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April 28, 2025

## Consolidated Financial Results for the Three Months Ended March 31, 2025 (Under Japanese GAAP)

Company name: Toagosei Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 4045  
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 Scheduled date to commence dividend payments: —  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results briefing: None

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

### 1. Consolidated financial results for the three months ended March 31, 2025 (from January 1, 2025 to March 31, 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	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	39,822	2.1	3,363	(5.3)	3,193	(20.7)	2,000	(26.4)
March 31, 2024	39,014	2.1	3,552	37.3	4,027	35.4	2,717	24.3

Note: Comprehensive income For the three months ended March 31, 2025: ¥ 499 million [(93.3) %]  
 For the three months ended March 31, 2024: ¥ 7,414 million [108.7%]

	Net income per share	Diluted earnings per share
Three months ended	Yen	Yen
March 31, 2025	18.01	—
March 31, 2024	23.60	—

#### (2) Consolidated financial position

	Total assets	Net assets	Net worth ratio
As of	Millions of yen	Millions of yen	%
March 31, 2025	264,857	207,718	78.0
December 31, 2024	278,020	213,668	76.5

Reference: Shareholders' equity  
 As of March 31, 2025: ¥206,692 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 ending December 31, 2025	—				
Fiscal year ending December 31, 2025 (Forecast)		32.50	—	32.50	65.00

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

## 3. Consolidated performance forecast for Fiscal 2024 (from January 1, 2024 to December 31, 2024)

	Net sales		Operating income		Ordinary profit		Net income attributable to owners of parent		Net assets per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
First half, 2025	80,800	(0.9)	7,500	2.4	8,100	(7.5)	7,100	0.8	64.30
Fiscal 2025	165,000	(1.5)	15,000	5.4	16,100	0.7	13,000	9.5	119.00

Note: Revisions to consolidated performance forecast during the quarter under review: None

## \* Notes

- (1) Significant changes in the scope of consolidation during the period: 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: 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 March 31, 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 March 31, 2025	3,063,253 shares
As of December 31, 2024	970,946 shares

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

Three months ended March 31, 2025	111,079,211 shares
Three months ended March 31, 2024	115,107,862 shares

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

- \* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None
- \* 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.

## Table of Contents: Attachments

1. Overview of Operating Results, etc. ....	5
(1) Explanation of operating results .....	5
(2) Explanation of financial position .....	6
(3) Research and development activities .....	6
(4) Explanation of forward-looking statements such as consolidated performance forecasts .....	3
2. Quarterly Consolidated Financial Statements and Principal Notes .....	4
(1) Quarterly consolidated balance sheets .....	4
(2) Quarterly consolidated statements of income and comprehensive income .....	6
(3) Notes to quarterly consolidated financial statements .....	8
(Notes on going concern assumption) .....	8
(Notes in case of significant changes in the amount of shareholders' equity) .....	8
(Changes in accounting policies) .....	8
(Quarterly consolidated statements of income) .....	8
(Quarterly consolidated statement of cash flows) .....	8
(Segment information, etc.) .....	9

## 1. Overview of Operating Results, etc.

### (1) Explanation of operating results

#### (a) Financial performance during the first quarter of fiscal 2025

During the period under review (January 1 to March 31, 2025), the global economy saw strong performance in the U.S. economy due to firm employment and income conditions. The economy in Europe showed gradual recovery, but growth has recently slowed. In China, the economy was sluggish due to the slump in the real estate market and consumer spending. In Japan, despite continued rising prices, the economy saw gradual yet steady growth mainly driven by domestic demand. Globally, the U.S. Trump administration's tariff policies and other factors have increased concerns of a slowdown and heightened uncertainty about the future.

Under these circumstances, the Group has focused on sales expansion activities and cost reductions, while at the same time making investments that will contribute to future growth, including 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:	¥39,822 million (+2.1% YOY)
Operating income:	¥3,363 million (-5.3% YOY)
Ordinary income:	¥3,193 million (-20.7% YOY)
Net income attributable to owners of parent:	¥2,000 million (-26.4% YOY)

#### (b) Performance by segment

##### I. Commodity Chemicals

Electrolysis products recorded higher sales revenue due to increased overall sales volume. Acrylic monomer products saw a decrease in sales revenue owing to decreased sales volume. Industrial gases posted lower sales revenue due to lower sales volume resulting from the suspension of facility operations by key clients. As a result of the above, this segment posted net sales of ¥17,865 million (-0.1% YOY).

Operating income rose 16.4% year on year to ¥2,282 million as sales volume increased in electrolysis and other products and fixed costs decreased due to differences in the timing of routine maintenance.

##### II. Polymer & Oligomer

Acrylic polymers saw lower sales revenue on lower sales volume. Acrylic oligomers recorded higher sales revenue amid increased sales volume for displays. 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 ¥8,811 million (+3.4% YOY).

Operating income declined 42.1% year on year to ¥631 million due to higher raw material prices.

##### III. Adhesive Material

For consumers, sales revenue increased owing to higher sales volume in Japan and the United States. Functional adhesives saw an increase in sales volume of adhesives for automotive parts and for components for smartphones, resulting in an increase in sales revenue. As a result, this segment posted net sales of ¥3,391 million (+7.4% YOY).

Operating income rose 98.5% year on year to ¥153 million due to increased sales volume.

##### IV. Performance Chemicals

High-purity inorganic chemicals saw lower sales revenue due to decreased sales volume resulting from delayed recovery of the semiconductor market. Inorganic functional materials posted higher sales revenue amid increased sales volume of ion-trapping agents for overseas. As a result, this segment posted net sales of ¥2,406 million (-5.0% YOY).

Operating income fell 51.9% year on year to ¥145 million resulting from a decrease in sales volume of high-purity inorganic chemicals.

## V. Plastics

Environment & infrastructure system (formerly, piping equipment) saw sales revenue grow due to revisions in selling prices mainly in response to higher raw material prices. Nursing care products posted a decline in sales revenue as a result of diminished sales volume caused by intensifying competition in the nursing care products market. Ecological materials (formerly, elastomer compounds) recorded higher sales revenue due to an increase in sales volume at the base in Thailand. As a result, this segment posted net sales of ¥6,823 million (+5.5% YOY).

Operating income increased 71.3% year on year to ¥501 million, thanks to improved earnings from products for infrastructure aging countermeasures in the environment & infrastructure system business and increased sales volume from the ecological materials business.

## 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 from its trading department. The segment posted net sales of ¥524 million (+14.1% YOY).

Operating loss totaled ¥350 million, compared to an operating loss of ¥173 million in the same period of the previous fiscal year, because of increased costs mainly for the Kawasaki Frontience R&D Center.

### (2) Explanation of financial position

#### Status of assets, liabilities, and net assets

**Total assets:** Total assets amounted to ¥264,857 million, down ¥13,162 million (4.7%) from the end of the previous fiscal year. The main contributor to this decrease was a decrease in current assets including “cash and deposits,” which was partially offset by an increase in “other, net” under fixed assets owing to the increase in construction in progress.

**Total liabilities:** Total liabilities amounted to ¥57,138 million, down ¥7,213 million (11.2%) 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 ¥207,718 million, down ¥5,949 million (2.8%) from the end of the previous fiscal year. The main contributors to this decrease were an increase in “treasury stock” due to share buybacks and a decrease in “retained earnings.”

**Net worth ratio:** Net worth ratio amounted to 78.0%.

### (3) Research and development activities

The Group’s total research and development expenses for the period under review were ¥1,494 million. There was no significant change in the status of the Group’s research and development activities during the period under review.

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

The Group has begun a close examination of the impact of the U.S. Trump administration’s tariff policies and will continue to gather information to take appropriate measures.

There is no change from the consolidated performance forecast for the fiscal year ending December 31, 2025, which was announced on February 13, 2025. However, if it becomes necessary to change the performance forecast, the Company will disclose the details promptly.

## 2. Quarterly Consolidated Financial Statements and Principal Notes

### (1) Quarterly consolidated balance sheets

(Millions of yen)

	Fiscal 2024 (as of December 31, 2024)	First Quarter of Fiscal 2025 (as of March 31, 2025)
<b>Assets</b>		
Current assets		
Cash and deposits	30,821	20,505
Notes and accounts receivable	42,359	39,269
Electronically recorded monetary claims	9,860	9,453
Securities	11,000	8,000
Inventories	24,734	24,930
Other current assets	4,026	3,998
Allowance for doubtful receivables	(52)	(49)
Total current assets	122,750	106,107
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	39,664	39,187
Machinery, equipment and other, net	23,486	22,739
Land	30,445	30,339
Other, net	18,254	23,783
Total property, plant and equipment	111,851	116,050
Intangible fixed assets	1,666	1,619
Investments and other assets		
Investment securities	34,023	33,448
Net defined benefit asset	5,014	5,034
Other assets	2,720	2,637
Allowance for doubtful receivables	(6)	(41)
Total investments and other assets	41,751	41,079
Total fixed assets	155,270	158,749
Total assets	278,020	264,857

(Millions of yen)

	Fiscal 2024 (as of December 31, 2024)	First Quarter of Fiscal 2025 (as of March 31, 2025)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable	18,740	17,317
Short-term bank loans	6,209	6,207
Accrued income taxes	2,762	762
Accrued bonuses for employees	11	782
Provision for product recalls	154	148
Other current liabilities	20,874	16,273
Total current liabilities	48,753	41,492
Long-term liabilities		
Long-term debt	4,834	4,823
Net defined benefit liability	122	122
Provision for share awards	284	333
Other long-term liabilities	10,357	10,366
Total long-term liabilities	15,598	15,645
Total liabilities	64,352	57,138
<b>Net assets</b>		
Shareholders' equity		
Common stock	20,886	20,886
Capital surplus	14,166	14,166
Retained earnings	157,874	156,501
Treasury stock	(1,375)	(4,413)
Total shareholders' equity	191,551	187,141
Accumulated other comprehensive income		
Unrealized holding gain on available-for-sale securities	14,537	13,816
Translation adjustment	5,260	4,542
Remeasurements of defined benefit plans	1,236	1,191
Total accumulated other comprehensive income	21,034	19,550
Non-controlling interests	1,082	1,026
Total net assets	213,668	207,718
Total liabilities and net assets	278,020	264,857



## (2) Quarterly consolidated statements of income and comprehensive income

### Quarterly consolidated statements of income

(Million yen)

	First Quarter of Fiscal 2024 (January 1, 2024 to March 31, 2024)	First Quarter of Fiscal 2025 (January 1, 2025 to March 31, 2025)
Net sales	39,014	39,822
Cost of sales	28,209	28,708
Gross profit	10,805	11,113
Selling, general, and administrative expenses	7,253	7,749
Operating income	3,552	3,363
Non-operating income		
Interest income	89	61
Dividend income	269	68
Equity in earnings of affiliates	49	29
Rent income on non-current assets	46	4
Foreign currency exchange gains	117	—
Other	17	31
Total non-operating income	590	195
Non-operating expenses		
Interest expenses	35	34
Foreign currency exchange losses	—	266
Environment readiness fee	30	39
Loss on investments in partnerships	35	8
Inactive facilities expenses	3	1
Other	9	15
Total non-operating expenses	115	365
Ordinary profit	4,027	3,193
Extraordinary income		
Gain on sale of non-current assets	6	—
Subsidy income	59	43
Gain on sales of investment securities	—	13
Total extraordinary gains	66	57
Extraordinary losses		
Loss on disposal of non-current assets	398	483
Loss on valuation of investment securities	—	16
Loss on disaster	*1 29	*1 8
Total extraordinary losses	427	508
Income before income taxes	3,666	2,741
Income taxes	928	721
Net income	2,737	2,020
Net income attributable to non-controlling interests	20	20
Net income attributable to owners of parent	2,717	2,000

Quarterly consolidated statements of comprehensive income

(Million yen)

	First Quarter of Fiscal 2024 (January 1, 2024 to March 31, 2024)	First Quarter of Fiscal 2025 (January 1, 2025 to March 31, 2025)
Net income	2,737	2,020
Other comprehensive income		
Unrealized holding gain on available-for-sale securities	3,942	(723)
Translation adjustments	742	(750)
Remeasurements of defined benefit plans, net of tax	(8)	(45)
Total other comprehensive income	4,676	(1,520)
Comprehensive income	7,414	499
Comprehensive income attributable to:		
Owners of parent	7,377	515
Non-controlling interests	36	(16)

### (3) Notes to quarterly 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 2,094,700 shares of treasury stock pursuant to a resolution passed by the Board of Directors at a meeting held on February 13, 2025. As a result, during the period under review, treasury stock increased by ¥3,037 million, bringing the balance of treasury stock to ¥4,413 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 quarterly 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 quarterly 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 quarterly consolidated financial statements for the same quarter of the previous fiscal year or the consolidated financial statements for the previous fiscal year.

(Quarterly consolidated statements of income)

\*1 Loss on disaster

The amount of loss caused by the Noto Peninsula Earthquake that occurred in January 2024. The breakdown is as follows.

	(Millions of yen)	
	First Quarter of Fiscal 2024 (January 1, 2024 to March 31, 2024)	First Quarter of Fiscal 2025 (January 1, 2025 to March 31, 2025)
Restoration costs, etc.	27	8
Loss on inventory loss	2	—

(Quarterly consolidated statement of cash flows)

Quarterly consolidated statements of cash flows were not prepared for the first quarter of fiscal 2025. Depreciation (including amortization of intangible assets other than goodwill) for the first quarter of fiscal 2024 and 2025 were as follows.

	(Millions of yen)	
	First Quarter of Fiscal 2024 (January 1, 2024 to March 31, 2024)	First Quarter of Fiscal 2025 (January 1, 2025 to March 31, 2025)
Depreciation	2,516	2,683

(Segment information, etc.)

*Segment information*

I. First Quarter of Fiscal 2024 (January 1, 2024 to March 31, 2024)

1 Further Information about Segment Sales and Segment Profit (Loss)

(Million yen)

	Reportable segment						Other businesses <sup>1</sup>	Total	Adjustment <sup>2</sup>	Amount recorded in consolidated financial statements <sup>3</sup>
	Commodity chemicals	Polymer & oligomer	Adhesive materials	Performance chemicals	Plastics	Total				
Net sales										
External sales	17,875	8,523	3,157	2,534	6,465	38,555	459	39,014	—	39,014
Intersegment sales or transfers	954	383	14	72	266	1,690	395	2,086	(2,086)	—
Total	18,829	8,906	3,171	2,606	6,731	40,246	855	41,101	(2,086)	39,014
Segment profit (loss)	1,961	1,090	77	302	292	3,724	(173)	3,550	1	3,552

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, among others.
2. Adjustment of segment profit (loss) is primarily the elimination of intersegment transactions.
3. Segment profit (loss) represents operating income as stated on the quarterly consolidated statement of income with the adjustment.

2 Impairment of Fixed Assets or Goodwill, etc. by Reportable Segment

The disclosure is omitted as the amount is immaterial.

II. First Quarter of Fiscal 2025 (January 1, 2025 to March 31, 2025)

1 Further Information about Segment Sales and Segment Profit (Loss)

(Million yen)

	Reportable segment						Other businesses <sup>1</sup>	Total	Adjustment <sup>2</sup>	Amount recorded in consolidated financial statements <sup>3</sup>
	Commodity chemicals	Polymer & oligomer	Adhesive materials	Performance chemicals	Plastics	Total				
Net sales										
External sales	17,865	8,811	3,391	2,406	6,823	39,297	524	39,822	—	39,822
Intersegment sales or transfers	910	329	12	100	166	1,519	403	1,923	(1,923)	—
Total	18,776	9,140	3,404	2,506	6,989	40,817	928	41,745	(1,923)	39,822
Segment profit (loss)	2,282	631	153	145	501	3,714	(350)	3,364	(0)	3,363

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, among others.
2. Adjustment of segment profit (loss) is primarily the elimination of intersegment transactions.
3. Segment profit (loss) represents operating income as stated on the quarterly consolidated statement of income with the adjustment.

2 Impairment of Fixed Assets or Goodwill, etc. by Reportable Segment

The disclosure is omitted as the amount is immaterial.