



Financial Results for FY2024

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Results for FY2024

Business Environment

- The US economy continued to be strong. In Europe, the economy remained steady, despite concerns about a slowdown.
- The Chinese economy is not expected to recover, and cheap general-purpose chemicals manufactured in China continued to flow into the Southeast Asian market.
- The Japanese economy remained relatively strong, despite continued rises in prices.

Overview of Financial Results for FY2024

- Sales volume of commodity chemicals increased overall. Acrylic ester overseas market conditions remained sluggish.
- Sales volume of oligomers for displays and adhesives for automotive batteries increased.
- Although sales volume of high-purity inorganic chemicals increased, the overall semiconductor market recovery was lagging.
- Operating income and ordinary income increased by double digits, but net income for the period was at the same level year on year.
- We bought back approximately 4.5 million treasury shares (3.9% of the number of outstanding shares as of the end of 2023; approximately 7.0 billion yen). We canceled approximately 4 million shares.
- We declared a year-end dividend of 30 yen per share. The annual dividend was 60 yen per share (payout ratio 57.4%), an increase of 7 yen from the previous year. Total shareholder returns were 116.1%.

Overview of Results for 1-4Q FY2024

		1-4Q FY2023	1-4Q FY2024	Change	Rate of Change
Net sales	(Millions of yen)	159,371	167,594	8,222	+5.2%
Operating income	(Millions of yen)	12,499	14,233	1,734	+13.9%
Operating income ratio		7.8%	8.5%	+0.6p	—
Ordinary profit	(Millions of yen)	14,503	15,993	1,489	+10.3%
Net income attributable to owners of parent	(Millions of yen)	12,179	11,877	(302)	(2.5)%
Net income per share	(Yen)	102.78	104.56	1.78	+1.7%
Annual dividend	(Yen)	53.0	60.0	7.0	+13.2%

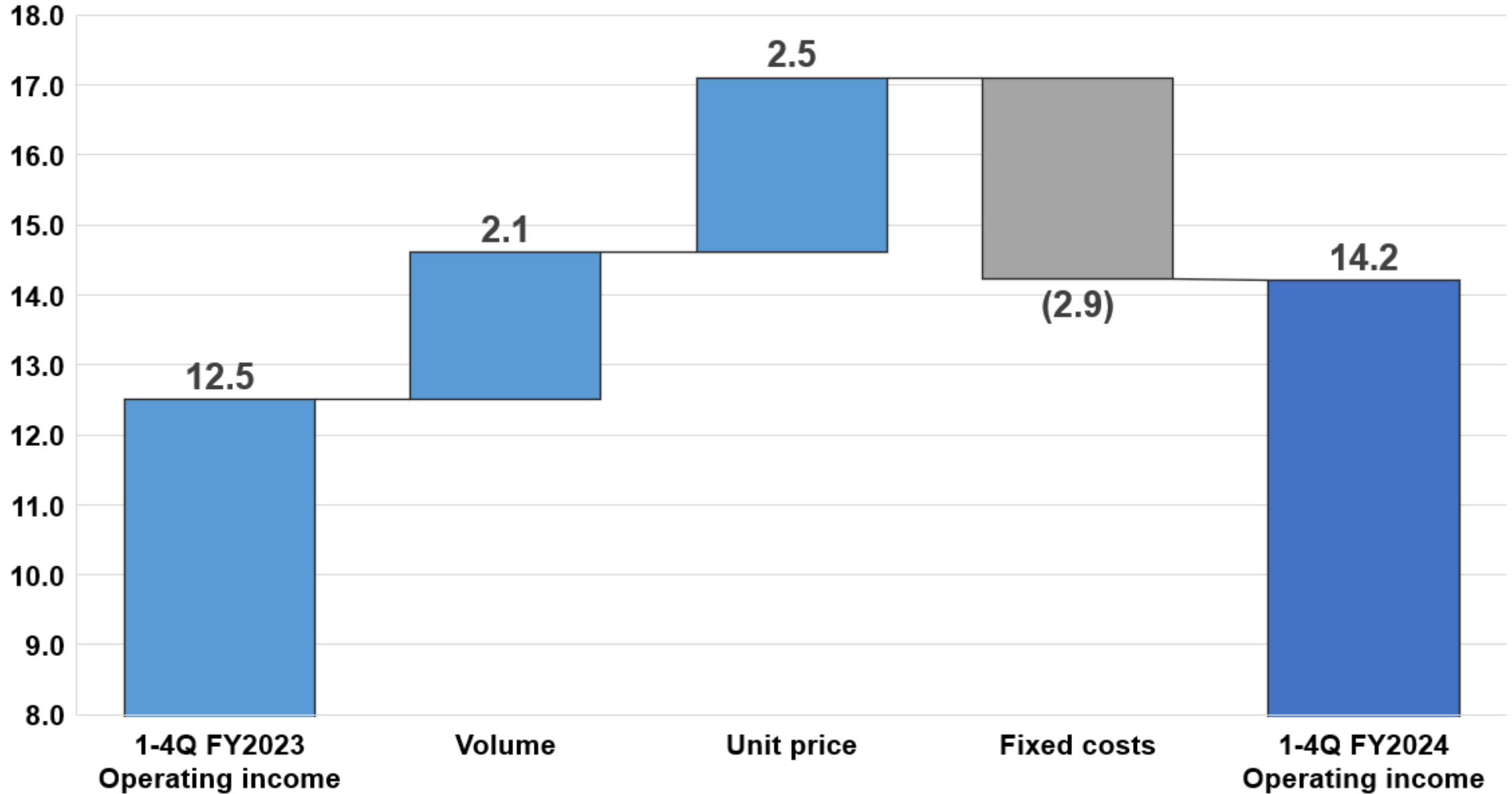
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Average exchange rate	(Yen/USD)	139.74	150.70
Average naphtha price	(Yen/kl)	67,600	75,400

- We newly established Toagosei Vietnam Co., Ltd. in 2024. Therefore, it is included in the scope of consolidation from this consolidated fiscal year (20 consolidated subsidiaries and 2 equity-method affiliates).

Analysis of Changes in Operating Income

(Billions of yen)



Consolidated Results (by Segment)

Net sales	1-4Q FY2023	1-4Q FY2024	Volume	Unit price	Change	(Millions of yen)
	A	B			B - A	
Commodity Chemicals	73,488	79,145	4,436	1,219	5,656	
Polymer & Oligomer	33,765	35,187	1,193	228	1,421	
Adhesive Material	12,410	13,344	370	562	933	
Performance Chemicals	9,943	10,196	308	(55)	253	
Plastics	27,867	27,702	(754)	589	(164)	
Other/adjustments	1,896	2,018	122	0	122	
Total	159,371	167,594	5,676	2,545	8,222	

Operating income	1-4Q FY2023		1-4Q FY2024		Change
	Operating income	Operating income ratio	Operating income	Operating income ratio	
Commodity Chemicals	6,769	9.2%	8,501	10.7%	1,732
Polymer & Oligomer	3,182	9.4%	3,779	10.7%	597
Adhesive Material	361	2.9%	409	3.1%	47
Performance Chemicals	1,547	15.6%	1,275	12.5%	(272)
Plastics	1,473	5.3%	1,761	6.4%	287
Other/adjustments	(834)	—	(1,493)	—	(658)
Total	12,499	7.8%	14,233	8.5%	1,734

Consolidated Statement of Income (Non-operating Income/Expenses and Extraordinary Income/Losses)



(Millions of yen)

Non-operating income/expenses	1-4Q FY2023	1-4Q FY2024	Change
Interest and dividend income	1,320	1,643	322
Equity in earnings of affiliates	185	227	42
Foreign currency exchange gains	343	579	236
Rent income on non-current assets	174	91	(83)
Miscellaneous income	383	143	(239)
Interest expenses	(131)	(152)	(21)
Inactive facilities expenses	(13)	(10)	2
Environment readiness fee	(120)	(592)	(472)
Miscellaneous expenses	(137)	(169)	(32)
Total	2,004	1,759	(245)

(Millions of yen)

Equity in earnings of affiliates (Breakdown)	FY2023	FY2024	Change
Elmer's & Toagosei	169	204	34
Chubu Liquid Oxygen	52	76	24
Total	221	280	59

(Millions of yen)

Extraordinary income/losses	1-4Q FY2023	1-4Q FY2024	Change
Gain on sales of investment securities	4,079	4,332	252
Subsidy income	84	80	(3)
Loss on disposal of non-current assets	(1,255)	(1,930)	(675)
Loss on valuation of investment securities	(3)	(302)	(298)
Loss on sale of investment securities	(2)	—	2
Impairment loss on property, plant and equipment	—	(1,487)	(1,487)
Loss on disaster	—	(141)	(141)
Provision for product recalls	(311)	—	311
Total	2,591	559	(2,032)

Year-end exchange rate	Dec. 31, 2023	Dec. 31, 2024
Yen/USD	141.83	158.18
Yen/THB	4.13	4.64

Consolidated Balance Sheet

(Millions of yen)

	Dec. 31, 2023	Dec. 31, 2024	Change
Current assets	134,860	122,750	(12,110)
Cash, deposits and securities (1)	56,108	41,821	(14,287)
Notes and accounts receivable	42,237	42,359	122
Electronically recorded monetary claims - operating	8,865	9,860	995
Inventories	24,792	24,734	(57)
Other current assets	2,904	4,026	1,122
Allowance for doubtful receivables	(47)	(52)	(5)
Fixed assets	137,425	155,270	17,845
Property, plant and equipment (2)	96,532	111,851	15,318
Intangible fixed assets	1,579	1,666	87
Investment securities (3)	32,912	34,023	1,110
Other fixed assets	6,401	7,728	1,327
Total assets	272,285	278,020	5,734

	Dec. 31, 2023	Dec. 31, 2024	Change
Total liabilities	59,767	64,352	4,584
Notes and accounts payable	19,091	18,740	(350)
Bank loans	11,095	11,044	(51)
Accrued income taxes	2,281	2,762	481
Other liabilities	27,298	31,804	4,505

Total net assets	212,518	213,668	1,149
Shareholders' equity	193,828	191,551	(2,277)
Accumulated other comprehensive income	17,681	21,034	3,353
Non-controlling interests	1,008	1,082	73
Total liabilities and net assets	272,285	278,020	5,734

Net worth ratio	77.7%	76.5%	(1.2)P
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(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

Consolidated Cash Flow Statement

(Millions of yen)

		FY2023	FY2024	Change
Cash flows from operating activities	A	21,638	20,183	(1,455)
Cash flows from investment activities	B	(3,528)	(13,594)	(10,066)
Free cash flow	C=A+B	18,110	6,588	(11,522)
Cash flows from financial activities	D	(15,524)	(14,507)	1,016
Effect of exchange rate change on cash and cash equivalents	E	210	716	505
Net increase or decrease in cash and cash equivalents	F=C+D+E	2,796	(7,202)	(9,999)
Cash and cash equivalents at the end of the year	G	47,636	40,433	(7,202)

Overview of Consolidated Subsidiaries

(Millions of yen)

Company name	Segment	Ownership (%)	Net sales		Operating income (loss)		Net income (loss) attributable to owners of parent	
			FY2023	FY2024	FY2023	FY2024	FY2023	FY2024
1 Toa Techno Gas	Commodity Chemicals	100	4,312	4,576	486	890	356	635
2 Toagosei Singapore	↓	100	3,313	3,638	(736)	(608)	(570)	(1,809)
3 MT AquaPolymer	Polymer & Oligomer	90	13,026	12,877	217	332	118	276
4 Taiwan Toagosei	↓	100	2,084	2,254	257	300	214	252
5 Toa Jet Chemical	↓	51	1,817	1,984	133	165	96	125
6 Toagosei (Zhangjiagang)	↓	100	1,708	1,871	143	138	90	119
7 Toagosei (Shanghai)	↓	100	118	624	(93)	(266)	(101)	(288)
8 Toagosei (Thailand)	↓	100	2,883	2,983	262	487	198	416
9 Toagosei Vietnam	↓	100	—	18	—	(18)	—	(19)
10 Toagosei America	Adhesive Material	100	2,118	2,489	(148)	(355)	(497)	(113)
11 Toagosei Hong Kong	↓	100	326	285	26	0	26	(54)
12 Toagosei (Zhuhai)	↓	100	750	560	(48)	(67)	(54)	(74)
13 Aronkasei	Plastics	100	26,198	25,934	1,716	1,792	743	1,251
14 Aronkasei Thailand	↓	100	501	928	(252)	(47)	(300)	(61)
15 TG Corporation	Other	100	1,438	1,562	425	466	295	324

Figures for each company above represent those before consolidation adjustment.

* Toagosei America: In FY2024, the company recorded 227 million yen of share of profit of entities accounted for using equity method under non-operating income (recorded 185 million yen in FY2023).¹⁰

Full-year Results Forecast for FY2025

Business Environment

- It is unclear what the impact on the global economy will be of the Trump administration's policies, such as raising tariffs.
- The recovery of the Chinese economy will be lagging. Cheap Chinese goods will continue to flow into the Asian region continues.
- The Japanese economy will be on a steady recovery path, with inbound tourism and wage increases, and is heading towards a return to inflation.

Challenges in FY2025

- We will increase profits from mobility, lithium-ion batteries and semiconductor-related products.
- We will achieve profitability in the areas of medical-related materials, cellulose nanofibers, and next-generation battery materials at an early point.
- We will strengthen our instant glue business in the US and expand our overseas sales by developing a range of high-value-added products originating in Asia.
- We will consider the active introduction of solar and micro-hydroelectric power generation, as well as the development of products that contribute to the SDGs.
- We will promote management aimed at achieving a PBR of over 1x.

Consolidated Results Forecast for FY2025

(Millions of yen)

	FY2024 results (A)	FY2025 1H (forecast)	FY2025 2H (forecast)	FY2025 forecast (B)	Change (B-A)
Net sales	167,594	80,800	84,200	165,000	(2,594)
Operating income	14,233	7,500	7,500	15,000	767
Operating income ratio	8.5%	9.3%	8.9%	9.1%	0.6P
Non-operating income/expenses	1,759	600	500	1,100	(659)
Ordinary profit	15,993	8,100	8,000	16,100	106
Extraordinary income (loss)	559	1,830	140	1,970	1,410
Income before income taxes (a)	16,553	9,930	8,140	18,070	1,516
Income taxes (b)	(4,589)	(2,800)	(2,200)	(5,000)	(410)
Tax rate (b)/(a)	27.7%	28.2%	27.0%	27.7%	(0.1)P
Net income attributable to non-controlling interests	(86)	(30)	(40)	(70)	16
Net income attributable to owners of parent	11,877	7,100	5,900	13,000	1,122
Dividend (Yen)	60.0	32.5	32.5	65.0	5.0

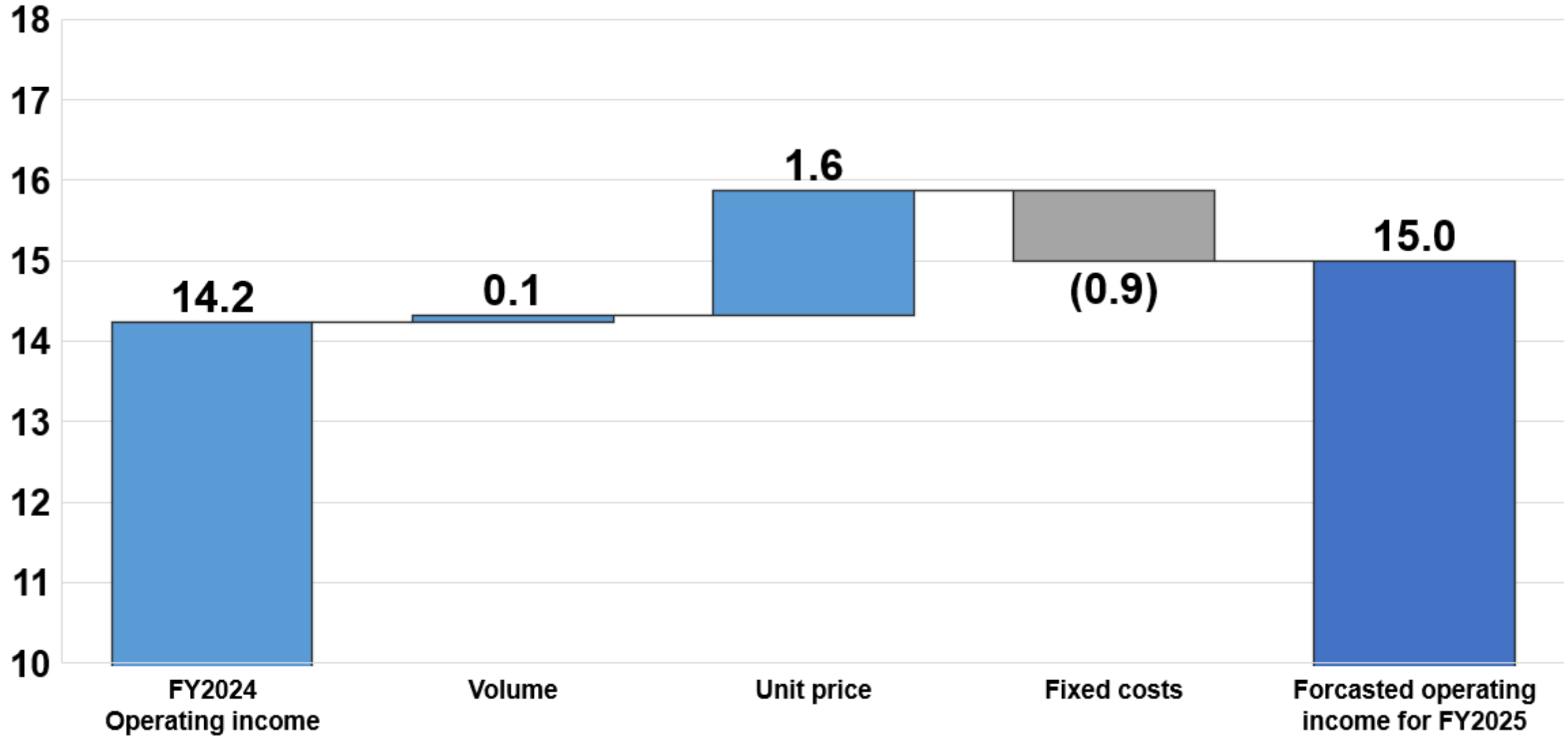
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Average exchange rate (Yen/USD)	150.70	—	—	150.00	—
Average naphtha price (Yen/kl)	75,400	—	—	70,000	—

* 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 FY2025 (by Segment)



(Millions of yen)

Net sales	FY2024 results		FY2025 forecast		Change	Factors for change
	Operating income	Operating income ratio	Operating income	Operating income ratio		
Commodity Chemicals	79,145		72,000		(7,145)	[Decrease] Inorganic chemicals and acrylic monomer
Polymer & Oligomer	35,187		36,000		813	[Increase] Acrylic polymers and acrylic oligomer
Adhesive Material	13,344		14,000		656	[Increase] General-use and functional adhesives
Performance Chemicals	10,196		11,000		804	[Increase] High-purity inorganic chemicals
Plastics	27,702		29,000		1,298	[Increase] Environment & infrastructure system, nursing care products, and ecological materials
Other/adjustments	2,018		3,000		982	
Total	167,594		165,000		(2,594)	

(Millions of yen)

Operating income	FY2024 results		FY2025 forecast		Change	Factors for change
	Operating income	Operating income ratio	Operating income	Operating income ratio		
Commodity Chemicals	8,501	10.7%	8,000	11.1%	(501)	[Decrease] Sales volume decrease in both inorganic chemicals and monomers.
Polymer & Oligomer	3,779	10.7%	4,000	11.1%	221	[Increase] Sales volume increase in LB polymer
Adhesive Material	409	3.0%	500	3.6%	91	[Increase] Sales volume increase for mobility.
Performance Chemicals	1,275	12.5%	1,500	13.6%	225	[Increase] Sales volume increase due to growth in the semiconductor market.
Plastics	1,761	6.3%	2,600	9.0%	839	[Increase] The environment & infrastructure system will expand sales of products to counter infrastructure aging.
Other/adjustments	(1,493)	—	(1,600)	—	(107)	
Total	14,233	8.5%	15,000	9.0%	766	

Overview of Consolidated Subsidiaries (FY2025 Forecast)

(Millions of yen)

	Company name	Segment	Ownership (%)	Net sales		Operating income (loss)		Net income (loss) attributable to owners of parent	
				FY2024	FY2025 forecast	FY2024	FY2025 forecast	FY2024	FY2025 forecast
1	Toa Techno Gas	Commodity Chemicals	100	4,576	4,178	890	613	635	446
2	Toagosei Singapore	↓	100	3,638	3,546	(608)	(396)	(1,809)	(396)
3	MT AquaPolymer	Polymer & Oligomer	90	12,877	12,257	332	193	276	128
4	Taiwan Toagosei	↓	100	2,254	2,237	300	310	252	249
5	Toa Jet Chemical	↓	51	1,984	1,779	165	156	125	125
6	Toagosei (Zhangjiagang)	↓	100	1,871	1,990	138	174	119	137
7	Toagosei (Shanghai)	↓	100	624	690	(266)	(270)	(288)	(282)
8	Toagosei (Thailand)	↓	100	2,983	3,384	487	508	416	443
9	Toagosei Vietnam	↓	100	18	101	(18)	(26)	(19)	(26)
10	Toagosei America	Adhesive Material	100	2,489	2,453	(355)	(431)	(113)	(294)
11	Toagosei Hong Kong	↓	100	285	307	0	18	(54)	19
12	Toagosei (Zhuhai)	↓	100	560	596	(67)	(54)	(74)	(58)
13	Aronkasei	Plastics	100	25,934	27,178	1,792	2,413	1,251	1,828
14	Aronkasei Thailand	↓	100	928	1,315	(47)	143	(61)	110
15	TG Corporation	Other	100	1,562	1,535	466	442	324	309

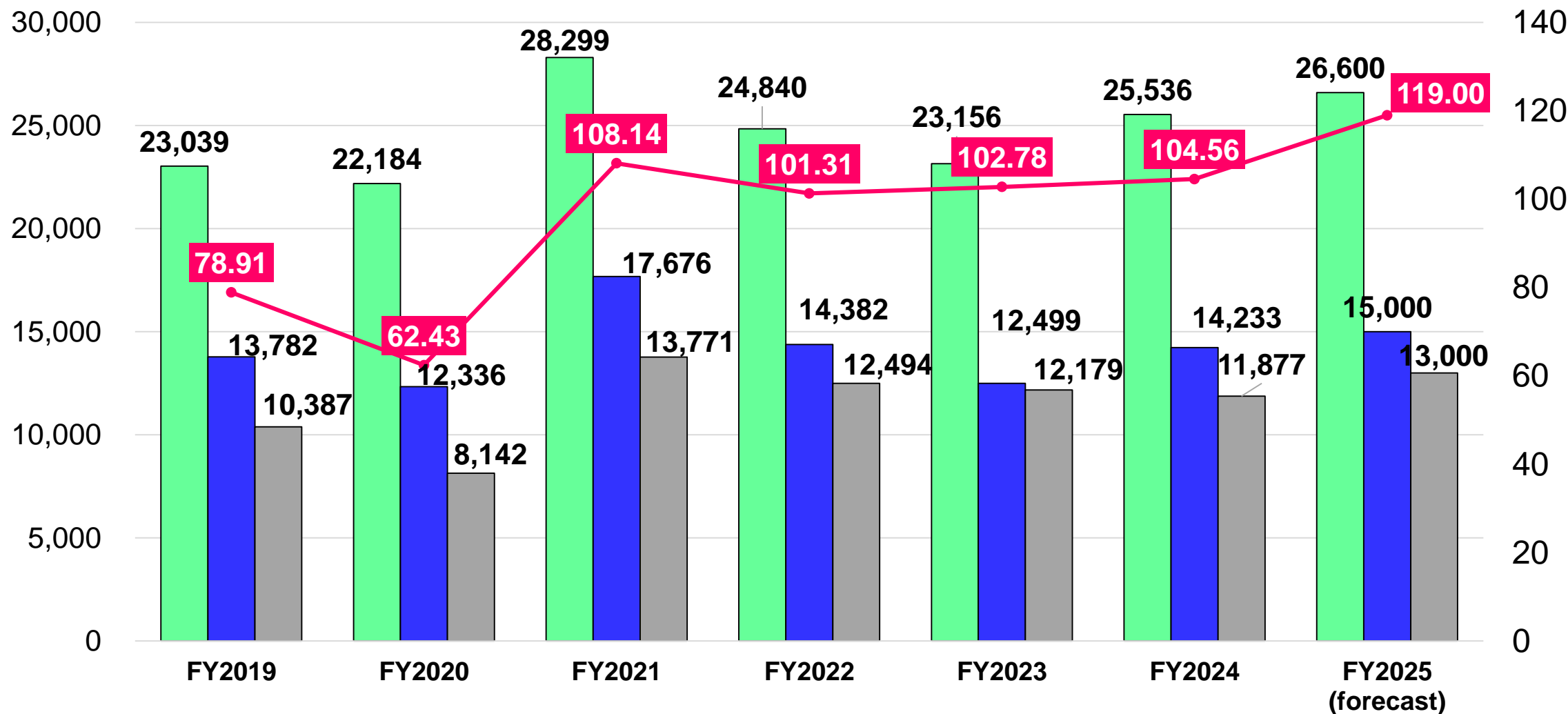
Figures for each company above represent those before consolidation adjustment.

* Toagosei America: In FY2025, the company is expected to record [TBD] million yen of share of profit of entities accounted for using equity method under non-operating income (recorded 204 million yen in FY2024).

Trends in Consolidated Results

(Millions of yen)

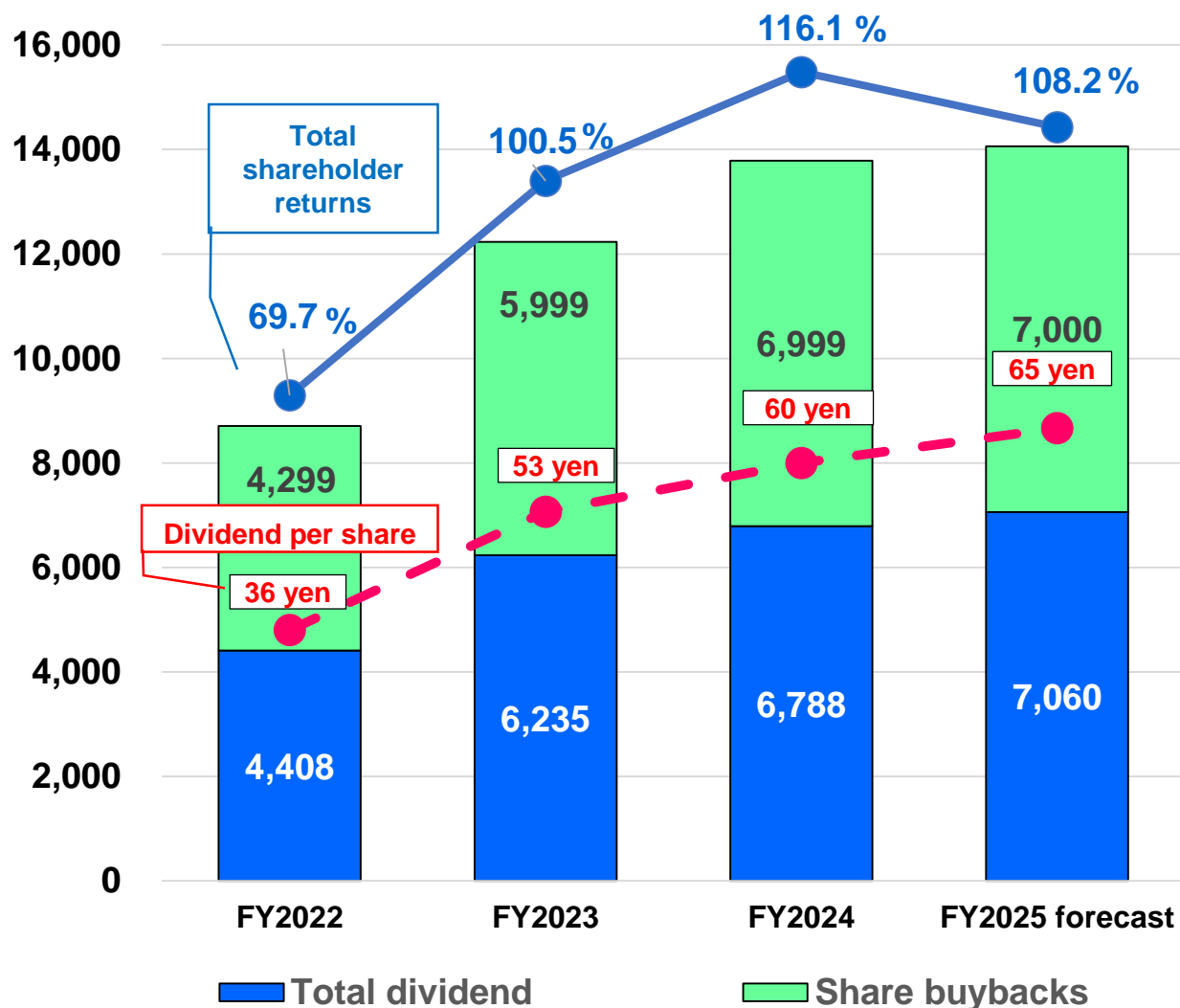
(Yen)



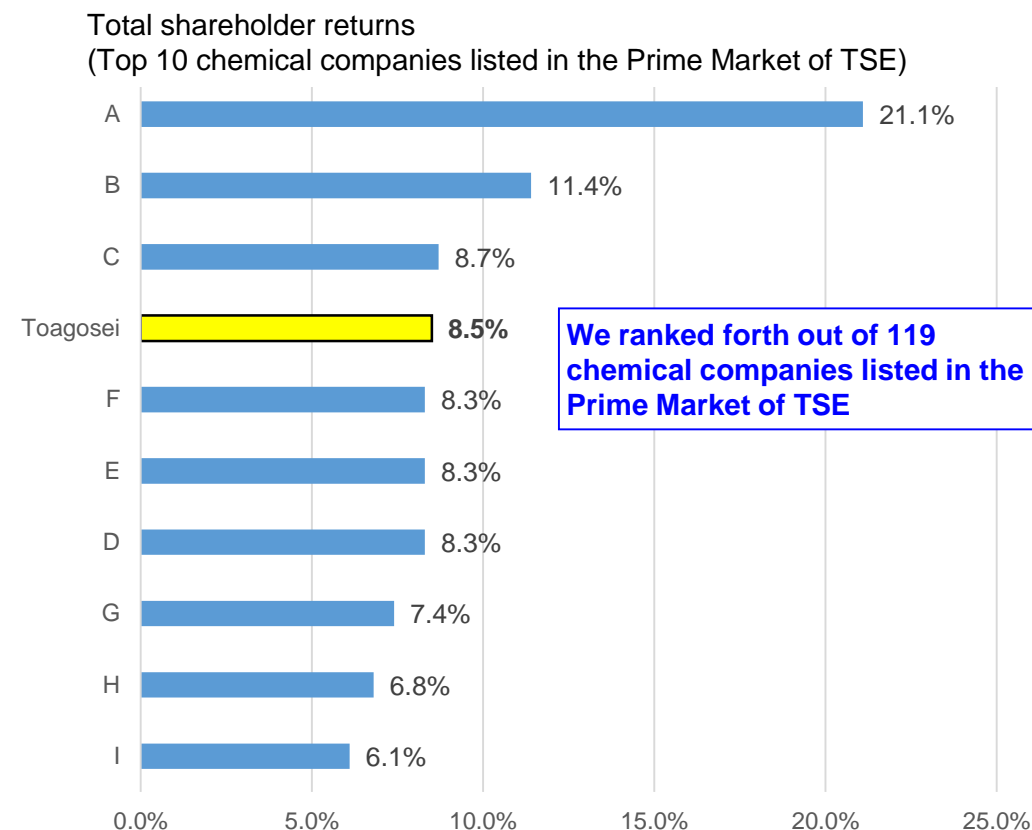
■ EBITDA
 ■ Operating income
 ■ Net income attributable to owners of parent
 ■ Net income per share

Shareholder Return Trends

(Millions of yen)



(yen, %)



We ranked forth out of 119 chemical companies listed in the Prime Market of TSE

(Note)

- Total shareholder returns = (Dividend per share + amount of treasury shares acquired per share)/stock price
- Dividends and amount of treasury shares acquired:
Actual figures for companies with a fiscal year ended December 31, 2024.
Forecast figures for companies with a fiscal year ending March 31, 2025.
- Stock price: The closing price on February 14, 2025

Measures to Achieve Management Conscious of Capital Costs and Stock Prices

Updated in February 2025

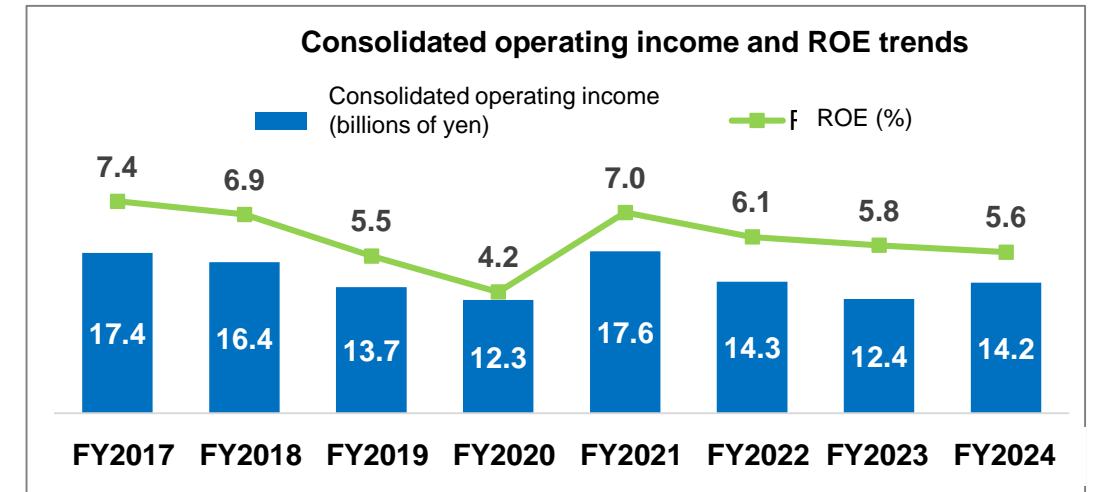
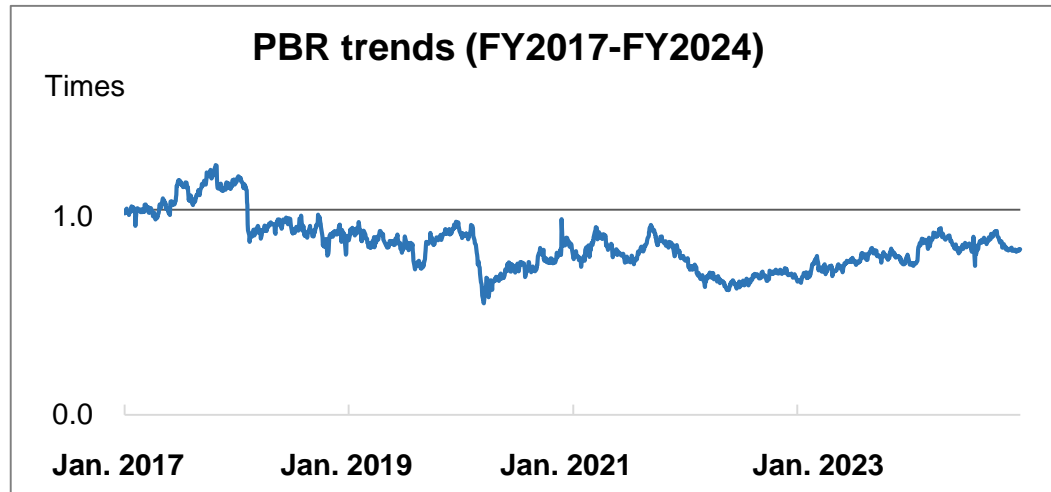
Our Current Situation

Although we have been working to improve our PBR, our PBR has continued to be below 1x.

→ The slump in our return on equity (ROE) due to an imbalance between our operating income and net worth is the reason why our PBR is less than 1x.

(i) We have been promoting proactive capital investment in high-performance products. However, it takes time to monetize that investment.

(ii) The imbalance between the increase in our net worth and the growth in our profits is affecting our capital profitability.



Our Recognition of Our Current Situation: Comparison with medium-term target values

	FY2023 mid-term mgt plan	FY2024 mid-term mgt plan	FY2025 mid-term mgt plan	FY2023 Results	FY2024 Results	FY2025 Forecast	Compared to FY2024 mid- term mgt plan	Compared to FY2025 mid- term mgt plan
Net sales (billions of yen)	178.0	175.0	183.0	159.3	167.5	165.0	(7.5)	(18.0)
Operating income (billions of yen)	15.0	18.0	20.0	12.4	14.2	15.0	(3.8)	(5.0)
Ratio of high value- added product sales (%)	43.0	46.0	48.0	44.1	43.6	46.2	(2.4)	(1.8)
Overseas sales Ratio (%)	19.8	21.8	22.1	16.7	17.3	17.8	(4.5)	(4.3)
R&D costs (billions of yen)	5.1	5.3	5.6	5.0	5.8	6.4	0.5	0.9
ROE (%)	6.4	6.7	7.3	5.8	5.6	6.1	(1.1)	(1.2)

<FY2024 Results> Compared to the medium-term management plan

- The growth drivers (mobility, semiconductors, etc.) fell behind schedule due to factors such as sluggish growth in mobility products (certification fraud, decline in EVs), and the prolonged adjustment phase in the semiconductor market.
- The plan was not achieved due to an increase in fixed costs (labour costs, depreciation costs, R&D costs, etc.) resulting from factors including the promotion of wage increases as an investment in human capital.

We aim to achieve a PBR of 1x or more upon achieving an ROE of 8% by 2027.

* The updated parts are in red.

<p>1. Growth strategy</p>	<p>(1) Strengthening of Profitability Consolidated operating income target: 15.0 billion yen by 2025 24.0 billion yen by 2027</p>	<p>Strengthen development capabilities and expand overseas in the mobility, semiconductor and medical care fields</p> <ul style="list-style-type: none"> (i) Increase the pace of the development of high-performance products by strengthening our R&D capabilities (strengthen our development capabilities in the mobility, semiconductor and medical care fields by newly establishing Kawasaki Research Laboratory) (ii) Increase overseas sales by expanding our overseas sales bases and production bases (establish a development base in Shanghai (China), an automotive battery polymer production base in North America, and sales promotion bases for flocculants and adhesives in Southeast Asia and the Middle East) (iii) Monetize the growth investment in the period of our previous medium-term management plan (enhance the robustness of our automotive battery polymer and semiconductor product supply structure)
<p>2. Financial strategy</p>	<p>(2) Improvement in Capital Efficiency</p>	<p>Net worth control</p> <ul style="list-style-type: none"> (i) Strengthen shareholder returns (aiming for total shareholder returns of 100% during the period of the Medium-Term Management Plan 2025) (ii) Sell cross-shareholdings (reduce to less than 10% of our net assets by the end of 2025)
<p>3. Nonfinancial strategy</p>	<p>(3) Contribution to a Sustainable Society</p>	<p>Development of human resources who will support sustainable growth and realization of sustainability</p> <ul style="list-style-type: none"> (i) Achieve a virtuous cycle of improved engagement (growth and distribution through incentives such as improved compensation and severance pay levels) (ii) Reduce greenhouse gas (GHG) emissions (FY2025: 35% reduction compared to FY2013)

<1. Growth Strategy> Progress and Future Plans

Expand overseas and strengthen development capabilities and in the mobility, semiconductor and medical care fields

(i) Increase the pace of the development of high-performance products by strengthening our R&D capabilities	Progress	<ul style="list-style-type: none"> • Sep. 2023 Released Aron Alpha Hikari • July 2024 Opened the Kawasaki Frontience R&D Center • Sep. 2024 Released Aroncure Dental, a hemostatic agent for dentists
	Future plan	<ul style="list-style-type: none"> • We will promote the development of CNF, medical, and next-generation battery materials, etc. through the expansion of our research facilities. • We will explore new themes by the Research Solution Department.
(ii) Increase overseas sales by expanding our overseas sales bases and production bases	Progress	<ul style="list-style-type: none"> • May 2024 Established Toagosei Vietnam • Overseas sales 26.6 billion yen in FY2023 → 28.9 billion yen in FY2024
	Future plan	<ul style="list-style-type: none"> • We will establish Toagosei India (in March 2025) • We will expand sales of flocculants and adhesives in Southeast Asia, develop and expand sales of high-performance products starting in Thailand.
(iii) Monetize the growth investment in the period of our previous medium-term management plan	Progress	<ul style="list-style-type: none"> • Semiconductor-related: FY2024 sales: 98% (compared to FY2022) due to the impact of the sluggish semiconductor market • Automotive battery-related: FY2024 sales 162% (compared to FY2022) due to the impact of reduced demand for EVs and certification fraud
	Future plan	<ul style="list-style-type: none"> • Semiconductor-related: We will expand supply and promote higher purity in line with the recovery of the semiconductor market. • Automotive battery-related: We will expand use of polymers for new customers and adhesives for next-generation vehicles.

<1. Growth Strategy> Priority Items by Segment

Segment	FY2025 Operating income	FY2025–2027 Priority items	FY2027 Operating income
Commodity Chemicals	8.0	(Continuation) Updating of energy-saving electrolysis equipment (New) Promotion of the development of new applications for land-based aquaculture chemicals, etc. (New) Reorganization of unprofitable businesses	8.0
Polymer & Oligomer	4.0	(Continuation) Expansion of sales of automotive battery and semiconductor material polymers (Continuation) Acceleration of the development of cellulose nanofibers (CNF) (New) Improvement of the productivity of polymer flocculants	6.0
Adhesive Material	0.5	(Continuation) Strengthening of the US business of instant glue and expansion of sales in Southeast Asia (New) Development of adhesives for next-generation batteries for mobility	2.5
Performance Chemicals	1.5	(Continuation) Strengthening of the supply system for high-purity inorganic chemicals (Continuation) Promotion of the early commercialization of drug delivery systems (DDS) (New) Promotion of the development of new semiconductor materials	5.0
Plastics	2.6	(New) Strengthening of activities to counter the ageing of infrastructure (New) Expansion of sales of eco-material products	3.0
Other/adjustments	(1.6)	(Continuation) Promotion of the introduction of renewable energy	(0.5)
Total	15.0		24.0

<1. Growth Strategy> R&D Costs and Number of R&D Personnel

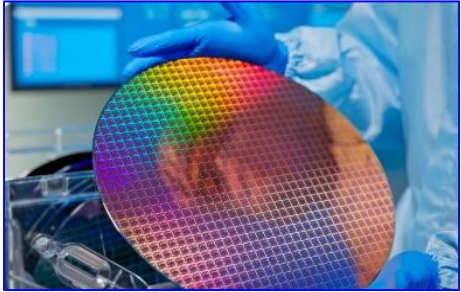
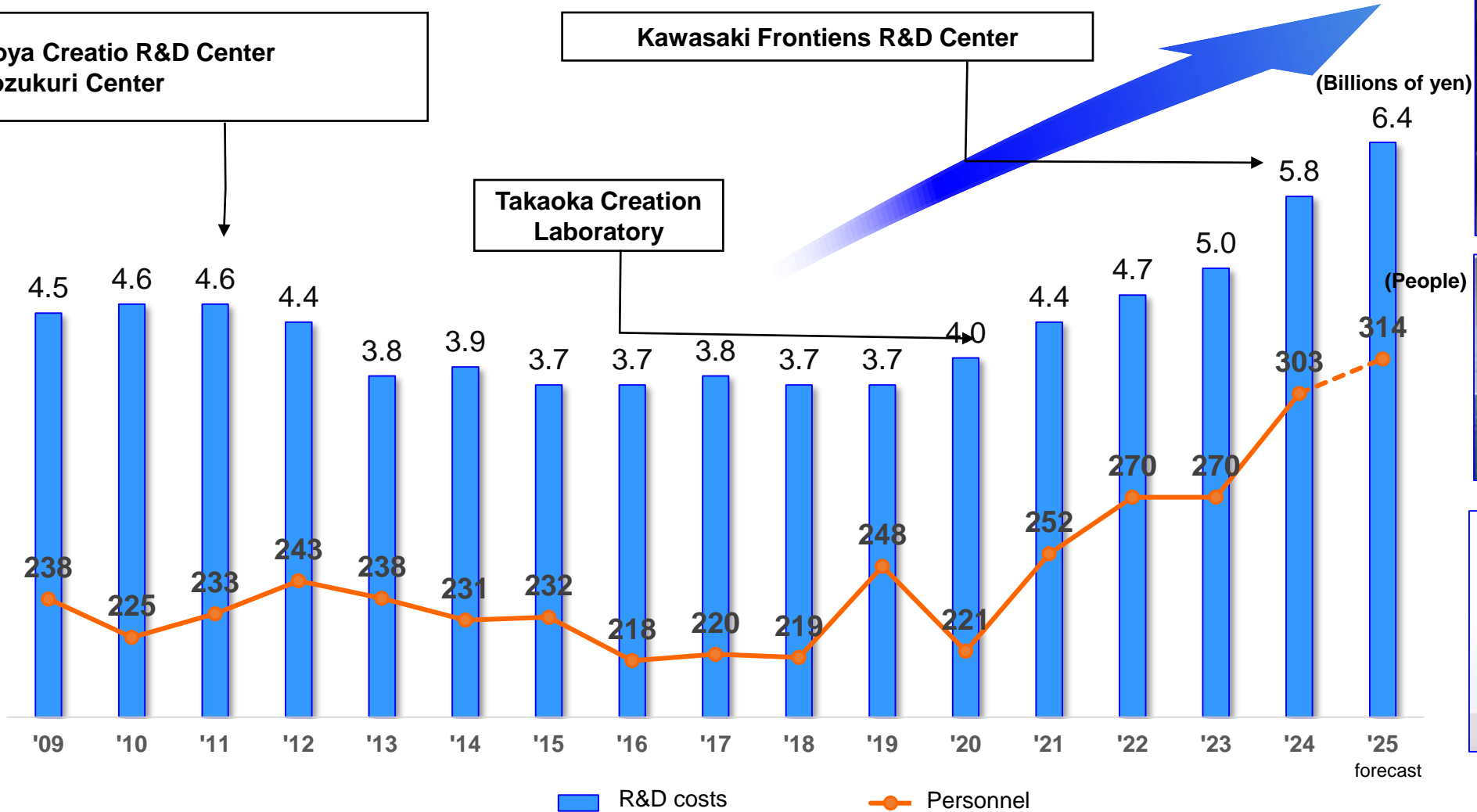
Active investment and staff increase in future growth areas

Establishment of R&D centers

Nagoya Creatio R&D Center
Monozukuri Center

Kawasaki Frontiers R&D Center

Takaoka Creation Laboratory

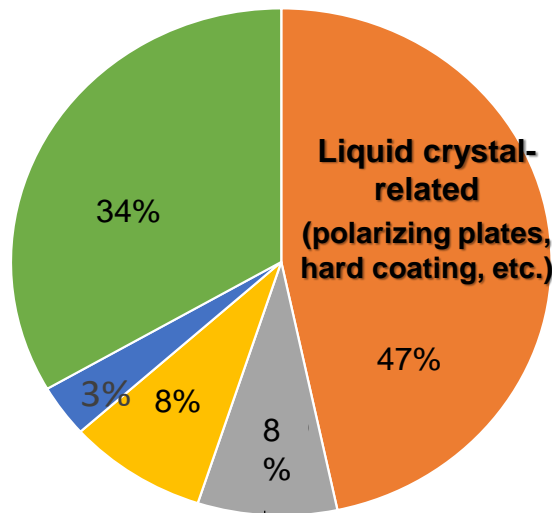


<1. Growth Strategy> Status of Patent Application Fields

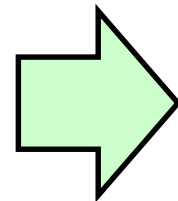
We have focused on research and development related to growth drivers, and in recent years, we have been increasing the number of patent applications related to mobility and medical care.

Number of patent applications in Japan in 2013: 60

Number of patent applications in Japan in 2024: 107



Battery packaging (not installed in vehicle), etc.
*** Mobility-related: 0%**



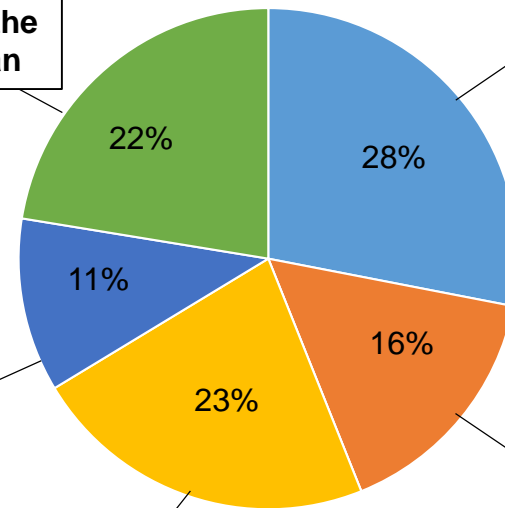
Other than priority area in the mid-term management plan

◆ **Environmental conservation**

- CNF
- Biosynthesis

◆ **Medical care-related**

- Hemostatic agents
- Coating agents for medical devices
- Functional peptides, etc.



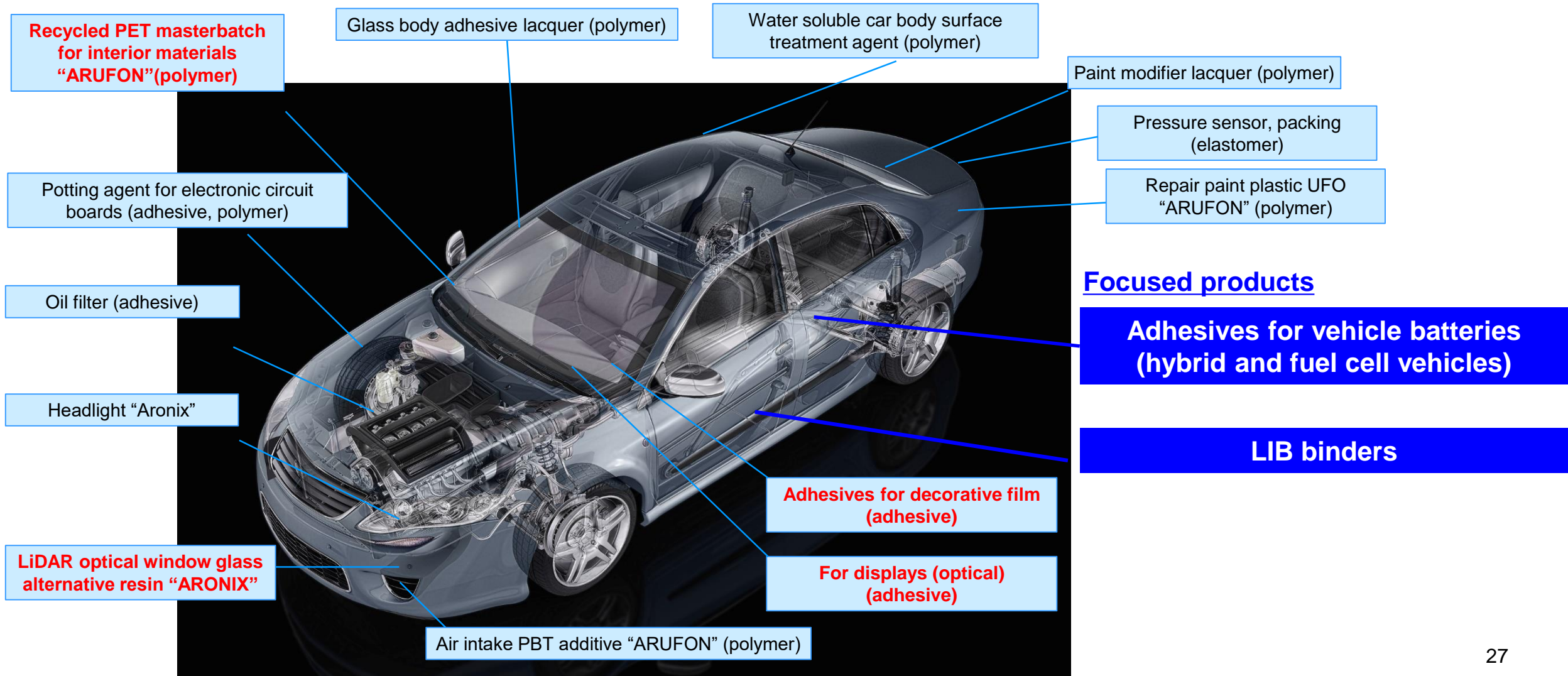
◆ **Mobility-related**

- LIB binder
- Fuel cell
- Battery packaging (installed in vehicles)
- Next generation batteries, etc.

Semiconductor, electronics, and communications-related

<1. Growth Strategy> Growth Drivers (Mobility)

We are developing our business in all directions of FCV, HV, EV, and gasoline vehicles.



■ 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 and fuel cell vehicles.

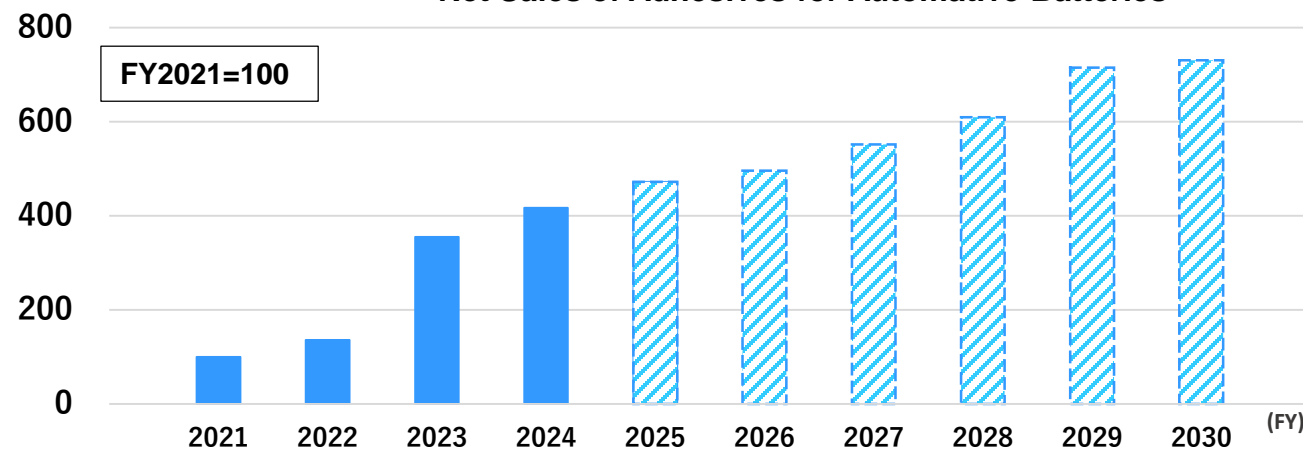
Vehicles Using Our Adhesives

- MIRAI
- Aqua
- Crown
- LEXUS RX
- Alphard
- Vellfire
- And more!



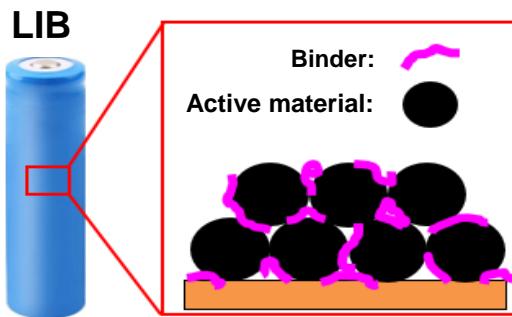
Crown (Sports)

Net Sales of Adhesives for Automotive Batteries

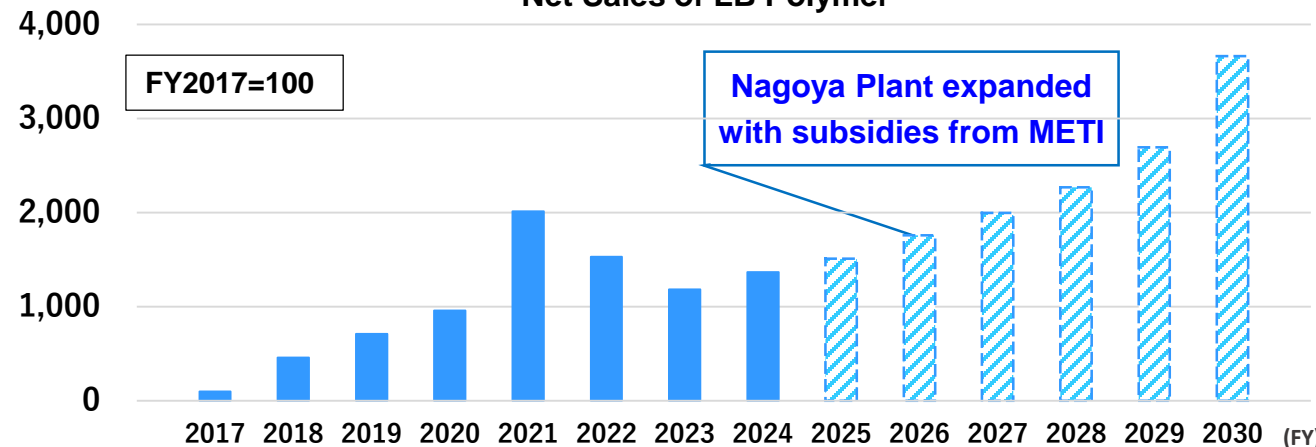


■ LIB binders

LIB binders suppress the expansion of the negative electrode to lead to a longer battery life.

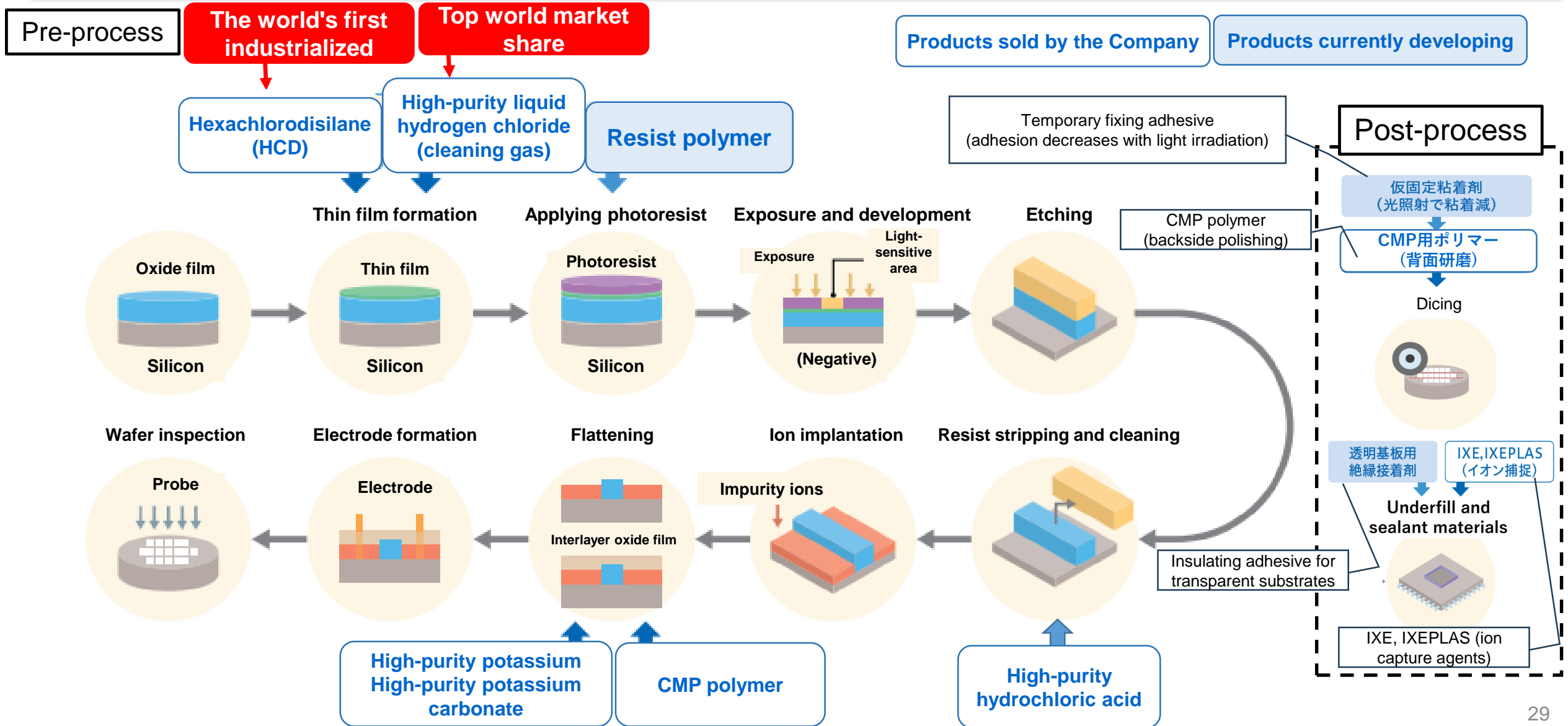


Net Sales of LB Polymer



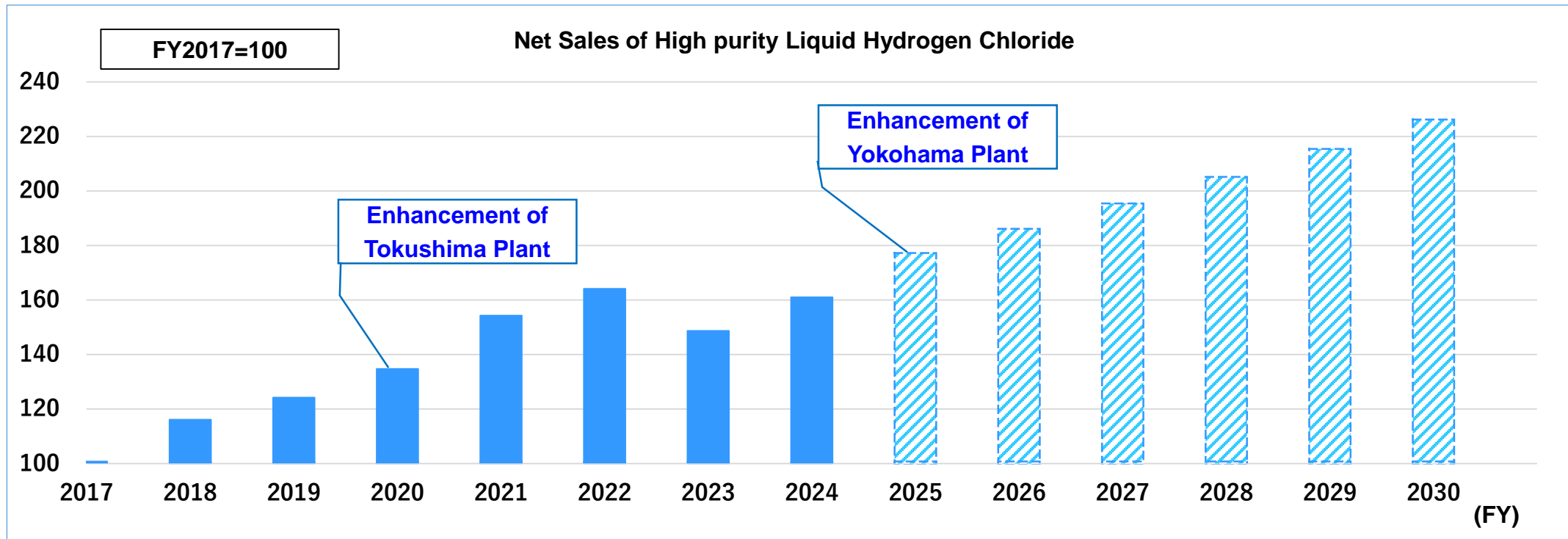
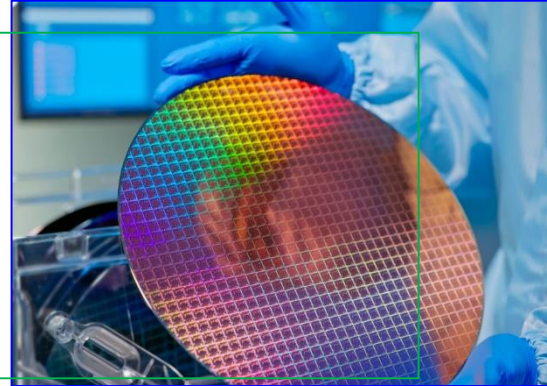
<1. Growth Strategy> Growth Drivers (Semiconductor)

We are currently using our “high-purity liquid hydrogen chloride (cleaning gas)” that holds the top world market share and other products in all processes.



- High purity liquid hydrogen chloride
- High purity caustic potash
- Acrylic polymers for high performance CMP

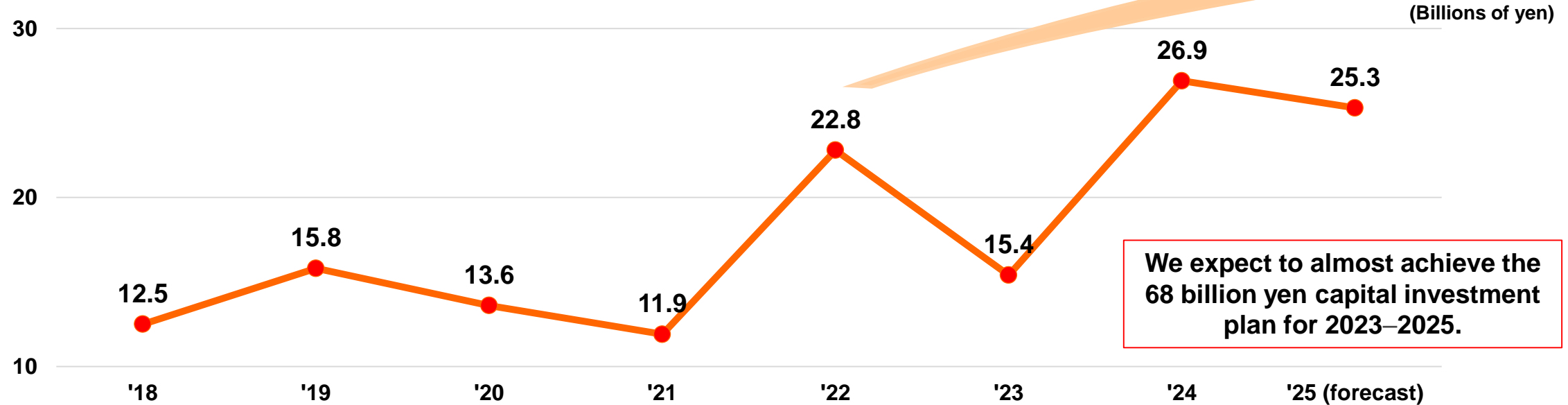
(Applications: Cleaning and polishing during semiconductor Manufacturing)



<1. Growth Strategy> Capital Investment (Excluding Land, Inspection Basis)

We are actively promoting capital investment in growth areas (such as mobility and semiconductors).

We also place importance on rationalizing investment in core businesses that generate stable cash flow.



Main investment projects	Investment amount	Completion date
Expansion of next-generation semiconductor gas production facilities	6.9 billion yen	Nov. 2025
Expansion of LIB binder production facilities	6.4 billion yen	Dec. 2025
Updating of caustic soda production facilities	5.0 billion yen	Nov. 2026
Expansion of flocculant facilities	4.4 billion yen	Dec. 2026
Introduction of battery adhesive compound facilities	1.0 billion yen	Dec. 2024
Construction of Nagoya Plant Logistics Center	9.0 billion yen	Aug. 2024

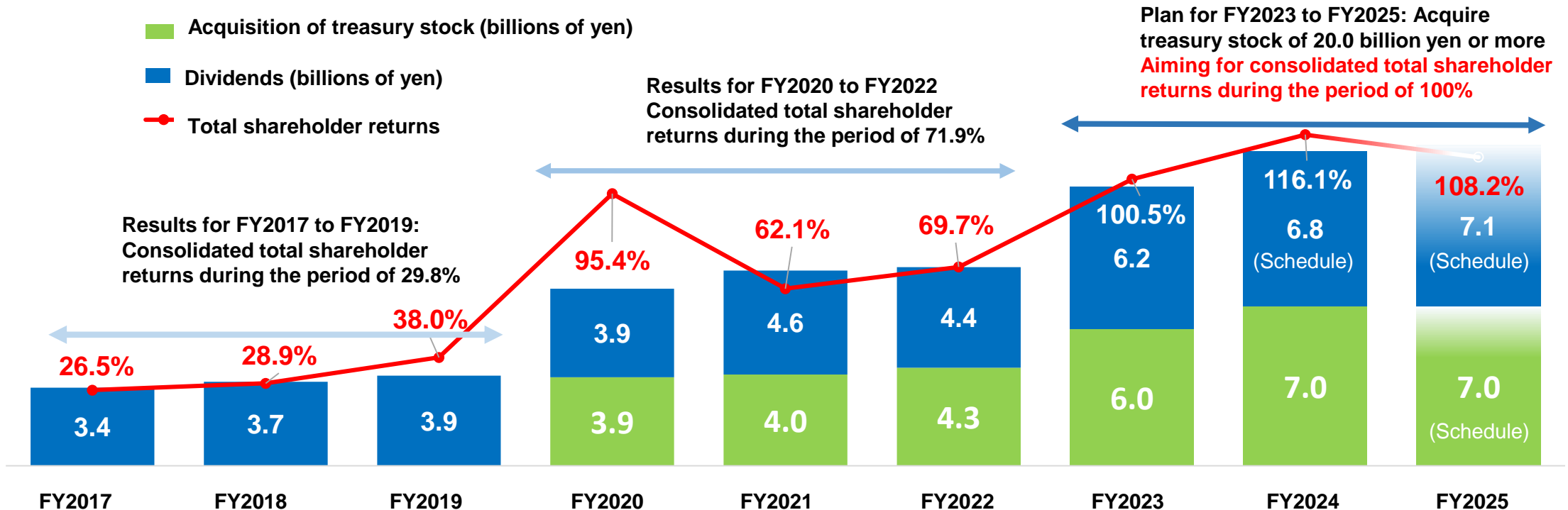
* Major investments (including estimates) to be made during the period for the FY2023-25 medium-term management plan

<2. Financial Strategy> Strengthening of Shareholder Returns

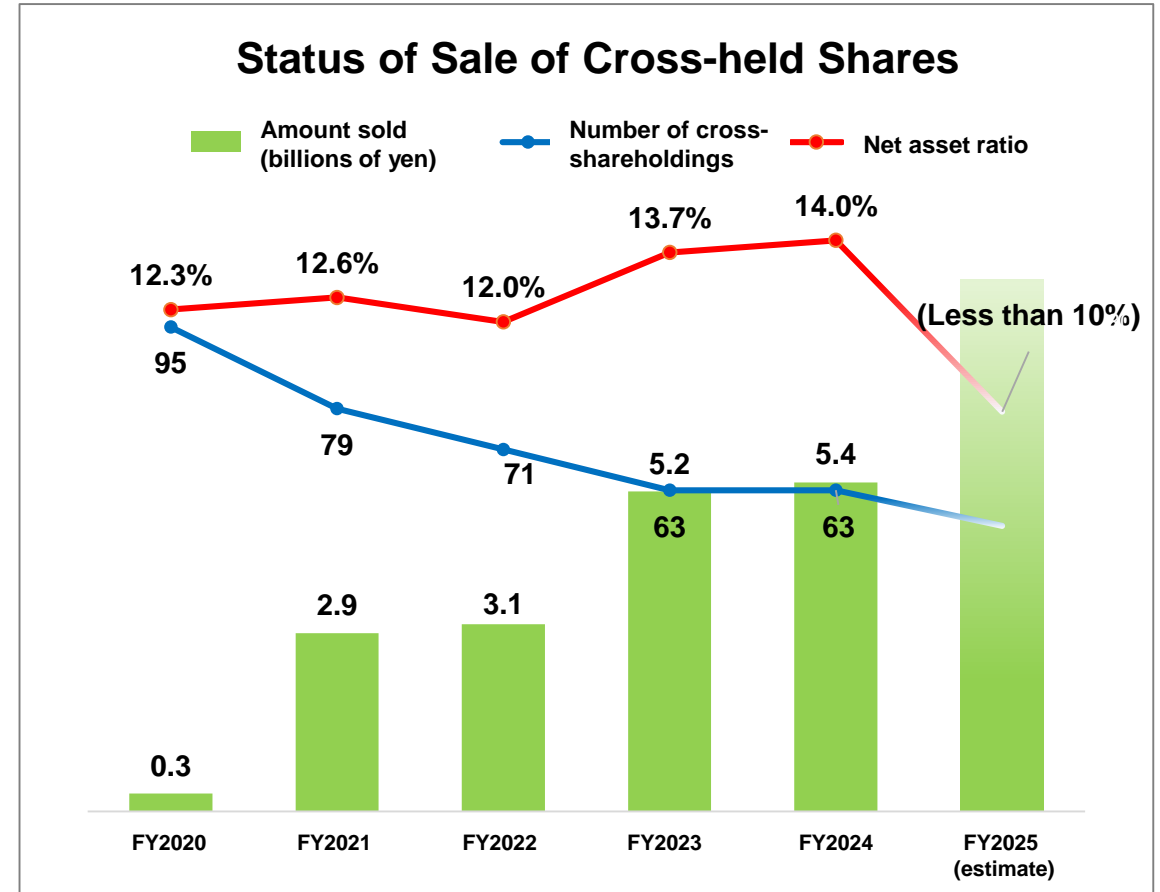
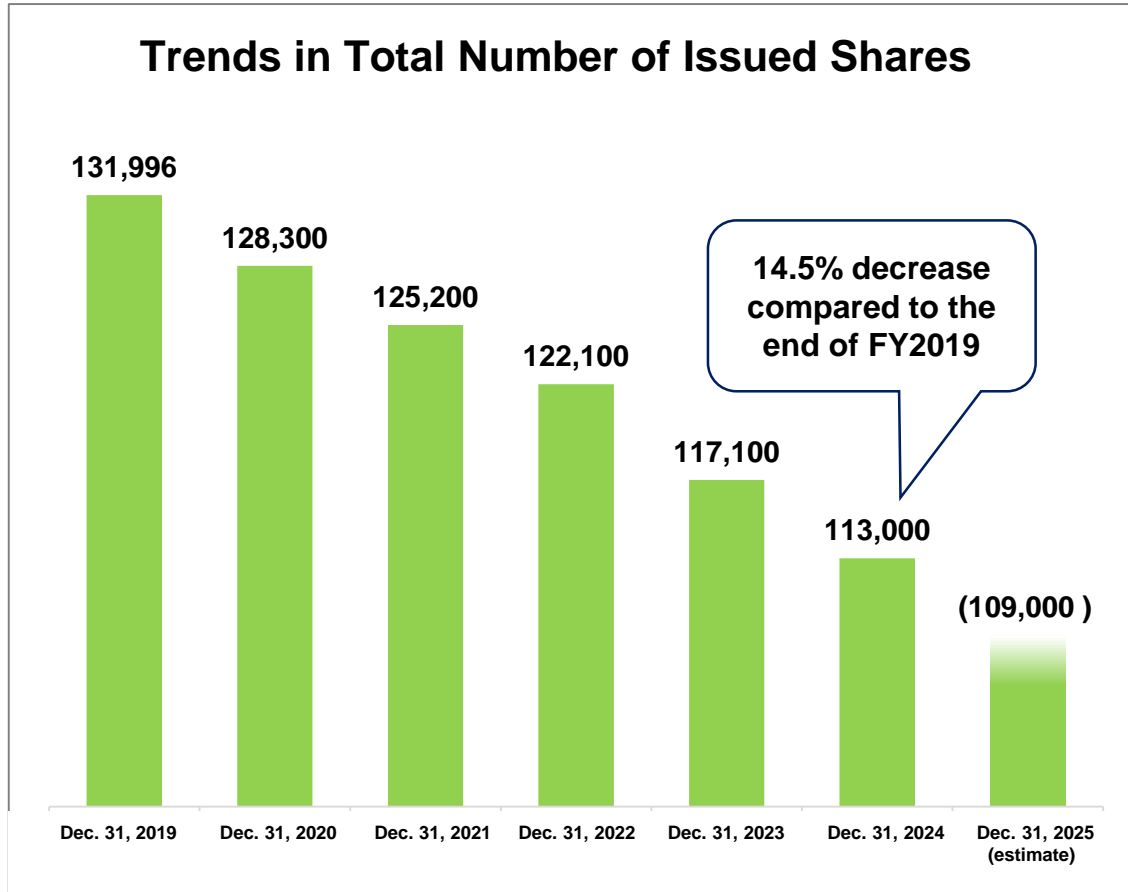
We will strengthen shareholder returns and control the size of our net worth.

- We will return profits to shareholders aiming for consolidated total shareholder returns of 100% during the period of our current medium-term management plan (FY2023 to FY2025).
- We will determine our shareholder returns policy for FY2026 and beyond after judging the situation of our investment plans in our next medium-term management plan.

Trends in shareholder returns



- We will reduce the total number of issued shares by cancelling the treasury shares we have acquired, with the aim of increasing shareholder value over a medium to long term.
- We will improve capital efficiency by selling cross-held shares that have become less meaningful.
(We will sell cross-held shares with the aim of reducing the ratio to net assets to less than 10% by the end of FY2025.)



<3. Non-financial Strategy> Enhancement of human capital

1. Correcting compensation standards → Achieving greater job satisfaction and productivity

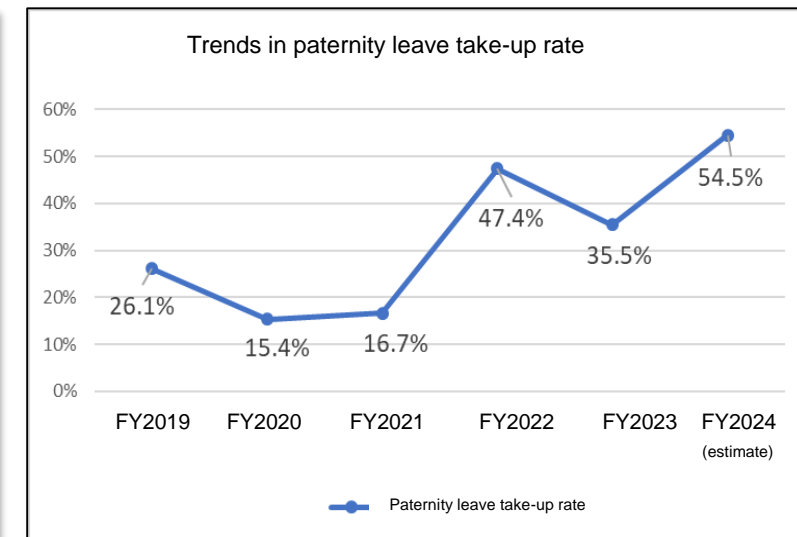
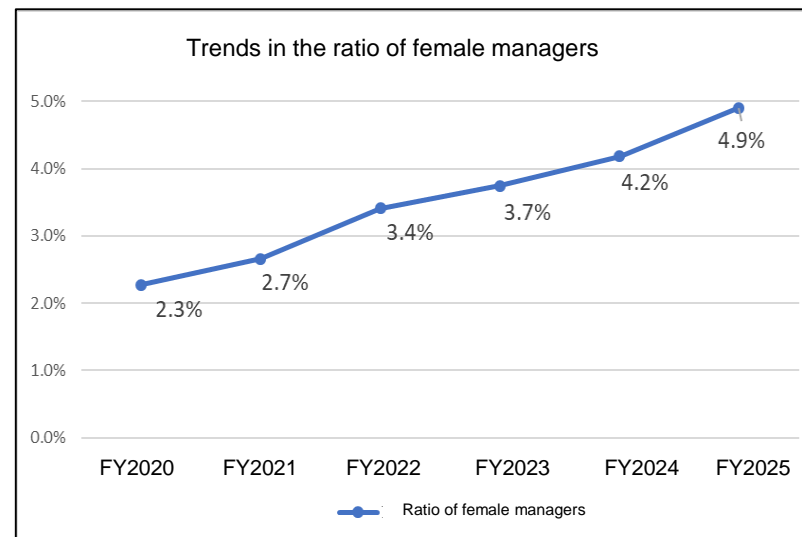
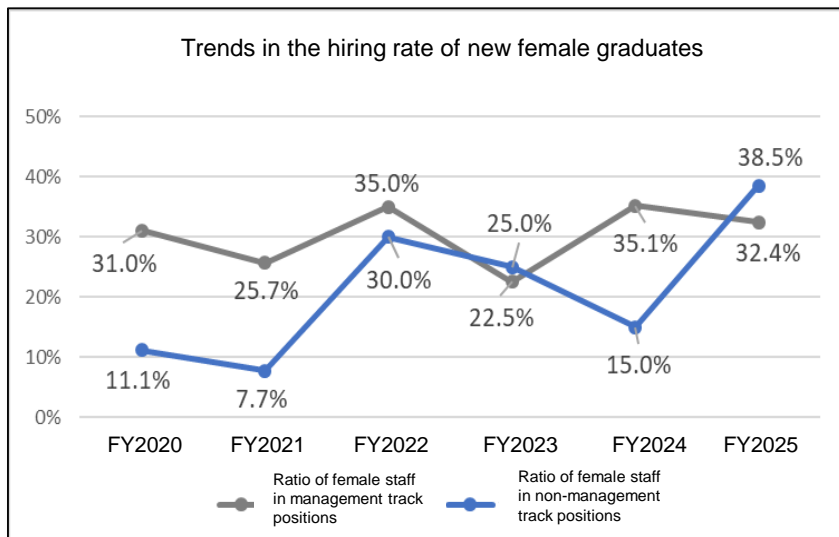
- Salary correction → Pay rise of 4.0%, 6.1%, and 6.4% in FY2023, FY2024, and FY2025, respectively
- Correcting the treatment of senior staff → Increase in bonus levels for top performers
- Introduced an employee stock ownership plan (ESOP) in FY2023.

2. Reviewing the system of transfers → Balancing the needs of employees' families with human resources strategy (organizational revitalization through reassignment, human resources development)

- Introducing a system to postpone transfers and expanding transfer allowances

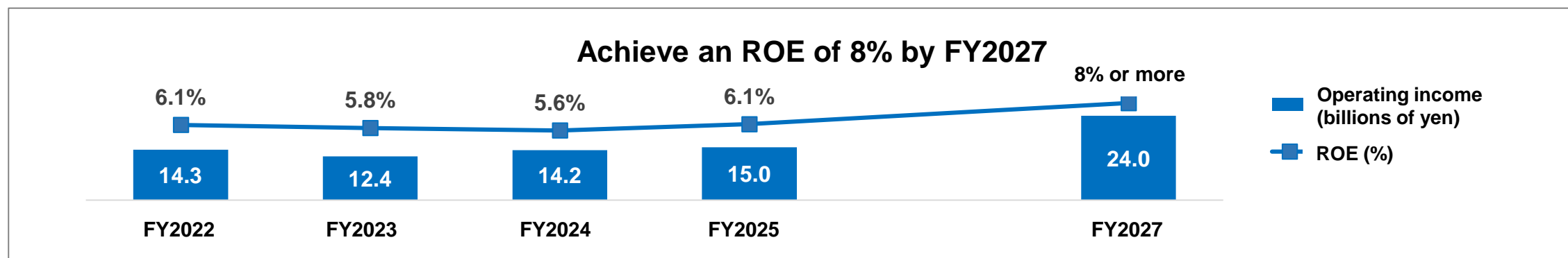
3. Creating an environment where a diverse range of employees can exert their full potential

- Our goal: Ratio of female employees (30% for management track positions, 20% for non-management track positions), ratio of female managers: 5%



Quantitative targets to achieve an ROE of 8%

		FY2022 result	FY2025 forecast	FY2027 target
Growth strategy	Net sales	160.8 billion yen	165.0 billion yen	205.0 billion yen
	Operating income	14.3 billion yen	15.0 billion yen	24.0 billion yen
	EBITDA	25.0 billion yen	26.6 billion yen	38.0 billion yen
	ROE	6.1%	6.1%	8% or more
Financial strategy	Payout ratio	35.5%	Total shareholder returns during the period 100% target	To be determined in the next medium-term management plan
	Total shareholder returns	69.7%		
		FY2022 result	FY2025 forecast	FY2030 target
Non-financial strategy	GHG emissions (compared to FY2013)	(24)%	(35)%	(50)%



Management goals

Management policy

Specific measures

PBR of over 1x

ROE improvement target: 8%

×

PER improvement target: 15x

Profit growth

Net profit margin
(net profit/Sales)

Total asset reduction

Asset turnover
(sales/total assets)

Capital structure optimization

Financial leverage
(total assets/equity)

IR strategy implementation

PER (Price-Earnings Ratio)
(stock price / net income per share)

Promotion of growth strategies

- Early generation of profits from new investments
- Acceleration of the discovery and launch of development themes

Strengthening of existing businesses

- Increase in the marginal profit of general-purpose products
- Review of unprofitable businesses

Efficient use of assets

- Improvement of equipment utilization rates
- Reduction of inventory and shortening of accounts receivable terms

Advancement of financial strategies

- Maintenance and improvement of shareholder returns
- Promotion of sale of cross-held shares

Enhancement of growth strategies

Active appeal to the market

- Expansion of earnings of growth drivers
- Discovery of new themes by the RS Department
- Expansion of overseas sales

- Cost reduction through energy-saving investments, etc.
- Development of new applications for existing products and expansion of market share
- Portfolio review based on ROIC

- Strengthening of sales activities and customer relationships to improve operation rates
- Support by digital transformation (DX) and the use of the ERP system

- Total shareholder returns of 108% (FY2025 estimate)
- Three consecutive periods of increased dividends
- Less than 10% of ratio of cross-shareholdings to net assets

- Promotion of new development of CNF, medical, etc. as growth drivers and next pillars

- Holding of briefings, etc. on growth strategy businesses for high-value-added products

Appendix

Overview of Results for 4Q FY2024

		4Q FY2023	4Q FY2024	Change	Rate of Change
Net sales	(Millions of yen)	43,222	44,231	1,008	2.3%
Operating income	(Millions of yen)	4,411	3,471	(940)	(21.3%)
Operating income ratio		10.2%	7.8%	(2.4P)	—
Ordinary profit	(Millions of yen)	4,832	3,850	(982)	(20.3%)
Net income attributable to owners of parent	(Millions of yen)	4,005	1,370	(2,635)	(65.8%)

* We newly established Toagosei Vietnam Co., Ltd. in 2024. Therefore, it is included in the scope of consolidation from this consolidated fiscal year.

(20 consolidated subsidiaries and 2 equity-method affiliates)

Consolidated Results (by Segment) 4Q

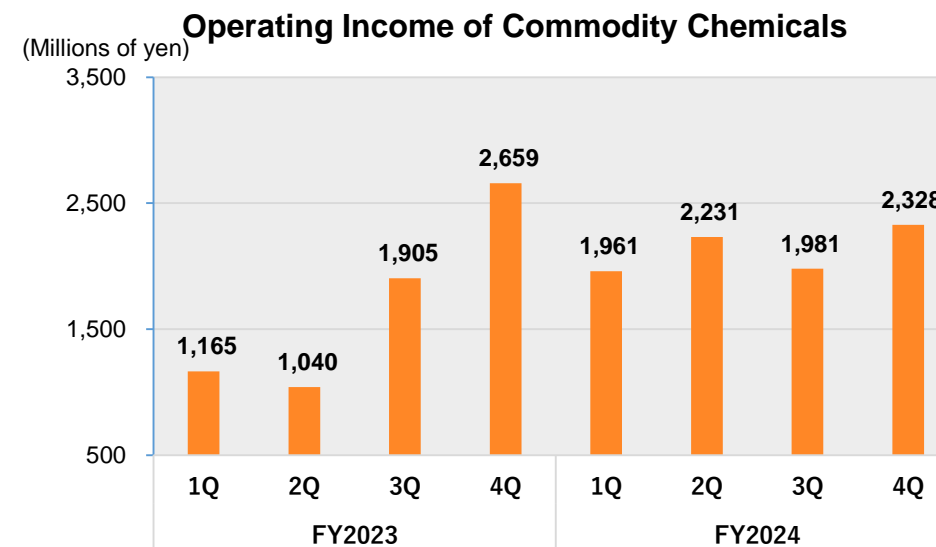
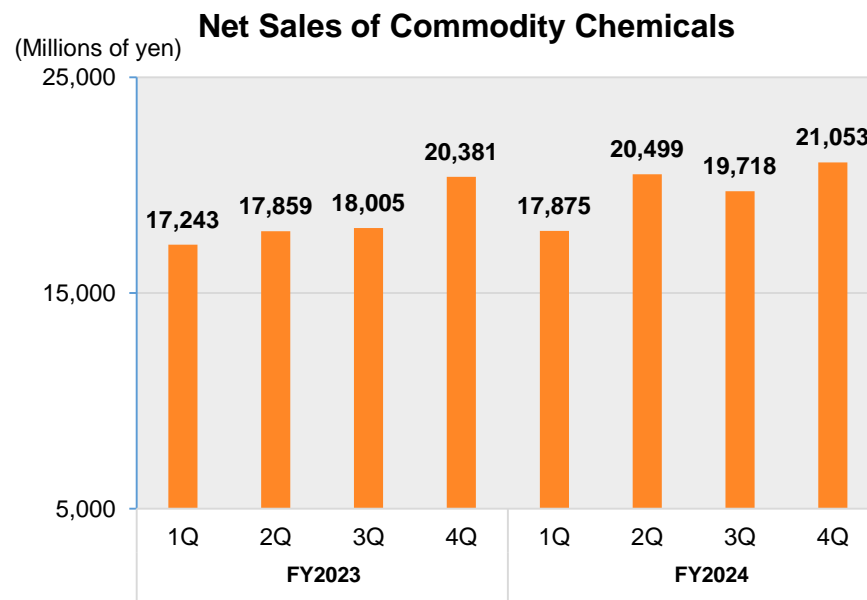
(Millions of yen)

Net sales	4Q FY2023	4Q FY2024	Volume	Unit price	Change
	A	B			B – A
Commodity Chemicals	20,381	21,053	1,503	(832)	671
Polymer & Oligomer	8,778	9,156	517	(139)	378
Adhesive Material	3,547	3,316	(222)	(9)	(231)
Performance Chemicals	2,352	2,555	235	(32)	203
Plastics	7,690	7,591	(377)	278	(98)
Other/adjustments	475	561	87	0	87
Total	43,222	44,231	1,742	(734)	1,008

(Millions of yen)

Operating income	4Q FY2023		4Q FY2024		Change
	Operating income	Operating income ratio	Operating income	Operating income ratio	
Commodity Chemicals	2,659	13.0%	2,328	11.1%	(330)
Polymer & Oligomer	904	10.3%	590	6.4%	(314)
Adhesive Material	361	10.2%	36	1.1%	(326)
Performance Chemicals	331	14.1%	332	13.0%	0
Plastics	463	6.0%	722	9.5%	258
Other/adjustments	(308)	–	(535)	–	(227)
Total	4,411	10.2%	3,471	7.8%	(940)

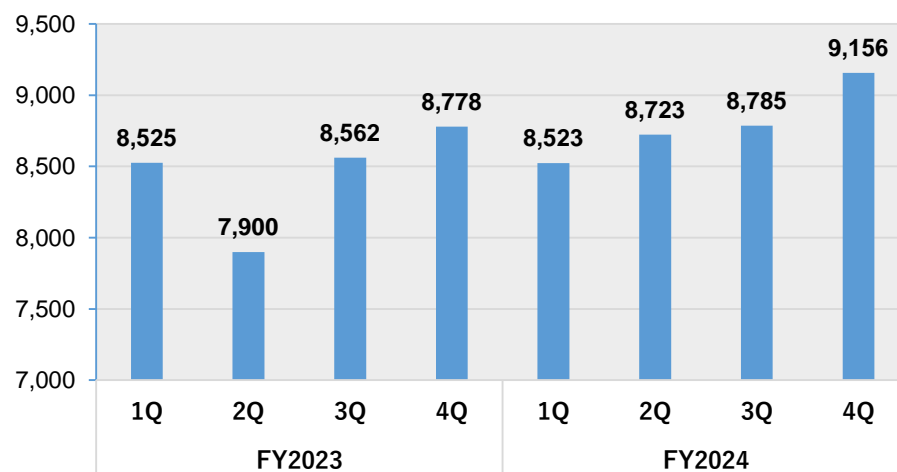
Sub-segment of Commodity Chemicals Business	Year-on-year Comparison		Reason for the Net Sales Change
	4Q FY2024 Accounting Period	1-4Q FY2024 Cumulative Total	
Inorganic chemicals	102%	104%	Net sales increased due to a general increase in sales volume.
Acrylic monomers	102%	112%	Net sales increased due to higher sales volume and revised sales prices in response to rising raw material costs.
Industrial gas	100%	106%	Net sales increased due to an increase in sales volume because of steady demand.



Sub-segment of Polymer and Oligomer Business	Year-on-year Comparison		Reason for the Net Sales Change
	4Q FY2024 Accounting Period	1-4Q FY2024 Cumulative Total	
Polymers	99%	105%	Net sales increased due to an increase in sales volume for automotive parts.
Oligomers	112%	111%	Net sales increased due to a steady increase in sales volume for display-related products.
Flocculants	103%	99%	Net sales decreased due to a decrease in sales volume overseas.

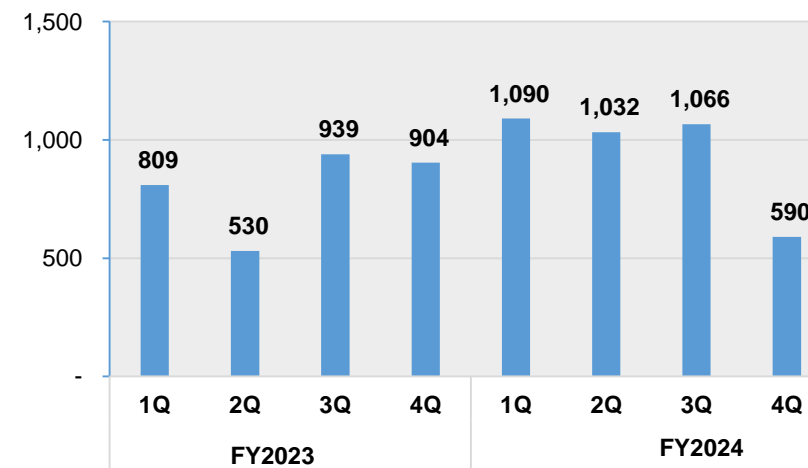
Net Sales of Polymer & Oligomer

(Millions of yen)



Operating income of Polymer & Oligomer

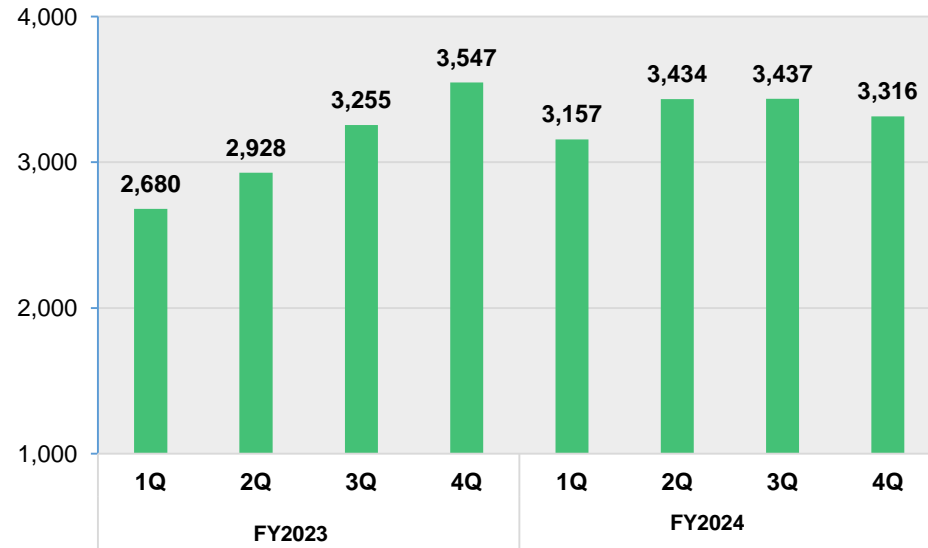
(Millions of yen)



Sub-segment of Adhesive Materials Business	Year-on-year Comparison		Reason for the Net Sales Change
	4Q FY2024 Accounting Period	1-4Q FY2024 Cumulative Total	
Instant glue	93%	109%	Net sales increased due to an increase in sales volume in Japan and the US.
Functional adhesives	95%	108%	Net sales increased due to an increase in sales volume for automotive batteries and electronic components for smartphones.

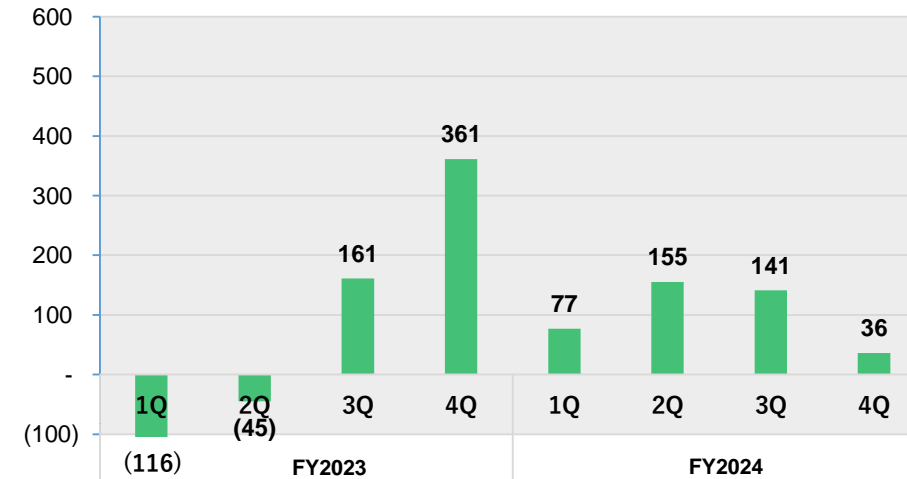
Net Sales of Adhesive Materials

(Millions of yen)



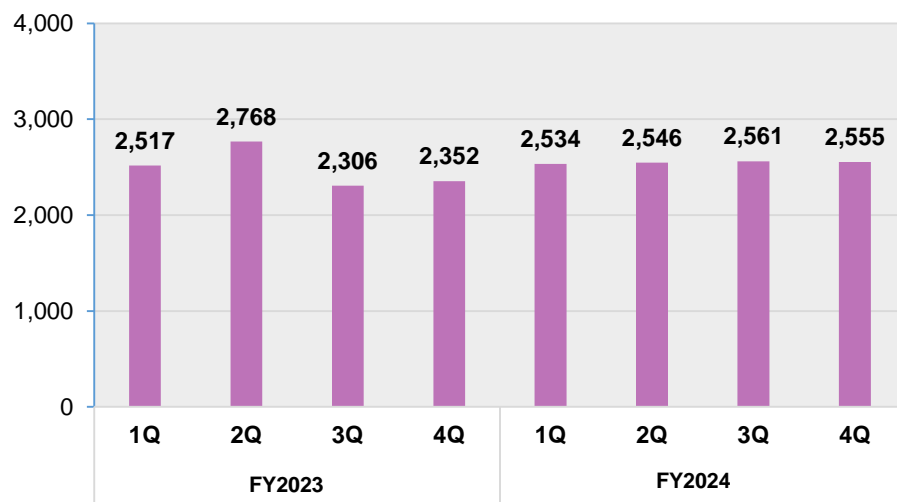
Operating income of Adhesive Materials

(Millions of yen)

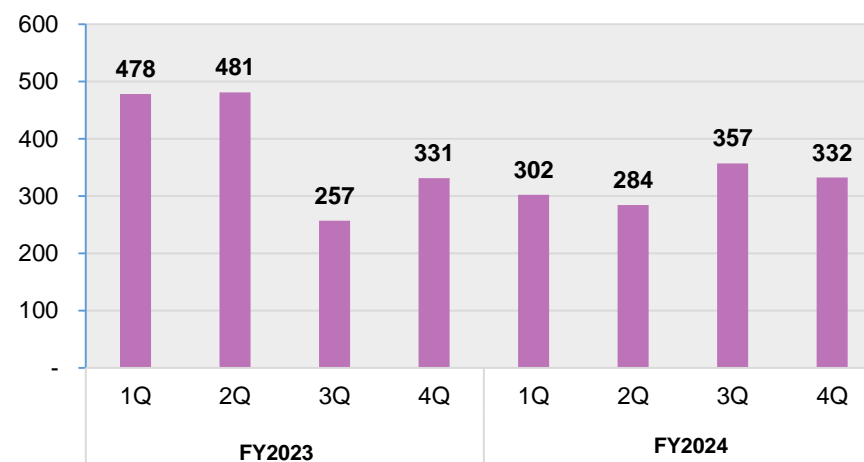


Sub-segment of Performance Chemicals Business	Year-on-year Comparison		Reason for the Net Sales Change
	4Q FY2024 Accounting Period	1-4Q FY2024 Cumulative Total	
Inorganic functional materials	80%	102%	Net sales increased due to an increase in sales volume of inorganic ion capture agent.
High-purity inorganic chemicals	118%	108%	Net sales increased due to steady overseas shipments and an increase in sales volume.
Newly developed products	257%	13%	Net sales decreased due to a reduction in the number of test samples sold for medical care products.

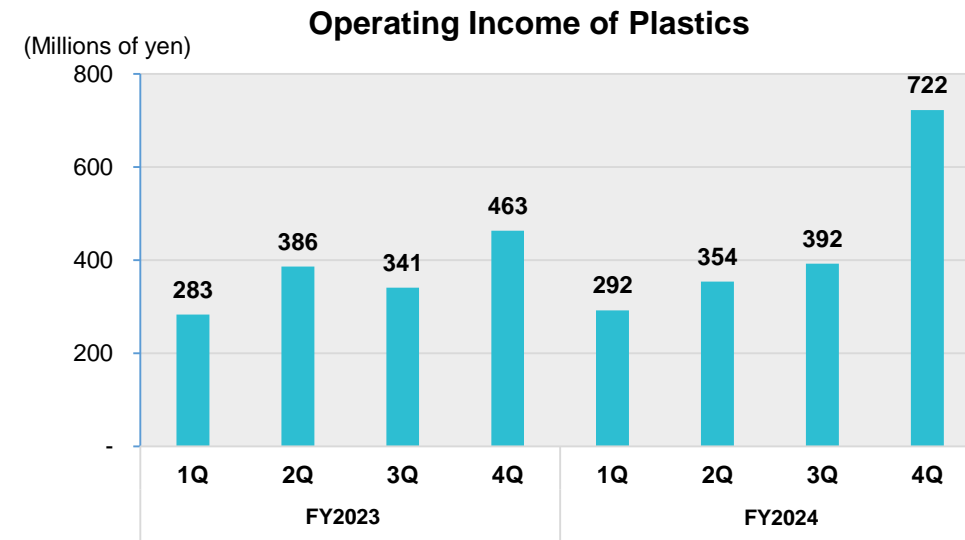
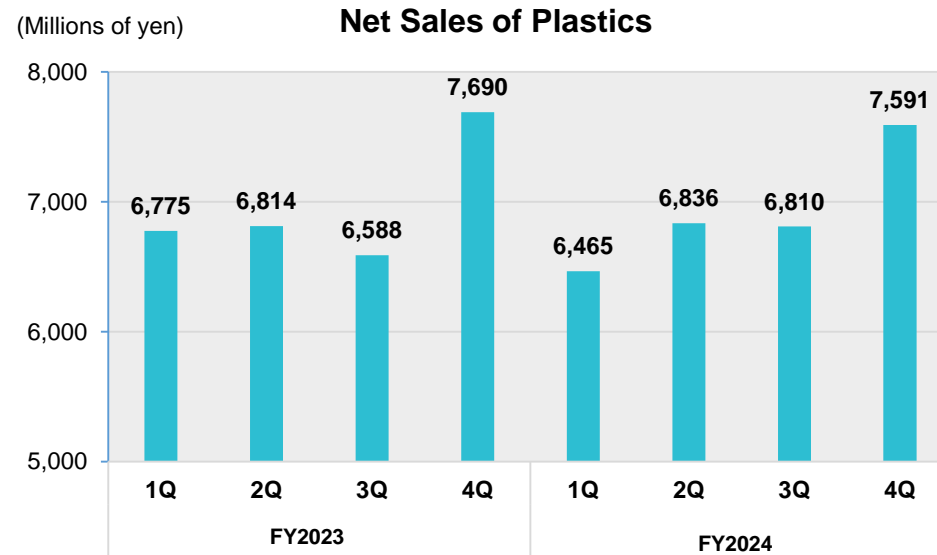
(Millions of yen) **Net sales of Performance Chemicals**



(Millions of yen) **Operating income of Performance Chemicals**



Sub-segment of Plastics Business	Year-on-year Comparison		Reason for the Net Sales Change
	4Q FY2024 Accounting Period	1-4Q FY2024 Cumulative Total	
Environmental & infrastructure system products (former Piping equipment)	102%	98%	Net sales decreased due to sales focused on profitability.
Nursing care	88%	96%	Net sales decreased due to lower sales volume from sharp competition of nursing care products.
Eco material (former Elastomer compounds)	117%	111%	Net sales increased due to higher sales volumes of automotive and home appliance parts.

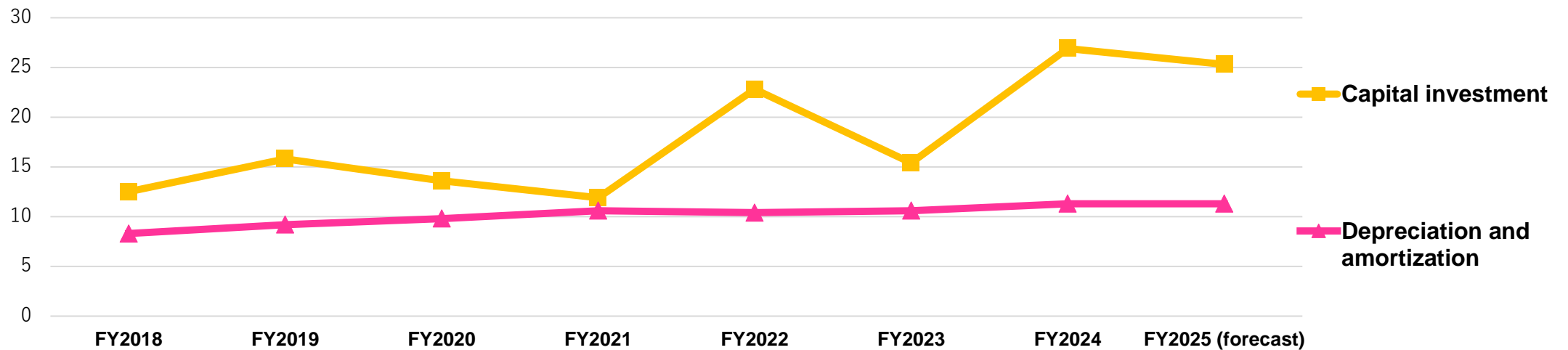


Reference for Consolidated Performance

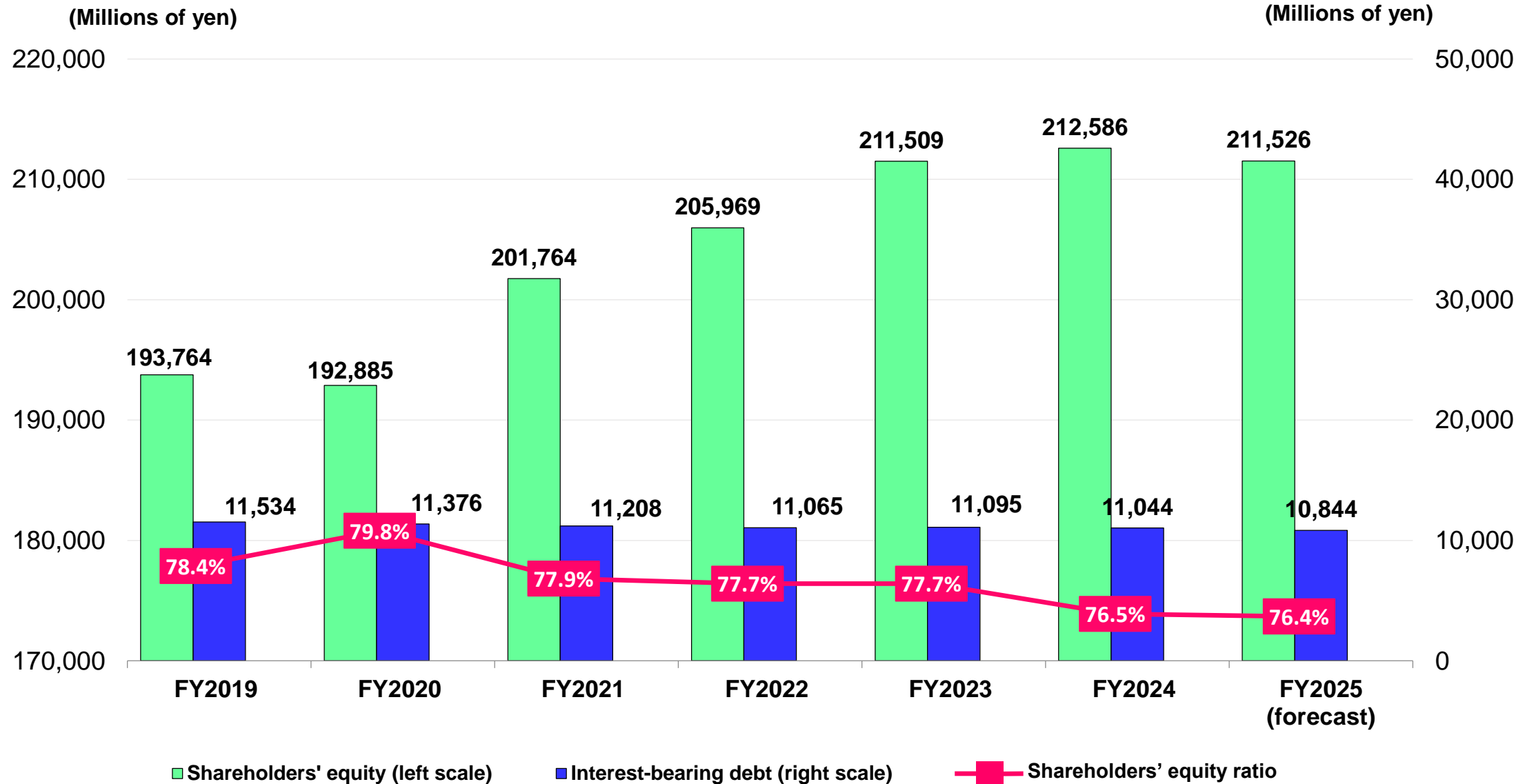
(Billions of yen)

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025 (forecast)
Capital investment	15.8	13.6	11.9	22.8	15.4	26.9	25.3
Depreciation and amortization	9.2	9.8	10.6	10.4	10.6	11.3	11.6
Research and development expenses	3.7	4.0	4.3	4.7	5.0	5.8	6.4
Overseas net sales	22.6	22.1	29.0	31.0	26.6	28.9	29.3
Overseas sales ratio (%)	15.6	16.6	18.6	19.3	16.7	17.3	17.8
Interest bearing debt	11.5	11.3	11.2	11.0	11.0	11.0	10.8

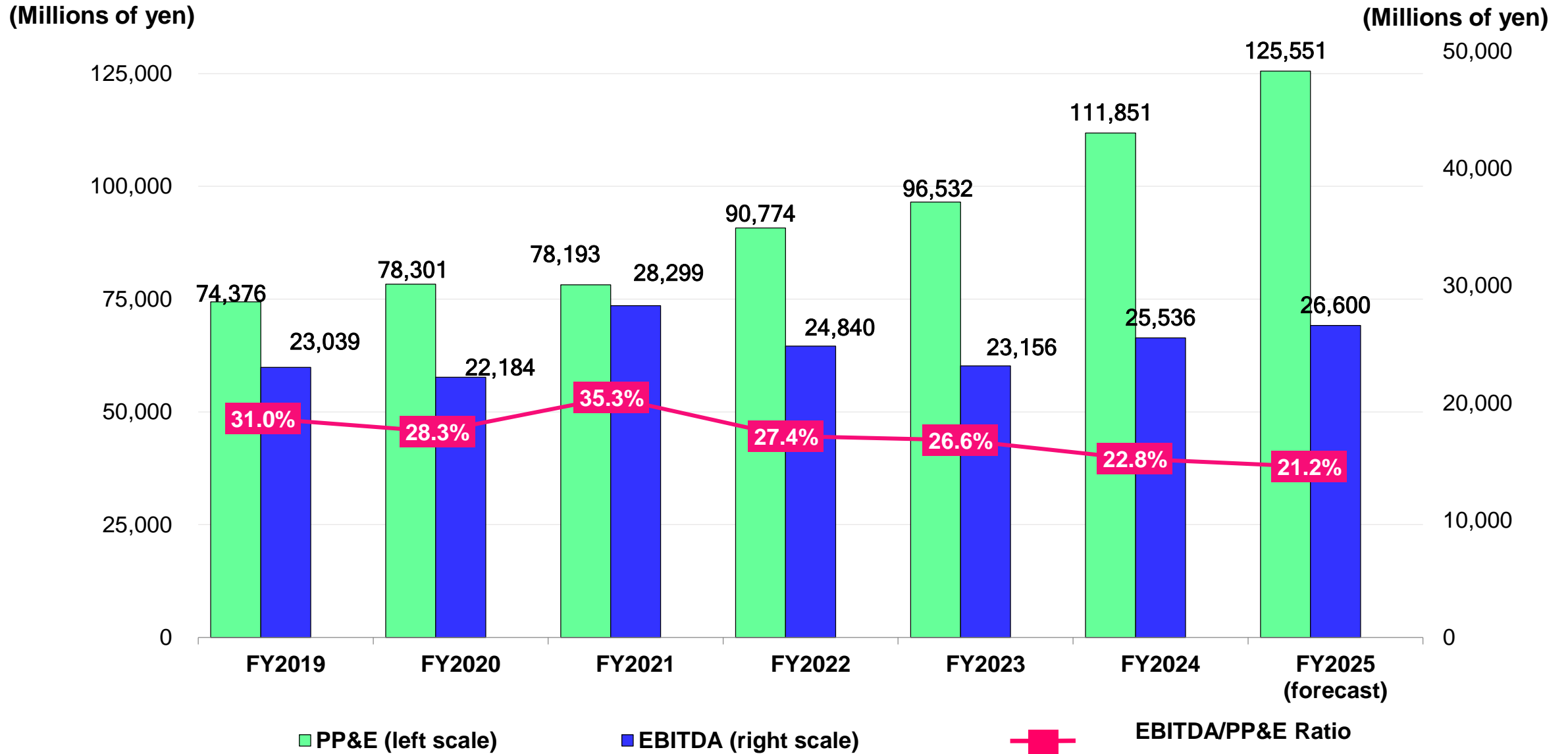
(Billions of yen)



Reference Trends for Consolidated Performance



EBITDA/PP&E Ratio Trends



E (Environment)

S (Society)

Dec. 2021	<p>Set a target of “2050: carbon neutrality”</p> <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
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%
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)
Jan. 2024	<p>Raised wages 6.1%</p> <p>Donated to the areas affected by the Noto Peninsula Earthquake with support by providing products by our group companies. * Attachments for toilets manufactured by Aron Kasei Co., Ltd. (Received a letter of appreciation from the METI in June 2024)</p>
Mar. 2024	Certified as a Health and Productivity Management Organization 2024 (6 years in a row)
May 2024	Donated to the 2024 Eastern Taiwan Earthquake Relief Fund
Jun. 2024	Participated in the feasibility study for the Aichi Prefecture Low Carbon Hydrogen Model Town project
Aug. 2024	Started construction of the Shozawa River Small Hydro Power Plant
Oct. 2024	Donated to support those who suffered from the Noto Peninsula Heavy Rain Disaster
Dec. 2024	Donated to the Children’s Future Support Fund and the Ashinaga Foundation (continuing on from 2021)
Jan. 2025	Raised wages 6.4% and introduced a system to postpone transfer.

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. 2024	Amount of cross shareholdings recorded on the balance sheet Current as of the end of December 2024: 14.0% (shareholding balance: 29,828 million yen) (Sold 19 issues in 2021 with a sale value of 2,910 million yen) (Sold 9 issues in 2022 with a sale value of 3,058 million yen) (Sold 13 issues in 2023 with a sale value of 5,228 million yen) (Sold 6 issues in 2024 with a sale value of 5,373 million yen)

Initiatives to Promote Sports



We support the table tennis T.LEAGUE.



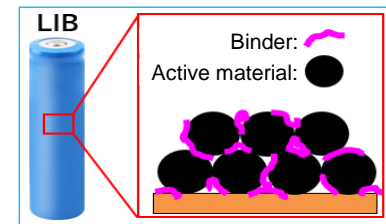
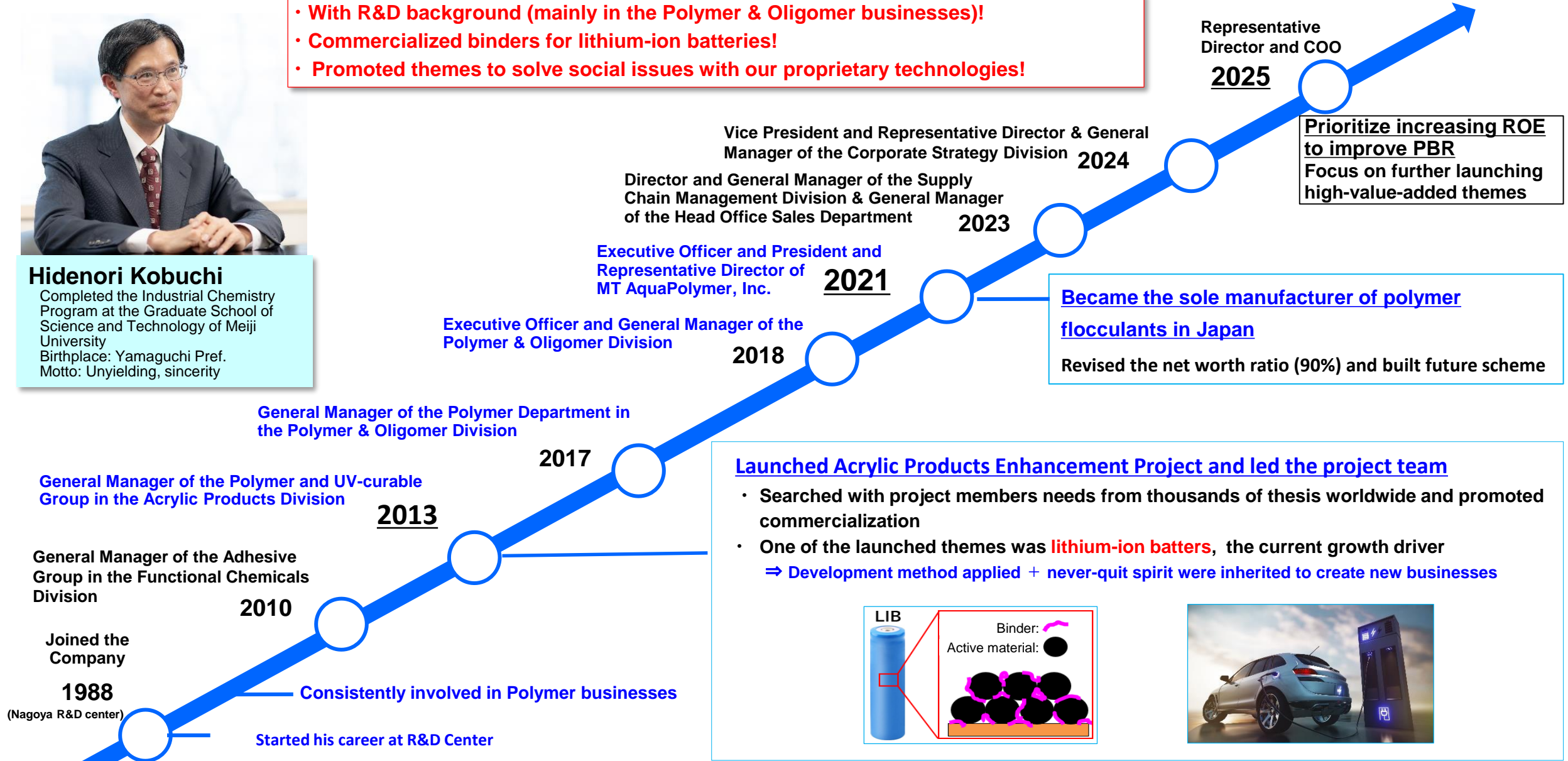
We support **IWAKI FC**

Our new President, COO and Representative Director (first change in 9 years)



Hidenori Kobuchi
 Completed the Industrial Chemistry Program at the Graduate School of Science and Technology of Meiji University
 Birthplace: Yamaguchi Pref.
 Motto: Unyielding, sincerity

- With R&D background (mainly in the Polymer & Oligomer businesses)!
- Commercialized binders for lithium-ion batteries!
- Promoted themes to solve social issues with our proprietary technologies!



The logo for TOAGOSEI, featuring a stylized green 'i' with a blue dot and a blue 'O' with a green dot, followed by the word 'TOAGOSEI' in blue capital letters.

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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 from 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.