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Consolidated Financial Results for the Year Ended March 31, 2025 [Japanese GAAP]

May 12, 2025

Company name: TAOKA CHEMICAL COMPANY, LIMITED

Listing: Tokyo Stock Exchange

Securities code: 4113

URL: <https://www.taoka-chem.co.jp>

Representative: Yasuaki Sasaki

President

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Scheduled date of annual general meeting of shareholders: June 23, 2025

Scheduled date to commence dividend payments: June 4, 2025

Scheduled date to file annual securities report: June 20, 2025

Preparation of supplementary material on financial results: None

Holding of financial results briefing: Yes

(Yen amounts are rounded to the nearest million, unless otherwise noted.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Consolidated Operating Results

(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 | % |
| Fiscal year ended March 31, 2025 | 29,930 | 4.9 | 1,887 | 75.6 | 1,964 | 72.0 | 1,478 | 80.2 |
| March 31, 2024 | 28,544 | (5.4) | 1,075 | 138.3 | 1,142 | 149.4 | 820 | 164.1 |

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥ 1,546 million [72.2%]
Fiscal year ended March 31, 2024: ¥ 898 million [166.3%]

| | Basic earnings per share | Diluted earnings per share | Rate of return on equity | Ordinary profit to total assets ratio | Operating profit to net sales ratio |
|----------------------------------|--------------------------|----------------------------|--------------------------|---------------------------------------|-------------------------------------|
| | Yen | Yen | % | % | % |
| Fiscal year ended March 31, 2025 | 103.18 | - | 8.3 | 6.5 | 6.3 |
| March 31, 2024 | 57.26 | - | 4.9 | 3.8 | 3.8 |

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2025: ¥ - million
Fiscal year ended March 31, 2024: ¥ - million

(2) Consolidated Financial Position

| | Total assets | Net assets | Capital adequacy ratio | Net assets per share |
|----------------------|-----------------|-----------------|------------------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of March 31, 2025 | 30,407 | 18,499 | 60.8 | 1,291.05 |
| March 31, 2024 | 29,720 | 17,211 | 57.9 | 1,201.14 |

(Reference) Equity: As of March 31, 2025: ¥ 18,499 million
As of March 31, 2024: ¥ 17,210 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 the end of period |
|----------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| Fiscal year ended March 31, 2025 | 4,371 | (1,418) | (997) | 2,982 |
| March 31, 2024 | 3,628 | (1,142) | (2,390) | 972 |

2. Dividends

| | Annual dividends | | | | | Total dividends | Payout ratio (consolidated) | Dividends to net assets (consolidated) |
|--|------------------|-----------------|-----------------|----------|-------|-----------------|--------------------------------|---|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Year-end | Total | | | |
| Fiscal year ended | Yen | Yen | Yen | Yen | Yen | Millions of yen | % | % |
| March 31, 2024 | - | 9.00 | - | 9.00 | 18.00 | 258 | 31.4 | 1.5 |
| March 31, 2025 | - | 9.00 | - | 22.00 | 31.00 | 444 | 30.0 | 2.5 |
| Fiscal year ending March 31, 2026 (Forecast) | - | 18.00 | - | 18.00 | 36.00 | | 30.3 | |

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2025 :

Commemorative dividend - yen
Special dividend - yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(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 |
| Six months ending September 30, 2025 | 18,000 | 19.5 | 1,250 | 39.2 | 1,250 | 31.8 | 850 | 33.1 | 59.32 |
| Full year | 36,000 | 20.3 | 2,500 | 32.5 | 2,500 | 27.3 | 1,700 | 15.0 | 118.64 |

* Notes:

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

Newly included: - (Company name:)
Excluded: - (Company name:)

(2) Changes in accounting policies, changes in accounting estimates, and restatement

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(3) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2025: 14,440,000 shares
March 31, 2024: 14,440,000 shares

2) Number of treasury shares at the end of the period:

March 31, 2025: 111,280 shares
March 31, 2024: 111,235 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2025: 14,328,737 shares
Fiscal Year ended March 31, 2024: 14,328,845 shares

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Net income | |
|-------------------|-----------------|-------|------------------|-------|-----------------|-------|-----------------|-------|
| Fiscal year ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| March 31, 2025 | 26,836 | 3.4 | 1,608 | 88.6 | 1,727 | 82.2 | 1,320 | 91.4 |
| March 31, 2024 | 25,951 | (5.7) | 853 | 218.3 | 948 | 201.5 | 690 | 214.8 |

| | Basic earnings per share | Diluted earnings per share |
|-------------------|--------------------------|----------------------------|
| Fiscal year ended | Yen | Yen |
| March 31, 2025 | 92.12 | - |
| March 31, 2024 | 48.14 | - |

(2) Non-consolidated Financial Position

| | Total assets | Net assets | Capital adequacy ratio | Net assets per share |
|----------------|-----------------|-----------------|------------------------|----------------------|
| As of | Millions of yen | Millions of yen | % | Yen |
| March 31, 2025 | 29,258 | 17,790 | 60.8 | 1,241.59 |
| March 31, 2024 | 28,843 | 16,728 | 58.0 | 1,167.46 |

(Reference) Equity: As of March 31, 2025: ¥ 17,790 million
As of March 31, 2024: ¥ 16,728 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

(Caution regarding forward-looking statements and others)

The forward-looking statements, including financial forecasts, contained in this report are based on information currently available to the Company and certain assumptions deemed to be reasonable. Accordingly, they are not intended to be construed as assurance that they will be accomplished in the future. Note that actual results may differ materially from the forecasts for a number of reasons.

(Regarding the change in disclosure unit of the amounts and in rounding)

Amounts in consolidated financial statements and notes to them used to be stated in units of thousands of yen, but from the fiscal year under review, they are stated in units of millions of yen. For easy comparison, figures for the previous fiscal year have also been restated in units of millions of yen.

In addition, amounts used to be rounded down to thousands previously, but from the fiscal year under review, they are rounded to the nearest million. The comparison information is also rounded off due to this change.

Sales revenue of monomers for optical resins and varnish increased. As a result, the Taoka Chemical Group's consolidated sales revenue for the fiscal year ended March 31, 2025 increased by ¥1,386 million compared with the previous fiscal year to ¥29,930 million. The Group posted operating income of ¥1,887 million, ordinary income of ¥1,964 million and net income attributable to owners of the parent of ¥1,478 million.

The financial results of Taoka Chemical by business segment for the fiscal year were as follows:

| Division | | Fiscal Year Ended March 31, 2024 | | Fiscal Year Ended March 31, 2025 | | Change | |
|----------|--------------------------------------|-------------------------------------|--------------------------|-------------------------------------|--------------------------|-----------------|--------------------------|
| | | Millions of yen | Composition ratio (%) | Millions of yen | Composition ratio (%) | Millions of yen | Year-on-year rate (%) |
| | Fine Chemicals | 12,673 | 44.4 | 13,233 | 44.2 | 560 | 4.4 |
| | Functional Chemicals | 3,389 | 11.9 | 3,476 | 11.6 | 87 | 2.6 |
| | Functional Polymers and Additives | 11,866 | 41.6 | 12,603 | 42.1 | 737 | 6.2 |
| | Chemicals Segment | 27,927 | 97.8 | 29,312 | 97.9 | 1,385 | 5.0 |
| | Analytical Services | 617 | 2.2 | 618 | 2.1 | 1 | 0.1 |
| | Total | 28,544 | 100.0 | 29,930 | 100.0 | 1,386 | 4.9 |

Chemicals Segment

Sales revenue of this segment was ¥29,312 million, a ¥1,385 million increase compared to the previous fiscal year.

Fine Chemicals Division

Though shipments of agrochemical intermediates decreased, shipments of monomers for optical resins and of electronic materials increased. As a result, the division sales revenue increased by ¥560 million compared with the previous fiscal year, to ¥13,233 million.

Functional Chemicals Division

Though shipments of adhesives decreased, shipments of rubber additives increased. As a result, the division sales revenue increased by ¥87 million compared with the previous fiscal year, to ¥3,476 million.

Functional Polymers and Additives Division

Shipments of varnish increased. As a result, the division sales revenue increased by ¥737 million compared with the previous fiscal year, to ¥12,603 million.

Analytical Services Segment

Though sales of soil analysis decreased, measurement and evaluation for working environment and composition and structural analysis increased. As a result, the segment sales revenue increased by ¥1 million compared with the previous fiscal year, to ¥618 million.

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

| | As of March 31, 2024 | As of March 31, 2025 |
|--|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 972 | 1,182 |
| Notes receivable - trade | 164 | 64 |
| Accounts receivable - trade | 5,355 | 5,526 |
| Merchandise and finished goods | 5,528 | 4,862 |
| Work in process | 124 | 157 |
| Raw materials and supplies | 2,754 | 2,320 |
| Deposits paid | - | 1,800 |
| Other | 270 | 315 |
| Total current assets | 15,167 | 16,226 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 9,700 | 9,824 |
| Accumulated depreciation | (6,128) | (6,381) |
| Buildings and structures, net | 3,572 | 3,442 |
| Machinery, equipment and vehicles | 23,835 | 24,242 |
| Accumulated depreciation | (20,589) | (21,375) |
| Machinery, equipment and vehicles, net | 3,246 | 2,867 |
| Land | 1,221 | 1,221 |
| Construction in progress | 4,480 | 4,522 |
| Other | 3,086 | 3,378 |
| Accumulated depreciation | (2,296) | (2,474) |
| Other, net | 791 | 905 |
| Total property, plant and equipment | 13,310 | 12,957 |
| Intangible assets | | |
| Software | 32 | 25 |
| Other | 17 | 15 |
| Total intangible assets | 49 | 40 |
| Investments and other assets | | |
| Investment securities | 87 | 88 |
| Shares of subsidiaries and associates | 84 | 84 |
| Deferred tax assets | 956 | 958 |
| Other | 67 | 55 |
| Allowance for doubtful accounts | (0) | (0) |
| Total investments and other assets | 1,194 | 1,185 |
| Total non-current assets | 14,553 | 14,181 |
| Total assets | 29,720 | 30,407 |

(Millions of yen)

| | As of March 31, 2024 | As of March 31, 2025 |
|---|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes payable - trade | 1 | - |
| Accounts payable - trade | 4,319 | 4,951 |
| Short-term borrowings | 100 | - |
| Current portion of long-term borrowings | 620 | 620 |
| Income taxes payable | 212 | 412 |
| Provision for bonuses | 463 | 511 |
| Provision for loss on disaster | - | 8 |
| Other | 2,562 | 1,781 |
| Total current liabilities | 8,278 | 8,282 |
| Non-current liabilities | | |
| Long-term borrowings | 1,490 | 870 |
| Retirement benefit liability | 2,519 | 2,433 |
| Other | 221 | 323 |
| Total non-current liabilities | 4,230 | 3,626 |
| Total liabilities | 12,509 | 11,908 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 1,572 | 1,572 |
| Capital surplus | 1,009 | 1,009 |
| Retained earnings | 14,453 | 15,673 |
| Treasury shares | (40) | (40) |
| Total shareholders' equity | 16,994 | 18,215 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 48 | 48 |
| Foreign currency translation adjustment | 99 | 144 |
| Remeasurements of defined benefit plans | 70 | 93 |
| Total accumulated other comprehensive income | 217 | 285 |
| Total net assets | 17,211 | 18,499 |
| Total liabilities and net assets | 29,720 | 30,407 |

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

| | For the fiscal year ended March 31, 2024 | For the fiscal year ended March 31, 2025 |
|--|---|---|
| Net sales | 28,544 | 29,930 |
| Cost of sales | 23,966 | 24,439 |
| Gross profit | 4,578 | 5,491 |
| Selling, general and administrative expenses | 3,503 | 3,604 |
| Operating profit | 1,075 | 1,887 |
| Non-operating income | | |
| Interest income | 4 | 7 |
| Dividend income | 15 | 15 |
| Foreign exchange gains | 14 | 25 |
| Gain on sales of waste goods | 15 | 17 |
| Gain on estimated removal expense | 10 | - |
| Other | 18 | 23 |
| Total non-operating income | 77 | 86 |
| Non-operating expenses | | |
| Interest expenses | 10 | 6 |
| Other | 0 | 3 |
| Total non-operating expenses | 10 | 9 |
| Ordinary profit | 1,142 | 1,964 |
| Extraordinary income | | |
| Disaster insurance income | - | 106 |
| Total extraordinary income | - | 106 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 14 | 19 |
| Loss on disaster | - | 87 |
| Total extraordinary losses | 14 | 107 |
| Profit before income taxes | 1,128 | 1,963 |
| Income taxes - current | 242 | 500 |
| Income taxes - deferred | 65 | (15) |
| Total income taxes | 308 | 485 |
| Profit | 820 | 1,478 |
| Profit attributable to non-controlling interests | - | - |
| Profit attributable to owners of parent | 820 | 1,478 |

Consolidated Statements of Comprehensive Income

(Millions of yen)

| | For the fiscal year ended March 31, 2024 | For the fiscal year ended March 31, 2025 |
|--|---|---|
| Profit | 820 | 1,478 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 13 | 0 |
| Foreign currency translation adjustment | 45 | 45 |
| Remeasurements of defined benefit plans, net of tax | 20 | 23 |
| Total other comprehensive income | 78 | 68 |
| Comprehensive income | 898 | 1,546 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 898 | 1,546 |
| Comprehensive income attributable to non-controlling interests | - | - |

Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2024

(Millions of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 1,572 | 1,009 | 13,890 | (40) | 16,432 |
| Changes during period | | | | | |
| Dividends of surplus | | | (258) | | (258) |
| Profit attributable to owners of parent | | | 820 | | 820 |
| Purchase of treasury shares | | | | (0) | (0) |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | - | - | 563 | (0) | 562 |
| Balance at end of period | 1,572 | 1,009 | 14,453 | (40) | 16,994 |

| | Accumulated other comprehensive income | | | | Total net assets |
|--|---|---|---|--|------------------|
| | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | |
| Balance at beginning of period | 35 | 54 | 50 | 139 | 16,571 |
| Changes during period | | | | | |
| Dividends of surplus | | | | | (258) |
| Profit attributable to owners of parent | | | | | 820 |
| Purchase of treasury shares | | | | | (0) |
| Net changes in items other than shareholders' equity | 13 | 45 | 20 | 78 | 78 |
| Total changes during period | 13 | 45 | 20 | 78 | 640 |
| Balance at end of period | 48 | 99 | 70 | 217 | 17,211 |

For the fiscal year ended March 31, 2025

(Millions of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 1,572 | 1,009 | 14,453 | (40) | 16,994 |
| Changes during period | | | | | |
| Dividends of surplus | | | (258) | | (258) |
| Profit attributable to owners of parent | | | 1,478 | | 1,478 |
| Purchase of treasury shares | | | | (0) | (0) |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | - | - | 1,221 | (0) | 1,221 |
| Balance at end of period | 1,572 | 1,009 | 15,673 | (40) | 18,215 |

| | Accumulated other comprehensive income | | | | Total net assets |
|--|---|---|---|--|------------------|
| | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | |
| Balance at beginning of period | 48 | 99 | 70 | 217 | 17,211 |
| Changes during period | | | | | |
| Dividends of surplus | | | | | (258) |
| Profit attributable to owners of parent | | | | | 1,478 |
| Purchase of treasury shares | | | | | (0) |
| Net changes in items other than shareholders' equity | 0 | 45 | 23 | 68 | 68 |
| Total changes during period | 0 | 45 | 23 | 68 | 1,288 |
| Balance at end of period | 48 | 144 | 93 | 285 | 18,499 |

Consolidated Statements of Cash Flows

(Millions of yen)

| | For the fiscal year ended March 31, 2024 | For the fiscal year ended March 31, 2025 |
|---|---|---|
| Cash flows from operating activities | | |
| Profit before income taxes | 1,128 | 1,963 |
| Depreciation | 1,465 | 1,487 |
| Increase (decrease) in retirement benefit liability | 23 | 65 |
| Interest and dividend income | (19) | (21) |
| Interest expenses | 10 | 6 |
| Loss (gain) on sale of non-current assets | (0) | - |
| Loss on retirement of non-current assets | 14 | 19 |
| Loss on disaster | - | 87 |
| Insurance income on disaster | - | (106) |
| Decrease (increase) in trade receivables | (1,079) | (53) |
| Decrease (increase) in inventories | 2,266 | 1,059 |
| Increase (decrease) in trade payables | 155 | 607 |
| Other, net | (267) | (489) |
| Subtotal | 3,696 | 4,624 |
| Interest and dividends received | 19 | 21 |
| Interest paid | (10) | (6) |
| Payments associated with disaster loss | - | (65) |
| Proceeds from disaster insurance income | - | 106 |
| Income taxes paid | (77) | (309) |
| Net cash provided by (used in) operating activities | 3,628 | 4,371 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (1,132) | (1,400) |
| Purchase of intangible assets | (10) | (6) |
| Other, net | 0 | (11) |
| Net cash provided by (used in) investing activities | (1,142) | (1,418) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | (1,500) | (100) |
| Repayments of long-term borrowings | (620) | (620) |
| Decrease (increase) in treasury shares | (0) | (0) |
| Dividends paid | (258) | (258) |
| Repayments of lease liabilities | (12) | (19) |
| Net cash provided by (used in) financing activities | (2,390) | (997) |
| Effect of exchange rate change on cash and cash equivalents | 22 | 53 |
| Net increase (decrease) in cash and cash equivalents | 119 | 2,010 |
| Cash and cash equivalents at beginning of period | 853 | 972 |
| Cash and cash equivalents at end of period | 972 | 2,982 |