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July 31, 2025

Consolidated Financial Results for the Six Months Ended June 30, 2025 (Under Japanese GAAP)

Company name: Toagosei Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 4045
 URL: <https://www.toagosei.co.jp/>
 Representative: Hidenori Kobuchi President, COO and Representative Director
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 Scheduled date to commence dividend payments: August 8, 2025
 Scheduled date to file annual securities report: September 4, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the six months year ended June 30, 2025 (from January 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary profit		Net income attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	80,344	(1.5)	7,018	(4.2)	7,497	(14.4)	5,715	(18.8)
June 30, 2024	81,571	6.0	7,323	54.3	8,758	41.9	7,041	28.7

Note: Comprehensive income For the six months ended June 30, 2025: ¥ 4,343 million [(66.5)%]
 For the six months ended June 30, 2024: ¥ 12,978 million [30.0%]

	Net income per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2025	51.76	—
June 30, 2024	61.52	—

(2) Consolidated financial position

	Total assets	Net assets	Net worth ratio
As of	Millions of yen	Millions of yen	%
June 30, 2025	269,837	210,643	77.7
December 31, 2024	278,020	213,668	76.5

Reference: Shareholders' equity As of June 30, 2025: ¥ 209,545 million
 As of December 31, 2024: ¥ 212,586 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 December 31, 2024	—	30.00	—	30.00	60.00
Fiscal year ended December 31, 2025	—	32.50			
Fiscal year ending December 31, 2025 (Forecast)			—	32.50	65.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated performance forecast for Fiscal 2025 (from January 1, 2025 to December 31, 2025)

	Net sales		Operating income		Ordinary profit		Net income attributable to owners of parent		Net income per share
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
Fiscal 2025	162,500	(3.0)	14,000	(1.6)	14,800	(7.5)	12,200	2.7	111.67

Note: Revisions to consolidated performance forecast during the quarter under review: Yes

* Notes

- (1) Significant changes in the scope of consolidation during the first half: Yes
Newly included: 1 company (Toagosei Chemical India Pvt. Ltd)
- (2) Adoption of accounting treatment specific to the preparation of the semiannual 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: Yes
 - (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, 2025	113,000,000 shares
As of December 31, 2024	113,000,000 shares

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

As of June 30, 2025	3,724,673 shares
As of December 31, 2024	970,946 shares

- (iii) Average number of shares outstanding during the period

Six months ended June 30, 2025	110,427,948 shares
Six months ended June 30, 2024	114,449,137 shares

Note: The number of treasury shares at the end of the period and the average number of shares outstanding during the period (cumulative for the interim period) includes the company's shares held by the Employee Stock Compensation Plan.

* The summary of financial results for the second quarter (interim period) is not subject to review by a certified public accountant or an audit firm.

* Proper use of earnings forecasts, and other special matters

The performance forecast and other forward-looking statements contained in this material have been prepared on the basis of information available at this point and certain assumptions which are judged to be rational, and

may be substantially different from the actual performance etc. because of various factors that may arise from now on.

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1. Overview of Operating Results, etc.

(1) Explanation of operating results

(a) Financial performance during the first half of fiscal 2025

During the period under review (January 1 to June 30, 2025), the global economy faced heightened concerns over an economic slowdown due to the tariff policies implemented by the Trump administration in the United States. In addition, geopolitical risks stemming from the prolonged Ukraine conflict and escalating tensions in the Middle East further heightened uncertainty about the future. Amid this environment, the U.S. economy remained resilient, China continued to face deflationary pressures, and Europe experienced low growth. Meanwhile, the Japanese economy saw a gradual recovery in economic conditions due to improvements in the employment environment and the recovery of inbound demand, but the momentum weakened due to rising prices.

Under these circumstances, the Group focused on sales expansion activities and cost reductions, as well as on investments for future growth, such as the expansion of manufacturing facilities, the strengthening of R&D capabilities, and the establishment of overseas bases. As a result, the Group recorded the following financial results for the period under review.

Net sales:	¥80,344 million	(-1.5% YOY)
Operating income:	¥7,018 million	(-4.2% YOY)
Ordinary profit:	¥7,497 million	(-14.4% YOY)
Net income attributable to owners of parent:	¥5,715 million	(-18.8% YOY)

(b) Performance by segment

I. Commodity Chemicals

Electrolysis products recorded lower sales revenue due to a decrease in the sales volume increased in the previous fiscal year. Acrylic monomer products saw a decrease in sales revenue due to lower sales volumes of some products. Industrial gases posted lower sales revenue due to a decrease in sales volume caused by a manufacturing company's operational stoppage resulting from problems at the manufacturing company. As a result of the above, this segment posted net sales of ¥36,180 million (-5.7% YOY).

Operating income totaled ¥4,681 million (+11.7% YOY) due to a reduction in fixed costs, which partially offset decreased overall sales volume.

II. Polymer & Oligomer

Acrylic polymers saw lower sales revenue due to a decrease in sales volume. Acrylic oligomers recorded higher sales revenue due to revised selling prices. Polymer flocculants posted an increase in sales revenue due to higher sales volume overseas. As a result of these factors, this segment posted net sales of ¥17,538 million (+1.7% YOY).

Operating income decreased 40.4% year on year to ¥1,266 million due mainly to higher raw material prices.

III. Adhesive Material

For consumers, sales revenue increased owing to higher sales volume in Japan and the United States and selling price revisions in Japan. Functional adhesives saw an increase in sales volume for automotive parts and smartphone components, resulting in an increase in sales revenue. As a result, this segment posted net sales of ¥6,761 million (+2.6% YOY).

Operating income totaled ¥263 million (+13.4% YOY) due to higher sales volume.

IV. Performance Chemicals

High-purity inorganic chemicals recorded lower sales revenue due to a decrease in sales volume resulting from a delay in the recovery of the overall semiconductor market, despite a strong growth in demand for AI applications. Inorganic functional materials posted higher sales revenue due to an increase in sales volume of inorganic deodorants. As a result, this segment posted net sales of ¥5,013 million (-1.3% YOY).

Operating income fell 21.7% year on year to ¥459 million resulting from a decrease in sales volume of high-purity inorganic chemicals.

V. Plastics

Environment & infrastructure system (formerly, piping equipment) saw higher sales revenue due to selling price revisions corresponding to an increase in raw material prices. Nursing care products posted a decline in sales revenue due to diminished sales volume resulting from sluggish demand for nursing care products. Ecological materials (formerly, elastomer compounds) saw higher sales revenue due to an increase in sales volume in our base in Thailand. As a result, this segment posted net sales of ¥13,733 million (+3.2% YOY).

Operating income increased 81.0% year on year to ¥1,172 million thanks to increased sales of products for infrastructure aging countermeasures in the environment & infrastructure system and price revisions in the nursing care products.

VI. Other Businesses

This segment, which consists of the research and development business for new products, goods transportation, and trading-house operations, among others, recorded increased sales revenue in its trading department. As a result, this segment posted net sales of ¥1,117 million (+14.6% YOY)

Operating loss totaled ¥821 million, compared to an operating loss of ¥462 million in the same period of the previous fiscal year, partly because of the increase in costs associated with the Kawasaki Frontience R&D Center.

(2) Explanation of financial position

I. Status of assets, liabilities, and net assets

Total assets: Total assets amounted to ¥269,837 million, down ¥8,182 million (2.9%) from the end of the previous fiscal year. The main contributor to this decrease was a decrease in current assets such as “securities” despite an increase in “other, net” under non-current assets owing to the increase in construction in progress.

Total liabilities: Total liabilities amounted to ¥59,194 million, down ¥5,158 million (8.0%) from the end of the previous fiscal year. The main contributor to this decrease was a decrease in “other current liabilities” in current liabilities due to lower accounts payable other.

Total net assets: Total net assets amounted to ¥210,643 million, down ¥3,024 million (1.4%) from the end of the previous fiscal year. The main contributor to this decrease was an increase in “treasury stock” due to share buybacks.

Net worth ratio: Net worth ratio amounted to 77.7%.

II. Status of cash flows

Cash flows from operating activities: Net cash provided by operating activities totaled ¥16,678 million, an increase of ¥2,423 million compared to the previous first half, resulting from a decrease in receivables.

Cash flows from investing activities: Net cash used in investing activities totaled ¥17,313 million, an increase of ¥7,251 million compared to the previous first half. This was attributable to an increase in purchase of property, plant and equipment.

Cash flows from financing activities: Net cash used in financing activities totaled ¥8,712 million, a decrease of ¥277 million compared to the previous first half. This result reflected a decrease in dividends paid.

As a result, the balance of cash and cash equivalents at the end of the period under review was ¥30,534 million, a decrease of ¥9,898 million from the end of the previous fiscal year.

(3) Explanation of forward-looking statements such as consolidated performance forecasts

All forward-looking statements herein represent assumptions that we considered reasonable as of the day this document was published.

In terms of performance during the first half of fiscal 2025, sales volume declined for many products, including commodity chemicals despite our efforts focused on sales expansion activities, price revisions, and cost reductions. Although the economic situation for the third quarter of fiscal 2025 and thereafter is expected to remain uncertain and difficult to predict due to factors such as the details of U.S. tariff policies and ongoing geopolitical risks, we will endeavor to ensure business expansion and profitability while carefully monitoring and flexibly responding to market conditions and trends in raw material and fuel prices.

Amid this situation, although there are some fields where demand recovery is expected and developed products with strong sales, the Company forecasts that net sales, operating income, ordinary profit, and net income attributable to owners of parent for fiscal 2025 will fall short of the consolidated performance forecast announced on February 13, 2025.

Consolidated forecasts for fiscal 2025 (full-year: January 1 to December 31, 2025)

(Millions of yen, except for per share data)

	Net sales	Operating income	Ordinary profit	Net income attributable to owners of parent	Net income per share
Previous forecasts (A) (announced on February 13, 2025)	165,000	15,000	16,100	13,000	119.00 yen
Revised forecasts (B)	162,500	14,000	14,800	12,200	111.67 yen
Amount of change (B-A)	(2,500)	(1,000)	(1,300)	(800)	—
Percentage of change (%)	(1.5)%	(6.7)%	(8.1)%	(6.2)%	—
(Reference) Results of fiscal 2024 (ended December 31, 2024)	167,594	14,233	15,993	11,877	104.56 yen

Note: Forecasts are figures determined by the Company based on information available as of the date of release of this document, and actual results may vary from forecasts due to various factors in the future.

2. Semi-annual Consolidated Financial Statements and Principal Notes

(1) Semi-annual consolidated balance sheets

(Millions of yen)

	Fiscal 2024 (as of December 31, 2024)	First Half of Fiscal 2025 (as of June 30, 2025)
Assets		
Current assets		
Cash and deposits	30,821	26,623
Notes and accounts receivable	42,359	37,908
Electronically recorded monetary claims	9,860	10,107
Securities	11,000	5,000
Inventories	24,734	25,662
Other current assets	4,026	4,087
Allowance for doubtful receivables	(52)	(50)
Total current assets	122,750	109,339
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	39,664	39,027
Machinery, equipment and other, net	23,486	22,088
Land	30,445	31,119
Other, net	18,254	25,790
Total property, plant and equipment	111,851	118,025
Intangible non-current assets	1,666	1,533
Investments and other assets		
Investment securities	34,023	33,259
Net defined benefit asset	5,014	5,054
Other assets	2,720	2,666
Allowance for doubtful receivables	(6)	(41)
Total investments and other assets	41,751	40,938
Total non-current assets	155,270	160,498
Total assets	278,020	269,837

(Millions of yen)

	Fiscal 2024 (as of December 31, 2024)	First Half of Fiscal 2025 (as of June 30, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable	18,740	17,730
Short-term bank loans	6,209	2,692
Accrued income taxes	2,762	2,220
Accrued bonuses for employees	11	11
Provision for product recalls	154	139
Other current liabilities	20,874	17,236
Total current liabilities	48,753	40,030
Long-term liabilities		
Long-term debt	4,834	8,314
Net defined benefit liability	122	129
Provision for share awards	284	366
Other long-term liabilities	10,357	10,352
Total long-term liabilities	15,598	19,164
Total liabilities	64,352	59,194
Net assets		
Shareholders' equity		
Common stock	20,886	20,886
Capital surplus	14,166	14,166
Retained earnings	157,874	160,208
Treasury stock	(1,375)	(5,323)
Total shareholders' equity	191,551	189,938
Accumulated other comprehensive income		
Unrealized holding gain on available-for-sale securities	14,537	14,053
Foreign currency translation adjustment	5,260	4,392
Remeasurements of defined benefit plans	1,236	1,161
Total accumulated other comprehensive income	21,034	19,607
Non-controlling interests	1,082	1,097
Total net assets	213,668	210,643
Total liabilities and net assets	278,020	269,837

(2) Semi-annual consolidated statements of income and comprehensive income

Semi-annual consolidated statements of income

(Millions of yen)

	First Half of Fiscal 2024 (January 1, 2024 to June 30, 2024)	First Half of Fiscal 2025 (January 1, 2025 to June 30, 2025)
Net sales	81,571	80,344
Cost of sales	58,847	57,369
Gross profit	22,723	22,974
Selling, general, and administrative expenses	15,400	15,955
Operating income	7,323	7,018
Non-operating income		
Interest income	198	117
Dividend income	858	708
Equity in earnings of affiliates	125	90
Rent income on non-current assets	58	9
Foreign currency exchange gains	382	–
Other	67	82
Total non-operating income	1,690	1,009
Non-operating expenses		
Interest expenses	73	83
Foreign currency exchange losses	–	318
Environment readiness fee	118	80
Loss on investments in partnerships	35	18
Inactive facilities expenses	6	3
Other	21	25
Total non-operating expenses	255	530
Ordinary profit	8,758	7,497
Extraordinary income		
Gain on sale of non-current assets	7	–
Gain on sale of investment securities	1,465	1,187
Subsidy income	71	46
Total extraordinary income	1,544	1,234
Extraordinary losses		
Loss on disposal of non-current assets	607	581
Loss on valuation of investment securities	–	182
Loss on disaster	43	50
Special suspense account for tax purpose reduction entry	–	40
Total extraordinary losses	651	855
Income before income taxes	9,651	7,876
Income taxes	2,553	2,120
Net income	7,097	5,756
Net income attributable to non-controlling interests	56	40
Net income attributable to owners of parent	7,041	5,715

Semi-annual consolidated statements of comprehensive income

(Millions of yen)

	First Half of Fiscal 2024 (January 1, 2024 to June 30, 2024)	First Half of Fiscal 2025 (January 1, 2025 to June 30, 2025)
Net income	7,097	5,756
Other comprehensive income		
Unrealized holding gain on available-for-sale securities	4,340	(483)
Foreign currency translation adjustment	1,557	(854)
Remeasurements of defined benefit plans, net of tax	(16)	(75)
Total other comprehensive income	5,881	(1,413)
Comprehensive income	12,978	4,343
Comprehensive income attributable to:		
Owners of parent	12,884	4,288
Non-controlling interests	94	54

(3) Semi-annual consolidated statements of cash flows

(Millions of yen)

	First Half of Fiscal 2024 (January 1, 2024 to June 30, 2024)	First Half of Fiscal 2025 (January 1, 2025 to June 30, 2025)
Operating activities		
Income before income taxes	9,651	7,876
Depreciation and amortization	5,473	5,774
Increase or decrease in allowance for doubtful receivables (Minus means decrease.)	2	33
Increase or decrease in provision for product recalls (Minus means decrease.)	(134)	(15)
Increase or decrease in provision for share awards (Minus means decrease.)	71	82
Increase or decrease in other provisions (Minus means decrease.)	(8)	0
Increase or decrease in net defined benefit asset (Minus means increase.)	(12)	(127)
Increase or decrease in net defined benefit liability (Minus means decrease.)	3	7
Interest and dividend income	(1,056)	(826)
Interest expenses	73	83
Foreign currency exchange gains or losses (Minus means gains.)	(361)	269
Gain or loss on sale of investment securities (Minus means gain.)	(1,465)	(1,187)
Gain or loss on valuation of investment securities (Minus means gain.)	–	182
Gain or loss on disposal of non-current assets (Minus means gain.)	607	581
Gain or loss on sale of non-current assets (Minus means gain.)	(7)	–
Equity in earnings or losses of affiliates (Minus means earnings.)	(125)	(90)
Subsidy income	(71)	(46)
Special suspense account for tax purpose reduction entry	–	40
Increase or decrease in receivables (Minus means increase.)	1,191	4,108
Increase or decrease in inventories (Minus means increase.)	(552)	(1,073)
Increase or decrease in payables (Minus means decrease.)	71	(959)
Other	1,784	3,716
Subtotal	15,135	18,429
Interest and dividends received	1,151	799
Interest paid	(75)	(86)
Subsidies income received	71	46
Income taxes paid	(2,028)	(2,511)
Net cash provided by (used in) operating activities	14,255	16,678
Cash flows from investing activities		
Increase or decrease in time deposits (Minus means increase.)	1,466	190
Purchase of investment securities	(504)	(386)
Proceeds from sale of investment securities	1,621	1,618
Purchase of property, plant and equipment	(11,174)	(17,803)
Proceeds from sale of property, plant and equipment	8	–
Other	(1,480)	(932)
Net cash provided by (used in) investing activities	(10,062)	(17,313)

(Millions of yen)

	First Half of Fiscal 2024 (January 1, 2024 to June 30, 2024)	First Half of Fiscal 2025 (January 1, 2025 to June 30, 2025)
Cash flows from financing activities		
Net increase or decrease in short-term debt (Minus means decrease.)	(47)	75
Proceeds from long-term debt	123	3,700
Repayments of long-term debt	(83)	(3,791)
Proceeds from sale of treasury stock	0	0
Purchase of treasury stock	(4,725)	(4,063)
Increase or decrease in deposits for acquisition of treasury stock (Minus means increase.)	(277)	(1,137)
Repayments of lease obligations	(95)	(90)
Dividends paid	(3,845)	(3,366)
Dividends paid to non-controlling interests	(39)	(38)
Net cash provided by (used in) financing activities	(8,990)	(8,712)
Effect of exchange rate change on cash and cash equivalents	836	(551)
Net increase or decrease in cash and cash equivalents (Minus means decrease.)	(3,961)	(9,898)
Cash and cash equivalents at beginning of the period	47,636	40,433
Cash and cash equivalents at end of the period	43,675	30,534

(4) Notes to semi-annual consolidated financial statements

(Notes on going concern assumption)

Not applicable

(Notes in case of significant changes in the amount of shareholders' equity)

The Company acquired 2,833,000 treasury shares pursuant to a resolution passed by the Board of Directors at its meeting held on February 13, 2025. As a result, during the period under review, treasury stock increased by ¥3,948 million, bringing the total of treasury stock to ¥5,323 million as of the end of the period under review.

(Changes in accounting policies)

Application of Accounting Standard for Current Income Taxes, etc.

The Company has applied the Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard 2022") effective from the beginning of the period under review.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the "Revised Guidance 2022"). This change in accounting policies has no impact on the semi-annual consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Guidance 2022 has been adopted from the beginning of the period under review. This change in accounting policies is applied retrospectively, and semi-annual consolidated financial statements and consolidated financial statements for the previous fiscal year are after retrospective application. This change in accounting policies has no impact on the semi-annual consolidated financial statements for the same first six-month period of the previous fiscal year or the consolidated financial statements for the previous fiscal year.

(Segment information, etc.)

Segment Information

I. First half of fiscal 2024 2024 (January 1, 2024 to June 30, 2024)

1 Further information about segment sales and segment profit (loss)

(Millions of yen)

	Reportable segment						Other businesses ¹	Total	Adjustment ²	Amount recorded in consolidated financial statements ³
	Commodity chemicals	Polymer & oligomer	Adhesive material	Performance chemicals	Plastics	Total				
Net sales										
External sales	38,374	17,246	6,591	5,080	13,301	80,595	975	81,571	–	81,571
Intersegment sales or transfers	1,730	767	28	131	487	3,145	797	3,943	(3,943)	–
Total	40,105	18,014	6,620	5,212	13,789	83,741	1,772	85,514	(3,943)	81,571
Segment profit (loss)	4,192	2,123	232	586	647	7,782	(462)	7,319	3	7,323

Notes: 1. “Other businesses” is a miscellaneous segment covering businesses that do not belong to any reportable segment. It includes operations related to the research and development business for new products, goods transportation, and trading-house operations.
2. Adjustment of segment profit (loss) is primarily the elimination of intersegment transactions.
3. Segment profit (loss) represents operating income as stated on the semi-annual consolidated statement of income with the adjustment.

2 Impairment of Non-current assets or goodwill, etc. by reportable segment

The disclosure is omitted as the amount is immaterial.

II First half of fiscal 2025 (January 1, 2025 to June 30, 2025)

1 Further information about segment sales and segment profit (loss)

(Millions of yen)

	Reportable segment						Other businesses ¹	Total	Adjustment ²	Amount recorded in consolidated financial statements ³
	Commodity chemicals	Polymer & oligomer	Adhesive material	Performance chemicals	Plastics	Total				
Net sales										
External sales	36,180	17,538	6,761	5,013	13,733	79,226	1,117	80,344	–	80,344
Intersegment sales or transfers	2,026	691	18	225	336	3,296	819	4,116	(4,116)	–
Total	38,206	18,229	6,779	5,239	14,069	82,523	1,937	84,460	(4,116)	80,344
Segment profit (loss)	4,681	1,266	263	459	1,172	7,842	(821)	7,020	(1)	7,018

Notes: 1. “Other businesses” is a miscellaneous segment covering businesses that do not belong to any reportable segment. It includes operations related to the research and development business for new products, goods transportation, and trading-house operations.
2. Adjustment of segment profit (loss) is primarily the elimination of intersegment transactions.
3. Segment profit (loss) represents operating income as stated on the semi-annual consolidated statement of income with the adjustment.

2 Impairment of Non-current assets or goodwill, etc. by reportable segment

The disclosure is omitted as the amount is immaterial.

(Significant subsequent events)

Conclusion of an important agreement

The Company's consolidated subsidiary, Toagosei America Inc. (hereinafter, "TUS"), concluded an agreement on July 1, 2025 primarily regarding the dissolution of Elmer's & Toagosei Co. (hereinafter, "E&T"), a joint venture between TUS and the Newell Brands Inc. (hereinafter, "NB") Group after acquiring the NB Group's equity interest in E&T from the NB Group.

1. Reasons for dissolving the partnership

The Group manufactures and sells Aron Alpha, which has become synonymous with instant adhesives. In the U.S., E&T, an equity-method joint venture, sells instant adhesives under the trademark Krazy Glue. While Krazy Glue has enjoyed over 50 years of popularity and strong brand recognition, the market has become increasingly competitive in recent years.

The Adhesive Material segment is a core business for the Group. The business is growing not only because our consumer products have strong brand recognition but also because we offer high-performance, high-value-added adhesives used in automobiles, electronic materials, and other applications. Moving forward, we plan to accelerate our overseas expansion in the manufacturing and sales of Krazy Glue. Until now, we have been marketing and selling Krazy Glue through E&T, a joint venture between TUS and the NB Group. However, we have decided to dissolve this venture by acquiring the equity interest held by the NB Group and pursue an independent strategy to build strong operations that are even more flexible and agile.

Looking ahead, we will further strengthen the Krazy Glue business and increase its market share by leveraging our integrated groupwide production and sales structure.

2. Name of the counterparty to the agreement

Newell Brands Inc. and its subsidiaries

3. Date of conclusion of the agreement

July 1, 2025

4. Contents of the agreement (agreement amount)

TUS and the NB Group each hold a 50% equity interest in E&T, but simultaneously with TUS's acquiring the NB Group's equity interest on August 1, 2025, the joint venture agreement will be terminated. In connection with this, TUS will pay US\$22 million to the NB Group and enter into an agreement with the NB Group regarding the transfer of sales-related operations on the same day. Furthermore, as a result of the acquisition of the equity interest and the termination of the joint venture agreement, E&T will be dissolved, and TUS will succeed to the assets remaining in E&T.

5. Significant impact of the conclusion of the agreement on business operations

With the dissolution of E&T, the company will be excluded from the scope of the Company's equity method affiliates in the fiscal year under review. The impact of this matter on the consolidated financial results for the fiscal year under review is immaterial.

Issuance of bonds

The Company issued the 15th series of unsecured straight bonds on the following conditions:

- | | |
|-------------------------------------|------------------------------------|
| 1. Total amount of bonds: | ¥10,000 million |
| 2. Issue price: | ¥100 per face value of ¥100 |
| 3. Interest rate: | 1.384% per annum |
| 4. Redemption date: | July 17, 2030 (bullet maturity) |
| 5. Payment due date and issue date: | July 17, 2025 |
| 6. Purpose of use of funds: | Capital investment in growth areas |