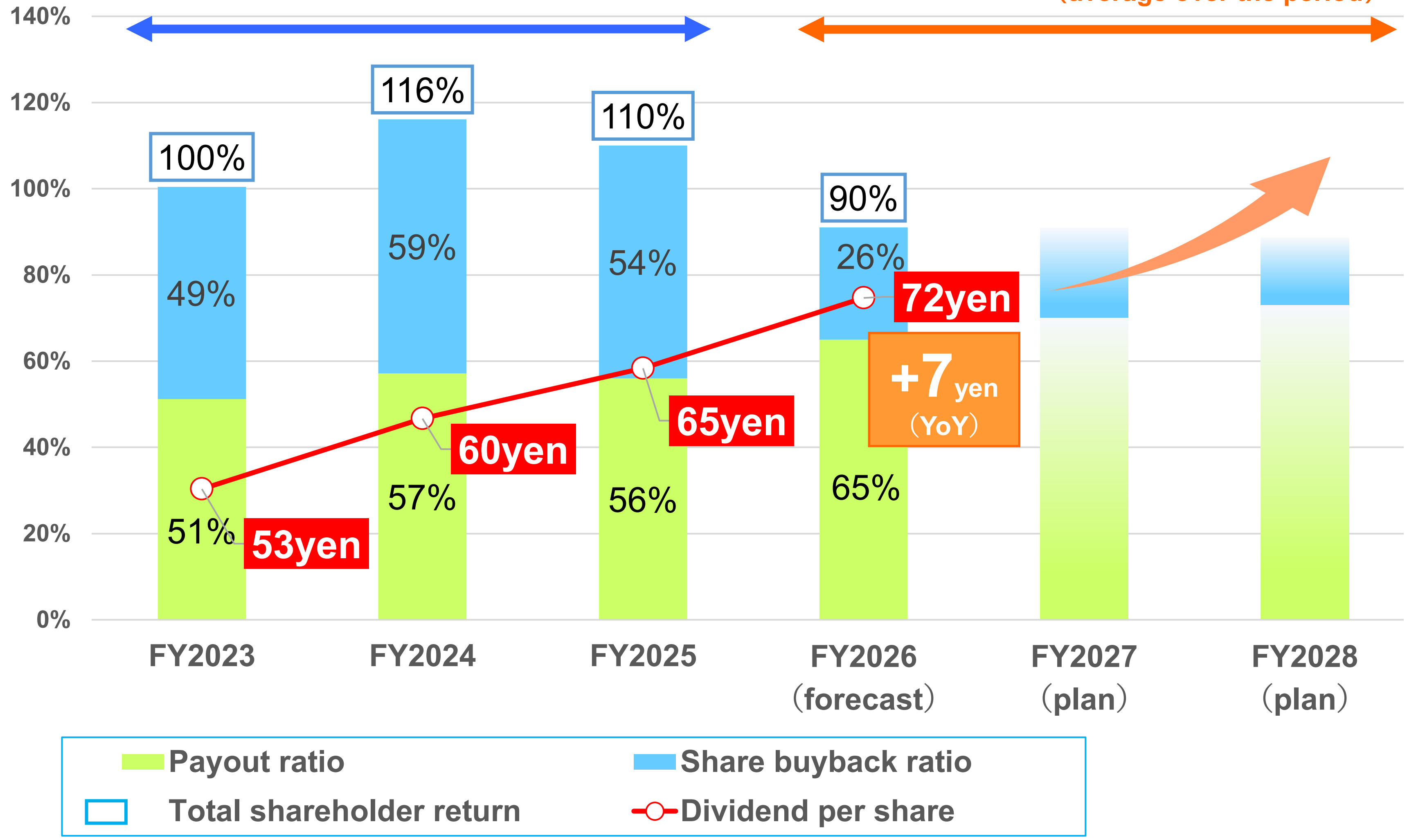
2025 Medium-term Management Plan period (Actual)
・Total shareholder return ratio：109% (period average)
・Payout ratio　：55%（period average）

2028 Medium-term Management Plan period
・Total shareholder return ratio：approx. 90%
・Payout ratio　：approx. 70%
（average over the period）



a shareholder benefit program (Implemented in Oct. 2025)

In addition to Aron Alpha, QUO Cards or catalog gifts, including local specialties, are provided according to the number of shares held.

QUO Cards

⇒ Deepen understanding of Toagosei and cultivate new Toagosei fans.

⇒ Growth in Shareholder Base
Jun. 2025: Approx. 21,000
Dec. 2025: Approx. 31,000
Jun. 2026: Over 35,000

Appendix

Overseas Sales by Region

(Millions of yen)

Segment	1H FY2025	Asia	North America	Europe Others	1H FY2026	Remarks
Commodity Chemicals	3,128	(52)	△ 146	(514)	2,416	Prioritized domestic shipments amid raw material supply constraints.
Polymer & Oligomer	6,167	(145)	142	159	6,322	Strong battery materials sales in North America.
Adhesive Material	2,535	(50)	380	(22)	2,843	Higher sales from the standalone instant adhesive business in North America.
Performance Chemicals	2,463	(424)	98	(99)	2,886	Strong semiconductor chemicals shipments to Asia.
Plastics Others	806	(62)	46	(2)	788	
Total	15,098	114	521	(478)	15,255	Overseas sales ratio: 18% (1H FY2025) → 19% (1H FY2026)

Overview of Results for 2Q FY2026

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	2Q FY2025	2Q FY2026	Change	Rate of Change
Net sales (Millions of yen)	40,522	43,771	3,248	+8.0%
Operating income (Millions of yen)	3,655	4,706	1,049	+28.7%
Operating income ratio	9.0%	10.7%	+1.7%	–
Ordinary profit (Millions of yen)	4,304	5,379	1,075	+25.0%
Net income attributable to owners of parent (Millions of yen)	3,715	3,245	(470)	(12.7)%

Consolidated Results (by Segment) 2Q

(Millions of yen)

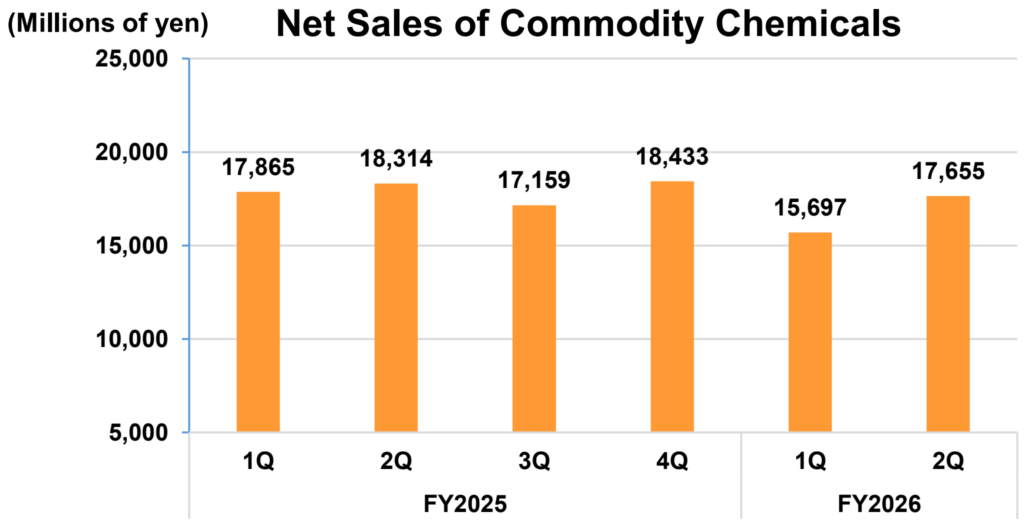
Net sales	2Q FY2025 A	2Q FY2026 B	Volume	Unit price	Change B－A
Commodity Chemicals	18,315	17,655	(3,150)	2,489	(659)
Polymer & Oligomer	8,727	10,471	351	1,393	1,743
Adhesive Material	3,370	3,753	(49)	432	383
Performance Chemicals	2,607	2,965	203	155	359
Plastics	6,910	8,327	937	480	1,417
Other/adjustments	593	599	6	–	6
Total	40,522	43,771	(1,701)	4,950	3,248

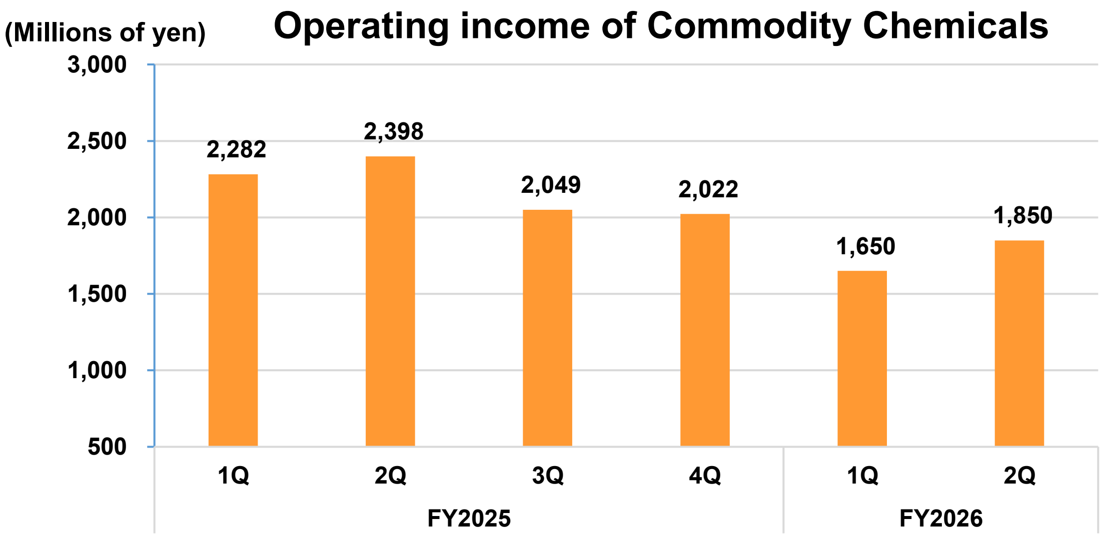
(Millions of yen)

Operating income	2Q FY2025		2Q FY2026		Change
	Operating income	Operating income ratio	Operating income	Operating income ratio	
Commodity Chemicals	2,399	13.1%	1,850	10.5%	(548)
Polymer & Oligomer	635	7.3%	1,518	14.5%	884
Adhesive Material	110	3.3%	181	4.8%	70
Performance Chemicals	314	12.0%	466	15.7%	152
Plastics	671	9.7%	1,180	14.2%	508
Other/adjustments	(473)	–	(489)	–	(18)
Total	3,655	9.0%	4,706	10.8%	1,049

Reference Materials for Commodity Chemicals Business

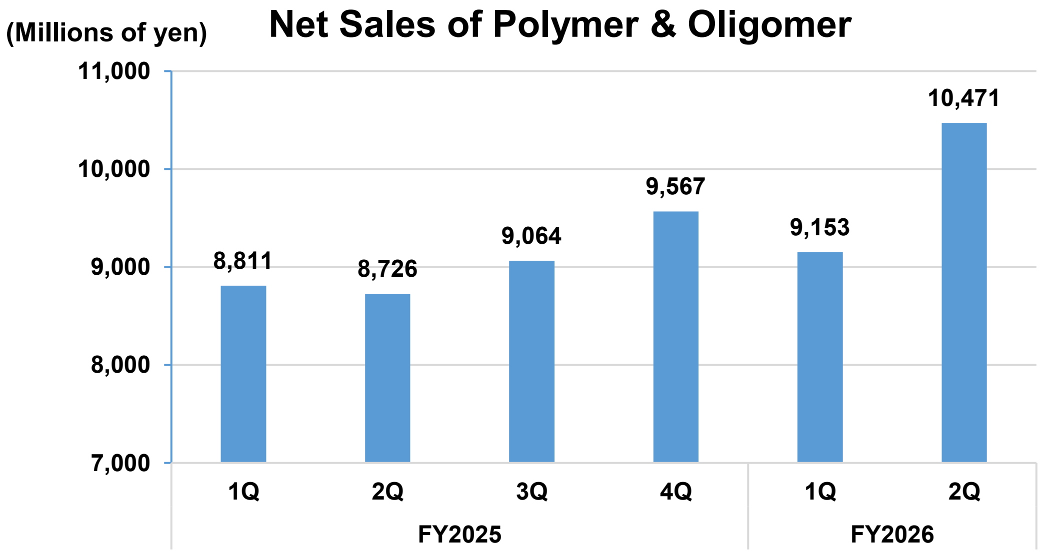
Sub-segment of Commodity Chemicals Business	Year-on-year Comparison		Reason for the Net Sales Change
	2Q FY2026 Accounting Period	1-2Q FY2026 Cumulative Total	
Inorganic chemicals	108%	105%	Net sales increased due to product price revisions implemented to address rising costs.
Acrylic monomers	93%	88%	Net sales decreased due to a decline in sales volume resulting from the discontinuation of certain products and constraints on raw material procurement caused by the situation in the Middle East.
Industrial gas	112%	112%	Net sales increased due to an increase in sales volume.

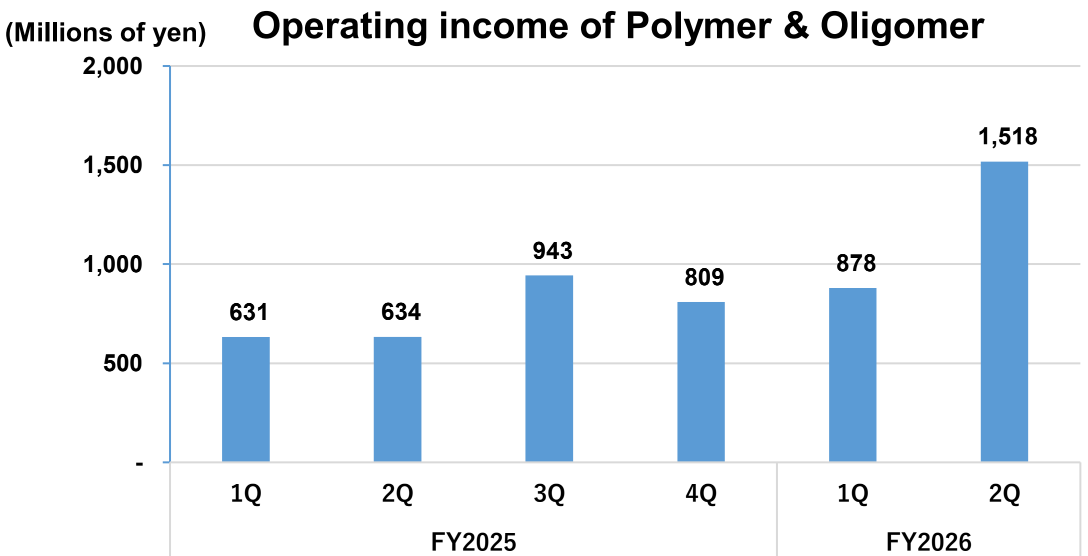




Reference Materials for Polymer & Oligomer Business

Sub-segment of Polymer & Oligomer Business	Year-on-year Comparison		Reason for the Net Sales Change
	2Q FY2026 Accounting Period	1-2Q FY2026 Cumulative Total	
Polymers	120%	116%	Net sales increased due to higher sales volume in automotive, pharmaceutical and cosmetics, and semiconductor applications, as well as profitability improvement initiatives.
Oligomers	129%	112%	Net sales increased due to higher sales volume for electronic materials applications and sales price revisions implemented to address rising costs.
Flocculants	114%	108%	Although sales volume decreased due to constraints on raw material procurement caused by the situation in the Middle East, net sales increased due to profitability improvement initiatives.





Reference Materials for Adhesive Material Business

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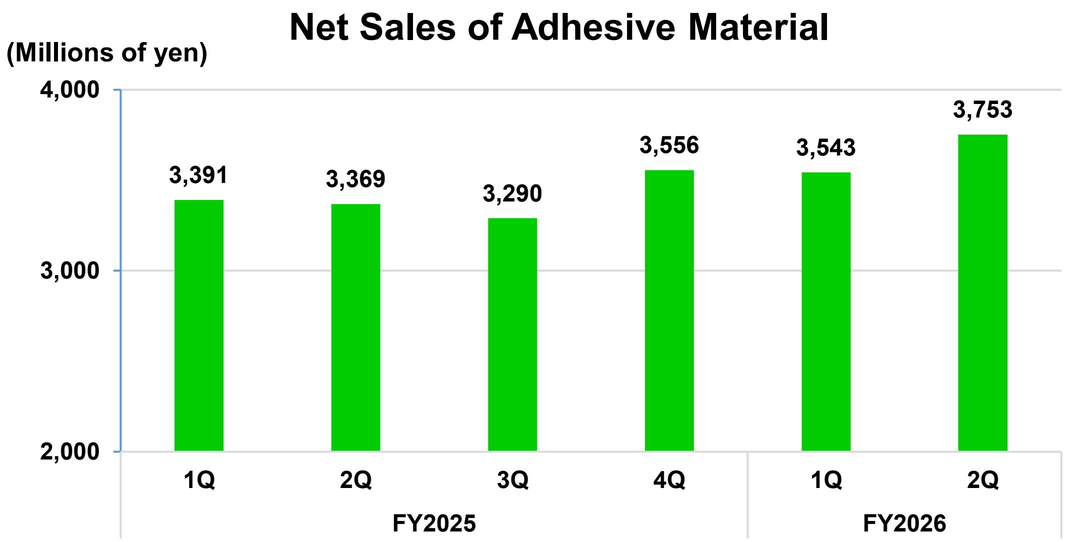
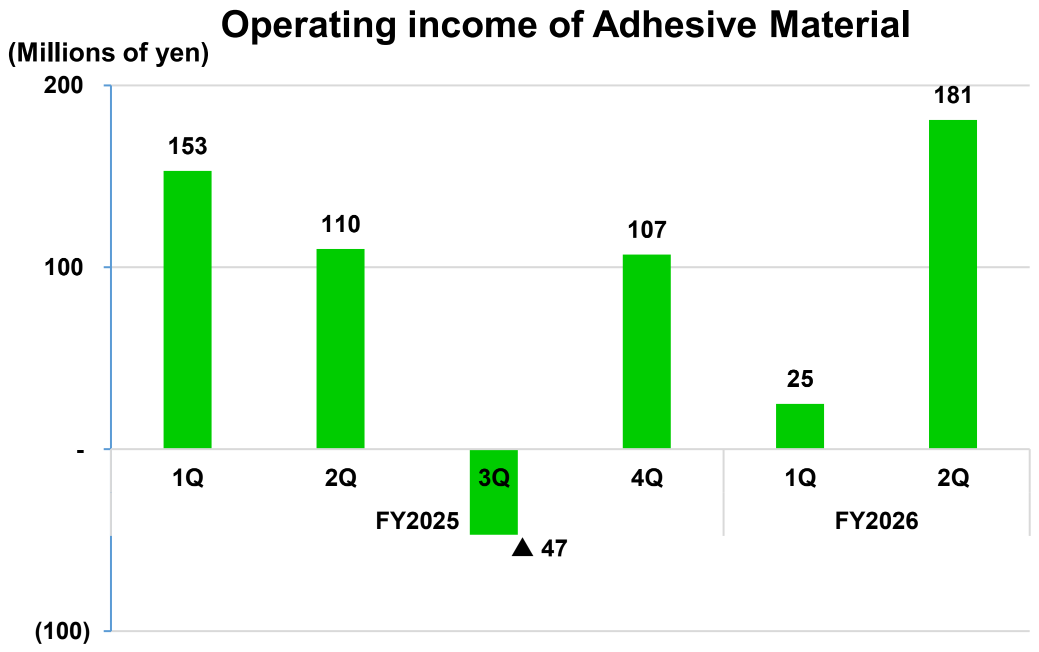
Sub-segment of Adhesive Material Business	Year-on-year Comparison		Reason for the Net Sales Change
	2Q FY2026 Accounting Period	1-2Q FY2026 Cumulative Total	
Instant glue	124%	113%	Net sales increased due to sales price revisions in the U.S.
Functional adhesives	102%	104%	Net sales increased due to a rise in sales volume for automotive components and smartphone components.





Reference Materials for Performance Chemicals Business

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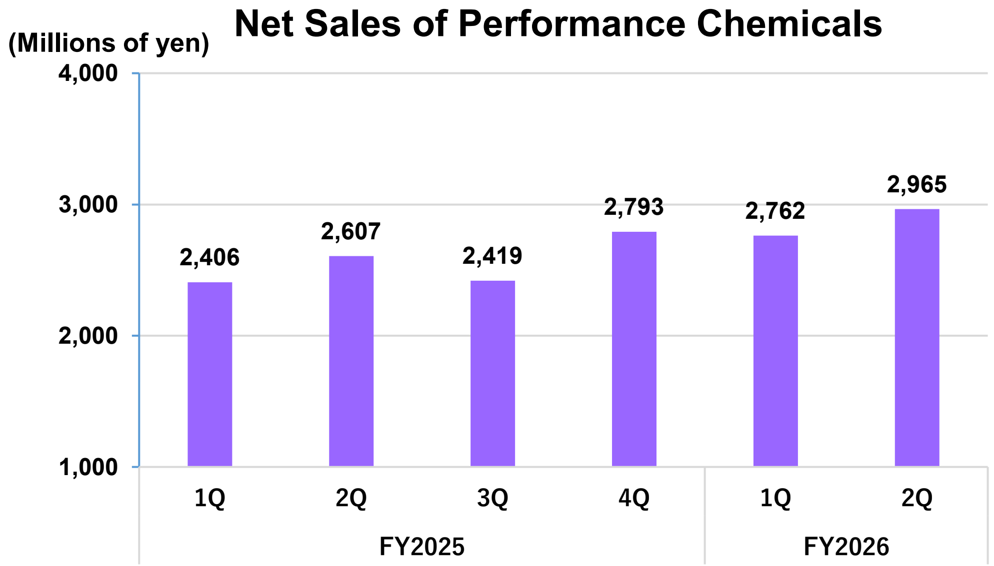
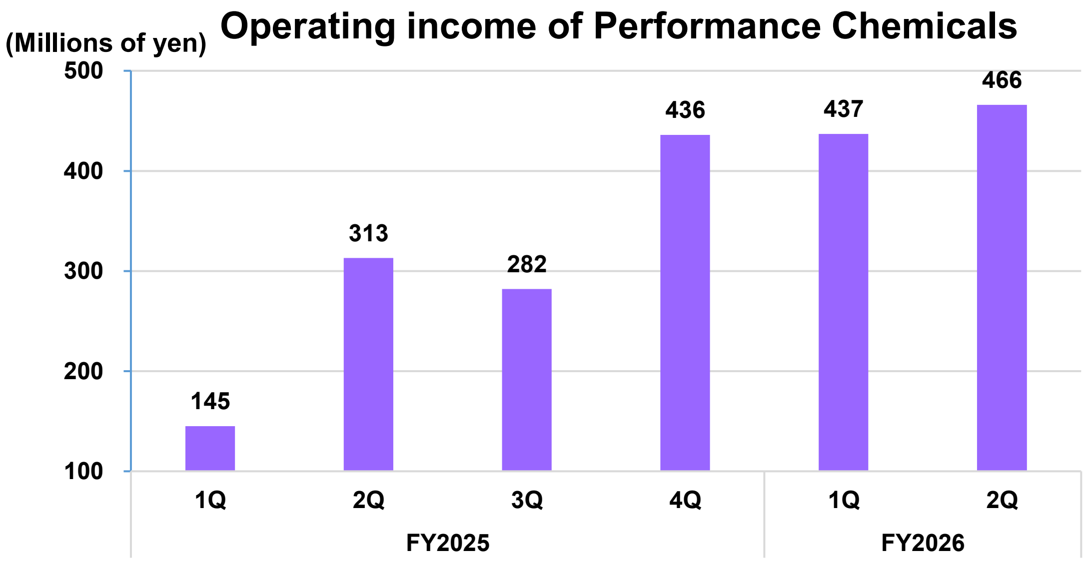
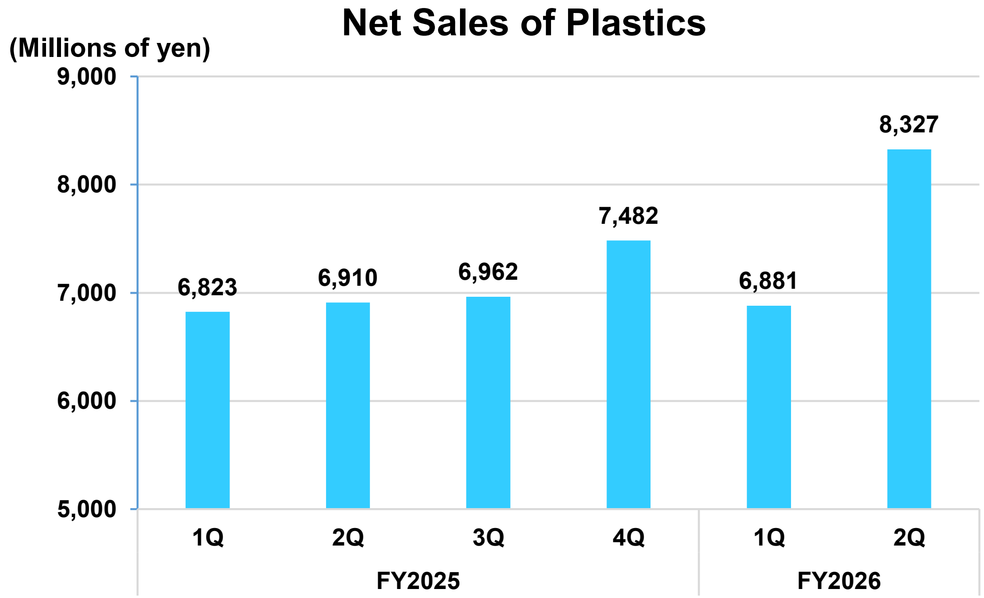
Sub-segment of Performance Chemicals Business	Year-on-year Comparison		Reason for the Net Sales Change
	2Q FY2026 Accounting Period	1-2Q FY2026 Cumulative Total	
Inorganic functional Materials	84%	78%	Net sales decreased due to a decline in sales volume of inorganic antimicrobial agents.
High-purity inorganic chemicals	124%	128%	Net sales increased due to a rise in sales volume driven by strong demand from the semiconductor market.
Newly developed products	100%	136%	

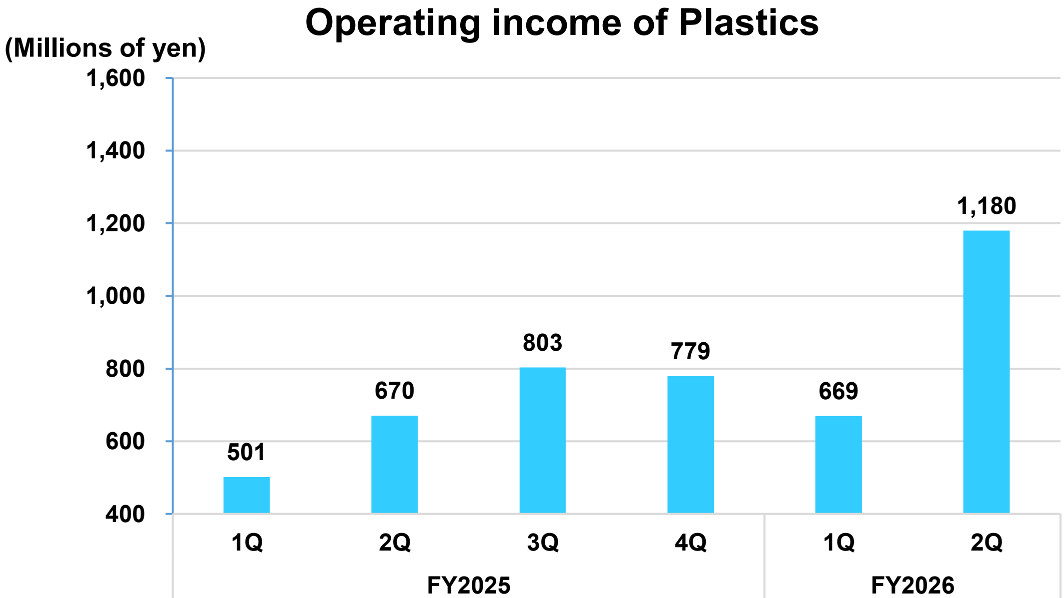




Reference Materials for Plastics Business

Sub-segment of Plastics Business	Year-on-year Comparison 2Q FY2026 Accounting Period	Year-on-year Comparison 1-2Q FY2026 Cumulative Total	Reason for the Net Sales Change
Environmental & infrastructure system products	133%	119%	Net sales increased due to an increase in sales volume for products related to sewerage applications.
Nursing care	92%	96%	Net sales decreased due to a decline in sales volume for nursing care and bathing aid products.
Eco material	108%	99%	Net sales decreased due to a decline in sales volume for products for Southeast Asia.

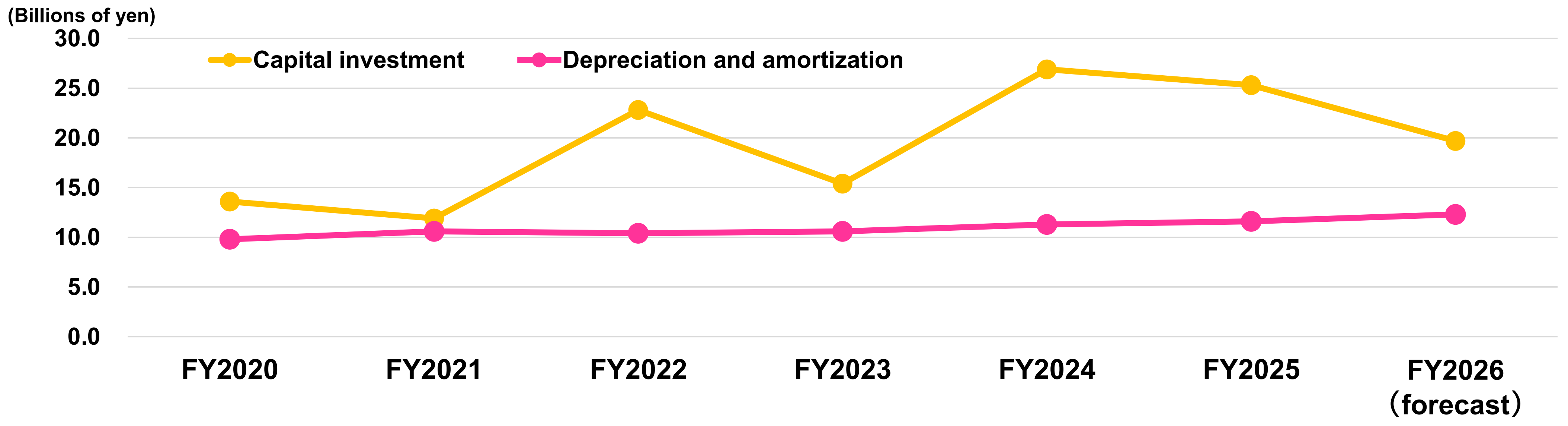




Reference for Consolidated Performance

(Billions of yen)

	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026 (forecast)
Capital investment	13.6	11.9	22.8	15.4	26.9	28.1	21.9
Depreciation and amortization	9.8	10.6	10.4	10.6	11.3	11.6	12.6
Research and development expenses	4.0	4.3	4.7	5.0	5.8	6.7	7.0
Overseas net sales	22.1	29.0	31.0	26.6	28.9	29.4	32.8
Overseas sales ratio (%)	16.6	18.6	19.3	16.7	17.3	18.1	19.2
Interest bearing debt	11.3	11.2	11.0	11.0	11.0	20.6	20.4



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