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February 12, 2026

## Consolidated Financial Results for the Fiscal Year Ended December 31, 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 of annual general meeting of shareholders: March 27, 2026  
 Scheduled date to commence dividend payments: March 30, 2026  
 Scheduled date to file annual securities report: March 25, 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 fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2025	162,312	(3.2)	14,180	(0.4)	15,067	(5.8)	12,766	7.5
December 31, 2024	167,594	5.2	14,233	13.9	15,993	10.3	11,877	(2.5)

Note: Comprehensive income For the fiscal year ended December 31, 2025: ¥16,143 million [5.2%]  
 For the fiscal year ended December 31, 2024: ¥15,343 million [(9.9)%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
December 31, 2025	117.02	-	6.0	5.3	8.7
December 31, 2024	104.56	-	5.6	5.8	8.5

Reference: Share of profit (loss) of entities accounted for using equity method  
 For the fiscal year ended December 31, 2025: ¥39 million  
 For the fiscal year ended December 31, 2024: ¥227 million

#### (2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
December 31, 2025	289,105	215,944	74.3	2,002.20
December 31, 2024	278,020	213,668	76.5	1,897.60

Reference: Equity  
 As of December 31, 2025: ¥214,807 million  
 As of December 31, 2024: ¥212,586 million

**(3) Consolidated cash flows**

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
December 31, 2025	22,294	(29,635)	(4,495)	28,763
December 31, 2024	20,183	(13,594)	(14,507)	40,433

**2. Cash dividends**

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended December 31, 2024	-	30.00	-	30.00	60.00	6,788	57.4	3.2
Fiscal year ended December 31, 2025	-	32.50	-	32.50	65.00	7,062	55.5	3.3
Fiscal year ending December 31, 2026 (Forecast)	-	35.00	-	35.00	70.00		64.5	

**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
First half, 2026	81,500	1.4	7,000	(0.3)	7,400	(1.3)	5,700	(0.3)	53.64
Fiscal 2026	167,000	2.9	14,500	2.3	15,100	0.2	11,500	(9.9)	108.56

\* **Notes**

- (1) Significant changes in the scope of consolidation during the period: Yes  
 Newly included: 1 company (TOAGOSEI CHEMICAL INDIA PRIVATE LIMITED)
- (2) 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

(3) Number of issued shares (common shares)

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

As of December 31, 2025	108,000,000 shares
As of December 31, 2024	113,000,000 shares

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

As of December 31, 2025	714,199 shares
As of December 31, 2024	970,946 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended December 31, 2025	109,096,542 shares
Fiscal year ended December 31, 2024	113,587,674 shares

**[Reference] Overview of non-consolidated financial results**

**1. Non-consolidated financial results for the fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)**

**(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2025	108,730	(5.3)	10,159	(6.9)	13,340	(2.6)	12,716	2.5
December 31, 2024	114,789	6.3	10,916	11.2	13,694	(9.3)	12,403	(12.9)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
December 31, 2025	116.57	-
December 31, 2024	109.20	-

**(2) Non-consolidated financial position**

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
December 31, 2025	255,164	173,064	67.8	1,613.11
December 31, 2024	244,750	172,276	70.4	1,537.78

Reference: Equity

As of December 31, 2025: ¥173,064 million  
 As of December 31, 2024: ¥172,276 million

\* Financial results reports are exempt from audit 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) Overview of operating results for the fiscal year under review

#### (a) Overview of the fiscal year under review

During the fiscal year ended December 31, 2025 (the “fiscal year under review”), the global economy maintained generally resilient growth, supported in part by expanding AI-related investment, despite continued uncertainties such as U.S. tariff policies and heightened geopolitical risks. Amid this environment, regional disparities were evident. The U.S. sustained growth driven mainly by domestic demand, while China’s recovery remained sluggish and Europe continued to experience low growth. In Japan, although wage increases continued, inflation outpaced wage growth. While improvements in the employment environment, the recovery of inbound demand, and rising share prices provided some support, the economic recovery lacked strong momentum.

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. In addition, we promoted the sale of cross-shareholdings to improve capital efficiency. As a result, the Group recorded the following financial results for the period under review.

Net sales:	¥162,312 million (−3.2% YOY)
Operating income:	¥14,180 million (−0.4% YOY)
Ordinary income:	¥15,067 million (−5.8% YOY)
Net income attributable to owners of parent:	¥12,766 million (+7.5% 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 volume 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 ¥71,772 million (−9.3% YOY).

Operating income totaled ¥8,752 million (+3.0% YOY) due to a reduction in fixed costs, which partially offset decreased overall sales volume.

##### II. Polymer & Oligomer

Acrylic polymers saw higher sales revenue due to an increase in sales volume for cosmetics and semiconductor applications. Acrylic oligomers recorded higher sales revenue as rising raw material costs were passed on through selling prices. Polymer flocculants posted an increase in sales revenue due to higher sales volume overseas and improved profitability in the domestic market. As a result of these factors, this segment posted net sales of ¥36,169 million (+2.8% YOY).

Operating income decreased 20.1% year on year to ¥3,018 million due to higher raw material prices and an increase in fixed costs.

##### III. Adhesive Material

For consumers, sales revenue increased owing the effect of organizational changes following the dissolution of a joint venture in the United States. Functional adhesives saw an increase in sales revenue due to firm sales volume for automotive parts and smartphone components. As a result, this segment posted net sales of ¥13,607 million (+2.0% YOY).

Operating income totaled ¥323 million (−21.0% 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 higher sales revenue due to improved profitability of inorganic antimicrobial agents. As a result, this segment posted net sales of ¥10,225 million (+0.3% YOY).

Operating income fell 7.7% year on year to ¥1,177 million resulting from a decrease in sales volume of high-purity inorganic chemicals.

#### V. Plastics

Environment & infrastructure system products (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 ¥28,177 million (+1.7% YOY).

Operating income increased 56.4% year on year to ¥2,754 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 trading-house operations, goods transportation, and among others, recorded increased sales revenue in its trading department. As a result, this segment posted net sales of ¥2,360 million (+16.9% YOY).

Operating income increased 8.5% year on year to ¥398 million, reflecting higher income in the trading department.

Effective from the fiscal year under review, the Company has revised its management reporting units. Expenses related to the research and development business for new products, which were previously included in Other Businesses, are now recorded as corporate expenses and presented as adjustment of segment profit (loss). Year-on-year comparisons are based on figures for the previous fiscal year prepared in accordance with the revised classification.

### (2) Overview of financial position for the fiscal year under review

**Total assets:** Total assets amounted to ¥289,105 million, up ¥11,084 million (4.0%) from the end of the previous fiscal year. The main contributor to this increase was an increase in “construction in progress” resulting from capital investment.

**Total liabilities:** Total liabilities amounted to ¥73,160 million, up ¥8,808 million (13.7%) from the end of the previous fiscal year. The main contributor to this increase was an increase in “bonds” due to the issuance of new bonds.

**Total net assets:** Total net assets amounted to ¥215,944 million, up ¥2,276 million (1.1%) 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.”

**Net worth ratio:** Net worth ratio amounted to 74.3%.

### (3) Overview of cash flows for the fiscal year under review

**Cash flows from operating activities:** Net cash provided by operating activities totaled ¥22,294 million, an increase of ¥2,111 million compared to the previous fiscal year, resulting from a decrease in receivables.

**Cash flows from investing activities:** Net cash used in investing activities totaled ¥29,635 million, an increase of ¥16,040 million compared to the previous fiscal year. This was attributable to an increase in purchase of property, plant and equipment.

**Cash flows from financing activities:** Net cash used in financing activities totaled ¥4,495 million, a decrease of ¥10,012 million compared to the previous fiscal year. This result reflected an increase in proceeds from issuance of bonds.

As a result, the balance of cash and cash equivalents at the end of the fiscal year under review was ¥28,763 million, a decrease of ¥11,670 million from the end of the previous fiscal year.

(Reference) Cash flow indicators

	Fiscal 2023	Fiscal 2024	Fiscal 2025
Equity ratio (%)	77.7	76.5	74.3
Equity ratio based on market value (%)	58.7	61.1	60.9
Interest-bearing debt to cash flow ratio (years)	0.5	0.5	0.9
Interest coverage ratio (times)	171.7	140.1	128.9

Notes:

- The above table uses the following formula, with each indicator stated on a consolidated basis.  
Equity ratio: (Shareholders' equity + Accumulated other comprehensive income) / Total assets  
Equity ratio based on market value: Market capitalization / Total assets  
Interest-bearing debt to cash flow ratio: Interest-bearing debt / Cash flows from operating activities  
Interest coverage ratio: Cash flows from operating activities / Interest paid
- Market capitalization is calculated by multiplying the closing share price at the end of the period by the number of shares outstanding at the end of the period, excluding treasury shares.
- Interest-bearing debt is calculated using total loans payable on the consolidated balance sheets that incur interest, excluding for lease obligations.
- Cash flows from operating activities are based on cash flows provided by operating activities in the consolidated statement of cash flows. For Interest paid, the amount of interest expenses paid in the consolidated statements of cash flows is used.

**(4) Future outlook**

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

As for the future outlook, while instability in the global economy is expected to continue, price increases associated with ongoing inflation are projected to become more evident in Japan.

Under this operating environment, Toagosei Group will work to increase sales volume, improve profitability, and reduce expenses in order to absorb rising labor costs associated with wage increases and secure a level of income comparable to the previous fiscal year.

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

(Millions of yen unless otherwise stated)

	Fiscal 2025	Fiscal 2026	Change	% change
Net sales	162,312	167,000	4,688	2.9%
Operating income	14,180	14,500	320	2.3%
Ordinary income	15,067	15,100	33	0.2%
Net income attributable to owners of parent	12,766	11,500	(1,266)	(9.9%)

**(5) Basic policy for distribution of profit and dividends for the current and next fiscal years**

**Dividend for fiscal 2025:** The year-end dividend for fiscal 2025 will be ¥32.5 per share. In fiscal 2025, we paid an ordinary dividend of ¥32.5 per share as an interim dividend; thus, the annual dividend per share will be ¥65 (dividend payout ratio of 55.5%). We acquired ¥6,999 million (4,825,200 shares) of treasury stock during fiscal 2025, and cancelled 5,000,000 shares. As a result, the total return ratio amounted to 110.1%, including these share buybacks.

**Shareholder returns under the Medium-term Management Plan 2028 “Connect and Create 2028”:** The plan covers the three-year period from 2026 to 2028, during which the Company aims to maintain a total return ratio of approximately 90% and to raise the average dividend payout ratio to around 70% over the course of the plan.

**Dividend for fiscal 2026:** Under the above policy, the Company plans to pay an annual dividend of ¥70 per share in fiscal 2026 (dividend payout ratio of 64.5%, comprising an interim dividend of ¥35 per share and year-end dividend of ¥35 per share). In addition, the Company plans to buy back ¥3.0 billion of its own shares. As a result, the total return ratio is expected to be 90.7%, including these share buybacks.

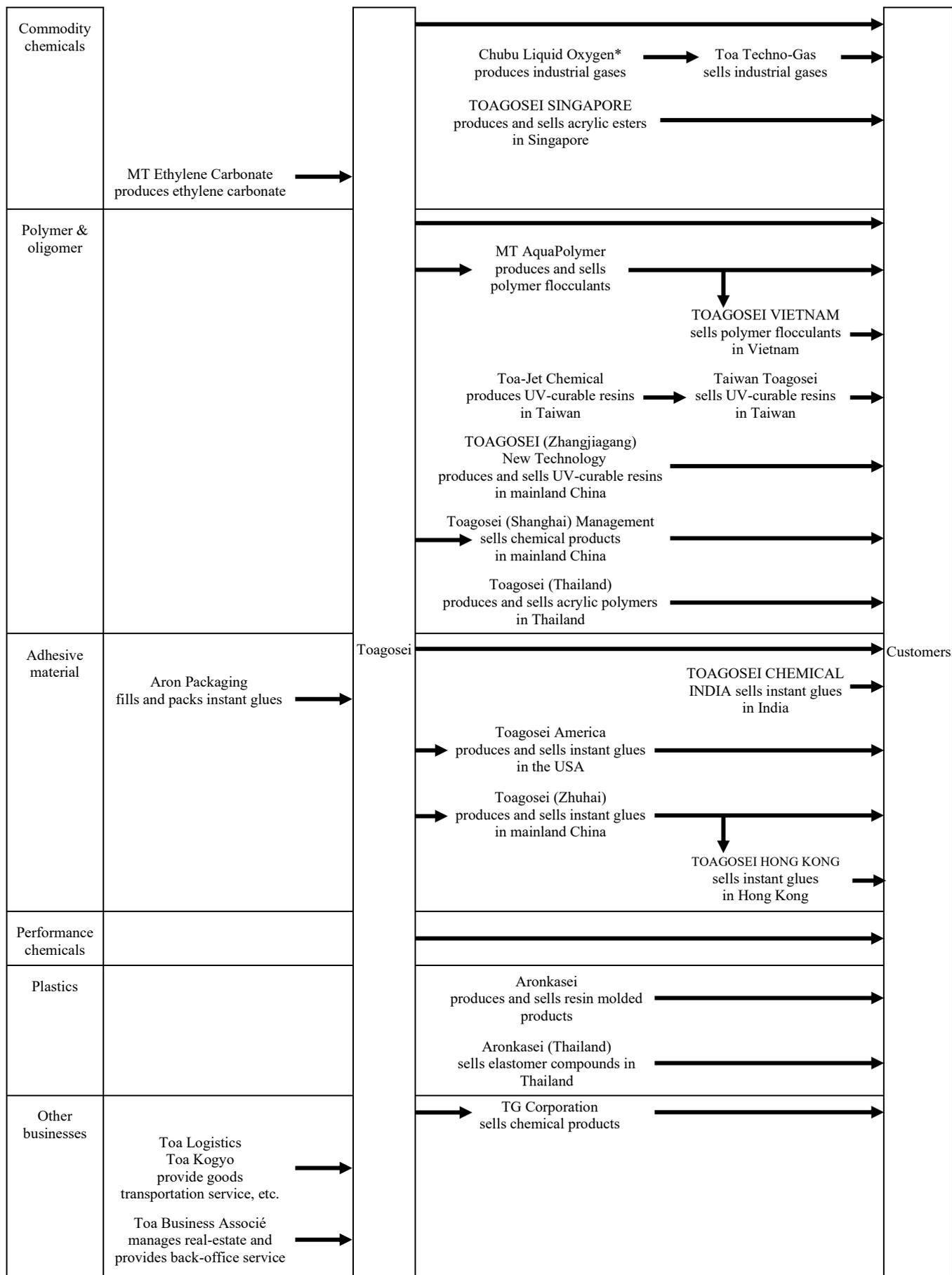
## 2. Information about the Corporate Group

Our corporate group encompasses 24 subsidiaries and 11 associates. The following table shows the relationship between the main group companies and our reportable business segments.

Furthermore, TOAGOSEI CHEMICAL INDIA PRIVATE LIMITED was newly established; therefore, it was included in the scope of consolidation from the fiscal year under review. Additionally, as a result of the dissolution of the joint venture agreement with Elmer's and Toagosei Co., the company has been excluded from the scope of the equity method affiliates in the fiscal year under review.

Segment	Main businesses	Main group companies
Commodity chemicals	Production and sale of electrolysis products (caustic soda, caustic potash, sodium hypochlorite), sulfuric acid, industrial gases and acrylic monomers (acrylic acid and acrylic esters)	Toa Techno-Gas Co., Ltd. TOAGOSEI SINGAPORE PTE. LTD. MT Ethylene Carbonate Co., Ltd. Chubu Liquid Oxygen Co., Ltd. Six affiliates
Polymer & oligomer	Production and sale of acrylic polymers, polymer flocculants, and acrylic oligomers (including UV-curable resins)	MT AquaPolymer, Inc. Toa-Jet Chemical Co., Ltd. Taiwan Toagosei Co., Ltd. TOAGOSEI (Zhangjiagang) New Technology Co., Ltd. Toagosei (Shanghai) Management Co., Ltd. Toagosei (Thailand) Co., Ltd. TOAGOSEI VIETNAM CO., LTD.
Adhesive material	Production and sale of instant glues and functional adhesives	Aron Packaging Co., Ltd. Toagosei America Inc. Toagosei (Zhuhai) Limited TOAGOSEI HONG KONG LIMITED TOAGOSEI CHEMICAL INDIA PRIVATE LIMITED
Performance chemicals	Production and sale of high-purity inorganic chemicals and inorganic functional materials	One subsidiary One affiliate
Plastics	Production and sale of environment & infrastructure system products (piping equipment, etc.), products for construction and civil engineering, nursing care products, etc., and ecological materials (elastomer compounds)	Aronkasei Co., Ltd. Aronkasei (Thailand) Co., Ltd. Two subsidiaries
Other businesses	Operations related to the trading-house operations, and goods transportation, among others	Toa Logistics Co., Ltd. Toa Kogyo Co., Ltd. TG Corporation Toa Business Associ�e Co., Ltd. Three affiliates

The following table illustrates the roles group companies play in the supply chains.



In the above table, an asterisk indicates that the company is an equity-method affiliate. All other companies are consolidated subsidiaries.

### **3. Basic Approach to Selection of Accounting Standards**

In consideration of the comparability with other companies and their reporting periods of financial statements, the Group has prepared consolidated financial statements based on generally accepted accounting principles in Japan, for the time being.

In the future, we may apply International Financial Reporting Standards as appropriate in consideration of situations in both Japan and overseas.

#### 4. Consolidated Financial Statements and Principal Notes

##### (1) Consolidated balance sheets

(Millions of yen)

	As of December 31, 2024	As of December 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	30,821	24,518
Notes and accounts receivable	42,359	38,003
Electronically recorded monetary claims	9,860	11,554
Securities	11,000	7,000
Inventories	24,734	25,469
Other current assets	4,026	4,061
Allowance for doubtful receivables	(52)	(51)
Total current assets	122,750	110,556
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	39,664	40,939
Machinery, equipment and other, net	23,486	24,259
Tools, furniture, and fixtures, net	4,103	4,568
Land	30,445	33,215
Leased assets, net	81	72
Construction in progress	14,070	25,995
Total property, plant and equipment	111,851	129,050
Intangible assets	1,666	4,723
Investments and other assets		
Investment securities	34,023	36,029
Net defined benefit asset	5,014	6,013
Deferred tax assets	66	332
Other assets	2,653	2,441
Allowance for doubtful receivables	(6)	(41)
Total investments and other assets	41,751	44,775
Total non-current assets	155,270	178,548
<b>Total assets</b>	<b>278,020</b>	<b>289,105</b>

(Millions of yen)

	As of December 31, 2024	As of December 31, 2025
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable	18,740	16,513
Short-term borrowings	6,209	6,865
Lease obligations	197	203
Accrued income taxes	2,762	2,543
Accrued bonuses for employees	11	4
Provision for product recalls	154	–
Other current liabilities	20,677	21,247
Total current liabilities	48,753	47,376
Long-term liabilities		
Bonds	–	10,000
Long-term borrowings	4,834	3,770
Lease obligations	1,062	974
Deferred tax liabilities	5,675	6,930
Net defined benefit liability	122	131
Provision for share awards	284	438
Other long-term liabilities	3,619	3,538
Total long-term liabilities	15,598	25,783
Total liabilities	64,352	73,160
<b>Net assets</b>		
Shareholders' equity		
Common stock	20,886	20,886
Capital surplus	14,166	14,166
Retained earnings	157,874	156,396
Treasury stock	(1,375)	(957)
Total shareholders' equity	191,551	190,491
Accumulated other comprehensive income		
Unrealized holding gain on available-for-sale securities	14,537	16,635
Foreign currency translation adjustment	5,260	5,933
Remeasurements of defined benefit plans	1,236	1,747
Total accumulated other comprehensive income	21,034	24,316
Non-controlling interests	1,082	1,136
Total net assets	213,668	215,944
<b>Total liabilities and net assets</b>	<b>278,020</b>	<b>289,105</b>

## (2) Consolidated statements of income and comprehensive income

### Consolidated statements of income

(Million yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Net sales	167,594	162,312
Cost of sales	121,881	115,179
Gross profit	45,712	47,133
Selling, general, and administrative expenses		
Selling expenses	16,267	16,933
General and administrative expenses	15,210	16,018
Total selling, general, and administrative expenses	31,478	32,952
Operating income	14,233	14,180
Non-operating income		
Interest income	344	235
Dividend income	1,299	1,227
Equity in earnings of affiliates	227	39
Foreign currency exchange gains	579	139
Rent income on non-current assets	91	21
Other	143	210
Total non-operating income	2,685	1,874
Non-operating expenses		
Interest expenses	152	244
Environment readiness fee	592	368
Delay damages	–	119
Loss on investments in partnerships	101	57
Inactive facilities expenses	10	7
Other	69	189
Total non-operating expenses	926	987
Ordinary profit	15,993	15,067
Extraordinary income		
Gain on sale of non-current assets	8	–
Gain on sale of investment securities	4,332	5,258
Subsidy income	80	68
Total extraordinary income	4,421	5,327
Extraordinary losses		
Loss on disposal of non-current assets	1,930	2,021
Loss on disaster	141	406
Impairment losses	1,487	398
Loss on valuation of investment securities	302	182
Special suspense account for tax purpose reduction entry	–	40
Total extraordinary losses	3,862	3,049
Income before income taxes	16,553	17,345
Income taxes - current	4,580	4,729
Income taxes - deferred	8	(224)
Total income taxes	4,589	4,504
Net income	11,963	12,840
Net income attributable to non-controlling interests	86	73
Net income attributable to owners of parent	11,877	12,766

Consolidated statements of comprehensive income

(Million yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Net income	11,963	12,840
Other comprehensive income		
Unrealized holding gain on available-for-sale securities	1,221	2,104
Foreign currency translation adjustment	1,290	687
Remeasurements of defined benefit plans, net of tax	867	510
Total other comprehensive income	3,379	3,302
Comprehensive income	15,343	16,143
Comprehensive income attributable to:		
Owners of parent	15,230	16,048
Non-controlling interests	112	94

### (3) Consolidated statements of changes in equity

Fiscal year ended December 31, 2024

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of the year	20,886	14,166	159,562	(786)	193,828
Changes during the year					
Cash dividends			(7,271)		(7,271)
Net income attributable to owners of parent			11,877		11,877
Purchase of treasury stock				(7,004)	(7,004)
Disposal of treasury stock		3		118	121
Cancellation of treasury stock		(6,296)		6,296	–
Transfer from retained earnings to capital surplus		6,293	(6,293)		–
Net changes in items other than shareholders' equity					
Total changes during the year	–	–	(1,688)	(589)	(2,277)
Balance at end of the year	20,886	14,166	157,874	(1,375)	191,551

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Unrealized holding gain on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	13,319	3,992	369	17,681	1,008	212,518
Changes during period						
Cash dividends						(7,271)
Net income attributable to owners of parent						11,877
Purchase of treasury stock						(7,004)
Disposal of treasury stock						121
Cancellation of treasury stock						–
Transfer from retained earnings to capital surplus						–
Net changes in items other than shareholders' equity	1,218	1,267	867	3,353	73	3,427
Total changes during the year	1,218	1,267	867	3,353	73	1,149
Balance at end of the year	14,537	5,260	1,236	21,034	1,082	213,668

Fiscal year ended December 31, 2025

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of the year	20,886	14,166	157,874	(1,375)	191,551
Changes during the year					
Cash dividends			(6,935)		(6,935)
Net income attributable to owners of parent			12,766		12,766
Purchase of treasury stock				(7,002)	(7,002)
Disposal of treasury stock		(8)		119	110
Cancellation of treasury stock		(7,300)		7,300	–
Transfer from retained earnings to capital surplus		7,308	(7,308)		–
Net changes in items other than shareholders' equity					
Total changes during the year	–	–	(1,477)	417	(1,060)
Balance at end of the year	20,886	14,166	156,396	(957)	190,491

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Unrealized holding gain on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	14,537	5,260	1,236	21,034	1,082	213,668
Changes during period						
Cash dividends						(6,935)
Net income attributable to owners of parent						12,766
Purchase of treasury stock						(7,002)
Disposal of treasury stock						110
Cancellation of treasury stock						–
Transfer from retained earnings to capital surplus						–
Net changes in items other than shareholders' equity	2,098	673	510	3,281	54	3,336
Total changes during the year	2,098	673	510	3,281	54	2,276
Balance at end of the year	16,635	5,933	1,747	24,316	1,136	215,944

**(4) Consolidated statements of cash flows**

(Million yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
<b>Cash flows from operating activities</b>		
Income before income taxes	16,553	17,345
Depreciation and amortization	11,302	11,652
Impairment losses	1,487	398
Increase (decrease) in allowance for doubtful accounts	4	33
Increase (decrease) in provision for product recalls	(153)	(154)
Increase (decrease) in provision for share awards	138	154
Increase (decrease) in other provisions	(3)	(6)
Decrease (increase) in retirement benefit asset	(28)	(231)
Increase (decrease) in retirement benefit liability	2	8
Interest and dividend income	(1,644)	(1,463)
Interest expense	152	244
Foreign exchange losses (gains)	(540)	(271)
Loss (gain) on sale of investment securities	(4,332)	(5,258)
Loss (gain) on valuation of investment securities	302	182
Loss (gain) on disposal of non-current assets	1,930	2,021
Loss (gain) on sale of non-current assets	(8)	–
Share of loss (profit) of entities accounted for using equity method	(227)	(39)
Subsidy income	(80)	(68)
Special suspense account for tax purpose reduction entry	–	40
Decrease (increase) in trade receivables	(930)	2,711
Decrease (increase) in inventories	309	(631)
Increase (decrease) in trade payables	(464)	(2,265)
Other	(1,315)	1,431
Subtotal	22,453	25,833
Interest and dividends received	1,900	1,495
Interest paid	(144)	(172)
Subsidies income received	80	68
Income taxes paid	(4,107)	(4,930)
Net cash provided by (used in) operating activities	20,183	22,294
<b>Cash flows from investing activities</b>		
Decrease (increase) in time deposits	5,365	(1,350)
Decrease (increase) in short-term investment securities	2,000	–
Purchase of investment securities	(770)	(818)
Proceeds from sales of investment securities	5,373	7,107
Purchase of property, plant and equipment	(22,043)	(27,975)
Proceeds from sale of property, plant and equipment	17	–
Purchase of intangible assets	(558)	(3,444)
Other	(2,978)	(3,154)
Net cash provided by (used in) investing activities	(13,594)	(29,635)

(Million yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(10)	–
Proceeds from long-term borrowings	124	3,700
Repayments of long-term borrowings	(183)	(4,097)
Proceeds from issuance of bonds	–	10,000
Proceeds from sale of treasury stock	3	0
Purchase of treasury stock	(7,004)	(7,002)
Decrease (increase) in deposits for share repurchase	(0)	–
Repayments of lease obligations	(141)	(132)
Dividends paid	(7,257)	(6,923)
Dividends paid to non-controlling interests	(39)	(39)
Net cash provided by (used in) financing activities	(14,507)	(4,495)
Effect of exchange rate change on cash and cash equivalents	716	166
Net increase (decrease) in cash and cash equivalents	(7,202)	(11,670)
Cash and cash equivalents at beginning of the period	47,636	40,433
Cash and cash equivalents at end of the period	40,433	28,763

## (5) Notes

(Notes on going concern assumption)

Not applicable

(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 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 consolidated financial statements for the previous fiscal year are after retrospective application. This change in accounting policies has no impact on the consolidated financial statements for the previous fiscal year.

(Changes in presentation method)

*Consolidated statement of cash flows*

“Purchase of intangible assets,” which was included in “other” of “cash flows from investing activities” in the previous consolidated fiscal year, is stated as an independent item from fiscal 2025 because it increased in materiality. In order to reflect this change in the presentation method, the consolidated financial statement for fiscal 2024 has been restated.

As a result, the ¥(3,537) million presented in “other” of “cash flows from investing activities” in the consolidated statement of cash flows for fiscal 2024 has been restated as “purchase of intangible assets” of ¥(558) million and “other” of ¥(2,978) million.

(Consolidated statement of income)

*Impairment losses*

Fiscal year ended December 31, 2024 (From January 1, 2024 to December 31, 2024)

Impairment losses were recorded for the following assets or asset groups.

(Million yen)

Location	Use	Item	Amount
Singapore	Acrylic ester production facilities, etc.	Leased assets, machinery, equipment and other	1,412
Tsurumi-ku, Yokohama	Dormitory	Building and other	74

*Background and method of asset grouping*

The Company operates multiple businesses, and for business assets, the operating departments are the smallest asset groups in each segment of commodity chemicals, polymer & oligomer, adhesive material, and performance chemicals. In addition, consolidated subsidiaries mainly operate a single business, and the company unit is the smallest asset group.

In fiscal year ended December 31, 2024, the book value of acrylic ester production facilities, etc. that have become less profitable has been reduced to their recoverable value. In addition, the book value of the dormitory in Yokohama has been reduced to its recoverable value following the decision to stop using the dormitory and demolish the building. The amounts of these reductions have been recorded as impairment losses (1,487 million yen) under extraordinary losses.

*Breakdown of impairment losses*

The breakdown of impairment losses is as follows: ¥1,011 million for leased assets, ¥374 million for machinery and equipment, ¥74 million for buildings, and ¥26 million for other assets.

*Calculation method for recoverable value*

The recoverable value used to measure the impairment losses recorded in fiscal year ended December 31, 2024 is measured based on the value in use for acrylic ester production facilities, etc., and is evaluated as zero because the future cash flow is negative. Other non-current assets are evaluated based on the memorandum value.

Fiscal year ended December 31, 2025 (From January 1, 2025 to December 31, 2025)

Impairment losses were recorded for the following assets or asset groups.

(Million yen)

Location	Use	Item	Amount
Kawasaki-ku, Kawasaki	Special acrylic monomer production facilities, etc.	Machinery, equipment and other	311
Singapore	Acrylic ester production facilities, etc.	Construction in progress and other	86

*Background and method of asset grouping*

The Company operates multiple businesses, and for business assets, the operating departments are the smallest asset groups in each segment of commodity chemicals, polymer & oligomer, adhesive material, and performance chemicals. In addition, consolidated subsidiaries mainly operate a single business, and the company unit is the smallest asset group.

In fiscal year ended December 31, 2025, the book values of special acrylic monomer production facilities, etc., for which the operating environment is expected to deteriorate significantly, and acrylic ester production facilities, etc., for which losses from operating activities have been continuously recorded, have been reduced to their recoverable value. The amounts of these reductions have been recorded as impairment losses (¥398 million) under extraordinary losses.

*Breakdown of impairment losses*

The breakdown of impairment losses is as follows: ¥314 million for machinery and equipment, ¥31 million for construction in progress, and ¥51 million for other assets.

*Calculation method for recoverable value*

The recoverable value used to measure the impairment losses mentioned above is measured based on the value in use and is evaluated as zero because the future cash flow is negative.

(Segment Information, etc.)

*Segment Information*

1. General information

(1) Delineation of reportable segments

Our reportable segments are components of our business operations for which separate financial information is available. The Board of Directors regularly analyzes the reportable segments to determine how to allocate capital resources and to evaluate performance. Business operations across our corporate group are organized by

product and service. For all products and services managed by our operating divisions and subsidiaries, we develop integrated strategies and business activities, covering both domestic and overseas markets.

We have five reportable segments, each encompassing a group of business operations that are similar in terms of economic aspects, product traits, and service traits. These are:

- commodity chemicals,
- polymer & oligomer,
- adhesive material,
- performance chemicals, and
- plastics.

(2) Main products in each reportable segment

Reportable segment	Main products
Commodity chemicals	Electrolysis products (caustic soda, caustic potash, sodium hypochlorite), sulfuric acid, industrial gases and acrylic monomers (acrylic acid and acrylic esters)
Polymer & oligomer	Acrylic polymers, polymer flocculants, and acrylic oligomers (including UV-curable resins)
Adhesive material	Instant glues and functional adhesives
Performance chemicals	High-purity inorganic chemicals and inorganic functional materials
Plastics	Environment & infrastructure system (piping equipment, etc.), products for construction and civil engineering, nursing care products, etc., and ecological materials (elastomer compounds), etc.

(3) Changes in reportable segment

*Change in the classification of the “Other businesses” segment*

In fiscal year ended December 31, 2025, 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 are recorded as corporate expenses and included in the adjustment of segment profit (loss). Segment information for the previous consolidated fiscal year has been prepared based on the revised classification.

2. Determining segment sales, segment profit/loss, assets/liabilities, and other segment items

The accounting method we use for reportable segments is the same as that which we use for preparing consolidated financial statements.

Segment profit is stated as operating income.

Intersegment sales and transfers are generally stated at market value.

3. Further information about segment sales, segment profit/loss, assets/liabilities, and other segment items

Fiscal year ended December 31, 2024 (From January 1, 2024 to December 31, 2024)

(Million yen)

	Reportable segment						Other businesses <sup>1</sup>	Total	Adjustment <sup>2</sup>	Amount recorded in consolidated financial statements <sup>3</sup>
	Commodity chemicals	Polymer & oligomer	Adhesive materials	Performance chemicals	Plastics	Total				
Net sales										
External sales	79,145	35,187	13,344	10,196	27,702	165,575	2,018	167,594	–	167,594
Intersegment sales or transfers	3,117	1,591	51	339	891	5,991	1,617	7,608	(7,608)	–
Total	82,262	36,778	13,396	10,535	28,594	171,567	3,635	175,203	(7,608)	167,594
Segment profit (loss)	8,501	3,779	409	1,275	1,761	15,727	366	16,094	(1,860)	14,233
Segment assets	83,045	42,946	17,635	18,228	45,499	207,355	9,004	216,360	61,660	278,020
Other items										
Depreciation and amortization	3,643	1,822	921	1,385	1,723	9,495	412	9,908	1,394	11,302
Investments accounted for by equity method	752	–	37	–	–	790	–	790	–	790
Increase in property, plant, and equipment, or in intangible assets	4,692	7,770	1,272	3,105	623	17,464	5,797	23,262	3,669	26,931

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” includes the following four adjustments:
  - (1) Segment profit (loss): We included ¥(22) million in intersegment transaction eliminations and ¥(1,838) million in company 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.
  - (2) Segment assets: We included ¥91,573 million in corporate assets that belong to no reportable segment, and eliminated intersegment transactions.
  - (3) Depreciation and amortization: We included depreciation of corporate expenses that belong to no reportable segment.
  - (4) Increase in property, plant, and equipment, or in intangible assets: We included the amount of general capital investment not specific to any reportable segment.
3. Segment profit (loss) represents operating income as stated on the consolidated statement of income with the adjustment.
4. “Depreciation and amortization” includes amortization of long-term prepaid expenses.

Fiscal year ended December 31, 2025 (From January 1, 2025 to December 31, 2025)

(Million yen)

	Reportable segment						Other businesses <sup>1</sup>	Total	Adjustment <sup>2</sup>	Amount recorded in consolidated financial statements <sup>3</sup>
	Commodity chemicals	Polymer & oligomer	Adhesive materials	Performance chemicals	Plastics	Total				
Net sales										
External sales	71,772	36,169	13,607	10,225	28,177	159,952	2,360	162,312	–	162,312
Intersegment sales or transfers	3,183	1,576	45	482	849	6,137	1,656	7,794	(7,794)	–
Total	74,955	37,745	13,653	10,708	29,027	166,090	4,017	170,107	(7,794)	162,312
Segment profit (loss)	8,752	3,018	323	1,177	2,754	16,026	398	16,424	(2,243)	14,180
Segment assets	82,000	51,426	22,308	22,146	45,330	223,213	12,317	235,530	53,574	289,105
Other items										
Depreciation and amortization	3,484	1,994	1,025	1,533	1,470	9,509	571	10,080	1,572	11,652
Investments accounted for by equity method	670	–	–	–	–	670	–	670	–	670
Increase in property, plant, and equipment, or in intangible assets	6,708	8,233	4,168	5,066	1,029	25,206	4,086	29,292	2,115	31,407

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” includes the following four adjustments:
  - (1) Segment profit (loss): We included ¥9 million in intersegment transaction eliminations and ¥(2,252) million in corporate expenses that belong to no reportable segment. The corporate expenses primarily include the company-wide research and development expenses that are not managed as attributable to any specific reportable segment.
  - (2) Segment assets: We included ¥84,561 million in corporate assets that belong to no reportable segment, and eliminated the relevant intersegment transactions.
  - (3) Depreciation and amortization: We included depreciation of corporate expenses that belong to no reportable segment.
  - (4) Increase in property, plant, and equipment, or in intangible assets: We included the amount of general capital investment not specific to any reportable segment.
3. Segment profit (loss) represents operating income as stated on the consolidated statement of income with the adjustment.
4. “Depreciation and amortization” includes amortization of long-term prepaid expenses.

### Related Information

Fiscal year ended December 31, 2024 (From January 1, 2024 to December 31, 2024)

#### 1. Regional breakdown

##### (1) Net sales

(Million yen)

Japan	Asia	North America	Other regions	Total
138,638	19,508	5,057	4,389	167,594

Note: The region of a sale is generally defined as the country or region of the client we sold to.

##### (2) Property, plant and equipment

We have omitted this information, as property, plant and equipment located in Japan account for more than 90% of total property, plant and equipment reported on the consolidated balance sheet.

#### 2. Information about key clients

We have omitted this information, as no client accounts for more than 10% of net sales reported on the consolidated statements of income.

Fiscal year ended December 31, 2025 (From January 1, 2025 to December 31, 2025)

#### 1. Regional breakdown

##### (1) Net sales

(Million yen)

Japan	Asia	North America	Other regions	Total
132,877	19,991	5,472	3,971	162,312

Note: The region of a sale is generally defined as the country or region of the client we sold to.

##### (2) Property, plant and equipment

We have omitted this information, as property, plant and equipment located in Japan account for more than 90% of total property, plant and equipment reported on the consolidated balance sheet.

#### 2. Information about key clients

We have omitted this information, as no client accounts for more than 10% of net sales reported on the consolidated statements of income.

### Impairment Losses of Non-current Assets by Reportable Segment

Fiscal year ended December 31, 2024 (From January 1, 2024 to December 31, 2024)

(Million yen)

	Commodity chemicals	Polymer & oligomer	Adhesive materials	Performance chemicals	Plastics	Other businesses	Corporate / elimination	Total
Impairment losses	1,412	–	–	–	–	–	74	1,487

Note: The impairment losses for company-wide/elimination of ¥74 million relates to the building of dormitory.

Fiscal year ended December 31, 2025 (From January 1, 2025 to December 31, 2025)

(Million yen)

	Commodity chemicals	Polymer & oligomer	Adhesive materials	Performance chemicals	Plastics	Other businesses	Corporate / elimination	Total
Impairment losses	398	–	–	–	–	–	–	398

*Information on Amortization of Goodwill and Undepreciated Balances by Reportable Segment*

The disclosure is omitted as the amount is immaterial.

*Information on Gain on Bargain Purchase by Reportable Segment*

Not applicable

(Per-share information)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Net assets per share (yen)	1,897.60	2,002.20
Basic earnings per share (yen)	104.56	117.02

Notes:

1. Diluted earnings per share is not presented as the Company had no potential shares.
2. Basis for calculation of basic earnings per share is as follows:

(Million yen, unless otherwise stated)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Basic earnings per share		
Net income attributable to owners of parent	11,877	12,766
Amount not attributable to common shareholders	–	–
Net income attributable to common shareholders of parent	11,877	12,766
Average number of common shares outstanding during the period (thousand shares)	113,587	109,096

Note: The Company's shares held by the employee share granting trust, which are recorded as treasury stock in shareholders' equity, are included in the treasury stock deducted for the calculation of net income per share and the calculation of the average number of shares during the period. The average number of shares of treasury stock deducted for the purpose of calculating net income per share was 381,000 shares for the fiscal year ended December 31, 2024 and 370,000 shares for the fiscal year ended December 31, 2025.

- 3 We calculated net assets per share using the following data:

(Million yen, unless otherwise stated)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Total net assets	213,668	215,944
Amount deducted from total net assets	1,082	1,136
of which pertains to non-controlling interests	[1,082]	[1,136]
Closing balance of net assets pertaining to outstanding shares of common stock	212,586	214,807
Shares of common stock used in calculation of net assets per share (thousand shares)	112,029	107,285

Note: The Company's shares held by the employee share granting trust, which are recorded as treasury stock in shareholders' equity, are included in the treasury stock deducted in the calculation of the number of shares issued at the end of the fiscal year in the calculation of the net asset value per share. The number of treasury shares at the end of the fiscal year after deduction for the calculation of net asset value per share was 376,000 shares for the fiscal year ended December 31, 2024 and 366,000 shares for the fiscal year ended December 31, 2025.

(Significant subsequent events)

Purchase of own shares

On February 12, 2026, the Board of Directors resolved to buy back its own shares pursuant to Article 156 of the Companies Act as applied with the necessary modifications stipulated in Article 165, paragraph 3 of the Act.

1. Reason for buyback

The purpose of the buyback is to further improve shareholder returns, capital efficiency, and shareholder value, and to facilitate a dynamic capital strategy.

2. Terms of buyback

- (1) Class of shares to be purchased: Common stock
- (2) Number of shares to be purchased: No more than 2,000,000 (1.86% of all outstanding shares)
- (3) Purchase price: No more than ¥3,000 million
- (4) Purchase period: February 13, 2026–December 31, 2026
- (5) Purchase method: Open market purchases on the Tokyo Stock Exchange  
(discretionary investment contract and purchases during after-hours trading)

## **5. Other Disclosures**

### **Personnel Changes in Senior Management**

On Friday, March 27, 2026, certain directors and executive officers will reach the end of their tenure, and their successors will be nominated. For more information, see the press releases issued on Wednesday, November 19, 2025 titled “Toagosei Announces Organizational and Officer Changes.”