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October 31, 2025

Consolidated Financial Results for the Nine Months Ended September 30, 2025 (Under Japanese GAAP)

Company name: Toagosei Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 4045
 URL: <https://www.toagosei.co.jp/>
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 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

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

1. Consolidated financial results for the nine months ended September 30, 2025 (from January 1, 2025 to September 30, 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	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2025	119,863	(2.8)	10,607	(1.4)	11,149	(8.2)	8,002	(23.8)
September 30, 2024	123,363	6.2	10,762	33.1	12,142	25.5	10,506	28.5

Note: Comprehensive income For the nine months ended September 30, 2025: ¥9,549 million [(13.7)%]
 For the nine months ended September 30, 2024: ¥11,064 million [(20.8)%]

	Net income per share	Diluted earnings per share
Nine months ended	Yen	Yen
September 30, 2025	72.99	—
September 30, 2024	92.15	—

(2) Consolidated financial position

	Total assets	Net assets	Net worth ratio
As of	Millions of yen	Millions of yen	%
September 30, 2025	275,972	209,349	75.5
December 31, 2024	278,020	213,668	76.5

Reference: Shareholders' equity
 As of September 30, 2025: ¥208,237 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	—	32.50	—		
Fiscal year ending December 31, 2025 (Forecast)				32.50	65.00

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

3. Consolidated performance forecast for Fiscal 2025 (from January 1, 2025 to December 31, 2025)

	Net sales		Operating income		Ordinary profit		Net income attributable to owners of parent		Net income per share
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
Fiscal 2025	162,500	(3.0)	14,000	(1.6)	14,800	(7.5)	12,200	2.7	111.67

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

* Notes

- (1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 1 company (Toagosei Chemical India Pvt. Ltd.)
- (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 September 30, 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 September 30, 2025	5,715,202 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)

Nine months ended September 30, 2025	109,639,824 shares
Nine months ended September 30, 2024	114,015,165 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 different from the actual performance etc. because of various factors that may arise from now on.

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1. Overview of Operating Results, etc.

(1) Explanation of operating results

(a) Financial performance during the first three quarters of fiscal 2025

During the period under review (January 1 to September 30, 2025), the global economy remained resilient despite concerns over the impact of U.S. tariff policies, as companies contained sharp deterioration through cost reductions and cautious price pass-through. Amid this environment, the U.S. had slower growth, China continued to face deflationary pressures, and Europe experienced low growth. Meanwhile, the Japanese economy saw a gradual recovery in economic conditions due to improvements in the employment environment, the recovery of inbound demand, and rising share prices, despite persistent high prices.

Under these circumstances, the Group focused on sales expansion activities and cost reductions, as well as on investments for future growth, such as 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:	¥119,863 million (-2.8% YOY)
Operating income:	¥10,607 million (-1.4% YOY)
Ordinary profit:	¥11,149 million (-8.2% YOY)
Net income attributable to owners of parent:	¥8,002 million (-23.8% YOY)

(b) Performance by segment

I. Commodity Chemicals

Electrolysis products recorded lower sales revenue due to a decrease in the sales volume. Acrylic monomer products saw a decrease in sales revenue due to lower sales volumes of some products and a decline in selling prices linked to lower raw material costs. Industrial gases posted lower sales revenue due to a decrease in sales volume caused by a manufacturing-related company's operational stoppage resulting from problems at the manufacturing-related company. As a result of the above, this segment posted net sales of ¥53,339 million (-8.2% YOY).

Operating income totaled ¥6,730 million (+9.0% YOY) due to a reduction in fixed costs, which partially offset decreased overall sales volume.

II. Polymer & Oligomer

Acrylic polymers saw lower sales revenue due to a decrease in sales volume for automotive parts. Acrylic oligomers recorded higher sales revenue due to revised selling prices. Polymer flocculants posted an increase in sales revenue due to higher sales volume overseas and selling price revisions. As a result of these factors, this segment posted net sales of ¥26,602 million (+2.2% YOY).

Operating income decreased 30.7% year on year to ¥2,209 million due to higher raw material prices and an increase in fixed costs.

III. Adhesive Material

For consumers, sales revenue increased owing to the effect of organizational changes following the dissolution of a joint venture in the United States and higher sales volume in China and other countries. Functional adhesives saw a decrease in sales revenue due to lower sales volume for smartphone components, despite steady sales volume for automotive parts. As a result, this segment posted net sales of ¥10,051 million (+0.2% YOY).

Operating income totaled ¥216 million (-42.0% YOY) due to increased fixed costs associated with the organizational changes in the United States.

IV. Performance Chemicals

Despite continued strong demand for semiconductors for AI applications, high-purity inorganic chemicals recorded lower sales revenue due to a decrease in sales volume resulting from a delay in the recovery of demand for the other applications. Inorganic functional materials posted lower sales revenue due to decreased exports of inorganic antimicrobial agents. As a result, this segment posted net sales of ¥7,432 million (-2.7% YOY).

Operating income fell 21.4% year on year to ¥741 million resulting from a decrease in sales volume of high-purity inorganic chemicals.

V. Plastics

Environment & infrastructure system (formerly, piping equipment) saw higher sales revenue due to increased sales volume for sewerage-related products. Nursing care products posted a decline in sales revenue due to diminished sales volume resulting from sluggish demand for nursing care products. Ecological materials (formerly, elastomer compounds) saw higher sales revenue due to an increase in sales volume in our base in Thailand. As a result, this segment posted net sales of ¥20,695 million (+2.9% YOY).

Operating income increased 90.0% year on year to ¥1,975 million thanks to increased sales of products for infrastructure aging countermeasures in the environment & infrastructure system, improved profitability in the nursing care products, and increased sales from the ecological materials business in Thailand.

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 in its trading and other department. As a result, this segment posted net sales of ¥1,743 million (+19.6% YOY)

Operating loss totaled ¥1,269 million (-31.6% YOY) partly because of the increase in costs associated with the Kawasaki Frontience R&D Center.

(2) Explanation of financial position

Total assets: Total assets amounted to ¥275,972 million, down ¥2,047 million (0.7%) from the end of the previous fiscal year. The main contributor to this decrease was a decrease in current assets such as “cash and deposits” despite an increase in “other, net” under property, plant and equipment owing to the increase in construction in progress.

Total liabilities: Total liabilities amounted to ¥66,622 million, up ¥2,270 million (3.5%) from the end of the previous fiscal year. The main contributor to this decrease was an increase in “bonds” in long-term liabilities due to the issuance of new bonds.

Total net assets: Total net assets amounted to ¥209,349 million, down ¥4,318 million (2.0%) from the end of the previous fiscal year. The main contributor to this decrease was an increase in “treasury stock” due to share buybacks.

Net worth ratio: Net worth ratio amounted to 75.5%.

(3) Research and development activities

The Group’s total research and development expenses for the first three quarters of fiscal 2025 were ¥5,013 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

All forward-looking statements herein represent assumptions that we considered reasonable as of the day this document was published.

During the first three quarters of fiscal 2025, the overall shipment volume declined, but the Company worked to secure profits through cost reductions, selling price revisions, and other efforts. The economic situation for the fourth quarter of fiscal 2025 and thereafter remains uncertain due to factors such as the impact of U.S. tariff policies, geopolitical risks, and trends in monetary policy across various countries.

Under these circumstances, it is difficult to estimate future performance with a high degree of accuracy, but based on the assumption that the various events that are currently taking place will not become worse, the Company will leave

unchanged the consolidated performance forecast for fiscal 2025 announced on July 31, 2025. In addition, 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 Three Quarters of Fiscal 2025 (as of September 30, 2025)
Assets		
Current assets		
Cash and deposits	30,821	20,317
Notes and accounts receivable	42,359	37,032
Electronically recorded monetary claims	9,860	10,298
Securities	11,000	6,000
Inventories	24,734	25,864
Other current assets	4,026	3,954
Allowance for doubtful receivables	(52)	(48)
Total current assets	122,750	103,419
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	39,664	40,781
Machinery, equipment and other, net	23,486	23,059
Land	30,445	33,121
Other, net	18,254	26,398
Total property, plant and equipment	111,851	123,361
Intangible non-current assets	1,666	4,740
Investments and other assets		
Investment securities	34,023	36,794
Net defined benefit asset	5,014	5,063
Other assets	2,720	2,634
Allowance for doubtful receivables	(6)	(41)
Total investments and other assets	41,751	44,450
Total non-current assets	155,270	172,552
Total assets	278,020	275,972

(Millions of yen)

	Fiscal 2024 (as of December 31, 2024)	First Three Quarters of Fiscal 2025 (as of September 30, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable	18,740	16,167
Short-term bank loans	6,209	2,465
Accrued income taxes	2,762	570
Accrued bonuses for employees	11	772
Provision for product recalls	154	136
Other current liabilities	20,874	16,365
Total current liabilities	48,753	36,477
Long-term liabilities		
Bonds	–	10,000
Long-term debt	4,834	8,240
Net defined benefit liability	122	134
Provision for share awards	284	403
Other long-term liabilities	10,357	11,366
Total long-term liabilities	15,598	30,145
Total liabilities	64,352	66,622
Net assets		
Shareholders' equity		
Common stock	20,886	20,886
Capital surplus	14,166	14,166
Retained earnings	157,874	158,932
Treasury stock	(1,375)	(8,259)
Total shareholders' equity	191,551	185,726
Accumulated other comprehensive income		
Unrealized holding gain on available-for-sale securities	14,537	16,337
Foreign currency translation adjustment	5,260	5,042
Remeasurements of defined benefit plans	1,236	1,131
Total accumulated other comprehensive income	21,034	22,511
Non-controlling interests	1,082	1,112
Total net assets	213,668	209,349
Total liabilities and net assets	278,020	275,972

(2) Quarterly consolidated statements of income and comprehensive income

Quarterly consolidated statements of income

First Three Quarters of Fiscal 2025

	(Millions of yen)	
	First Three Quarters of Fiscal 2024 (January 1, 2024 to September 30, 2024)	First Three Quarters of Fiscal 2025 (January 1, 2025 to September 30, 2025)
Net sales	123,363	119,863
Cost of sales	89,311	85,271
Gross profit	34,052	34,591
Selling, general, and administrative expenses	23,289	23,984
Operating income	10,762	10,607
Non-operating income		
Interest income	279	179
Dividend income	934	793
Equity in earnings of affiliates	138	73
Rent income on non-current assets	76	17
Foreign currency exchange gains	256	—
Other	91	158
Total non-operating income	1,776	1,221
Non-operating expenses		
Interest expenses	111	158
Environment readiness fee	146	199
Foreign currency exchange losses	—	170
Loss on investments in partnerships	101	51
Inactive facilities expenses	8	5
Other	28	93
Total non-operating expenses	396	678
Ordinary profit	12,142	11,149
Extraordinary income		
Gain on sale of non-current assets	8	—
Gain on sale of investment securities	3,360	1,477
Subsidy income	71	47
Total extraordinary income	3,441	1,524
Extraordinary losses		
Loss on disposal of non-current assets	971	1,322
Loss on valuation of investment securities	—	182
Loss on disaster	*1 75	*1 58
Special suspense account for tax purpose reduction entry	—	40
Total extraordinary losses	1,047	1,604
Income before income taxes	14,536	11,069
Income taxes	3,948	3,007
Net income	10,587	8,062
Net income attributable to non-controlling interests	80	59
Net income attributable to owners of parent	10,506	8,002

Quarterly consolidated statements of comprehensive income

First Three Quarters of Fiscal 2025

	(Millions of yen)	
	First Three Quarters of Fiscal 2024 (January 1, 2024 to September 30, 2024)	First Three Quarters of Fiscal 2025 (January 1, 2025 to September 30, 2025)
Net income	10,587	8,062
Other comprehensive income		
Unrealized holding gain on available-for-sale securities	362	1,804
Foreign currency translation adjustment	140	(211)
Remeasurements of defined benefit plans, net of tax	(25)	(105)
Total other comprehensive income	476	1,487
Comprehensive income	11,064	9,549
Comprehensive income attributable to:		
Owners of parent	10,991	9,479
Non-controlling interests	73	69

(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 4,825,200 treasury shares pursuant to a resolution passed by the Board of Directors at its meeting held on February 13, 2025. As a result, during the period under review, treasury stock increased by ¥6,883 million, bringing the total of treasury stock to ¥8,259 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 first nine-month period 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 Three Quarters of Fiscal 2024 (January 1, 2024 to September 30, 2024)	First Three Quarters of Fiscal 2025 (January 1, 2025 to September 30, 2025)
Restoration costs, etc.	72	58
Loss on inventory loss	2	—

(Quarterly consolidated statement of cash flows)

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

	(Millions of yen)	
	First Three Quarters of Fiscal 2024 (January 1, 2024 to September 30, 2024)	First Three Quarters of Fiscal 2025 (January 1, 2025 to September 30, 2025)
Depreciation	7,716	8,093

(Segment information, etc.)

Segment Information

I. First three quarters of fiscal 2024 (January 1, 2024 to September 30, 2024)

1 Further information about segment sales and segment profit (loss)

(Millions of yen)

	Reportable segment						Other businesses ¹	Total	Adjustment ²	Amount recorded in consolidated financial statements ³
	Commodity chemicals	Polymer & oligomer	Adhesive material	Performance chemicals	Plastics	Total				
Net sales										
External sales	58,092	26,031	10,028	7,641	20,111	121,905	1,457	123,363	–	123,363
Intersegment sales or transfers	2,457	1,171	37	259	655	4,580	1,209	5,790	(5,790)	–
Total	60,550	27,202	10,065	7,901	20,767	126,486	2,667	129,154	(5,790)	123,363
Segment profit (loss)	6,173	3,189	373	943	1,039	11,719	(965)	10,754	7	10,762

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.
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 Non-current assets or goodwill, etc. by reportable segment

The disclosure is omitted as the amount is immaterial.

II First three quarters of fiscal 2025 (January 1, 2025 to September 30, 2025)

1 Further information about segment sales and segment profit (loss)

(Millions of yen)

	Reportable segment						Other businesses ¹	Total	Adjustment ²	Amount recorded in consolidated financial statements ³
	Commodity chemicals	Polymer & oligomer	Adhesive material	Performance chemicals	Plastics	Total				
Net sales										
External sales	53,339	26,602	10,051	7,432	20,695	118,120	1,743	119,863	–	119,863
Intersegment sales or transfers	2,703	1,150	29	330	587	4,801	1,244	6,045	(6,045)	–
Total	56,042	27,753	10,080	7,762	21,282	122,921	2,988	125,909	(6,045)	119,863
Segment profit (loss)	6,730	2,209	216	741	1,975	11,873	(1,269)	10,604	2	10,607

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.
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 Non-current assets or goodwill, etc. by reportable segment

The disclosure is omitted as the amount is immaterial.