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May 12, 2025

## Consolidated Financial Results for the Three Months Ended March 31, 2025 (Under Japanese GAAP)

Company name: Taki Chemical Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 4025  
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 Representative: Katsuhiko Taki, Representative Director, President  
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 Scheduled date to commence dividend payments: —  
 Preparation of supplementary material on financial results: None  
 Holding of financial results briefing: None

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

### 1. Consolidated financial results for the three months ended March 31, 2025 (from January 1, 2025 to March 31, 2025)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended March 31, 2025	9,867	6.3	690	38.9	771	34.1	556	32.9
March 31, 2024	9,279	4.9	497	100.5	575	98.3	418	34.1

Note: Comprehensive income For the three months ended March 31, 2025: ¥822 million [(64.8)%]  
 For the three months ended March 31, 2024: ¥2,337 million [332.6%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2025	65.61	—
March 31, 2024	49.42	—

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of March 31, 2025	59,710	38,662	64.0
December 31, 2024	58,402	37,959	64.9

Reference: Equity  
 As of March 31, 2025: ¥38,236 million  
 As of December 31, 2024: ¥37,881 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	—	—	—	55.00	55.00
Fiscal year ending December 31, 2025	—				
Fiscal year ending December 31, 2025 (Forecast)		—	—	60.00	60.00

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

### Breakdown of year-end dividend

For the fiscal year ended December 31, 2024: Ordinary dividend: ¥50.00  
 Commemorative dividend: ¥5.00 (Commemorating the appointment of the new President)

For the fiscal year ending December 31, 2025 (forecast): Ordinary dividend: ¥60.00

## 3. Consolidated earnings forecast for the fiscal year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	41,000	5.4	1,300	(51.3)	1,850	(41.5)	1,650	(28.2)	194.60

Note: Revisions to the earnings forecast most recently announced: None

**\*Notes**

- (1) Significant changes in the scope of consolidation during the period: None

Newly included: 0 companies

Excluded: 0 companies

- (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

\* For more information, please see “(3) Notes to Quarterly Consolidated Financial Statements (Notes on Changes in Accounting Policies)” in “2. Quarterly Consolidated Financial Statements and Significant Notes Thereto” on page 8 of the appendix.

- (4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2025	9,458,768
As of December 31, 2024	9,458,768

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

As of March 31, 2025	981,290
As of December 31, 2024	981,251

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

Three months ended March 31, 2025	8,477,496
Three months ended March 31, 2024	8,466,124

- \* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: None

- \* Proper use of earnings forecasts, and other special matters

The earnings forecast is based on information available to the Company as of the date of this document as well as certain assumptions it believes to be reasonable, and actual results may differ materially due to various factors. Please also see “(3) Explanation of Consolidated Earnings Forecast and Other Forward-Looking Information” in “1. Overview of Operating Results and Others” on page 3 of the appendix.

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## 1. Overview of Operating Results and Others

### (1) Overview of Operating Results for the Three Months Ended March 31, 2025

Given the backdrop of rebounding economic and social activities, during the three-month period under review, the Japanese economy continued recovering gradually due partly to the effects of various government policies. However, the situation remained uncertain due to downside risks caused by price increases, the US policy trends such as trade policies, the impact of fluctuations in financial and capital markets, and other factors.

Working against this backdrop, the Group focused on enhancing the profitability of its current businesses in line with the Medium-term Management Plan 2028 launched in January 2024. As a result, net sales for the three months under review totaled ¥9,867 million (up 6.3% versus the same period last year), operating profit was ¥690 million (up 38.9% versus the same period last year), ordinary profit was ¥771 million (up 34.1% versus the same period last year), and profit attributable to owners of parent was ¥556 million (up 32.9% versus the same period last year).

Operating results by segment are as shown below.

#### Agriculture

In addition to an increase in fertilizer sales volume, selling prices rose due to higher raw materials prices, resulting in net sales of ¥2,934 million, a significant increase of 12.7% versus the same period last year, and operating profit came to ¥187 million (operating profit of ¥12 million in the same period last year).

#### Chemicals

Net sales of water treatment chemicals totaled ¥2,947 million, an increase of 6.7% versus the same period last year, as the sales volume of ultra-high-basicity polyaluminum chloride increased and due to work to revise selling prices resulting from higher raw material prices.

Net sales of functional materials amounted to ¥1,474 million, an increase of 2.0% versus the same period last year, as sales volume of aluminum chloride with high basicity for automotive ceramic fibers remained strong despite lower sales volume of high-purity tantalum oxide for smartphones.

Net sales of other chemical products totaled ¥35 million, down 10.2% versus the same period last year.

As a result, net sales came to ¥4,458 million, an increase of 4.9% versus the same period last year, and operating profit came to ¥389 million, an increase of 2.3% versus the same period last year.

#### Construction materials

Despite sales volume of gypsum board remaining at the same level as the same period last year, net sales came to ¥933 million, an increase of 4.3% versus the same period last year, due to rising selling prices, while operating profit came to ¥19 million, a decrease of 8.2% versus the same period last year, due mainly to higher raw material prices.

#### Petroleum

In addition to an increase in fuel oil sales volume, selling prices rose, resulting in net sales totaling ¥575 million, an increase of 15.7% versus the same period last year, while operating profit came to ¥4 million, a decrease of 33.5% versus the same period last year.

#### Real estate

Despite rental income at shopping centers remaining at the same level as the same period last year, net sales came to ¥331 million, a decrease of 2.1% versus the same period last year, due mainly to a decrease in rental properties, resulting in operating profit of ¥188 million, a decrease of 4.0% versus the same period last year.

#### Transportation

Despite increases in transported cargo and handling volume, net sales came to ¥634 million, a decrease of 8.7% versus the same period last year, as products sales decreased. However, operating profit came to ¥92 million, an increase of 57.2% versus the same period last year, due to a decrease in repair expenses.

### **(2) Overview of Financial Position for the Three Months Ended March 31, 2025**

Total assets at the end of the first quarter of the current fiscal year came to ¥59,710 million (up ¥1,307 million from the end of the previous fiscal year). Current assets totaled ¥27,235 million (down ¥39 million from the end of the previous fiscal year) due primarily to a decrease of ¥1,572 million in cash and deposits, despite increases of ¥245 million in notes and accounts receivable - trade, ¥423 million in electronically recorded monetary claims - operating and ¥572 million in merchandise and finished goods. Non-current assets came to ¥32,475 million (up ¥1,347 million from the end of the previous fiscal year) due primarily to increases of ¥732 million in property, plant and equipment and ¥511 million in investment securities.

Total liabilities amounted to ¥21,047 million (up ¥604 million from the end of the previous fiscal year) due primarily to increases of ¥292 million in notes and accounts payable - trade, ¥249 million in provision for bonuses, ¥281 million in long-term borrowings (including current portion of long-term borrowings), and ¥310 million in deferred tax liabilities, despite a decrease of ¥479 million in income taxes payable.

Net assets totaled ¥38,662 million (up ¥703 million from the end of the previous fiscal year) due primarily to increases of ¥263 million in valuation difference on available-for-sale securities and ¥349 million in non-controlling interests due to the consolidation of RAKUTO KASEI INDUSTRIAL CO., LTD. as a new subsidiary.

### **(3) Explanation of Consolidated Earnings Forecast and Other Forward-Looking Information**

No changes have been made to the earnings forecast for the fiscal year ending December 31, 2025, which was announced on February 10, 2025.

## 2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

### (1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of December 31, 2024	As of March 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	7,458	5,886
Notes and accounts receivable - trade	10,251	10,497
Electronically recorded monetary claims - operating	2,568	2,991
Merchandise and finished goods	3,980	4,552
Work in process	301	390
Raw materials and supplies	1,957	2,137
Other	771	795
Allowance for doubtful accounts	(14)	(15)
Total current assets	27,274	27,235
Non-current assets		
Property, plant and equipment		
Buildings and structures	24,179	24,577
Accumulated depreciation	(16,194)	(16,688)
Buildings and structures, net	7,985	7,888
Machinery, equipment and vehicles	16,762	17,553
Accumulated depreciation	(15,462)	(16,229)
Machinery, equipment and vehicles, net	1,299	1,323
Tools, furniture and fixtures	1,653	1,725
Accumulated depreciation	(1,411)	(1,488)
Tools, furniture and fixtures, net	241	237
Land	7,112	7,615
Leased assets	449	449
Accumulated depreciation	(141)	(148)
Leased assets, net	308	300
Construction in progress	44	356
Total property, plant and equipment	16,990	17,723
Intangible assets		
Goodwill	–	89
Leasehold interests in land	66	66
Software	213	184
Right to use water facilities, etc.	9	10
Software in progress	4	4
Total intangible assets	293	354
Investments and other assets		
Investment securities	13,649	14,160
Deferred tax assets	32	23
Other	196	247
Allowance for doubtful accounts	(34)	(34)
Total investments and other assets	13,844	14,397
Total non-current assets	31,128	32,475
<b>Total assets</b>	<b>58,402</b>	<b>59,710</b>

(Millions of yen)

	As of December 31, 2024	As of March 31, 2025
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	6,703	6,995
Short-term borrowings	529	502
Current portion of long-term borrowings	62	136
Lease liabilities	34	33
Accounts payable - other	1,439	1,570
Income taxes payable	749	269
Accrued consumption taxes	266	136
Provision for bonuses	43	292
Provision for loss on disaster	159	171
Other	500	487
Total current liabilities	10,489	10,596
Non-current liabilities		
Long-term borrowings	283	489
Lease liabilities	308	300
Deferred tax liabilities	2,610	2,920
Provision for loss on disaster	360	337
Retirement benefit liability	3,735	3,766
Guarantee deposits received	2,516	2,498
Other	140	138
Total non-current liabilities	9,954	10,451
Total liabilities	20,443	21,047
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,147	2,147
Capital surplus	1,446	1,446
Retained earnings	28,311	28,401
Treasury shares	(1,352)	(1,352)
Total shareholders' equity	30,552	30,642
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,350	7,613
Remeasurements of defined benefit plans	(20)	(19)
Total accumulated other comprehensive income	7,329	7,593
Non-controlling interests	77	426
Total net assets	37,959	38,662
Total liabilities and net assets	58,402	59,710



**(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income****(Quarterly Consolidated Statement of Income)**  
**(First three-month period)**

(Millions of yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Net sales	9,279	9,867
Cost of sales	7,224	7,536
Gross profit	2,054	2,330
Selling, general and administrative expenses	1,557	1,640
Operating profit	497	690
Non-operating income		
Interest income	1	2
Dividend income	35	67
Other	47	24
Total non-operating income	83	94
Non-operating expenses		
Interest expenses	2	3
Foreign exchange losses	–	7
Other	2	2
Total non-operating expenses	5	13
Ordinary profit	575	771
Extraordinary income		
Gain on sale of non-current assets	–	2
Gain on sale of investment securities	4	9
Total extraordinary income	4	11
Extraordinary losses		
Loss on retirement of non-current assets	1	4
Loss on valuation of investment securities	–	8
Total extraordinary losses	1	13
Profit before income taxes	578	770
Income taxes - current	134	249
Income taxes - deferred	22	(37)
Total income taxes	157	212
Profit	421	558
Profit attributable to non-controlling interests	2	2
Profit attributable to owners of parent	418	556

**(Quarterly Consolidated Statement of Comprehensive Income)**  
**(First three-month period)**

(Millions of yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Profit	421	558
Other comprehensive income		
Valuation difference on available-for-sale securities	1,915	263
Remeasurements of defined benefit plans, net of tax	1	1
Total other comprehensive income	1,916	264
Comprehensive income	2,337	822
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,335	820
Comprehensive income attributable to non-controlling interests	2	2

**(3) Notes to Quarterly Consolidated Financial Statements**  
**(Notes on Significant Changes in Shareholders' Equity)**

Not applicable

**(Notes on Going Concern Assumption)**

Not applicable

**(Notes on Changes in Accounting Policies)**

*Application of the "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; the "Revised Accounting Standard of 2022"), etc. from the beginning of the first quarter of the current fiscal year.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and to the transitional treatment in the proviso of paragraph 65-2(2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; the "Revised Guidance of 2022"). This change in accounting policies has no impact on the quarterly consolidated financial statements.

In addition, for changes related to the revised treatment in consolidated financial statements when a gain or loss on sale arising from the sale of shares of subsidiaries, etc. among consolidated companies is deferred for tax purposes, the Revised Guidance of 2022 has been applied from the beginning of the first quarter of the current fiscal year. This change in accounting policies has been applied retrospectively, and is reflected in the quarterly consolidated financial statements for the same period of the previous fiscal year and the consolidated financial statements for the previous fiscal year. This change in accounting policies has no impact on the quarterly consolidated financial statements for the same period of the previous fiscal year and the consolidated financial statements for the previous fiscal year.

**(Notes on Quarterly Consolidated Statement of Cash Flows)**

Quarterly consolidated statement of cash flows for the three months ended March 31, 2025 is not prepared. The amounts of depreciation (including amortization of intangible assets) for the three months ended March 31, 2024 and 2025 are as follows:

	(Millions of yen)	
	Three months ended March 31, 2024 (from January 1, 2024 to March 31, 2024)	Three months ended March 31, 2025 (from January 1, 2025 to March 31, 2025)
Depreciation	300	315

**(Business Combination, Etc.)**

*Business combination by acquisition*

At a Board of Directors meeting held on December 2, 2024, the Company resolved to acquire 56.3% of the shares of RAKUTO KASEI INDUSTRIAL CO., LTD. and make it a subsidiary, and concluded the share transfer agreement on the same day. On January 7, 2025, the Company acquired the shares of RAKUTO KASEI INDUSTRIAL CO., LTD.

1. Outline of business combination

(1) Name of acquired company and its business content

Name of acquired company: RAKUTO KASEI INDUSTRIAL CO., LTD.  
 Business descriptions: Culture of microorganism, and manufacturing and sales of various enzyme agents.

(2) Main reason for business combination

RAKUTO KASEI INDUSTRIAL CO., LTD. is a manufacturer of enzyme agents focused on culture of bacterial microorganism, including culture trust, as well as agents for desizing textiles, and possesses sophisticated culturing technology and abundant experience and know-how. The acquisition of shares in RAKUTO KASEI INDUSTRIAL CO., LTD. is expected to produce synergies in the biostimulant field of the Group's Agriculture business, one of its core segments; the development of environmentally friendly water treatment chemicals in the Chemicals business; and in new research and development. We expect these synergies to act as a powerful driving force toward the achievement of our long-term vision, and therefore decided to acquire the shares in RAKUTO KASEI INDUSTRIAL CO., LTD. and make it a subsidiary.

(3) Date of the business combination

Share acquisition date: January 7, 2025  
 Deemed acquisition date: January 31, 2025

(4) Legal form of the business combination

Share acquisition in consideration for cash

(5) Name of entity after the business combination

Unchanged.

(6) Ratio of voting rights acquired

56.3%

(7) Main reason for deciding the acquiring enterprise

The Company is the acquiring enterprise as it acquired the shares in consideration for cash.

2. Period of the results of the acquired company included in the quarterly consolidated statement of income

The deemed acquisition date of the acquired company is January 31, 2025. Accordingly, only the balance sheet has been consolidated in the quarterly consolidated financial statements, and the quarterly consolidated income statement does not include the results of the acquired company.

3. Acquisition cost for the acquired enterprise and breakdown by type of consideration

Consideration for acquisition	Cash	¥536 million
Acquisition cost		¥536 million

4. Amount of goodwill recognized, the reason for recognition, and the method and period of amortization

(1) Amount of goodwill recognized

¥89 million

(2) Reason for recognition

Mainly from the excess earning power expected from future business development.

(3) Method and period of amortization

Straight-line method over ten years

**(Notes on Segment Information, etc.)****I. Three months ended March 31, 2024 (from January 1, 2024 to March 31, 2024)****1. Information on amounts of net sales and profit or loss for each reportable segment, and information on disaggregation of revenue**

(Millions of yen)

	Reportable segments							Adjustments (Note 1)	Quarterly consolidated statement of income amounts (Note 2)
	Agriculture	Chemicals	Construction materials	Petroleum	Real estate	Transportation	Total		
Net sales									
Agriculture	2,603	—	—	—	—	—	2,603	—	2,603
Water treatment chemicals	—	2,763	—	—	—	—	2,763	—	2,763
Functional materials	—	1,445	—	—	—	—	1,445	—	1,445
Construction materials	—	—	895	—	—	—	895	—	895
Petroleum	—	—	—	491	—	—	491	—	491
Real estate	—	—	—	—	2	—	2	—	2
Transportation	—	—	—	—	—	668	668	—	668
Others	—	39	—	—	—	—	39	—	39
Revenue from contracts with customers	2,603	4,248	895	491	2	668	8,910	—	8,910
Other revenue (Note 3)	—	—	—	6	336	26	368	—	368
Sales to external customers	2,603	4,248	895	497	338	695	9,279	—	9,279
Intersegment sales or transfers	—	13	—	30	19	131	194	(194)	—
Total	2,603	4,262	895	527	358	826	9,473	(194)	9,279
Segment profit	12	380	21	6	196	58	676	(179)	497

- Notes: 1. The adjustment to segment profit of negative ¥179 million represents corporate expenses, etc. not allocated to each reportable segment.  
2. Segment profit is adjusted with operating profit in the quarterly consolidated statement of income.  
3. Other revenue consists of transactions included in the scope of the Accounting Standard for Lease Transactions.

**2. Information on impairment losses on non-current assets or goodwill, etc. for each reportable segment**

Not applicable

## II. Three months ended March 31, 2025 (from January 1, 2025 to March 31, 2025)

## 1. Information on amounts of net sales and profit or loss for each reportable segment, and information on disaggregation of revenue

(Millions of yen)

	Reportable segments							Adjustments (Note 1)	Quarterly consolidated statement of income amounts (Note 2)
	Agriculture	Chemicals	Construction materials	Petroleum	Real estate	Transportation	Total		
Net sales									
Agriculture	2,934	—	—	—	—	—	2,934	—	2,934
Water treatment chemicals	—	2,947	—	—	—	—	2,947	—	2,947
Functional materials	—	1,474	—	—	—	—	1,474	—	1,474
Construction materials	—	—	933	—	—	—	933	—	933
Petroleum	—	—	—	570	—	—	570	—	570
Real estate	—	—	—	—	1	—	1	—	1
Transportation	—	—	—	—	—	606	606	—	606
Others	—	35	—	—	—	—	35	—	35
Revenue from contracts with customers	2,934	4,458	933	570	1	606	9,504	—	9,504
Other revenue (Note 3)	—	—	—	4	329	28	363	—	363
Sales to external customers	2,934	4,458	933	575	331	634	9,867	—	9,867
Intersegment sales or transfers	—	16	—	27	19	147	211	(211)	—
Total	2,934	4,474	933	603	351	782	10,079	(211)	9,867
Segment profit	187	389	19	4	188	92	881	(191)	690

- Notes: 1. The adjustment to segment profit of negative ¥191 million represents corporate expenses, etc. not allocated to each reportable segment.  
2. Segment profit is adjusted with operating profit in the quarterly consolidated statement of income.  
3. Other revenue consists of transactions included in the scope of the Accounting Standard for Lease Transactions.

## 2. Information on impairment losses on non-current assets or goodwill, etc. for each reportable segment

*Significant changes in the amount of goodwill*

In the Chemicals segment, goodwill was recognized as a result of the Company acquiring shares of RAKUTO KASEI INDUSTRIAL CO., LTD. and making it a consolidated subsidiary. The increase in the amount of goodwill caused by this event was ¥89 million for the three-month period under review.