



地球はつづく、
化学でつなぐ!

 **TOAGOSEI**

Financial Results for 1Q FY2024

 **TOAGOSEI**

May 13, 2024

1. Results for 1Q FY2024	P.3-
2. ESG Initiatives	P.9-
3. Appendix (Sub-segment Year-on-Year Comparison of Net Sales)	P.12-

Results for 1Q FY2024

Overview of Results for 1Q FY2024

		1Q FY2023	1Q FY2024	Change	Rate of Change
Net sales	(Millions of yen)	38,198	39,014	816	2.1%
Operating income	(Millions of yen)	2,587	3,552	965	37.3%
Operating income ratio		6.8%	9.1%	2.3P	—
Ordinary profit	(Millions of yen)	2,974	4,027	1,053	35.4%
Net income attributable to owners of parent	(Millions of yen)	2,185	2,717	531	24.3%
Net income per share	(Yen)	18.18	23.60	5.42	29.8%

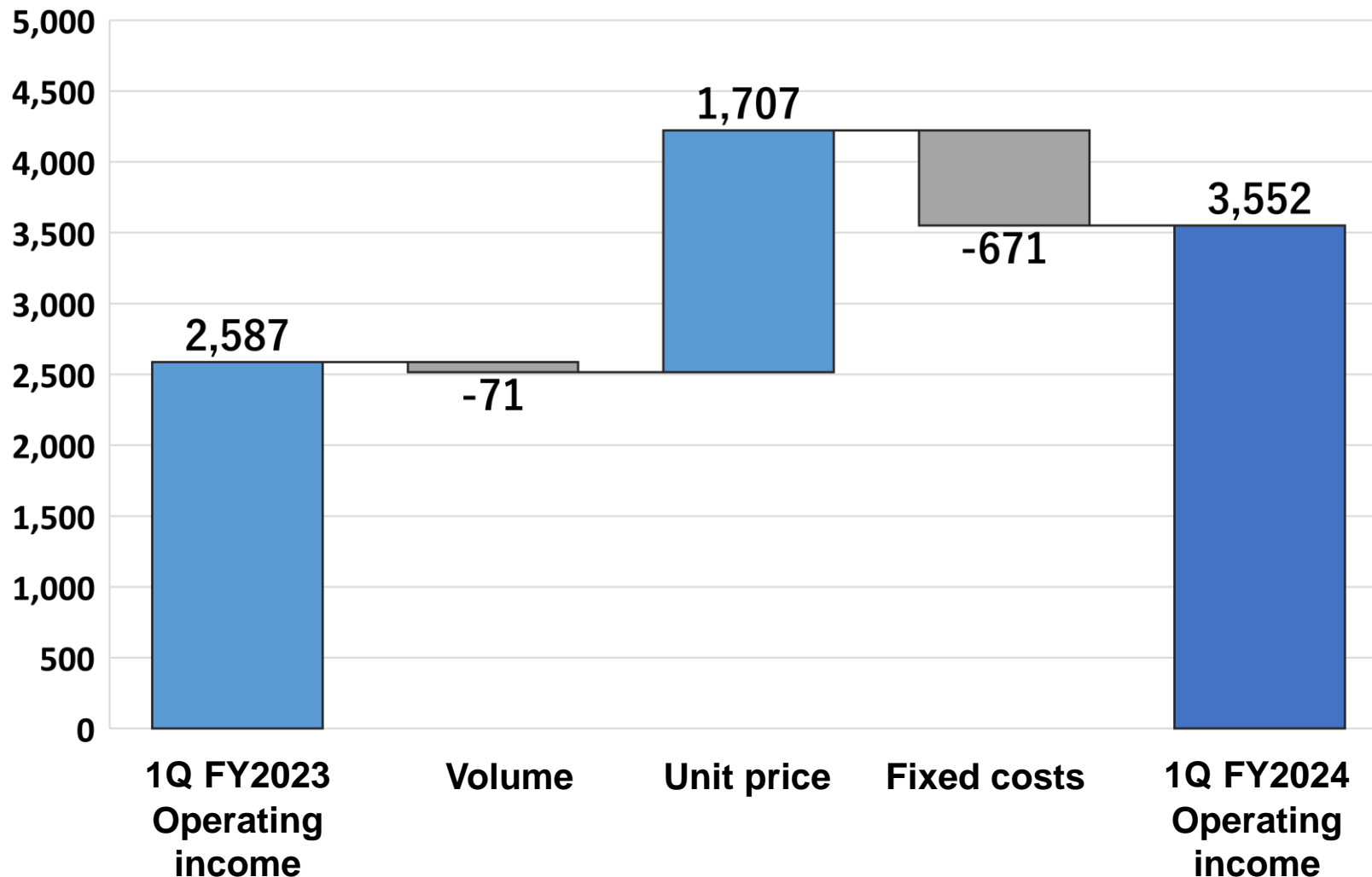
* There has been no change in the scope of consolidation (19 consolidated subsidiaries and 2 equity-method affiliates)

Analysis of Changes in Operating Income

1Q FY2024 3,552 Millions of yen

Year-on-year 965 Millions of yen

(Millions of yen)



Consolidated Results (by Segment)

(Millions of yen)

Net sales	1Q FY2023	1Q FY2024	Volume	Unit price	Change
	A	B			B – A
Commodity Chemicals	17,243	17,875	205	426	631
Polymer & Oligomer	8,525	8,523	(180)	179	(1)
Adhesive Material	2,680	3,157	271	205	476
Performance Chemicals	2,517	2,534	25	(8)	16
Plastics	6,775	6,465	(462)	152	(310)
Other/adjustments	455	459	3	0	3
Total	38,198	39,014	(137)	954	816

(Millions of yen)

Operating income	1Q FY2023		1Q FY2024		Change
	Operating income	Operating income ratio	Operating income	Operating income ratio	
Commodity Chemicals	1,165	6.8%	1,961	11.0%	795
Polymer & Oligomer	809	9.5%	1,090	12.8%	281
Adhesive Material	(116)	(4.3%)	77	2.4%	193
Performance Chemicals	478	19.0%	302	11.9%	(176)
Plastics	283	4.2%	292	4.5%	9
Other/adjustments	(34)	—	(172)	—	(138)
Total	2,587	6.8%	3,552	9.1%	965

Consolidated Statement of Income

(Non-operating Income/Expenses and Extraordinary Income/Losses)



(Millions of yen)

Non-operating income/expenses	1Q FY2023	1Q FY2024	Change
Interest and dividend income	112	359	247
Equity in earnings of affiliates	81	49	(32)
Foreign currency exchange gains	30	117	87
Rent income on non-current assets	49	46	(3)
Miscellaneous income	229	17	(212)
Interest expenses	(32)	(35)	(3)
Inactive facilities expenses	(25)	(30)	(4)
Environment readiness fee	(3)	(3)	0
Miscellaneous expenses	(55)	(45)	9
Total	387	475	88

(Millions of yen)

Extraordinary income/losses	1Q FY2023	1Q FY2024	Change
Gain on sales of investment securities	—	—	—
Gain on sale of non-current assets	—	6	6
Subsidy income	72	59	(12)
Loss on disposal of non-current assets	(42)	(398)	(355)
Loss on disaster	—	(29)	(29)
Loss on valuation of investment securities	—	—	—
Total	29	(361)	(390)

*“Loss on disaster” is the amount of loss due to the Noto Peninsula earthquake that occurred in January 2024.

Exchange rate	Mar. 30, 2023	Dec. 31, 2023	Mar. 30, 2024
Yen/USD	133.53	141.83	151.41
Yen/THB	3.91	4.13	4.16

Naphtha price	Average for Jan. to Mar. 2023	Average for Jan. to Mar. 2024
Yen/kl	66,500	72,500

Consolidated Balance Sheet

(Millions of yen)

	Dec. 31, 2023	Dec. 31, 2024	Change
Current assets	134,860	125,118	(9,741)
Cash, deposits and securities	39,108	33,392	(5,715)
Notes and accounts receivable	51,102	48,012	(3,090)
Securities	17,000	15,000	(2,000)
Inventories	24,792	25,050	258
Other current assets	2,904	3,712	808
Allowance for doubtful receivables	(47)	(50)	(3)
Fixed assets	137,425	146,415	8,990
Property, plant and equipment	96,532	99,520	2,988
Intangible fixed assets	1,579	1,674	95
Investment securities	32,912	38,562	5,650
Other fixed assets	6,401	6,657	256
Total assets	272,285	271,534	(751)

	Dec. 31, 2023	Dec. 31, 2024	Change
Total liabilities	59,767	59,805	38
Notes and accounts payable	19,091	17,559	(1,532)
Bank loans	11,095	11,210	114
Accrued income taxes	2,281	960	(1,321)
Other liabilities	27,298	30,075	2,776

Total net assets	212,518	211,728	(789)
Shareholders' equity	193,828	188,381	(5,447)
Accumulated other comprehensive income	17,681	22,341	4,660
Non-controlling interests	1,008	1,005	(2)
Total liabilities and net assets	272,285	271,534	(751)

Net worth ratio	77.7%	77.6%	(0.1%)
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ESG Initiatives

E
(Environment)

S
(Society)

Dec. 2021	Set a target of “2050: carbon neutrality” By 2030: Greenhouse gas (GHG) emissions 50% of the 2013 level (215,000 tons) By 2050: Carbon neutrality
Mar. 2022	Entered into a Memorandum of Understanding for an Investigation into the Feasibility of Effectively Using Waste Incinerator Heat with Yokohama City
Apr. 2022	Opened Toagosei Hydrogen Station Tokushima
Jul. 2022	Held the Summer Vacation Crafts School to commemorate the 50th anniversary of the launch of Aron Alpha
Oct. 2022	Formulated the Toagosei Group Human Rights Policy and the Toagosei Group Sustainable Procurement Guidelines
Dec. 2022	Endorsed the Partnership Building Declaration promoted by the Cabinet Office and the Smalland Medium Enterprise Agency
Jan. 2023	Introduced the Employee Stock Compensation Plan and raised wages 4.0%
Mar. 2023	Certified as a Health and Productivity Management Organization 2023 “White 500”
Apr. 2023	Contributed to the 2023 Turkey Syria Earthquake Relief Fund
	Established the Signal Peptidome Research social collaboration course at the University of Tokyo
	Started participating in the GX League (Endorsed in October 2022)
Aug. 2023	Participated in the Summer Vacation Chemical Experiment Show for Children 2023
Dec. 2023	Donated to the Children’s Future Support Fund and the Ashinaga Foundation (continuing on from 2021)
Jan. 2024	Raised wages 6.1%
	Donated to the areas affected by the Noto Peninsula Earthquake
Mar. 2024	Certified as a Health and Productivity Management Organization 2023

G (Governance)

Mar. 2020	Introduced a restricted share remuneration system for directors
Oct. 2021	Revised the Toagosei Group Basic Policy on Corporate Governance <ul style="list-style-type: none"> • Aim for the amount recorded on the balance sheet of cross shareholdings to be about 10% of consolidated net assets • Promote disclosures in English: Disclosed the full text of financial statements (from FY2021)
Mar. 2022	Secured a Board of Directors with outside directors accounting for the majority of the members for the first time (six internal directors and seven outside directors)
Apr. 2022	Transitioned to the Prime market on the Tokyo Stock Exchange
Aug. 2022	Promoted disclosures in English: Disclosed the full text of our corporate governance report
Aug. 2023	Announced “Toagosei’s Initiatives to Improve Our Price-to-Book Ratio (PBR)” <ul style="list-style-type: none"> • Aim to achieve an ROE of 8% and a PBR of 1x or more by 2027 • Realize consolidated total shareholder returns of 100% (2023 to 2025)
Dec. 2023	Amount of cross shareholdings recorded on the balance sheet Current as of the end of December 2023: 13.7% (shareholding balance: 29,212 million yen) (record of sales in 2021: 19 stocks sold with a sale value of 2,910 million yen) (record of sales in 2022: 9 stocks sold with a sale value of 3,058 million yen) (record of sales in 2023: 13 stocks sold with a sale value of 5,228 million yen)

Initiatives to Promote Sports



We support the table tennis T.LEAGUE.



We support IWAKI FC

Appendix

Sub-segment Year-on-Year Comparison of Net Sales^①

Commodity Chemicals Business	Year-on-year Comparison	Reason for the Change
	1Q FY2024	
Inorganic chemicals	105%	Net sales increased due to price revisions in line with raw material prices
Acrylic monomers	101%	Net sales increased due to an increase in sales revenue on larger sales volume of acrylic acid
Industrial gas	120%	Net sales increased due to price revisions in line with raw material prices

Polymer and Oligomer Business	Year-on-year Comparison	Reason for the Change
	1Q FY2024	
Polymers	98%	Net sales decreased due to a decrease in sales volume
Oligomers	106%	Net sales increased due to increased sales volume for displays and other products
Flocculants	98%	Net sales decreased due to a decrease in overseas sales volume

Sub-segment Year-on-Year Comparison of Net Sales②

Adhesive Materials Business	Year-on-year Comparison	Reason for the Change
	1Q FY2024	
Instant glue	120%	Net sales increased due to an increase in sales volume in Japan and the United States.
Functional adhesives	118%	Net sales increased due to a substantial increase in sales volume for batteries for automotive applications
Performance Chemicals Business	Year-on-year Comparison	Reason for the Change
	1Q FY2024	
Inorganic functional materials	121%	Net sales increased due to an increase in sales volume of antimicrobial agents
High-purity inorganic chemicals	98%	Net sales decreased because of the impact of the slump in semiconductor market conditions
Newly developed products	8%	Net sales decreased due to a decrease in sales volume of medical care product

Sub-segment Year-on-Year Comparison of Net Sales③

Plastics Business	Year-on-year Comparison	Reason for the Change
	1Q FY2024	
Piping equipment	96%	Net sales decreased because of the impact of the slump in the number of projects starting on home construction
Nursing care products	97%	Net sales decreased due to a general decrease in sales volume
Elastomer compounds	82%	Net sales decreased due to a decrease in sales volume caused by inventory adjustments of customers



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- The earnings forecasts include forecasts based on information available as of the date of the publication of this document. Actual results may differ to the figures contained herein due to various factors which may change in the future.
 - This document is not intended to solicit investment. Please make investment decisions based on your own judgment.