July 31, 2026

Consolidated Financial Results for the Six Months Ended June 30, 2026 (Under Japanese GAAP)

Company name: Toagosei Co., Ltd.
Listing: Tokyo Stock Exchange
Securities code: 4045
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Scheduled date to commence dividend payments: August 7, 2026
Scheduled date to file annual securities report: September 4, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the six months ended June 30, 2026 (from January 1, 2026 to June 30, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary profit		Net income attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	82,405	2.6	7,912	12.7	8,580	14.4	6,019	5.3
June 30, 2025	80,344	(1.5)	7,018	(4.2)	7,497	(14.4)	5,715	(18.8)

Note: Comprehensive income For the six months ended June 30, 2026: ¥ 11,147 million [156.7%]
For the six months ended June 30, 2025: ¥ 4,343 million [(66.5)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2026	56.56	-
June 30, 2025	51.76	-

(2) Consolidated financial position

	Total assets	Net assets	Net worth ratio
As of	Millions of yen	Millions of yen	%
June 30, 2026	296,711	220,995	74.1
December 31, 2025	289,105	215,944	74.3

Reference: Shareholders' equity As of June 30, 2026: ¥ 219,802 million
As of December 31, 2025: ¥ 214,807 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, 2025	-	32.50	-	32.50	65.00
Fiscal year ending December 31, 2026	-	36.00			
Fiscal year ending December 31, 2026 (Forecast)			-	36.00	72.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

3. Consolidated performance forecast for Fiscal 2026 (from January 1, 2026 to December 31, 2026)

	Net sales		Operating income		Ordinary profit		Net income attributable to owners of parent		Basic earnings per share
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
Fiscal 2026	170,000	4.7	15,500	9.3	16,300	8.2	11,800	(7.6)	111.22

Note: Revisions to consolidated performance forecast during the quarter under review: Yes

* **Notes**

(1) Significant changes in the scope of consolidation during the period: No

(2) Adoption of accounting treatment specific to the preparation of semi-annual 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: None
- (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 June 30, 2026	108,000,000 shares
As of December 31, 2025	108,000,000 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2026	2,126,061 shares
As of December 31, 2025	714,199 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended June 30, 2026	106,434,056 shares
Six months ended June 30, 2025	110,427,948 shares

Note: The number of treasury shares at the end of the period and the average number of shares outstanding during the period (cumulative for the interim period) includes the company's shares held by the Employee Stock Compensation Plan.

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* 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 substantially 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 six months ended June 30, 2026

During the six months ended June 30, 2026 (the "period under review"), the global economy faced ongoing economic shocks unprecedented in recent years arising from geopolitical risks surrounding the situation in the Middle East, as well as the continued worsening of economic conditions driven by crude oil prices. Against this backdrop, the global economy remained resilient, led by solid performance in AI- and data center-related industries thanks to expanding demand for AI and increased investment in data centers. In addition, crude oil and naphtha market conditions remained volatile amid escalating tensions in the Middle East, with supply concerns intensifying toward the end of the period under review.

In Japan, personal consumption recovered moderately, supported by wage increases becoming more widespread, while capital investment remained resilient. Meanwhile, significant concerns persisted over trends in crude oil and naphtha prices due to persistently high prices and uncertainties surrounding overseas economies, including the situation in the Middle East.

Under these circumstances, the Group worked to expand sales in priority areas, improve profitability, and enhance production efficiency. As a result, the Group recorded the following financial results for the period under review.

Net sales:	¥82,405 million (+2.6% YOY)
Operating income:	¥7,912 million (+12.7% YOY)
Ordinary profit:	¥8,580 million (+14.4% YOY)
Net income attributable to owners of parent:	¥6,019 million (+5.3% YOY)

(b) Performance by segment

I. Commodity Chemicals

Electrolysis products recorded higher sales revenue due to product price revisions in response to rising costs. Acrylic monomer products saw a decrease in sales revenue due to the termination of sales of some products and a decrease in sales volume caused by constraints on raw material procurement arising from the situation in the Middle East. Industrial gases posted higher sales revenue due to an increase in sales volume. As a result of the above, this segment posted net sales of ¥33,352 million (−7.8% YOY).

Operating income totaled ¥3,500 million (−25.2% YOY) due to a decrease in sales volume of acrylic monomer products and increased expenses associated with large-scale routine maintenance.

II. Polymer & Oligomer

Acrylic polymers saw higher sales revenue due to increased sales volume for automotive and semiconductor applications as well as pharmaceutical and cosmetic applications, with additional support from improved profitability. Acrylic oligomers recorded higher sales revenue due to increased sales volume for electronic materials and selling price revisions in response to rising costs. Polymer flocculants posted higher sales revenue due to improved profitability, despite a decrease in sales volume caused by constraints on raw material procurement arising from the situation in the Middle East. As a result of these factors, this segment posted net sales of ¥19,624 million (+11.9% YOY).

Operating income increased 89.3% year on year to ¥2,396 million due to solid sales across all subsegments.

III. Adhesive Material

Consumer products recorded higher sales revenue due to selling price revisions in the United States. Functional adhesives saw an increase in sales revenue as sales volume for automotive parts and smartphone components remained firm. As a result, this segment posted net sales of ¥7,296 million (+7.9% YOY).

Operating income totaled ¥206 million (−21.8% YOY) due to higher advertising and other expenses associated with sales promotion in the United States.

IV. Performance Chemicals

High-purity inorganic chemicals recorded higher sales revenue due to continued strong demand for products for semiconductor applications and an increase in sales volume. Inorganic functional materials posted lower sales revenue due to decreased sales volume of inorganic antimicrobial agents. As a result, this segment posted net sales of ¥5,727 million (+14.2% YOY).

Operating income increased significantly by 96.9% year on year to ¥903 million due to an increase in sales volume of high-purity inorganic chemicals.

V. Plastics

Environment & infrastructure system saw higher sales revenue due to increased sales volume for sewerage-related products and other products. Nursing care products posted lower sales revenue due to decreased sales volume of bathing care products and other products. Ecological materials saw lower sales revenue due to a decrease in sales volume to Southeast Asia. As a result, this segment posted net sales of ¥15,208 million (+10.7% YOY).

Operating income increased 57.8% year on year to ¥1,849 million due to increased sales volume in the environment & infrastructure system and increased earnings from mobility-related products in the ecological materials business.

VI. Other Businesses

This segment, which consists of trading-house operations and goods transportation, among other businesses, recorded increased sales revenue in its trading-house operations. As a result, this segment posted net sales of ¥1,195 million (+7.0% YOY).

Operating income remained broadly unchanged year on year at ¥302 million (+4.3% YOY).

Effective from the fourth quarter of the previous fiscal year, the Company changed the classification of the "Other Businesses" segment. For details, please refer to "Segment information, etc."

(2) Explanation of financial position

I. Status of assets, liabilities, and net assets

Total assets: Total assets amounted to ¥296,711 million, up ¥7,606 million (2.6%) from the end of the previous fiscal year. The main contributor to this increase was an increase in "investment securities" due to rising stock prices, despite decreases in "cash and deposits" and "securities."

Total liabilities: Total liabilities amounted to ¥75,716 million, up ¥2,555 million (3.5%) from the end of the previous fiscal year. The main contributor to this increase was an increase in "accounts payable."

Total net assets: Total net assets amounted to ¥220,995 million, up ¥5,050 million (2.3%) from the end of the previous fiscal year. The main contributor to this increase was an increase in "unrealized holding gain on available-for-sale securities."

Equity ratio: 74.1%.

II. Status of cash flows

Cash flows from operating activities: Net cash provided by operating activities totaled ¥12,013 million, a decrease of ¥4,664 million compared to the six months ended June 30, 2025, resulting from increases in trade receivables and inventories.

Cash flows from investing activities: Net cash used in investing activities totaled ¥14,292 million, a decrease of ¥3,021 million compared to the six months ended June 30, 2025. This was attributable to a decrease in purchase of property, plant and equipment.

Cash flows from financing activities: Net cash used in financing activities totaled ¥6,706 million, a decrease of ¥2,006 million compared to the six months ended June 30, 2025. This result reflected a decrease in purchase of treasury stock.

As a result, the balance of cash and cash equivalents at the end of the period under review was ¥19,860 million, a decrease of ¥8,903 million from the end of the previous fiscal year.

(3) Explanation of forward-looking statements such as consolidated performance forecasts

The forward-looking statements contained herein are based on judgments made by the Group as of the date of publication.

During the six months ended June 30, 2026, the Group's performance exceeded its initial expectations, reflecting strong sales of semiconductor-related products, increased sales volumes primarily in the Polymer & Oligomer and Plastics segments, and improved profitability in the Polymer & Oligomer segment.

Looking ahead, the business environment is expected to remain uncertain due to geopolitical risks, including those related to the situation in the Middle East, as well as trends in crude oil and naphtha markets and foreign exchange rates. Nevertheless, in light of the results for the six months ended June 30, 2026 and the recent business environment, the Company has revised its full-year consolidated performance forecast for the fiscal year ending December 31, 2026.

In addition, in light of the revision to the performance forecast, the Company has revised its interim dividend and year-end dividend forecast. For details, please refer to the "Notice Regarding Revision of Consolidated Earnings Forecast and Revision of Interim Dividend and Year-End Dividend Forecast (Dividend Increase) for the Fiscal Year Ending Dec. 31, 2026," released today.

Consolidated performance forecast for fiscal 2026 (full-year: January 1 to December 31, 2026)

(Millions of yen unless otherwise stated)

	Net sales	Operating income	Ordinary profit	Net income attributable to owners of parent	Basic earnings per share (yen)
Previous forecast (A) (Announced on Feb. 12, 2026)	167,000	14,500	15,100	11,500	108.56
Revised forecast (B)	170,000	15,500	16,300	11,800	111.22
Change (B − A)	3,000	1,000	1,200	300	–
Percentage change (%)	1.8%	6.9%	7.9%	2.6%	–
Reference: Results for the previous fiscal year (Fiscal year ended Dec. 31, 2025)	162,312	14,180	15,067	12,766	117.02

Revisions to year-end dividend forecast

(Yen)

	Annual dividends per share		
	Second quarter-end	Fiscal year-end	Total
Previous forecast (Announced on Feb. 12, 2026)	35.00	35.00	70.00
Revised forecast		36.00	72.00
Actual dividend (for the current fiscal year)	36.00		
Reference: Results for the previous fiscal year (Fiscal year ended Dec. 31, 2025)	32.50	32.50	65.00

Note: Forecast figures contained in this document are based on information available to the Company as of the date of publication. Actual results may differ materially from these forecasts due to various factors.

2. Semi-annual Consolidated Financial Statements and Principal Notes

(1) Semi-annual consolidated balance sheets

(Millions of yen)

	Fiscal 2025 (as of December 31, 2025)	First Half of Fiscal 2026 (as of June 30, 2026)
Assets		
Current assets		
Cash and deposits	24,518	20,017
Notes and accounts receivable	38,003	38,543
Electronically recorded monetary claims	11,554	12,026
Securities	7,000	2,000
Inventories	25,469	28,462
Other current assets	4,061	6,428
Allowance for doubtful accounts	(51)	(53)
Total current assets	110,556	107,424
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	40,939	40,586
Machinery, equipment and other, net	24,259	26,194
Land	33,215	32,045
Other, net	30,635	33,776
Total property, plant and equipment	129,050	132,602
Intangible assets	4,723	4,689
Investments and other assets		
Investment securities	36,029	42,423
Retirement benefit asset	6,013	6,050
Other assets	2,773	3,563
Allowance for doubtful receivables	(41)	(41)
Total investments and other assets	44,775	51,995
Total non-current assets	178,548	189,287
Total assets	289,105	296,711

(Millions of yen)

	Fiscal 2025 (as of December 31, 2025)	First Half of Fiscal 2026 (as of June 30, 2026)
Liabilities		
Current liabilities		
Accounts payable	16,513	19,608
Short-term borrowings	6,865	6,865
Accrued income taxes	2,543	2,156
Accrued bonuses for employees	4	4
Other current liabilities	21,451	19,175
Total current liabilities	47,376	47,810
Long-term liabilities		
Bonds	10,000	10,000
Long-term borrowings	3,770	3,700
Retirement benefit liability	131	136
Provision for share awards	438	488
Other long-term liabilities	11,443	13,580
Total long-term liabilities	25,783	27,905
Total liabilities	73,160	75,716
Net assets		
Shareholders' equity		
Common stock	20,886	20,886
Capital surplus	14,166	14,197
Retained earnings	156,396	158,917
Treasury stock	(957)	(3,545)
Total shareholders' equity	190,491	190,455
Accumulated other comprehensive income		
Unrealized holding gain on available-for-sale securities	16,635	21,270
Foreign currency translation adjustment	5,933	6,412
Remeasurements of defined benefit plans	1,747	1,664
Total accumulated other comprehensive income	24,316	29,346
Non-controlling interests	1,136	1,192
Total net assets	215,944	220,995
Total liabilities and net assets	289,105	296,711

(2) Semi-annual consolidated statements of income and comprehensive income

Semi-annual consolidated statements of income

(Million yen)

	Six months ended June 30, 2025	Six months ended June 30, 2026
Net sales	80,344	82,405
Cost of sales	57,369	57,080
Gross profit	22,974	25,324
Selling, general and administrative expenses	15,955	17,412
Operating income	7,018	7,912
Non-operating income		
Interest income	117	101
Dividend income	708	825
Equity in earnings of affiliates	90	20
Foreign exchange gains	–	98
Rent income on non-current assets	9	7
Other	82	55
Total non-operating income	1,009	1,108
Non-operating expenses		
Interest expenses	83	172
Foreign exchange losses	318	–
Loss on investments in partnerships	18	106
Inactive facilities expenses	3	75
Environment readiness fee	80	54
Other	25	32
Total non-operating expenses	530	440
Ordinary profit	7,497	8,580
Extraordinary income		
Gain on sale of non-current assets	–	879
Subsidy income	46	341
Gain on sale of investment securities	1,187	277
Total extraordinary income	1,234	1,497
Extraordinary losses		
Loss on disposal of non-current assets	581	912
Loss on disaster	50	29
Loss on valuation of investment securities	182	464
Special suspense account for tax purpose reduction entry	40	336
Total extraordinary losses	855	1,742
Income before income taxes	7,876	8,335
Income taxes	2,120	2,235
Net income	5,756	6,099
Net income attributable to non-controlling interests	40	79
Net income attributable to owners of parent	5,715	6,019

Semi-annual consolidated statements of comprehensive income

(Million yen)

	Six months ended June 30, 2025	Six months ended June 30, 2026
Net income	5,756	6,099
Other comprehensive income		
Unrealized holding gain on available-for-sale securities	(483)	4,639
Foreign currency translation adjustment	(854)	491
Remeasurements of defined benefit plans, net of tax	(75)	(82)
Total other comprehensive income	(1,413)	5,048
Comprehensive income	4,343	11,147
Comprehensive income attributable to:		
Owners of parent	4,288	11,050
Non-controlling interests	54	97

(3) Semi-annual consolidated statements of cash flows

(Million yen)

	Six months ended June 30, 2025	Six months ended June 30, 2026
Cash flows from operating activities		
Income before income taxes	7,876	8,335
Depreciation and amortization	5,774	6,093
Increase (decrease) in allowance for doubtful accounts	33	1
Increase (decrease) in provision for product recalls	(15)	–
Increase (decrease) in provision for share awards	82	50
Increase (decrease) in other provisions	0	0
Decrease (increase) in retirement benefit asset	(127)	(157)
Increase (decrease) in retirement benefit liability	7	4
Interest and dividend income	(826)	(927)
Interest expenses	83	172
Foreign exchange losses (gains)	269	35
Loss (gain) on sale of investment securities	(1,187)	(277)
Loss (gain) on valuation of investment securities	182	464
Loss (gain) on disposal of non-current assets	581	912
Loss (gain) on sale of non-current assets	–	(879)
Share of loss (profit) of entities accounted for using equity method	(90)	(20)
Subsidy income	(46)	(341)
Special suspense account for tax purpose reduction entry	40	336
Decrease (increase) in trade receivables	4,108	(918)
Decrease (increase) in inventories	(1,073)	(2,900)
Increase (decrease) in trade payables	(959)	3,026
Other	3,716	322
Subtotal	18,429	13,333
Interest and dividends received	799	915
Interest paid	(86)	(182)
Subsidies received	46	341
Income taxes paid	(2,511)	(2,394)
Net cash provided by (used in) operating activities	16,678	12,013
Cash flows from investing activities		
Decrease (increase) in time deposits	190	685
Purchase of investment securities	(386)	(182)
Proceeds from sales of investment securities	1,618	325
Purchase of property, plant and equipment	(17,803)	(14,286)
Proceeds from sale of property, plant and equipment	–	2,069
Other	(932)	(2,904)
Net cash provided by (used in) investing activities	(17,313)	(14,292)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	75	–
Proceeds from long-term borrowings	3,700	–
Repayments of long-term borrowings	(3,791)	(70)
Proceeds from sale of treasury stock	0	0
Purchase of treasury stock	(4,063)	(2,708)
Decrease (increase) in deposits for share repurchase	(1,137)	(293)
Repayments of lease obligations	(90)	(98)
Dividends paid	(3,366)	(3,494)
Dividends paid to non-controlling interests	(38)	(41)
Net cash provided by (used in) financing activities	(8,712)	(6,706)

(Million yen)

	Six months ended June 30, 2025	Six months ended June 30, 2026
Effect of exchange rate change on cash and cash equivalents	(551)	81
Net increase (decrease) in cash and cash equivalents	(9,898)	(8,903)
Cash and cash equivalents at beginning of the period	40,433	28,763
Cash and cash equivalents at end of the period	30,534	19,860

(4) Notes to semi-annual consolidated financial statements

(Notes on going concern assumption)

Not applicable

(Notes on significant changes in the amount of shareholders’ equity)

The Company acquired 1,497,300 shares of treasury stock pursuant to a resolution passed by the Board of Directors at a meeting held on February 12, 2026. As a result, during the period under review, treasury stock increased by ¥2,587 million, bringing the total of treasury stock to ¥3,545 million as of June 30, 2026.

(Segment information, etc.)

Segment information

I. Six months ended June 30, 2025 (January 1, 2025 to June 30, 2025)

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

(Million yen)

	Reportable segment						Other Businesses[1]	Total	Adjustment[2]	Amount recorded in semi-annual consolidated statements of income[3]
	Commodity Chemicals	Polymer & Oligomer	Adhesive Material	Performance Chemicals	Plastics	Total				
Net sales										
External sales	36,180	17,538	6,761	5,013	13,733	79,226	1,117	80,344	–	80,344
Intersegment sales or transfers	2,026	691	18	225	336	3,296	819	4,116	(4,116)	–
Total	38,206	18,229	6,779	5,239	14,069	82,523	1,937	84,460	(4,116)	80,344
Segment profit (loss)	4,681	1,266	263	459	1,172	7,842	290	8,132	(1,114)	7,018

Notes:

1. “Other Businesses” is a miscellaneous segment covering businesses that do not belong to any reportable segment. It includes operations related to trading-house operations and goods transportation.
2. Adjustment of segment profit (loss) includes ¥(1) million in intersegment transaction eliminations and ¥(1,112) million in corporate expenses that belong to no reportable segment. The corporate expenses primarily include the corporate research and development expenses that are not managed as attributable to any specific reportable segment.
3. Segment profit (loss) is reconciled to operating income reported in the semi-annual consolidated statements of income.

2 Impairment of non-current assets or goodwill, etc. by reportable segment

The disclosure is omitted as the amount is immaterial.

II. Six months ended June 30, 2026 (January 1, 2026 to June 30, 2026)

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

(Million yen)

	Reportable segment						Other Businesses[1]	Total	Adjustment[2]	Amount recorded in semi-annual consolidated statements of income[3]
	Commodity Chemicals	Polymer & Oligomer	Adhesive Material	Performance Chemicals	Plastics	Total				
Net sales										
External sales	33,352	19,624	7,296	5,727	15,208	81,209	1,195	82,405	–	82,405
Intersegment sales or transfers	1,956	835	39	108	500	3,440	829	4,269	(4,269)	–
Total	35,309	20,459	7,335	5,836	15,709	84,650	2,024	86,675	(4,269)	82,405
Segment profit (loss)	3,500	2,396	206	903	1,849	8,856	302	9,159	(1,247)	7,912

Notes:

1. “Other Businesses” is a miscellaneous segment covering businesses that do not belong to any reportable segment. It includes operations related to trading-house operations and goods transportation.
2. Adjustment of segment profit (loss) includes ¥3 million in intersegment transaction eliminations and ¥(1,250) million in corporate expenses that belong to no reportable segment. The corporate expenses primarily include the corporate research and development expenses that are not managed as attributable to any specific reportable segment.
3. Segment profit (loss) is reconciled to operating income reported in the semi-annual consolidated statements of income.

2 Changes in reportable segment

Change in the classification of the "Other Businesses" segment

Since the fourth quarter of the previous fiscal year, following a revision of management reporting unit classifications, expenses related to the research and development business for new products that were previously included in the "Other Businesses" segment have been recorded as corporate expenses and included in the adjustment of segment profit (loss). Segment information for the six months ended June 30, 2025 has been prepared based on the revised classification.

3 Impairment of non-current assets or goodwill, etc. by reportable segment

The disclosure is omitted as the amount is immaterial.