

July 31, 2023

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Toagosei Announces Revisions to the Consolidated Performance Forecast for the Fiscal Year Ending December 31, 2023 and Revisions to the Interim Dividend and Year-End Dividend Forecast

Toagosei Co., Ltd. announced today as follows that it has made revisions to its consolidated performance forecast for the fiscal year ending December 31, 2023 (January 1, 2023 to December 31, 2023) announced on February 10, 2023 taking into account its latest performance trends.

In addition, the Company announced as follows that a resolution was passed at the Board of Directors meeting held today on the dividend of surplus with a record date of June 30, 2023 (interim dividend) and revisions to the year-end dividend forecast.

1. Revisions to the Performance Forecast for the Fiscal Year Ending December 31, 2023

(1) Full-year (January 1, 2023 to December 31, 2023)

(Unit: millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share (yen)
Previous forecasts (A) (announced on February 10, 2023)	178,800	14,000	14,800	10,600	89.33
Currently announced forecast (B)	162,400	10,500	12,000	10,300	87.01
Change (B – A)	(16,400)	(3,500)	(2,800)	(300)	—
Rate of change (%)	(9.2%)	(25.0%)	(18.9%)	(2.8%)	—
Reference: Previous year's results (fiscal year ended December 31, 2022)	160,825	14,382	16,446	12,494	101.31

(2) Reasons for the Revision

As for performance in the first half of the current fiscal year, many products including commodity chemicals, have seen sales volume decline, which contrasts with an increase in sales of newly developed products, such as products for automotive batteries. In the third and fourth quarters, there should be fields that experience a recovery in demand and products where sales volume increases, but

it remains difficult to accurately predict the situation amid uncertainty caused by the situation in Ukraine and developments in the power struggle between the United States and China. Therefore, the Company has made the revisions to its consolidated performance forecast for the fiscal year ending December 31, 2023 as outlined above.

2. Decision on Dividend of Surplus (Interim Dividend) and Revisions to Dividend Forecast

(1) Dividend of Surplus (Interim Dividend)

	Approved amount	Most recent dividend forecast (announced on February 10, 2023)	Results in previous year (fiscal year ended December 31, 2022)
Record date	June 30, 2023	Same as at left	June 30, 2022
Dividend per share	20.00 yen	18.00 yen	18.00 yen
Total dividend amount	2,379 million yen	—	2,228 million yen
Effective date	September 6, 2023	—	September 6, 2022
Source of dividend	Retained earnings	—	Retained earnings

(2) Revisions to Year-End Dividend Forecast

	Full-year dividend per share		
	End of 1H	Year-end	Total
Previous forecasts (announced on February 10, 2023)	18.00 yen	18.00 yen	36.00 yen
Currently revised forecast		20.00 yen	40.00 yen
Current year's results	20.00 yen		
Reference: Previous year's results (fiscal year ended December 31, 2022)	18.00 yen	18.00 yen	36.00 yen

(3) Reason for Revision

As an initiative to increase the P/B ratio, the Company has decided to enhance capital efficiency and return profits to shareholders with a target of 100% consolidated total shareholder return during the period of Medium-Term Management Plan 2025. As a result, the first half dividend (interim dividend) will be increased by 2 yen to 20 yen per share. The Company will also raise its year-end dividend forecast by 2 yen to 20 yen per share from the previous forecast of 18 yen per share.

Consequently, the annual dividend is expected to be 40 yen per share, an increase of 4 yen from the previous forecast.

Notes: 1 The Company's efforts to increase the P/B ratio will be disclosed separately in early August.

2 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.