

Financial Results for FY2023



February 20, 2024

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Results for FY2023

Business Environment

- Geopolitical risks heightened such as with the war in Ukraine and the outbreak of conflict in the Middle East.
- Europe and North America continued to implement high interest rate policies to curb inflation.
- The recovery in the Chinese economy was slow. There was an influx into the Southeast Asian market of cheap general-purpose chemicals produced in China .
- The rise in raw material and fuel prices pushed up general consumer goods prices in Japan. The pace of wage raises also accelerated.

Financial Results for FY2023

- We continued to revise prices to secure profits in response to the sharp rise in raw material and fuel prices.
- Acrylic ester overseas market conditions and semiconductor market conditions were sluggish. That meant the shipment volume of products decreased.
- The sales volume of adhesives for automotive batteries increased significantly. Earnings from instant glues for consumers improved.
- Sales decreased. Operating income decreased. Including gains on sales of investment securities, net income was 12.1 billion yen (down 0.3 billion yen).
- We took measures to raise PBR to over 1x.
 - Total shareholder returns of 100% during the period of the Medium-term Management Plan
 - Strengthening of profitability (2027: operating income of 24 billion yen, ROE of 8% or more, strengthened R&D capabilities and overseas expansion)
- We bought back approximately 4.7 million shares of treasury stock (3.9% of the number of outstanding shares as of the end of 2022; approximately 6.0 billion yen). We canceled approximately 5 million shares.
- We increased our year-end dividend to 33 yen.
- We increased an annual dividend by 17 yen to 53 yen (payout ratio: 51.6%).
Total shareholder returns were 100.5%.

Overview of Results for FY2023

		FY2022	FY2023	Change	Rate of Change
Net sales	(Millions of yen)	160,825	159,371	(1,453)	(0.9%)
Operating income	(Millions of yen)	14,382	12,499	(1,883)	(13.1%)
Operating income ratio		8.9%	7.8%	(1.1P)	—
Ordinary profit	(Millions of yen)	16,446	14,503	(1,942)	(11.8%)
Net income attributable to owners of parent	(Millions of yen)	12,494	12,179	(314)	(2.5%)
Net income per share	(Yen)	101.31	102.78	1.48	—
Annual dividend	(Yen)	36.0	53.0	17.0	—

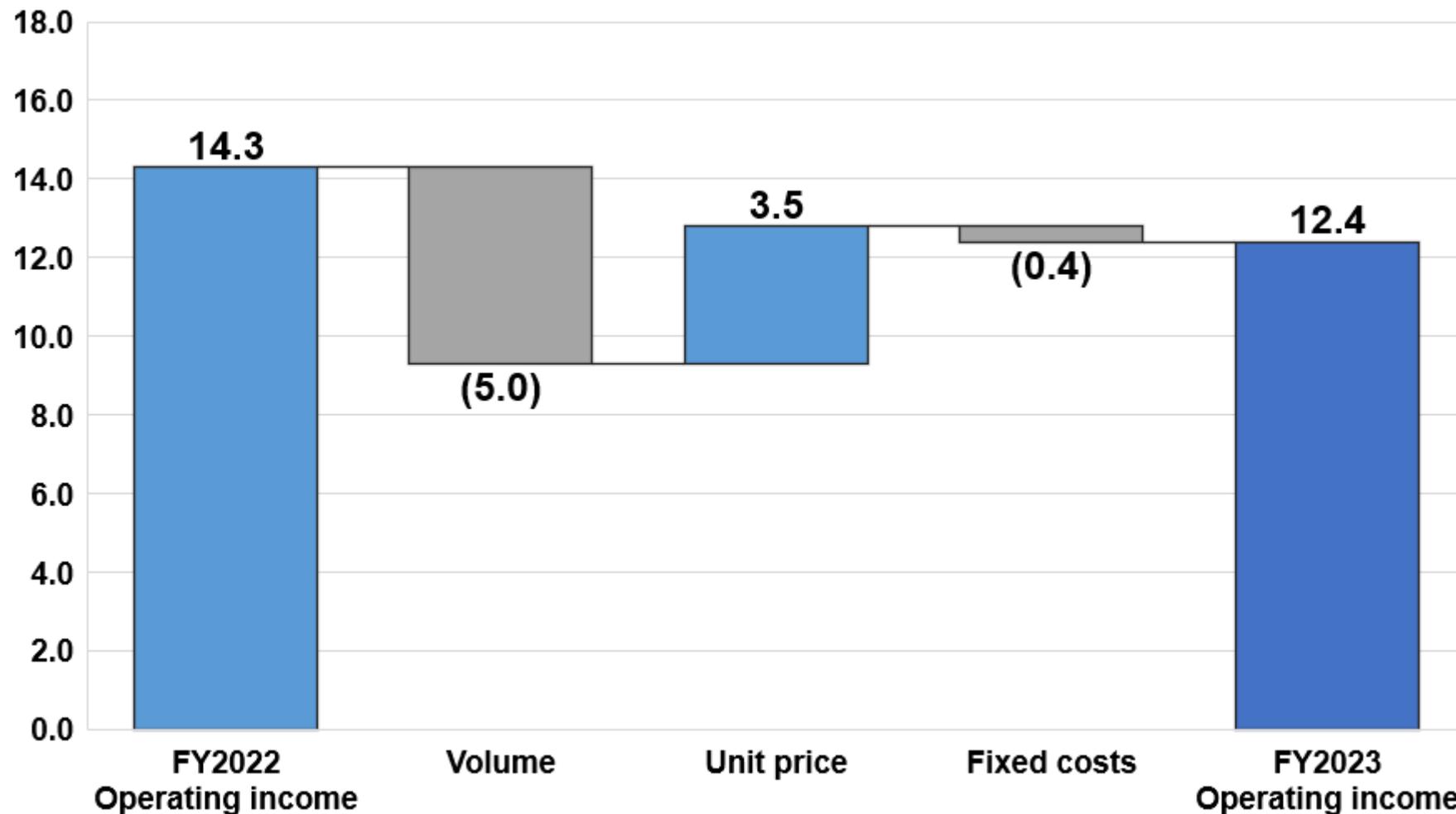
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Average exchange rate	(Yen/USD)	129.67	139.74
Average naphtha price	(Yen/kl)	76,150	67,600

* We newly established Toagosei (Shanghai) Management Co., Ltd. in 2023. Therefore, it is included in the scope of consolidation from this consolidated fiscal year (19 consolidated subsidiaries and 2 equity-method affiliates).

Analysis of Changes in Operating Income

(Billions of yen)



Consolidated Results (by Segment)

(Millions of yen)

Net sales	FY2022	FY2023	Volume	Unit price	Change
	A	B			B-A
Commodity Chemicals	73,929	73,488	(5,287)	4,845	(440)
Polymer & Oligomer	35,807	33,765	(3,609)	1,566	(2,041)
Adhesive Material	11,134	12,410	487	788	1,276
Performance Chemicals	10,466	9,943	(1,206)	683	(523)
Plastics	27,754	27,867	(1,503)	1,615	112
Other/adjustments	1,732	1,896	163	0	163
Total	160,825	159,371	(10,956)	9,501	(1,453)

(Millions of yen)

Operating income	FY2022		FY2023		Change
	Operating income	Operating income ratio	Operating income	Operating income ratio	
Commodity Chemicals	6,807	9.2%	6,769	9.2%	(37)
Polymer & Oligomer	4,258	11.9%	3,182	9.4%	(1,076)
Adhesive Material	(255)	(2.3%)	361	2.9%	617
Performance Chemicals	2,361	22.6%	1,547	15.6%	(814)
Plastics	1,759	6.3%	1,473	5.3%	(285)
Other/adjustments	(550)	—	(854)	—	(303)
Total	14,382	8.9%	12,499	7.8%	(1,883)

* We have transferred sustainability related businesses from “Commodity Chemicals” where they were before to “Other” from 2023. We have made the comparison with the previous fiscal year using figures for that year prepared according to our changed classification method.

Consolidated Statement of Income

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



(Millions of yen)

Non-operating income/expenses	FY2022	FY2023	Change
Interest and dividend income	1,088	1,320	232
Equity in earnings of affiliates	128	185	56
Foreign currency exchange gains	753	343	(410)
Rent income on non-current assets	182	174	(8)
Miscellaneous income	334	381	48
Interest expenses	(100)	(131)	(30)
Inactive facilities expenses	(25)	(13)	11
Environment readiness fee	(208)	(120)	88
Miscellaneous expenses	(89)	(137)	(49)
Total	2,063	2,003	(59)

(Millions of yen)

Extraordinary income/losses	FY2022	FY2023	Change
Gain on sales of investment securities	2,554	4,079	1,524
Subsidy income	283	84	(198)
Loss on disposal of non-current assets	(559)	(1,255)	(695)
Loss on valuation of investment securities	(91)	(3)	87
Loss on sales of investment securities	—	(2)	(2)
Impairment loss on property, plant and equipment	(959)	—	959
Expenses of soil pollution measures	(358)	—	358
Provision for product recalls	—	(311)	(311)
Total	868	2,590	1,721

(Millions of yen)

Equity in earnings of affiliates (Breakdown)	FY2022	FY2023	Difference
Elmer's & Toagosei	136	169	33
Chubu Liquid Oxygen	(7)	15	23
Total	128	185	56

Exchange rate

	Dec. 31, 2022	Jun. 30, 2023	Dec. 31, 2023
Yen/USD	133.94	144.99	141.83
Yen/THB	3.87	4.07	4.13

Consolidated Balance Sheet

(Millions of yen)

	Dec. 31, 2022	Dec. 31, 2023	Change
Current assets	138,985	134,860	(4,124)
Cash, deposits and securities (1)	58,366	56,108	(2,258)
Notes and accounts receivable	49,848	51,102	1,253
Inventories	25,511	24,792	(718)
Other current assets	5,309	2,904	(2,405)
Allowance for doubtful receivables	(50)	(47)	3
Fixed assets	126,150	137,425	11,275
Property, plant and equipment (2)	90,774	96,532	5,757
Intangible fixed assets	1,592	1,579	(13)
Investment securities (3)	28,472	32,912	4,440
Other fixed assets	5,310	6,401	1,090
Total assets	265,135	272,285	7,150

	Dec. 31, 2022	Dec. 31, 2023	Change
Total liabilities	54,328	59,767	5,439
Notes and accounts payable	19,653	19,091	(562)
Bank loans	11,065	11,095	30
Accrued income taxes	2,176	2,281	105
Other liabilities	21,432	27,298	5,865

Total net assets	210,807	212,518	1,711
Shareholders' equity	193,053	193,828	775
Accumulated other comprehensive income	12,915	17,681	4,765
Non-controlling interests	4,837	1,008	(3,829)
Total liabilities and net assets	265,135	272,285	7,150

(1) Decreased due to capital investment and share buybacks (securities: negotiable certificates of deposit)

(2) Increased due to capital investment

(3) Increased due to a rise in the market value of shareholdings

Net worth ratio	77.7%	77.7%	—
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Consolidated Cash Flow Statements

(Millions of yen)

		FY2022	FY2023	Change
Cash flows from operating activities	A	10,988	21,638	10,649
Cash flows from investment activities	B	(3,579)	(3,528)	51
Free cash flow	C=A+B	7,409	18,110	10,701
Cash flows from financial activities	D	(9,464)	(15,544)	(6,080)
Effect of exchange rate change on cash and cash equivalents	E	390	230	(159)
Net increase or decrease in cash and cash equivalents	F=C+D+E	(1,664)	2,796	4,461
Cash and cash equivalents at the end of the year	G	44,839	47,636	2,796

Overview of Consolidated Subsidiaries (Results for FY2023)

(Millions of yen)

	Company name	Segment	Ownership (%)	Net sales		Operating income (loss)		Net income (loss) attributable to owners of parent	
				FY2022	FY2023	FY2022	FY2023	FY2022	FY2023
1	Toa Techno-Gas	Commodity Chemicals	100	3,517	4,312	76	486	107	356
2	Toagosei Singapore	↓	100	4,916	3,313	1,015	(736)	1,014	(570)
3	(MT Ethylene Carbonate)	↓	90	706	504	7	3	6	3
4	MT AquaPolymer	Polymer & Oligomer	90	14,392	13,026	697	217	476	118
5	Taiwan Toagosei	↓	100	2,029	2,084	263	257	220	214
6	Toa-jet Chemical	↓	51	2,113	1,817	48	133	32	96
7	Toagosei (Zhangjiagang) New Technology	↓	100	2,074	1,708	80	143	53	90
8	Toagosei (Shanghai) Management	↓	100	-	118	-	(93)	-	(101)
9	Toagosei (Thailand)	↓	100	2,471	2,883	10	262	(40)	198
10	Toagosei America	Adhesive Material	100	1,920	2,118	(129)	(148)	(150)	(497)
11	(Aron Packaging)	↓	100	256	244	3	5	2	3
12	Toagosei Hong Kong	↓	100	276	326	16	26	17	26
13	Toagosei (Zhuhai)	↓	100	675	750	(52)	(48)	(42)	(54)
14	Aronkasei	Plastics	100	25,882	26,198	1,965	1,716	1,075	743
15	Aronkasei (Thailand)	↓	100	469	501	(224)	(252)	(234)	(300)
16	Toa Kogyo	Other	100	1,091	1,111	(11)	38	(3)	28
17	Toa Business Associe	↓	100	2,104	2,071	37	31	25	17
18	TG Corporation	↓	100	1,326	1,438	371	425	259	295
19	(Toa Logistics)	↓	100	566	554	27	7	17	4
	Simple aggregation			66,783	65,076	4,199	2,472	2,834	669

* Company names in parentheses indicate that almost all of their transactions are with the Company.

Earnings Forecast for FY2024

Business Environment

- Geopolitical risks will continue to remain high. Resource prices will go down.
- We expect the growth rate of the global economy to be on a par with 2023.
- The price setting behavior of Japanese companies will change. Inflation will become more persistent.
- We think the supply chain structure may change due to antagonism between the U.S. and China.

Challenges in FY2024

- We will promote growth strategies. We will look to strengthen mobility- and semiconductor-related priority businesses. We will aim to commercialize the medical care and other businesses early.
- We will increase overseas sales by expanding our overseas production and sales bases.
- We will contribute to a sustainable society. We will introduce renewable energies: small hydropower and solar power generation, etc.
- We will continue to take measures to raise PBR to over 1x.

Consolidated Results Forecast for FY2024

(Millions of yen)

	FY2023 results (A)	FY2024 1H (forecast)	FY2024 2H (forecast)	FY2023 forecast (B)	Change (B-A)
Net sales	159,371	80,300	88,000	168,300	8,929
Operating income	12,499	6,700	7,300	14,000	1,501
Operating income ratio	7.8%	8.3%	8.3%	8.3%	0.5P
Non-operating income/expenses	2,003	600	600	1,200	(803)
Ordinary profit	14,503	7,300	7,900	15,200	697
Extraordinary income (loss)	2,590	912	(942)	(30)	(2,620)
Income before income taxes (a)	17,095	8,212	6,958	15,170	(1,895)
Income taxes (b)	(4,862)	(2,082)	(1,718)	(3,800)	1,062
Tax rate (b)/(a)	28.4%	25.4%	24.7%	25.0%	(3.4P)
Net income attributable to non-controlling interests	(52)	(30)	(40)	(70)	(17)
Net income attributable to owners of parent	12,179	6,100	5,200	11,300	(879)
Dividend (Yen)	53	29	29	58	5

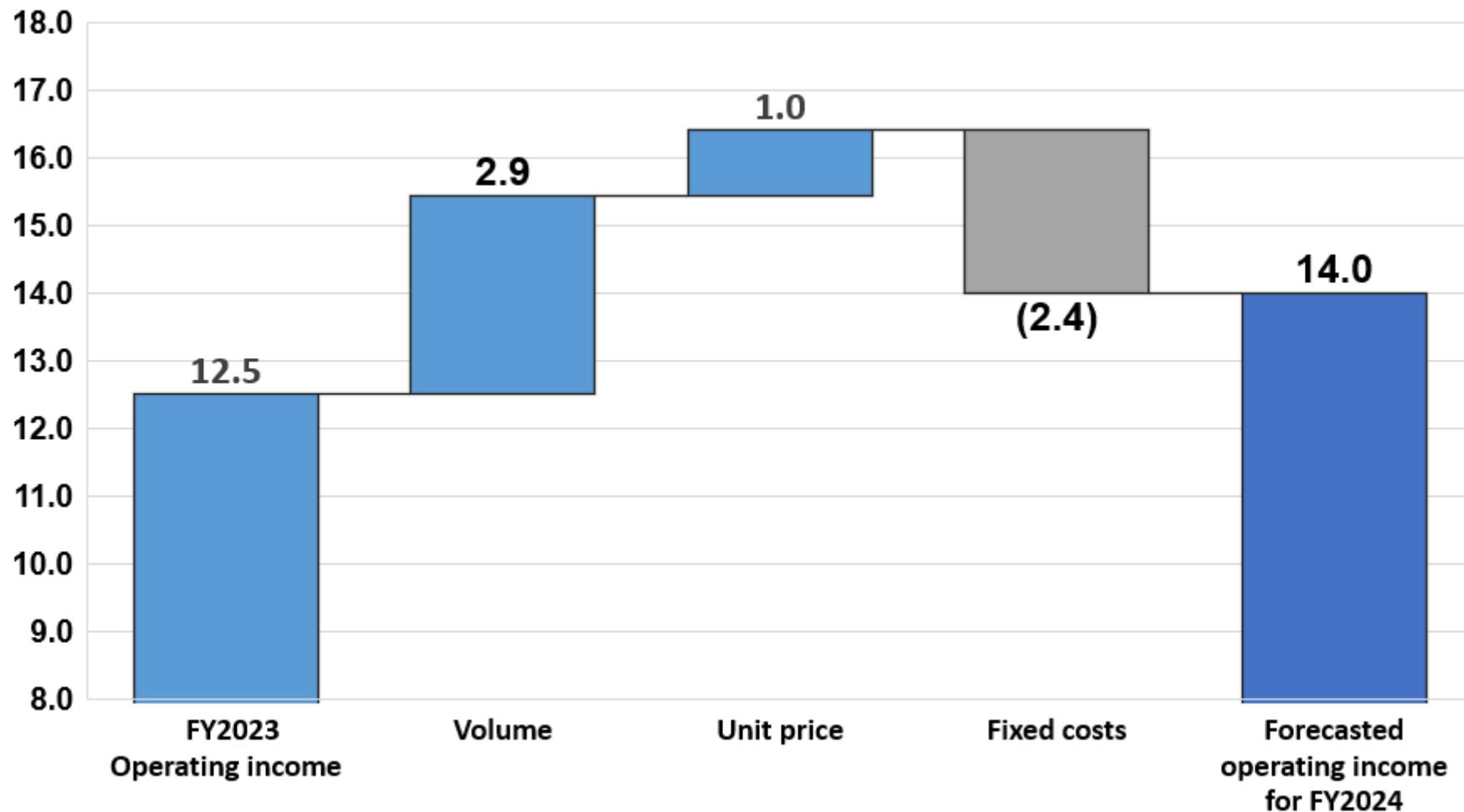
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Average exchange rate (Yen/USD)	139.74	—	—	140.00	—
Average naphtha price (Yen/kl)	67,600	—	—	70,000	—

* A change of 1,000 yen in the naphtha price per kl will have an impact of 300 million yen on our performance. A depreciation of yen by 1 yen per USD will have an impact of -130 million yen on our performance.

Analysis of the Forecasted Changes in Operating Income

(Billions of yen)



Consolidated Results Forecast for FY2024 (by Segment)

(Millions of yen)

Net sales	FY2023 results		FY2024 forecast		Change	Factors for change
	Operating income	Operating income ratio	Operating income	Operating income ratio		
Commodity Chemicals	73,488		78,100		4,612	[Increase] Acrylic monomer
Polymer & Oligomer	33,765		34,800		1,035	[Increase] Acrylic polymers and acrylic oligomer
Adhesive Material	12,410		13,600		1,190	[Increase] Household applications and functional adhesives
Performance Chemicals	9,943		11,000		1,057	[Increase] High-purity inorganic chemicals
Plastics	27,867		28,500		633	[Increase] Pipe materials, nursing care products and elastomers
Other/adjustments	1,896		2,300		404	
Total	159,371		168,300		8,929	

(Millions of yen)

Operating income	FY2023 results		FY2024 forecast		Change	Factors for change
	Operating income	Operating income ratio	Operating income	Operating income ratio		
Commodity Chemicals	6,769	9.2%	7,600	9.7%	831	[Increase] Sodium hypochlorite
Polymer & Oligomer	3,182	9.4%	3,700	10.6%	518	[Increase] Acrylic polymers and acrylic oligomer
Adhesive Material	361	2.9%	400	2.9%	39	[On a par with last year]
Performance Chemicals	1,547	15.6%	1,800	16.4%	253	[Increase] High-purity inorganic chemicals
Plastics	1,473	5.3%	1,800	6.3%	327	[Increase] Elastomers and building materials
Other/adjustments	(834)	–	(1,300)	–	(466)	
Total	12,499	7.8%	14,000	8.3%	1,501	

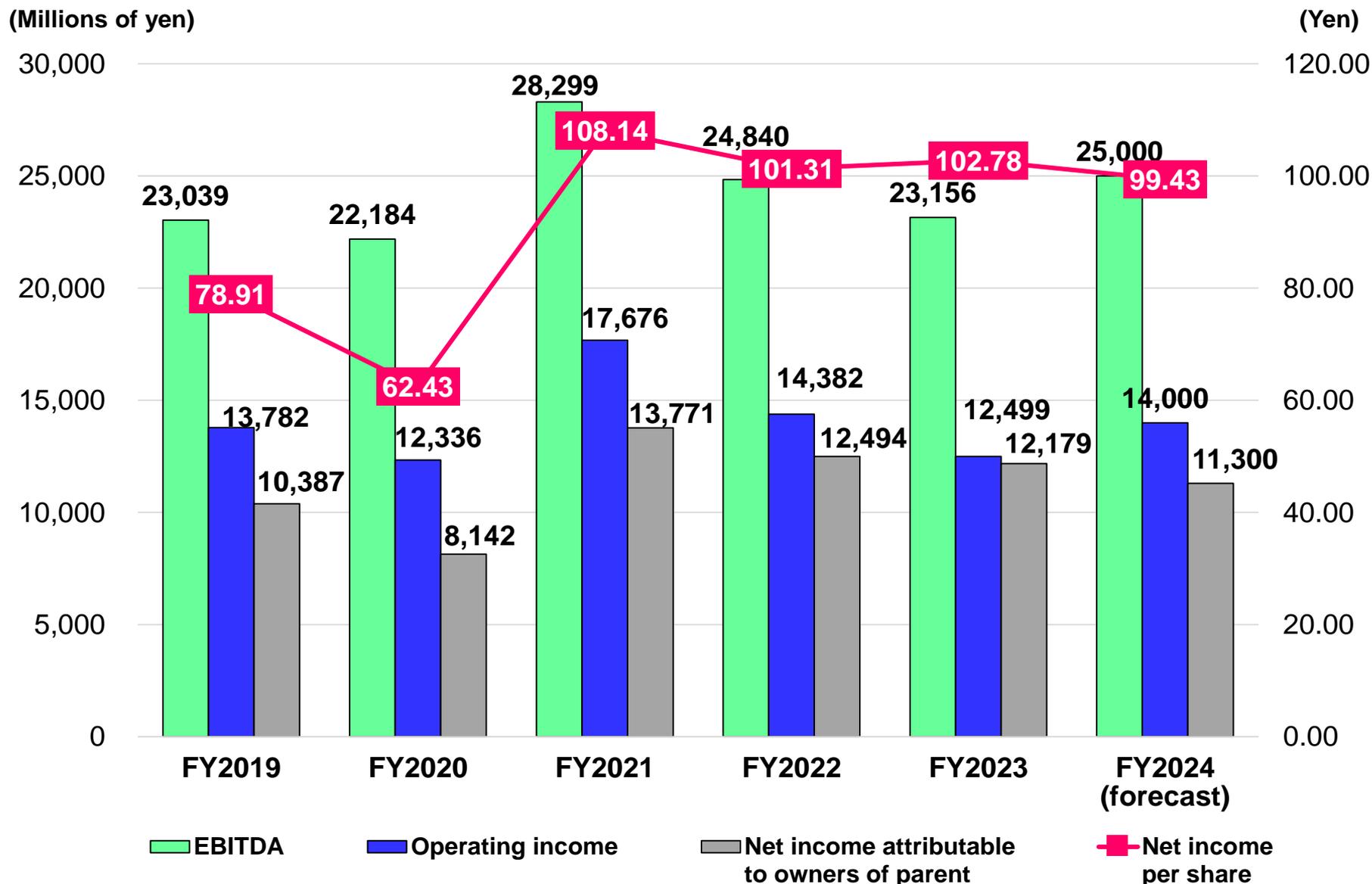
Overview of Consolidated Subsidiaries (FY2024 Forecast)

(Millions of yen)

	Company name	Segment	Ownership (%)	Net sales		Operating income (loss)		Net income (loss) attributable to owners of parent	
				FY2023	FY2024 forecast	FY2023	FY2024 forecast	FY2023	FY2024 forecast
1	Toa Techno-Gas	Commodity Chemicals	100	4,312	4,306	486	461	356	338
2	Toagosei Singapore	↓	100	3,313	3,957	(736)	(296)	(570)	(170)
3	(MT Ethylene Carbonate)	↓	90	504	610	3	4	3	4
4	MT AquaPolymer	Polymer & Oligomer	90	13,026	12,841	217	253	118	171
5	Taiwan Toagosei	↓	100	2,084	2,211	257	262	214	211
6	Toa-jet Chemical	↓	51	1,817	1,997	133	149	96	119
7	Toagosei (Zhangjiagang) New Technology	↓	100	1,708	2,094	143	162	90	122
8	Toagosei (Shanghai) Management	↓	100	118	597	(93)	(324)	(101)	(330)
9	Toagosei (Thailand)	↓	100	2,883	3,506	262	635	198	551
10	Toagosei America	Adhesive Material	100	2,118	2,150	(148)	(264)	(497)	(158)
11	(Aron Packaging)	↓	100	244	263	5	1	3	1
12	Toagosei Hong Kong	↓	100	326	390	26	59	26	55
13	Toagosei (Zhuhai)	↓	100	750	759	(48)	(31)	(54)	(35)
14	Aronkasei	Plastics	100	26,198	26,899	1,716	1,896	743	1,321
15	Aronkasei (Thailand)	↓	100	501	905	(252)	(51)	(300)	(138)
16	Toa Kogyo	Other	100	1,111	1,114	38	9	28	11
17	Toa Business Associe	↓	100	2,071	2,186	31	36	17	25
18	TG Corporation	↓	100	1,438	1,461	425	432	295	301
19	(Toa Logistics)	↓	100	554	573	7	7	4	5
	Simple aggregation			65,076	68,819	2,472	3,400	669	2,404

* Company names in parentheses indicate that almost all of their transactions are with the Company.

Trends in Consolidated Results

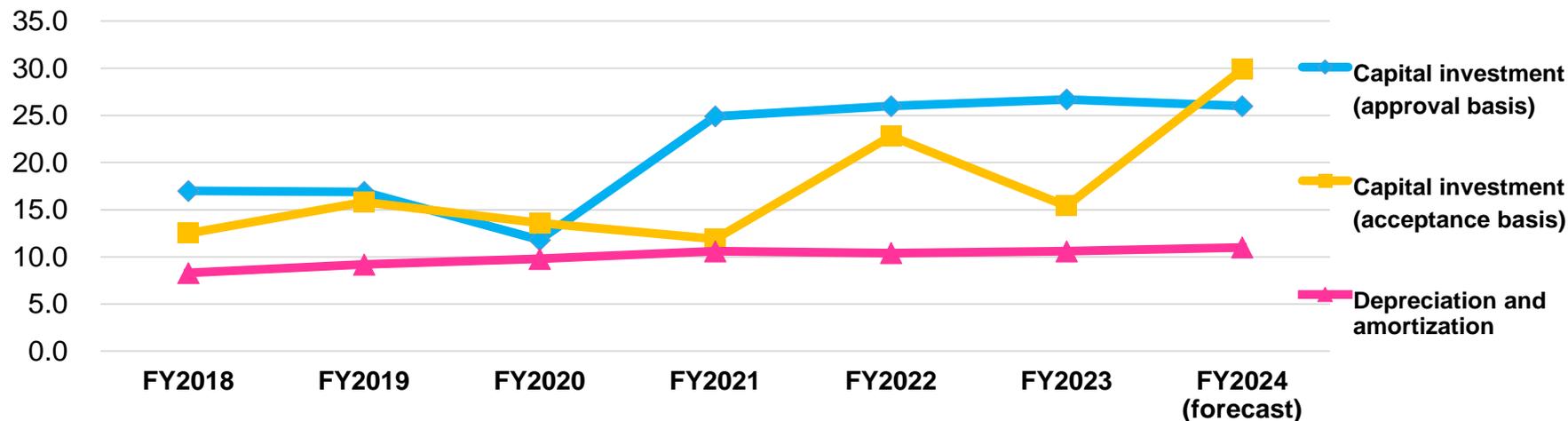


Reference for Consolidated Performance

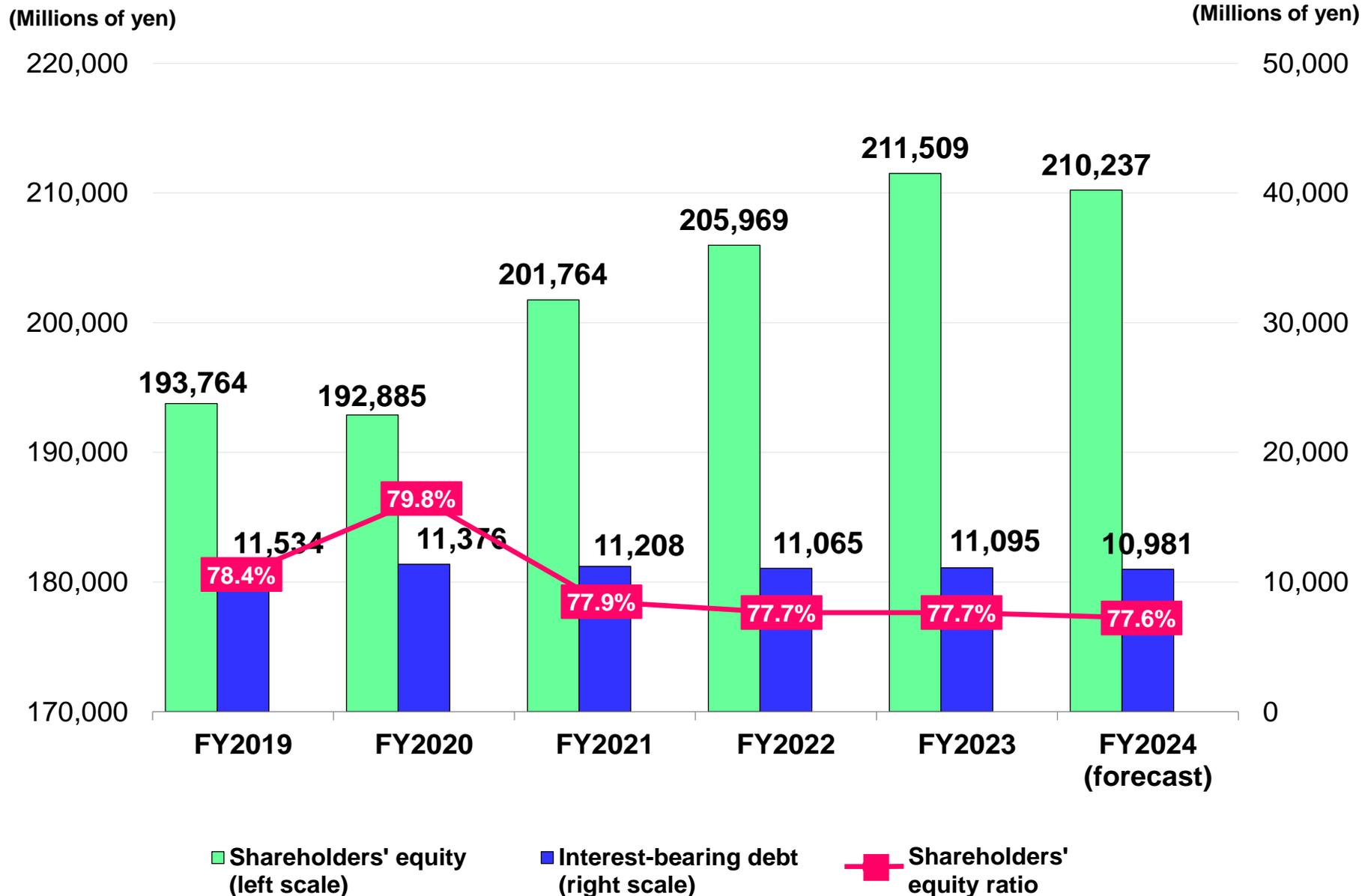
(Billions of yen)

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024 (forecast)
Capital investment (Acceptance basis)	15.8	13.6	11.9	22.8	15.4	29.9
Capital investment (Approval basis)	16.9	11.8	24.9	26.0	26.7	26.0
Depreciation and amortization	9.2	9.8	10.6	10.4	10.6	11.0
Research and Development expenses	3.7	4.0	4.3	4.7	5.0	6.4
Overseas sales	22.6	22.1	29.0	31.0	26.6	29.6
Overseas sales ratio (%)	15.6	16.6	18.6	19.3	16.7	17.6
Interest-bearing debt	11.5	11.3	11.2	11.0	11.0	10.9

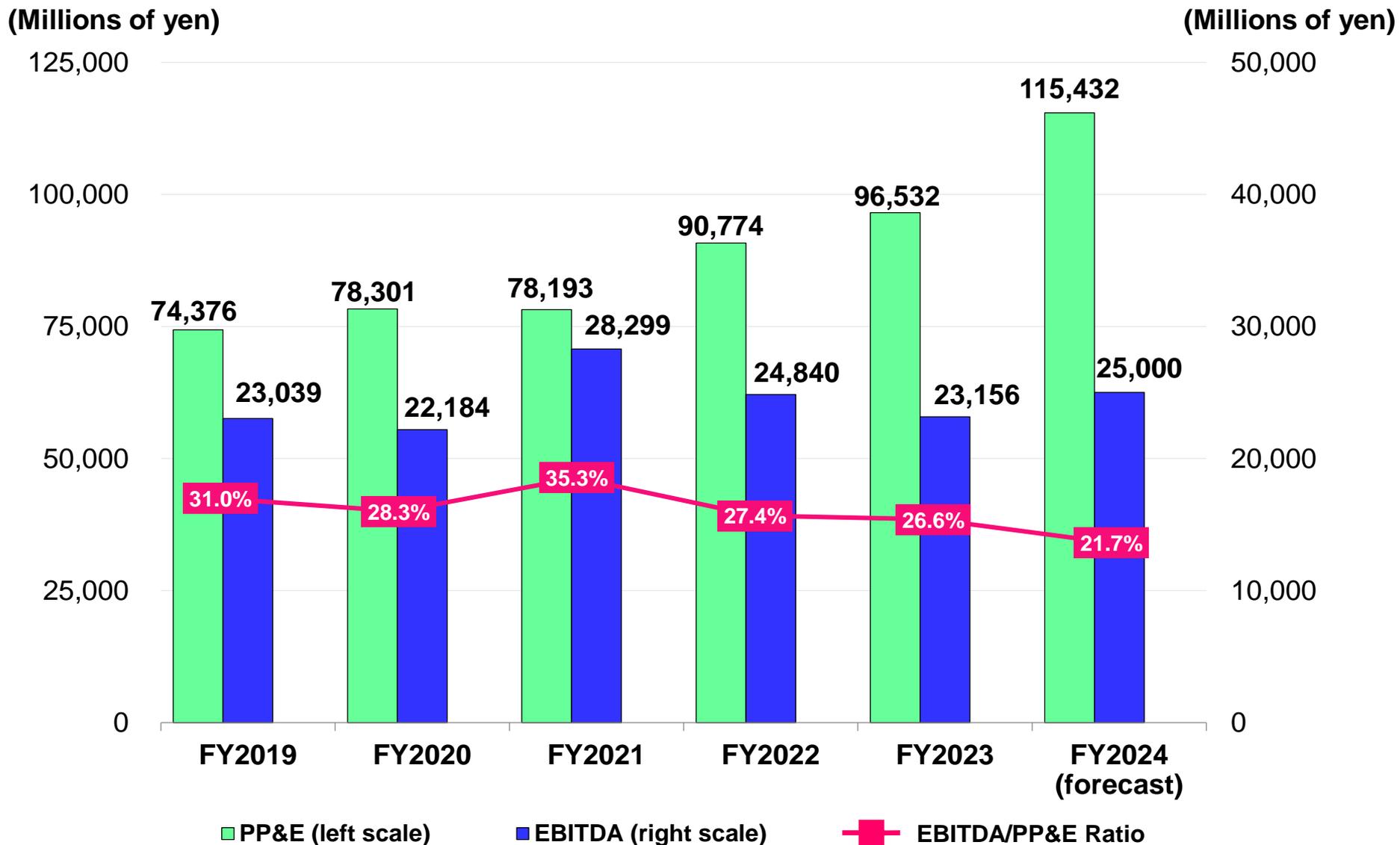
(Billions of yen)



Consolidated Performance Reference Figure Trends



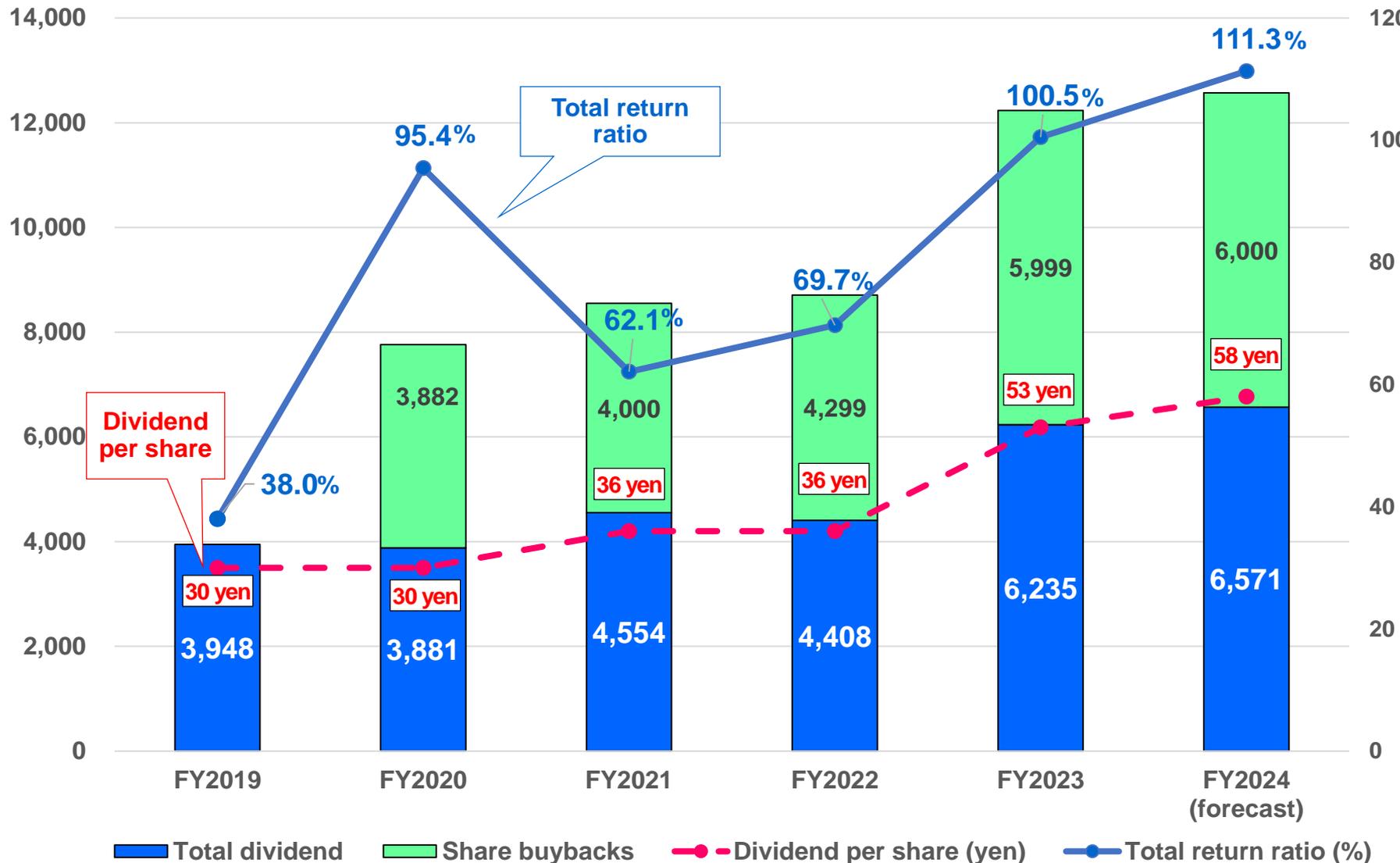
EBITDA/PP&E Ratio Trends



Shareholder Return Trends

(Millions of yen)

(yen / %)



E
(Environment)

S
(Society)

Aug. 2021	Participated in the Riko Challenge (science and technology challenge) organized by the Cabinet Office, Ministry of Education, Culture, Sports, Science and Technology (MEXT), and the Japan Business Federation (Keidanren)
Dec. 2021	Set a target of “2050: carbon neutrality” <ul style="list-style-type: none"> • By 2030: Greenhouse gas (GHG) emissions reduced to 50% of 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 and started a joint survey
Apr. 2022	Opened Toagosei Hydrogen Station Tokushima
Jul. 2022	Held the Summer Vacation Crafts School event 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 Small and 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” (5 years in a row)
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

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

Progress of Medium-Term Management Plan

(1) Strengthen development capabilities for new products and novel technologies



(2) Increase overseas net sales

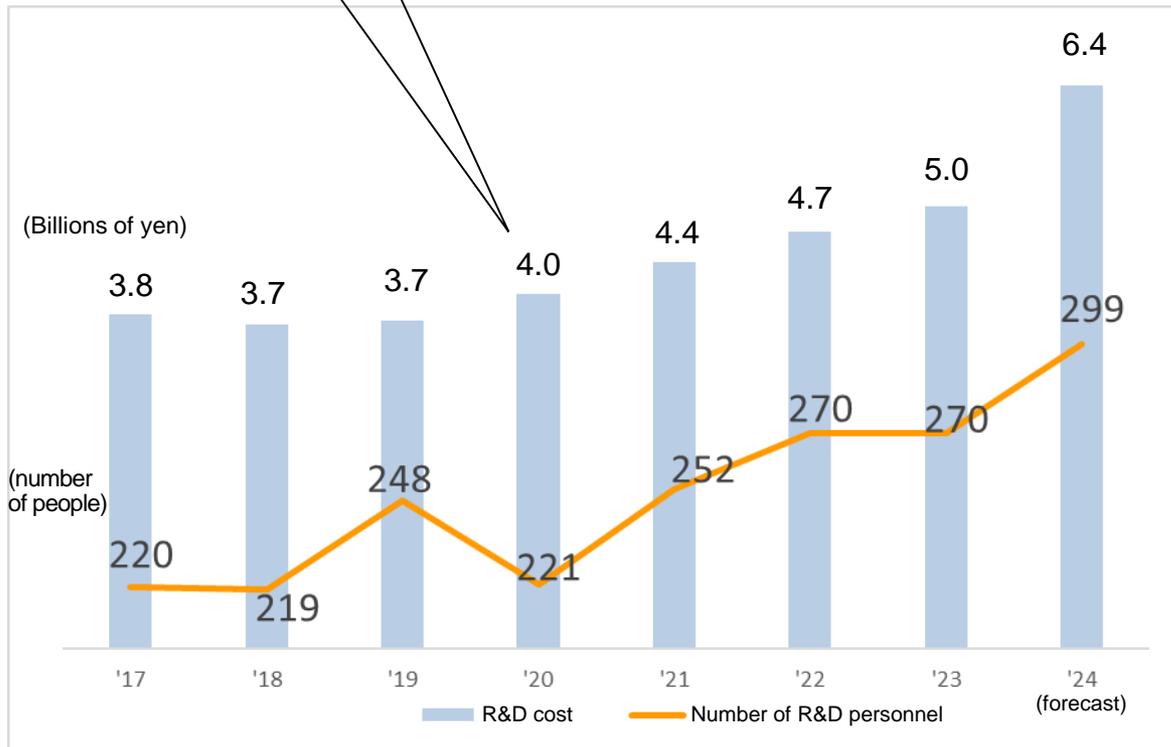


(3) Contribute to a sustainable society



R&D costs and number of R&D personnel
(consolidated):

Opened the Takaoka
Creation Laboratory



Open the Kawasaki
Frontience R&D Center

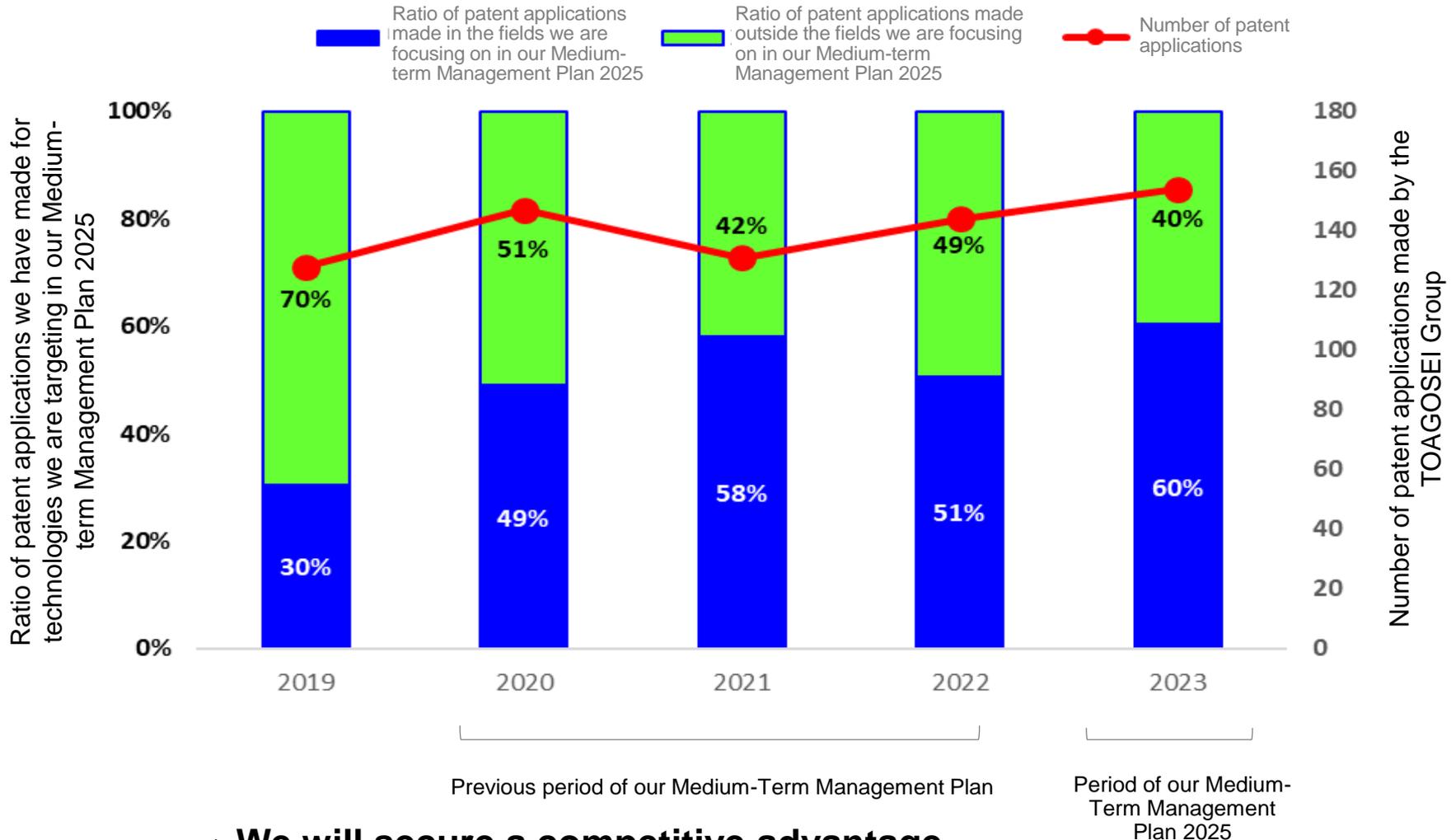


Promote R&D and early commercialization in growth fields of **mobility and semiconductors, etc.**

→ We will proactively invest in R&D to strengthen our development capabilities.

Strengthen Development Capabilities for New Products and Novel Technologies (Patent Strategy)

We will pour our efforts into making patent applications in the fields we are focusing on in our Medium-term Management Plan 2025 (mobility, electronic materials, medical care and the environment).



→ **We will secure a competitive advantage by protecting our technologies.**

We will launch new products in our new medical device business which will support us in the future.

Aron Alpha Skin Protect

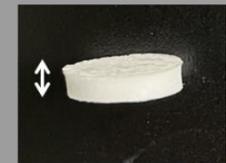
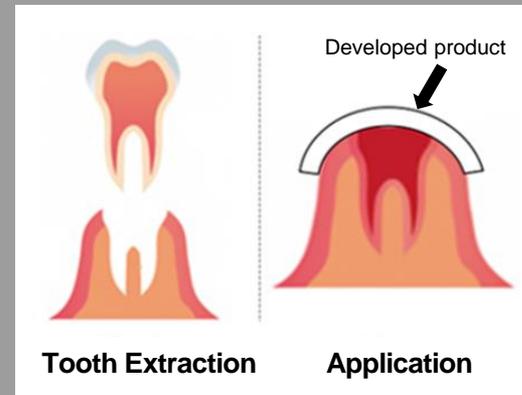
We released a skin adhesive in November 2023.

This adhesive can instantly care for wounds with its strong protective power.



<Under Development>
Medical adhesive material for Dental use.

Image of Application



t 5mm



φ 20mm

Increase Overseas Net Sales

We will establish bases in China (Shanghai) and Vietnam to expand sales.

Toagosei (Shanghai) Management Co., Ltd.'s development center started operations in December 2023.



This development center will enhance our business structure in China by strengthening our existing business and new customer development and by concentrating our management operations in the country.

Development of new sales:

- | | |
|-------------------------|---|
| Water-soluble polymers: | Expand sales of cataplasms and cooling sheets |
| LB binders: | Achieve results early and carry out development including positive electrodes and next-generation batteries |
| Functional adhesives: | Start development for battery packaging |
| Performance chemicals: | Focus on applications for air conditioners, textiles and encapsulants |

Toagosei Vietnam Co., Ltd. is scheduled to be established in May 2024.

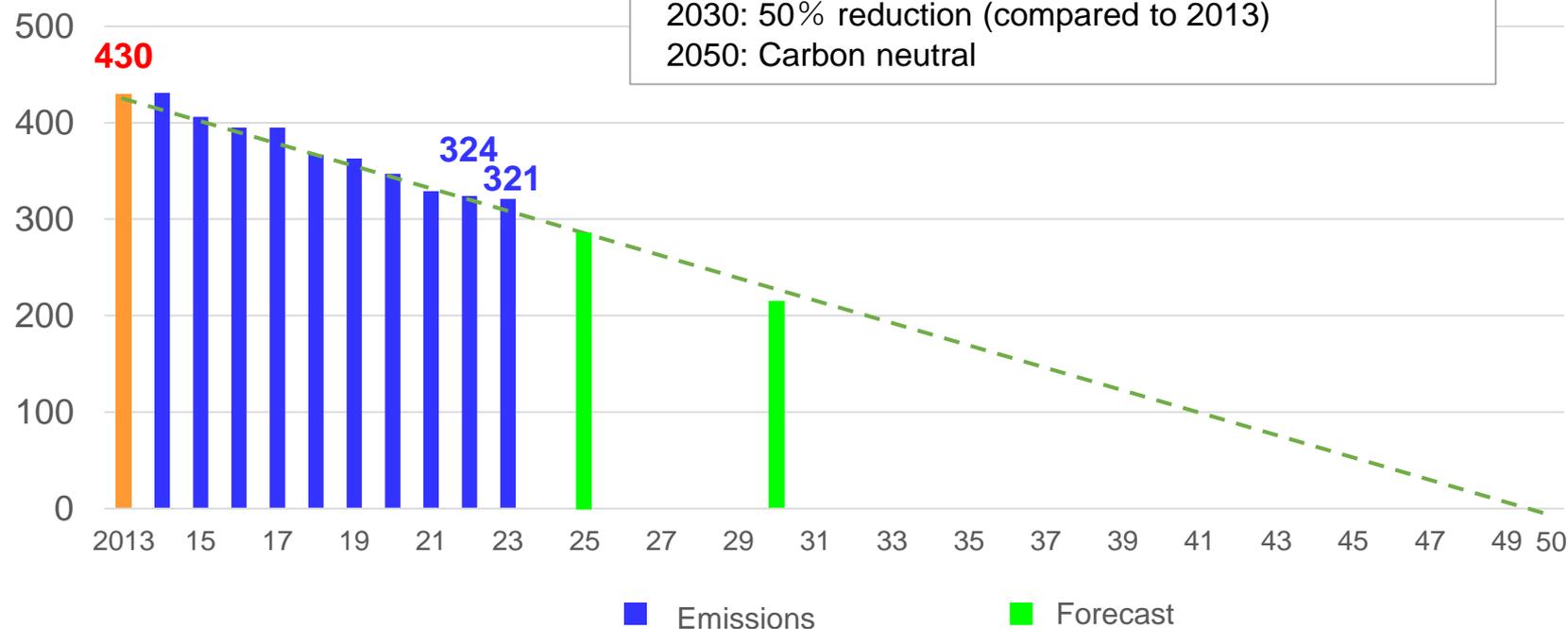


Toagosei Vietnam Co., Ltd. will provide wastewater treatment chemicals and technical services which match the local water quality in line with the considerable economic growth and social infrastructure development in Vietnam. It will become a sales base in Southeast Asia which will also provide other products.

TOAGOSEI Group
CO₂ emissions [kt]

CO₂ Reduction Targets

- 2025: 35% reduction (compared to 2013)
- 2030: 50% reduction (compared to 2013)
- 2050: Carbon neutral



Initiatives toward achieving our target for 2025:

- (1) Introduce mega solar systems at our Nagoya, Takaoka and Tokushima plants.
- (2) Construct our company's first small hydropower plant in Nagano Prefecture. Scheduled for completion in 2026.

2023 Results, 2024 Forecasts and 2025 Targets

	FY2023 Results	2024 Forecasts	2025 Targets
Net sales	159.3 billion yen	168.3 billion yen	183.0 billion yen
Operating income (Operating income ratio)	12.4 billion yen [7.8%]	14.0 billion yen [8.3%]	20.0 billion yen [11.0%]
EBITDA(Earnings before interest, taxes, depreciation and amortization)	23.1 billion yen	25.0 billion yen	32.0 billion yen
Ratio of high-value added products (Net sales)	44%	44%	48%
Capital investment (Acceptance basis)	15.4 billion yen	29.9 billion yen	68.0 billion yen (3-year total)
Overseas net sales (As percentage of net sales)	26.6 billion yen [16.7%]	29.6 billion yen [17.6%]	40.5 billion yen [22.1%]
Earnings per share (EPS)	102.78 yen	99.43 yen	153.00 yen
Return on assets (ROA)	5.4%	5.6%	8.2%
Ratio of net income to shareholders' equity (ROE)	5.8%	5.4%	7.3%
Price-to-book ratio (PBR)	0.76x (As of Dec. 29, 2023)	0.86x (As of Feb. 16, 2024)	—

Mobility-related

■ Adhesives for Automotive Batteries (Hybrid and Fuel Cell Vehicles)

- Our adhesives are currently being adopted in more and more new hybrid vehicles equipped with bipolar nickel-metal hydride batteries
- Our adhesives are also being used in fuel cell vehicles (MIRAI and the new Crown FCEV)

Vehicles Using Our Adhesives

MIRAI
Aqua
Crown
LEXUS RX
Alphard
Vellfire
And more!



Vellfire

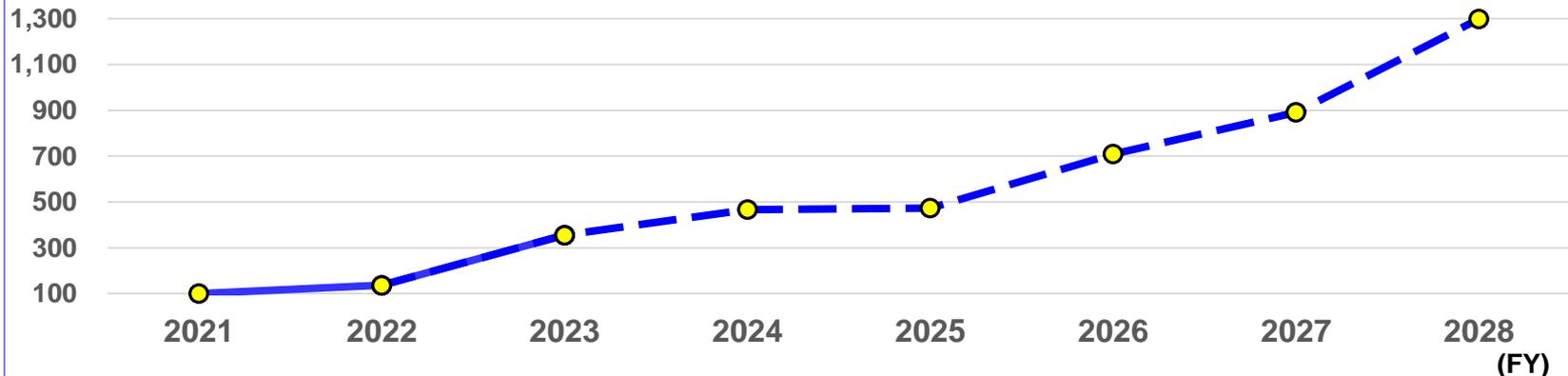


Crown (Sports)



New Crown FCEV
(Fuel cell Vehicle)

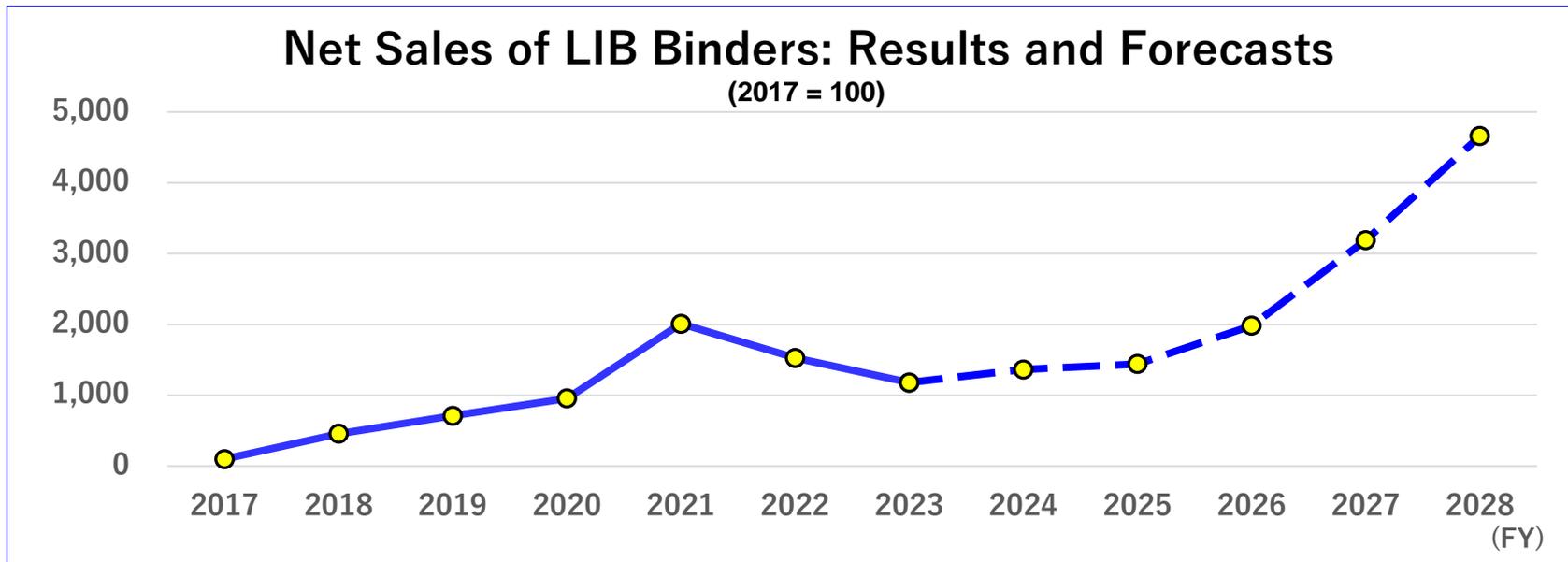
Net Sales of Adhesives for Automotive Batteries: Results and Forecasts (2021 = 100)



Mobility-related

■ Lithium Ion Battery (LIB) Binders

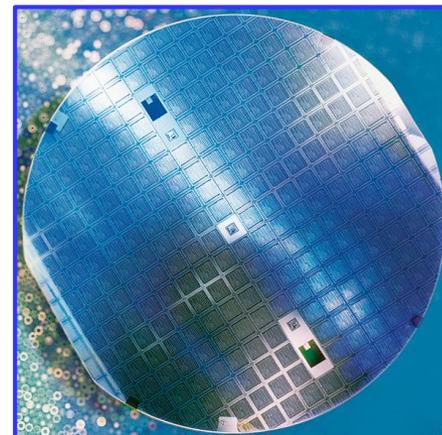
- LIB binders suppress the expansion of the negative electrode to lead to a longer battery life. The high ionic conductivity reduces the resistance of batteries.
- We are considering investing in production facilities overseas to achieve stable supply and to win new customers.



Semiconductor-related

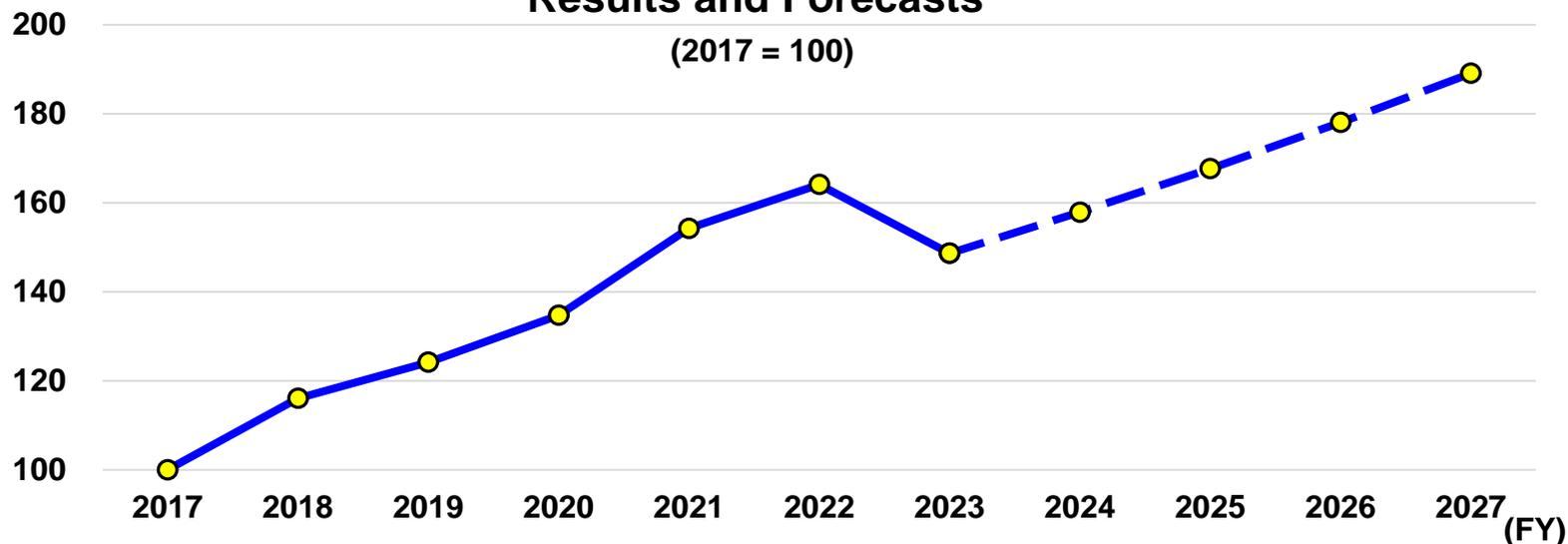
- High-purity liquid hydrogen chloride
- High-purity caustic potash
- Acrylic polymers for high-performance chemical mechanical polishing (CMP)

Applications: Cleaning and polishing etc. during semiconductor manufacturing



**Net Sales of High-purity Liquid Hydrogen Chloride:
Results and Forecasts**

(2017 = 100)



Appendix

Sub-segment Year-on-Year Comparison of Net Sales (Commodity Chemicals Business)

Commodity Chemicals Business	Year-on-year Comparison		Reason for the Change
	FY2023 4Q (Accounting Period)	FY2023 1Q to 4Q (Cumulative Period)	
Inorganic chemicals	109%	115%	Sales volume decreased, but net sales increased due to price revisions from the previous year
Acrylic monomers	101%	87%	Net sales decreased due to a decrease in sales volume and a deterioration in overseas market conditions
Industrial gas	127%	122%	Net sales increased because of price revisions in line with an increase in raw material and fuel prices

Sub-segment Year-on-Year Comparison of Net Sales (Polymer and Oligomer Business)

Polymer and Oligomer Business	Year-on-year Comparison		Reason for the Change
	FY2023 4Q (Accounting Period)	FY2023 1Q to 4Q (Cumulative Period)	
Polymers	113%	103%	Sales volume decreased, but net sales were on a par with the previous year due to price revisions
Oligomers	91%	90%	Net sales decreased due to a decrease in sales volume for electronic materials
Flocculants	94%	91%	Net sales decreased due to a decrease in sales volume of products for overseas

Sub-segment Year-on-Year Comparison of Net Sales (Adhesive Materials Business)

Adhesive Materials Business	Year-on-year Comparison		Reason for the Change
	FY2023 4Q (Accounting Period)	FY2023 1Q to 4Q (Cumulative Period)	
Instant glue	120%	107%	For consumer use: Net sales increased due to price revisions For industrial use: Net sales increased due to a recovery in automobile-related net sales
Functional adhesives	125%	117%	Net sales increased due to an increase in sales volume for automotive batteries

Sub-segment Year-on-Year Comparison of Net Sales (Performance Chemicals Business)

Performance Chemicals Business	Year-on-year Comparison		Reason for the Change
	FY2023 4Q (Accounting Period)	FY2023 1Q to 4Q (Cumulative Period)	
Inorganic functional materials	81%	90%	Net sales decreased due to a decrease in sales volume in antimicrobial agents
High-purity inorganic chemicals	78%	92%	Net sales decreased because of the impact of the slump in semiconductor market conditions
Newly developed products	—	—	Net sales increased with the sale of samples for medical care product tests

Sub-segment Year-on-Year Comparison of Net Sales (Plastics Business)

Plastics Business	Year-on-year Comparison		Reason for the Change
	FY2023 4Q (Accounting Period)	FY2023 1Q to 4Q (Cumulative Period)	
Piping equipment	99%	96%	Net sales decreased because of the impact of the slump in the number of projects starting on home construction
Nursing care products	117%	106%	Net sales increased due to price revisions in line with raw material prices
Elastomer compounds	100%	106%	Net sales increased due to price revisions in line with raw material prices



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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.