

Business Results for the Fiscal Year Ended March 31, 2025

(April 1, 2024 – March 31, 2025)

May 16, 2025

Toyo Gosei Co., Ltd.

Securities Code: 4970

1. FY2024 Business Results

2. FY2025 Business Forecast

3. Future outlook and progress of the mid-term management plan

4. Sustainability Activities

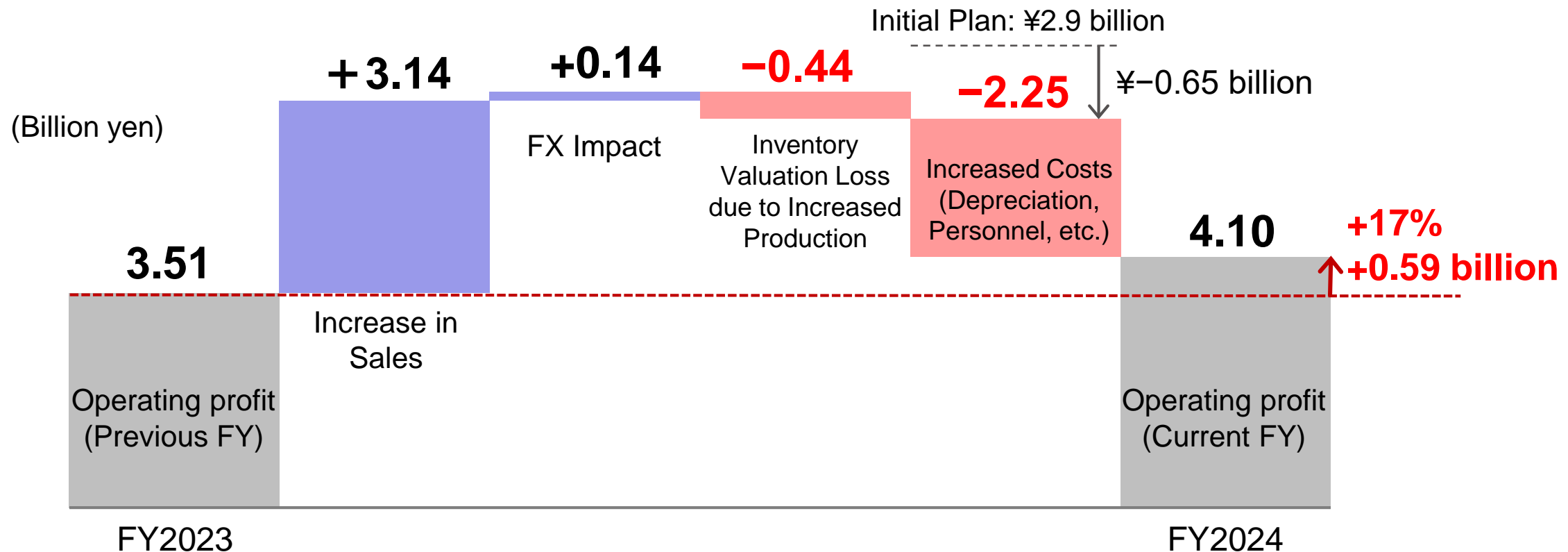
FY2024 Financial Highlights

- Sales increased significantly by 21% YoY to ¥38,665 million, thanks to increased sales of materials for cutting-edge semiconductors under expanding demand for generative AI applications.
- Operating profit increased 17% YoY to ¥4,103 million, as increased sales offset increased fixed costs from new facilities and increased personnel.
- Sales were in line with the forecast. Operating profit exceeded the forecast by 14% thanks to efforts to control increased costs.
- Profit exceeded by +31% thanks to special corporate tax credits such as tax credits for promoting wage increases and capital investment.

(Million yen)	FY2023 Results	FY2024 Results	YoY		FY2024 Forecasts	Compared to Forecasts	
			Change	%		Change	%
Net sales	31,956	38,665	+6,708	+21%	38,200	+465	+1%
Operating profit	3,512	4,103	+591	+17%	3,600	+503	+14%
Ordinary profit	3,393	3,997	+603	+18%	3,500	+497	+14%
Profit	2,396	3,279	+882	+37%	2,500	+779	+31%
EPS	¥301.98	¥413.20					
FX Rate (USD)	¥144/\$	¥153/\$					

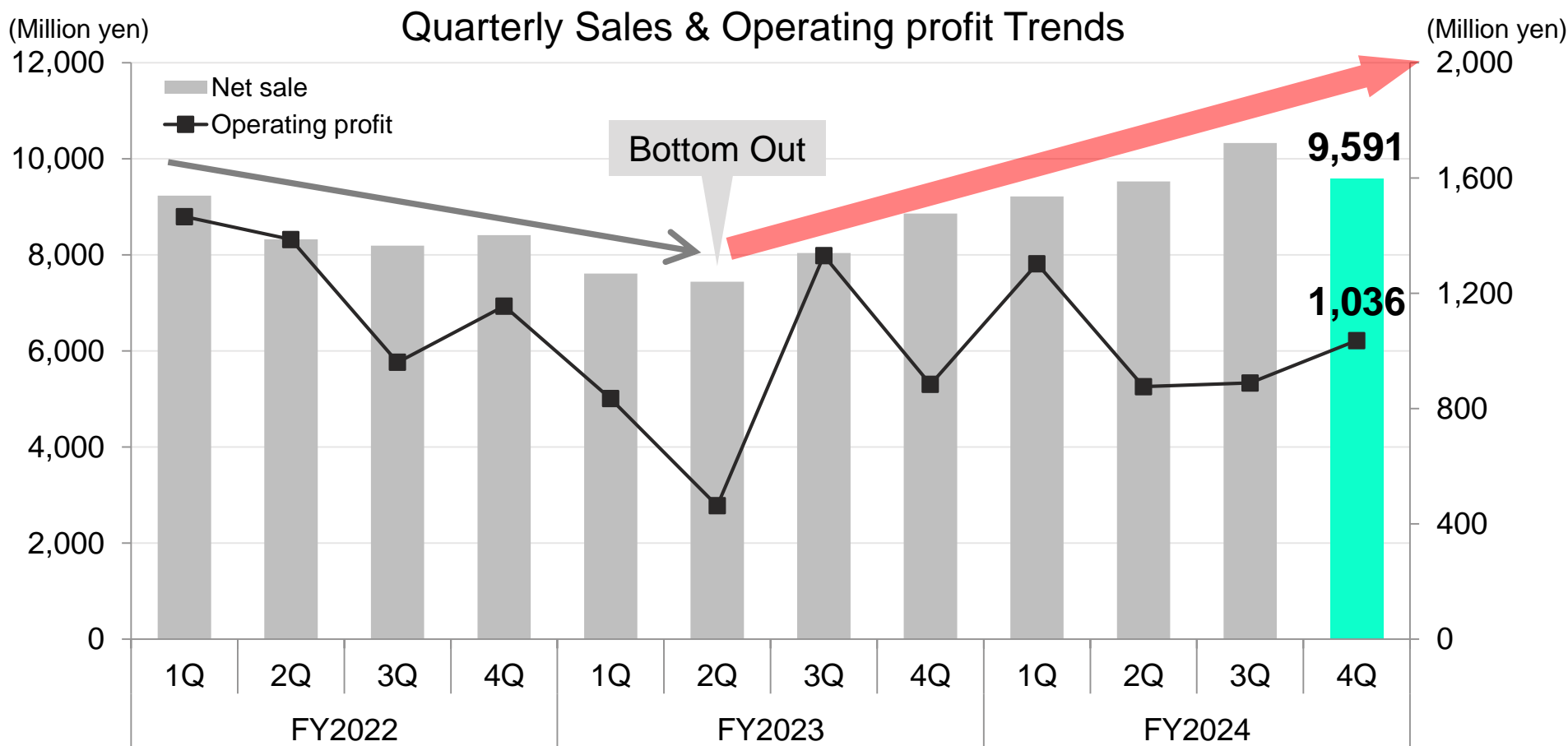
Variance Analysis: Operating profit

- Increased sales will increase profits by ¥3.14 billion, and increased production will reduce costs.
- Fixed costs are increasing due to the completion of new facilities and increased personnel in preparation for future supply expansion.
- However, as efforts to control increased costs, the initial plan of ¥2.9 billion was compressed to ¥2.25 billion.
- Absorbing these increased expenses, operating profit increased 17% YoY to ¥4.1 billion.



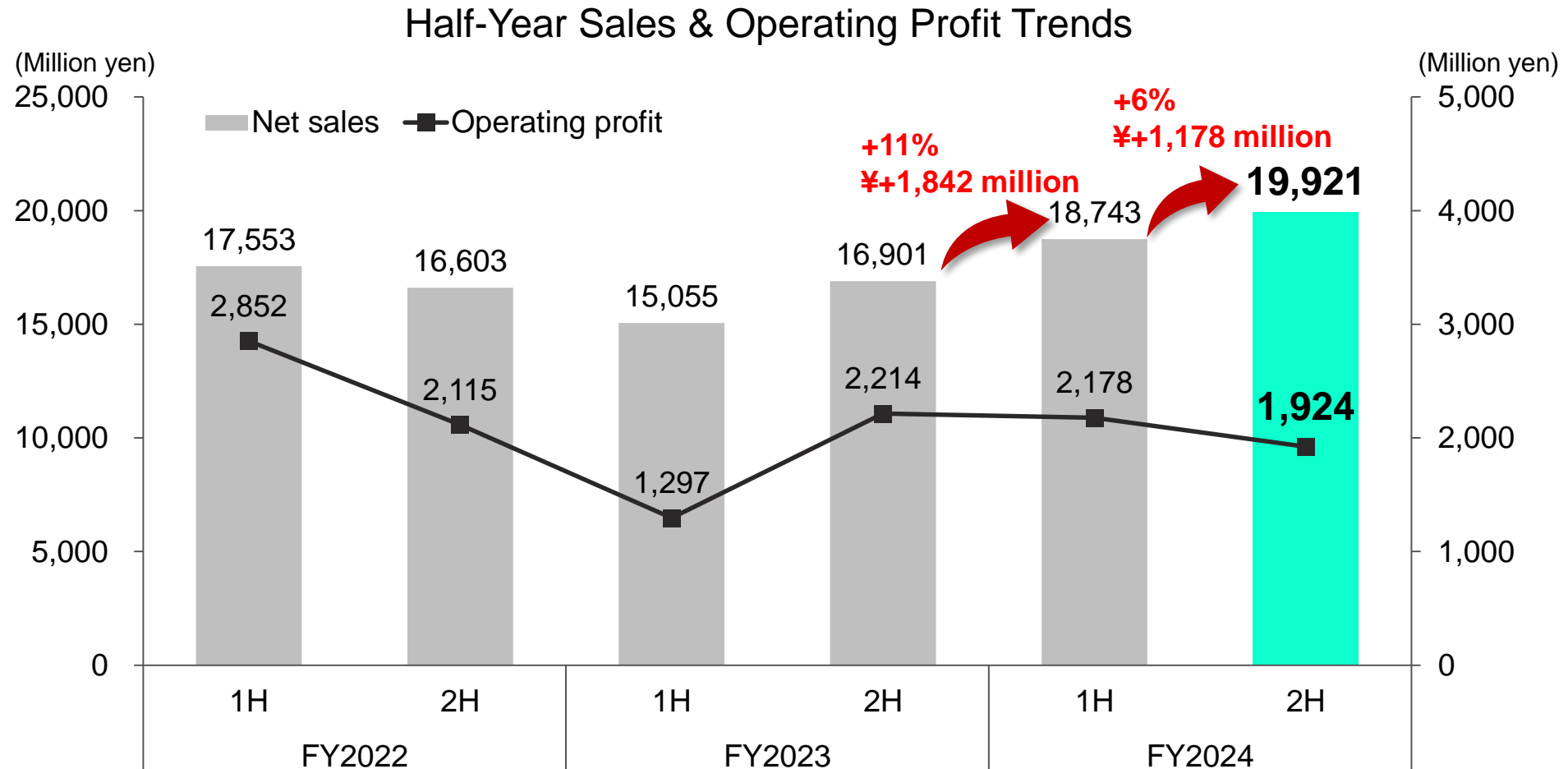
Quarterly Sales & Operating profit Trends

- Sales bottomed out in Q2 FY2023 and are now on an upward trend.
- Increased sales offset the increase in fixed costs associated with the completion of the new facility, and profits were secured.



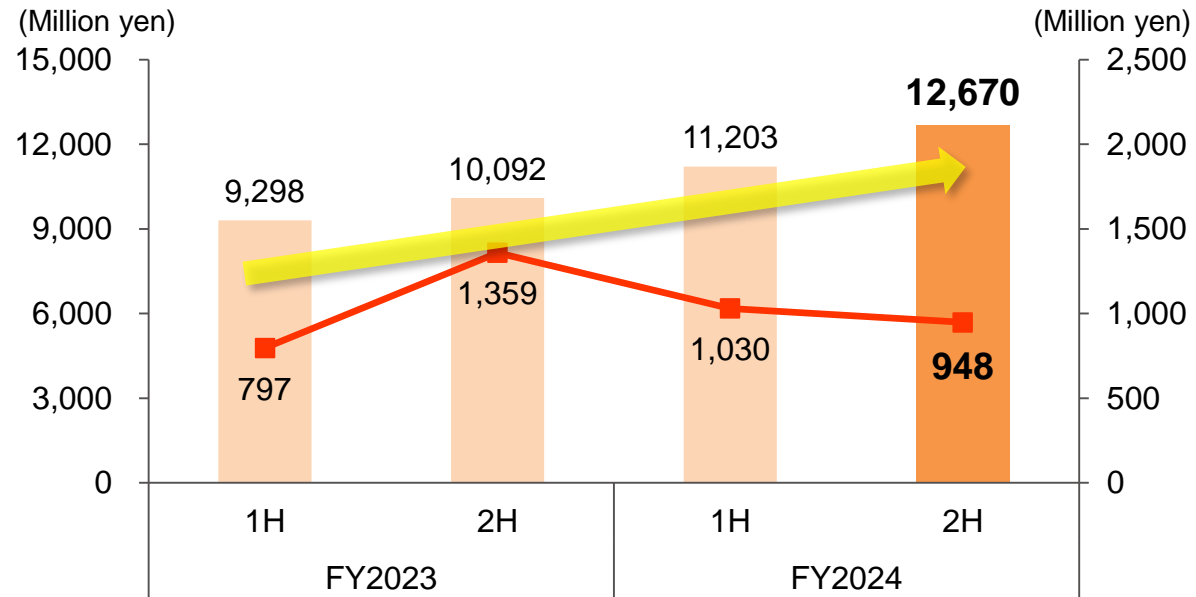
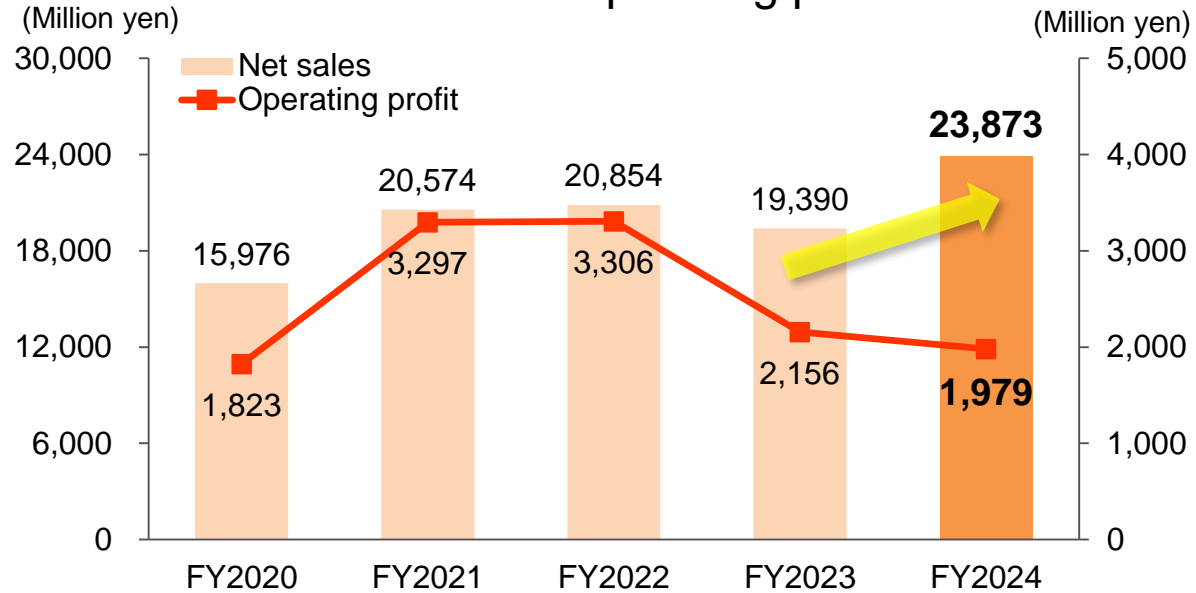
Half-Year Sales & Operating Profit Trends

- Sales continued to increase from the second half of the previous year, up 6% from the first half.
- Maintained profit level while absorbing costs associated with the completion of new facilities.



Photosensitive Materials Segment

Net sales & Operating profit



Full-Year

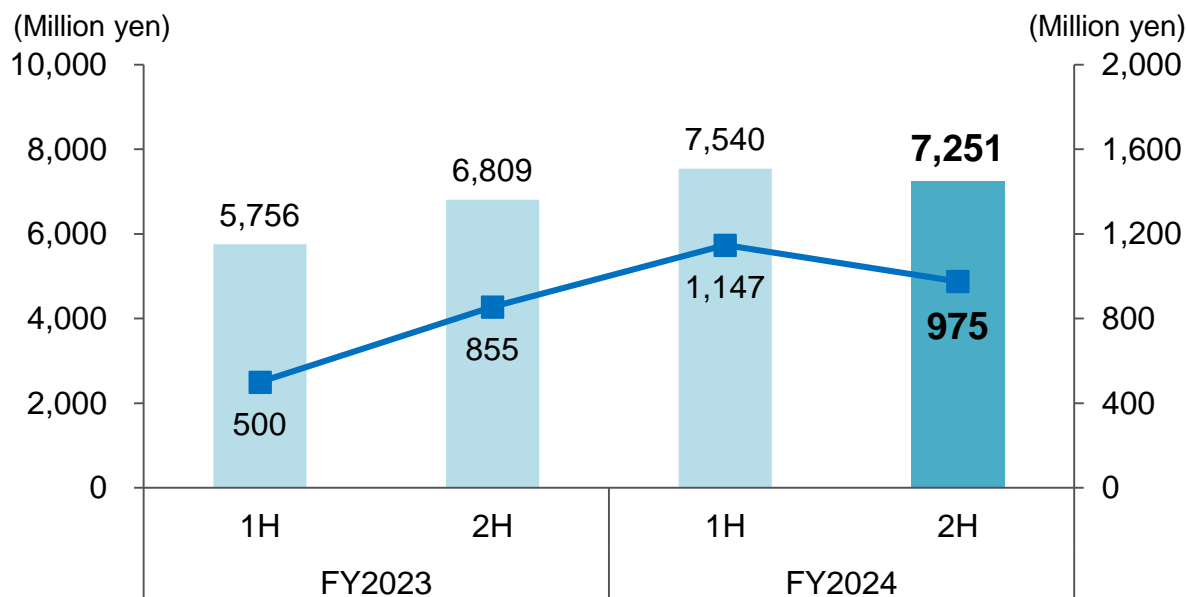
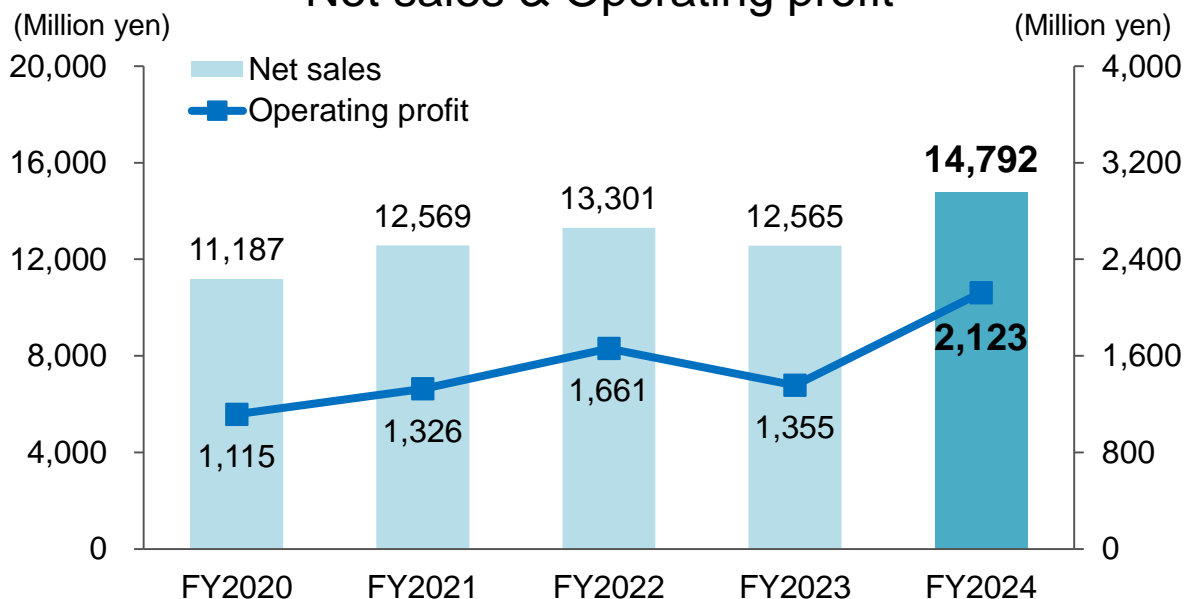
Net sales: ¥23,873 million (YoY +23%)

- Record highs for both the full year and the half year.
- In semiconductors materials business, sales of materials for cutting-edge photoresists increased thanks to growing demand for generation AI applications.
- In displays materials business, panel production was maintained at a certain level, especially in China, then sales were strong.

Operating profit: ¥1,979 million (YoY -8%)

- Fixed costs increased due to the completion of new large-scale facilities to expand production and supply capacity in cutting-edge fields. Maintained profit level by increasing production.
- As utilizing the new facilities to ensure a stable supply of cutting-edge quality then aims to increase the return on investment.

Net sales & Operating profit



Full-Year

Net sales: ¥14,792 million (YoY +18%)

- Full year sales reached a record high.
- Sales of high-purity solvents increased thanks to increased demand for semiconductors and electronic components.
- Sales of flavor and fragrance materials increased thanks to strong overseas sales.
- In the tank terminal business, domestic demand was weak, but imports increased due to petrochemical restructuring in Japan, then tank contract rates remained high.

Operating profit: ¥2,132 million (YoY +57%)

- Increased profit thanks to higher sales of high-purity solvents, etc.

FY2024 Income Statement

- Net sales increased ¥6,708 million (+21% YoY) to ¥38,665 million as new record high.
- Gross profit was maintained as the increase in sales absorbed the increase in fixed costs.
- Profit increased by 37% YoY due to special corporate tax credits such as tax credits for promoting wage increases and capital investment.

(Million yen)	FY2023	FY2024	Change	%
Net sales	31,956	38,665	+6,708	+21%
Cost of sales	24,355	29,605	+5,250	+22%
Gross profit	7,600	9,059	+1,458	+19%
SG&A expenses	4,088	4,956	+867	+21%
Operating profit	3,512	4,103	+591	+17%
Non-operating income	207	232	+25	+12%
Non-operating expenses	325	338	+12	+4%
Ordinary profit	3,393	3,997	+603	+18%
Extraordinary income & losses	(123)	(131)	(7)	+6%
Profit before income taxes	3,270	3,865	+595	+18%
Income taxes	873	586	(286)	(33%)
Profit	2,396	3,279	+882	+37%

Gross profit Margin
23.8%→23.4%

Tax Incentive for Promoting Wage Increases
Tax Incentive for Promoting Regional Future Investment

FY2024 Statement of Cash Flows

- Operating CF : ¥6,795 million Improved working capital, which increased thanks to sales expansion, by ¥2,222 million, up 49% from the previous year.
- Investing CF : ¥11,974 million Payment for large capital investments in the mid-term plan was completed.
- Financing CF : ¥5,193 million Securing funds for capital investment.

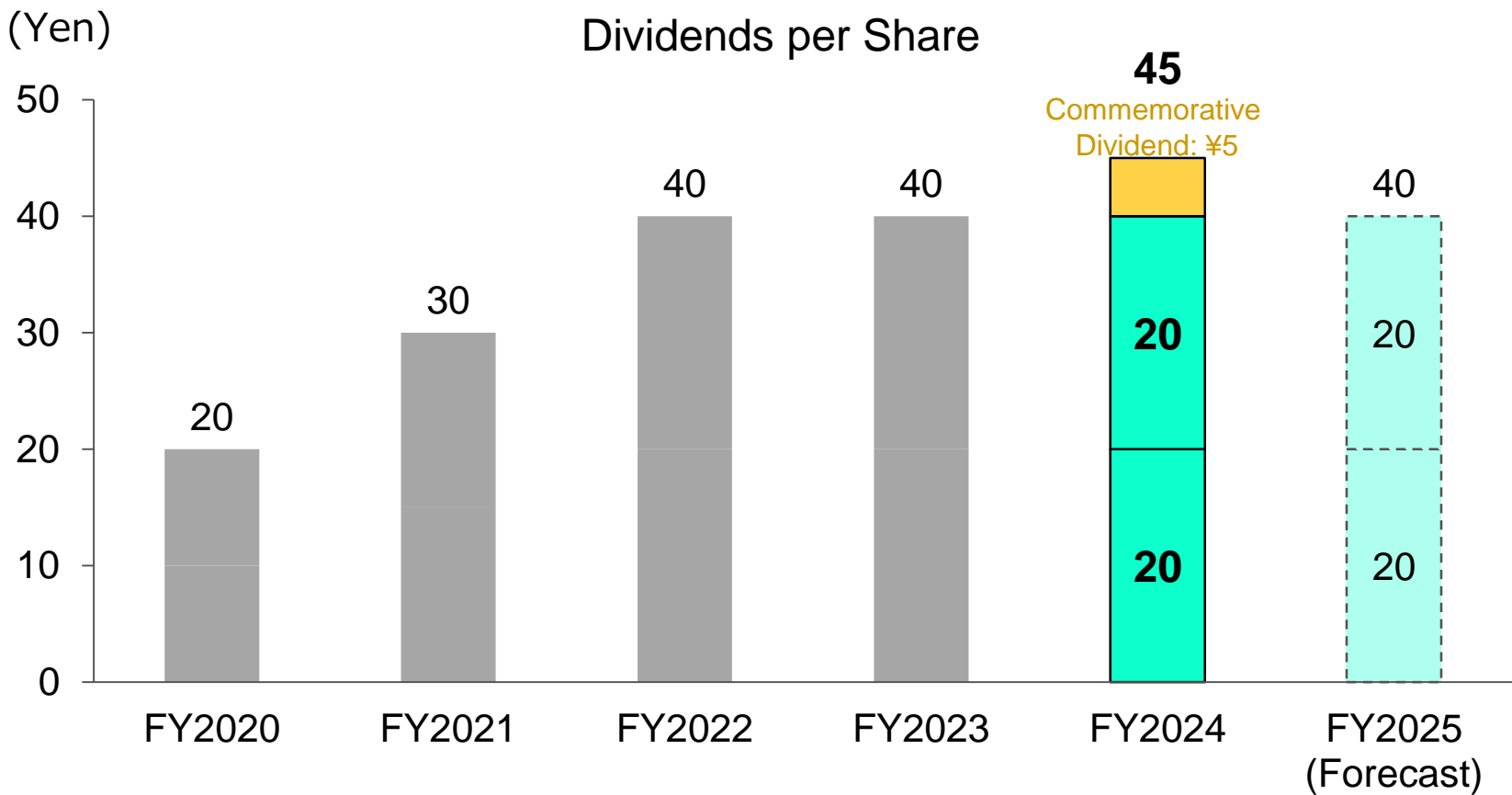
	(Million yen)	FY2023	FY2024	Change	
Cash flows from operating activities		4,572	6,795	+2,222	YoY +49%
Profit before income taxes		3,270	3,865	+595	
Depreciation		2,898	3,715	+817	
Decrease (increase) in trade receivables (+: decrease)		(1,310)	(148)	+1,161	Working Capital Improvement: +¥1,628 million
Decrease (increase) in inventories (+: decrease)		1,420	(714)	(2,134)	
Increase (decrease) in trade payables (+: increase)		(934)	1,667	+2,601	
Other		(772)	(1,590)	(818)	
Cash flows from investing activities		(7,593)	(11,974)	(4,381)	
FCF		(3,021)	(5,179)	(2,158)	
Cash flows from financing activities		3,596	5,193	+1,596	
Effect of exchange rate change on cash and cash equivalents		(182)	(62)	+120	
Net increase (decrease) in cash and cash equivalents		393	(48)	(441)	
Cash and cash equivalents		3,645	3,597	(48)	

FY2024 Balance sheet

- Working capital improved thanks to sales expansion, resulting in ¥805 million.
- Due to investments to increase production capacity, tangible fixed assets increased by ¥3,839 million, and borrowings increased by ¥5,722 million.
- Shareholders' equity was +¥2,961 million thanks to profit increase. Equity ratio was 37.7% (+1.0 pt).

(Million yen)	Mar. 2024 ended	Mar. 2025 ended	Change	(Million yen)	Mar. 2024 ended	Mar. 2024 ended	Change
Current assets	22,682	24,069	+1,387	Liabilities	37,691	41,032	+3,340
Cash and deposits	3,645	3,597	(48)	Notes and accounts payable – trade	4,009	5,676	+1,667
Notes and accounts receivable – trade	7,222	7,371	+148	Borrowings	22,008	27,731	+5,722
Inventories	10,338	11,053	+714	Other	11,673	7,624	(4,049)
Other	1,475	2,047	+572		0	0	+0
Fixed assets	36,834	41,794	+4,959	Net assets	21,825	24,831	+3,005
Property, plant and equipment	33,862	37,702	+3,839	Shareholders' equity	21,635	24,596	+2,961
Intangible assets	1,579	2,590	+1,011	Valuation and translation adjustments	190	234	+44
Investments and other assets	1,393	1,501	+108		0	0	+0
Total assets	59,517	65,864	+6,346	Liabilities and net assets	59,517	65,864	+6,346

- For FY2024, the interim dividend was 20 yen and the final dividend will be 25 yen, including a 5 yen commemorative dividend for the company's 70th anniversary, resulting in a total annual dividend of 45 yen.



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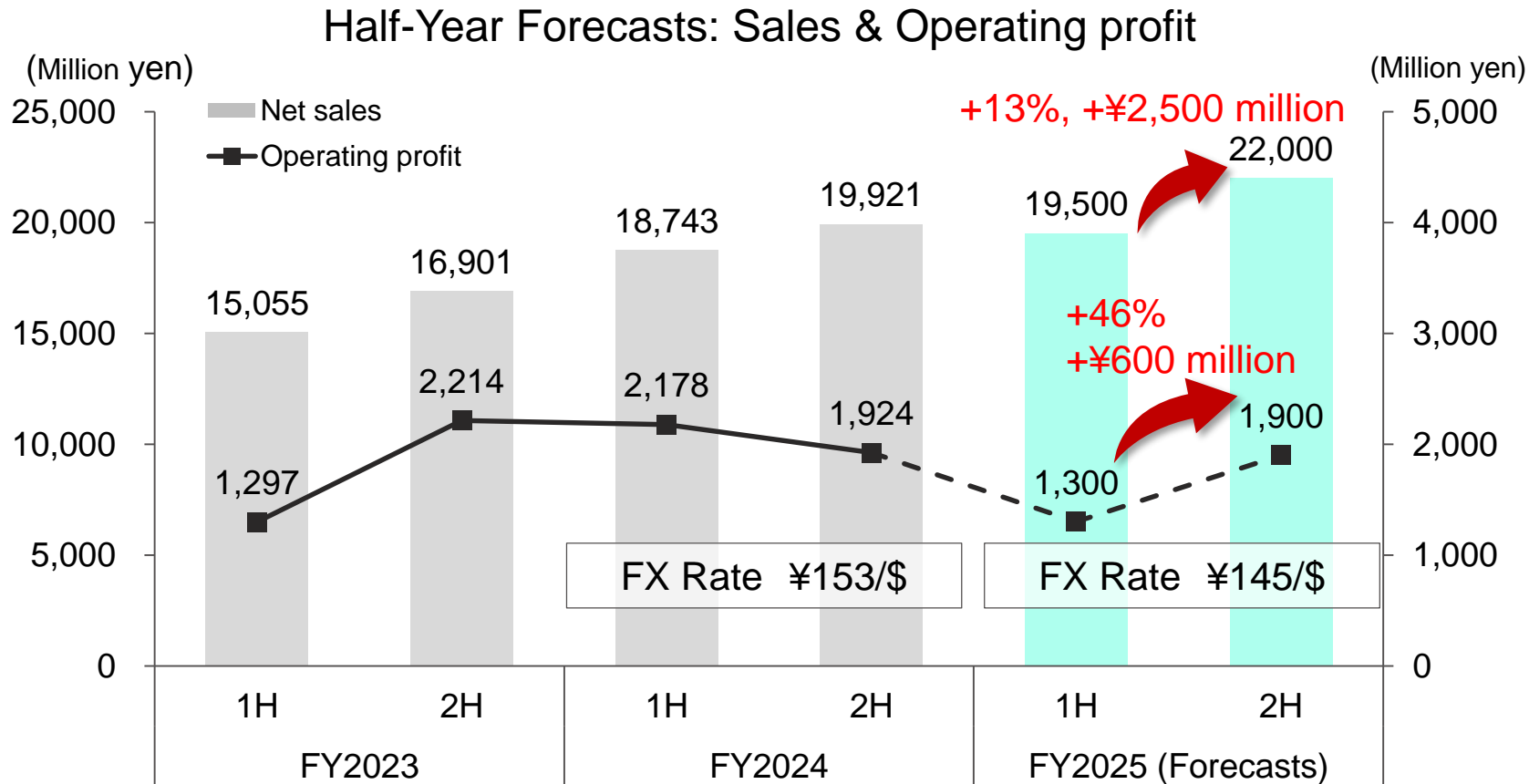
FY2025 Full-Year Forecast

- The semiconductor market is expected to continue to grow, driven by AI-related demand.
- Sales for FY 2025 are expected to be a record high of ¥41,500 million , an increase of ¥2,834 million (+7%).
- Large-scale capital investments based on the mid-term plan have been completed in FY 2024.
- Counting the full-year impact of increased fixed costs due to the start of operation of large facilities, operating profit of ¥3,200 million and profit of ¥2,300 million are expected.

(Million yen)	FY2024 Results	FY2025 Forecasts	Change	%
Net sales	38,665	41,500	+2,834	+7%
Operating profit	4,103	3,200	-903	-22%
Ordinary profit	3,997	3,000	-997	-25%
Profit	3,279	2,300	-979	-30%
FX Rate	¥153/\$	¥145/\$		

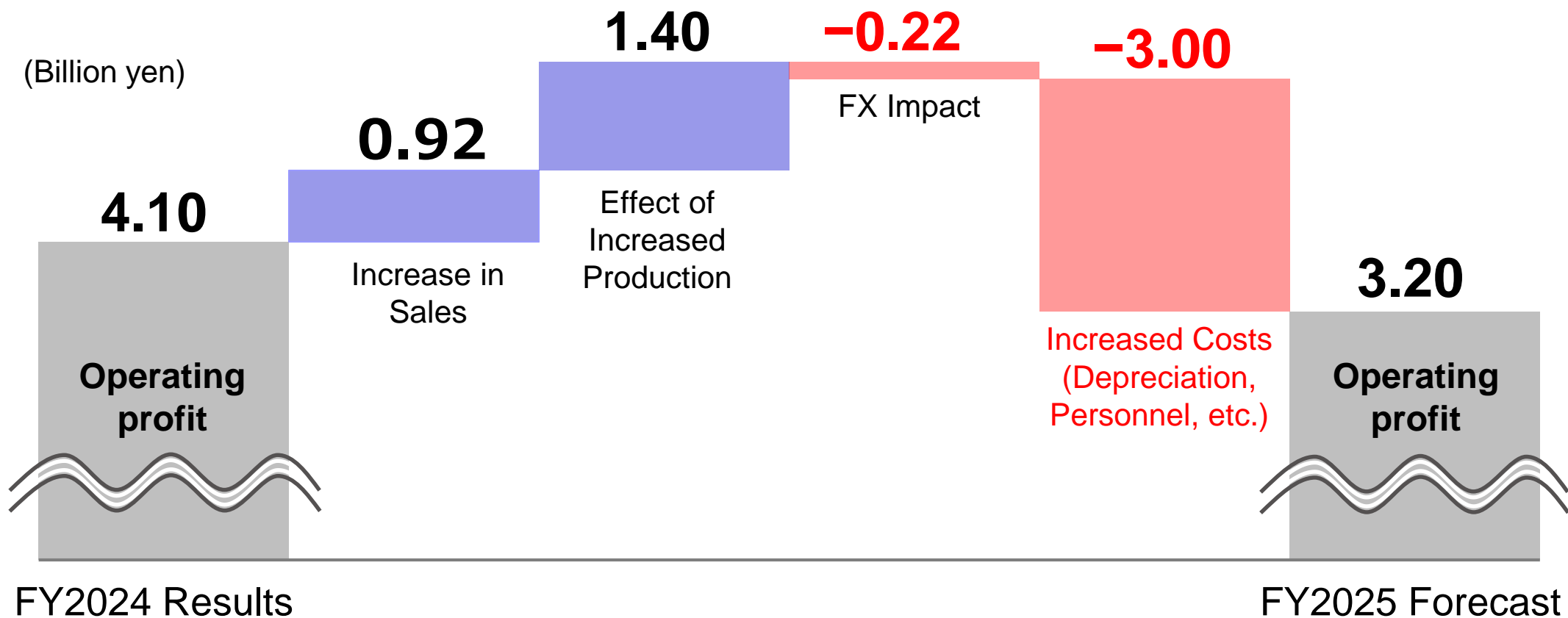
FY2025 Half-Year Forecast

- Sales continue to increase, mainly for materials for cutting-edge semiconductors.
- For the full year, profits are expected to decrease due to increased fixed costs resulting from the start of operation of large facilities, but in the second half alone, profits are expected to recover to the same level as the previous year thanks to increased sales.



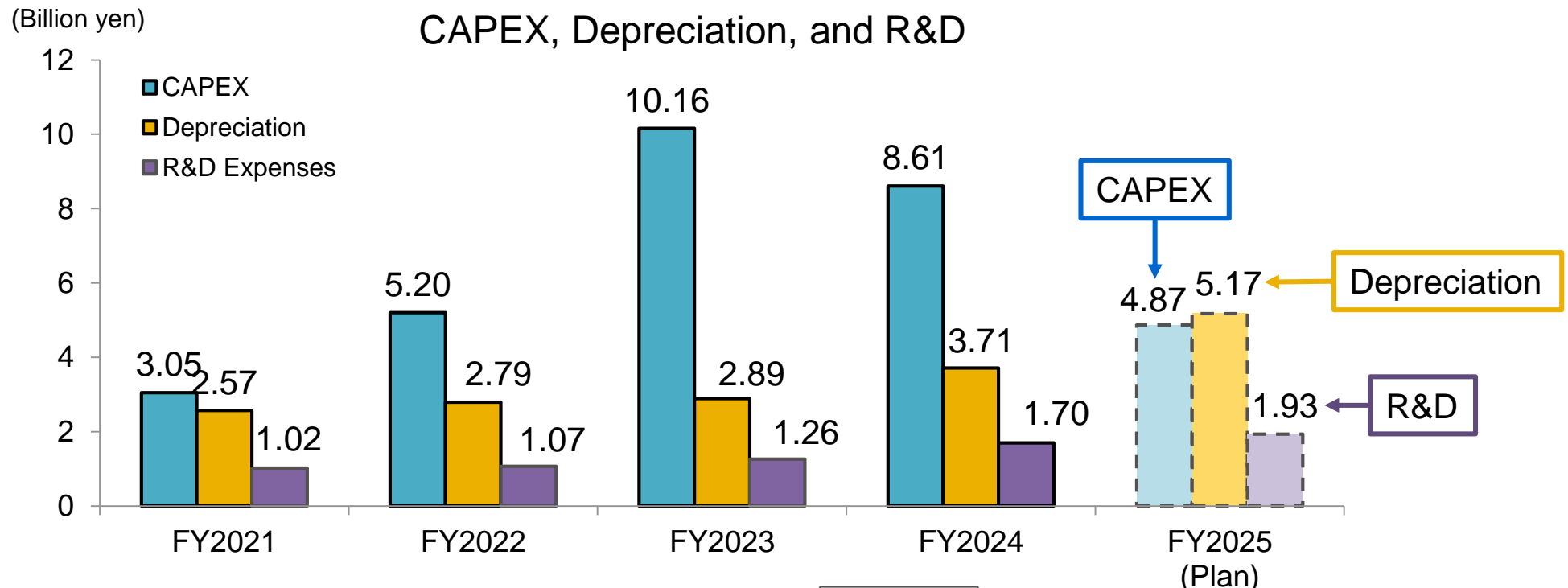
Variance Analysis: FY2025 Operating profit Forecast

- Despite a ¥3 billion increase in depreciation, personnel and other expenses, and ¥220 million impact from foreign exchange rate fluctuations, an operating profit of ¥3.2 billion thanks to ¥2.3 billion increase in increased sales and increased production are expected.



CAPEX, Depreciation, and R&D Progress

- FY2023 : Capital investment of ¥10.16 billion was made in the Photosensitive Materials R&D/QC Center, expansion of the No.4 Photosensitive Materials Plant, the Administration and Analysis Building at the Flavor and Fragrance Plant, and the indoor filling station at the Awaji Plant.
- FY2024 : Capital investment of ¥8.61 billion was made, including the Photosensitive Materials R&D/QC Center (completed in May) and capacity expansion at the No. 4 Photosensitive Materials Plant (completed in September). All major investments were completed.
- FY2025 Plan : Capital expenditures, including enhancement of existing facilities, are planned at ¥4.87 billion (down ¥3.73 billion from the previous year). Depreciation is planned at ¥5.17 billion due to the start of operation of new facilities and MES.





Flavor and Fragrance Plant's
Administration and Analysis Building
(Completed in August 2023)



Awaji Plant's No.2 Indoor Filling Station
(Completed in March 2024)



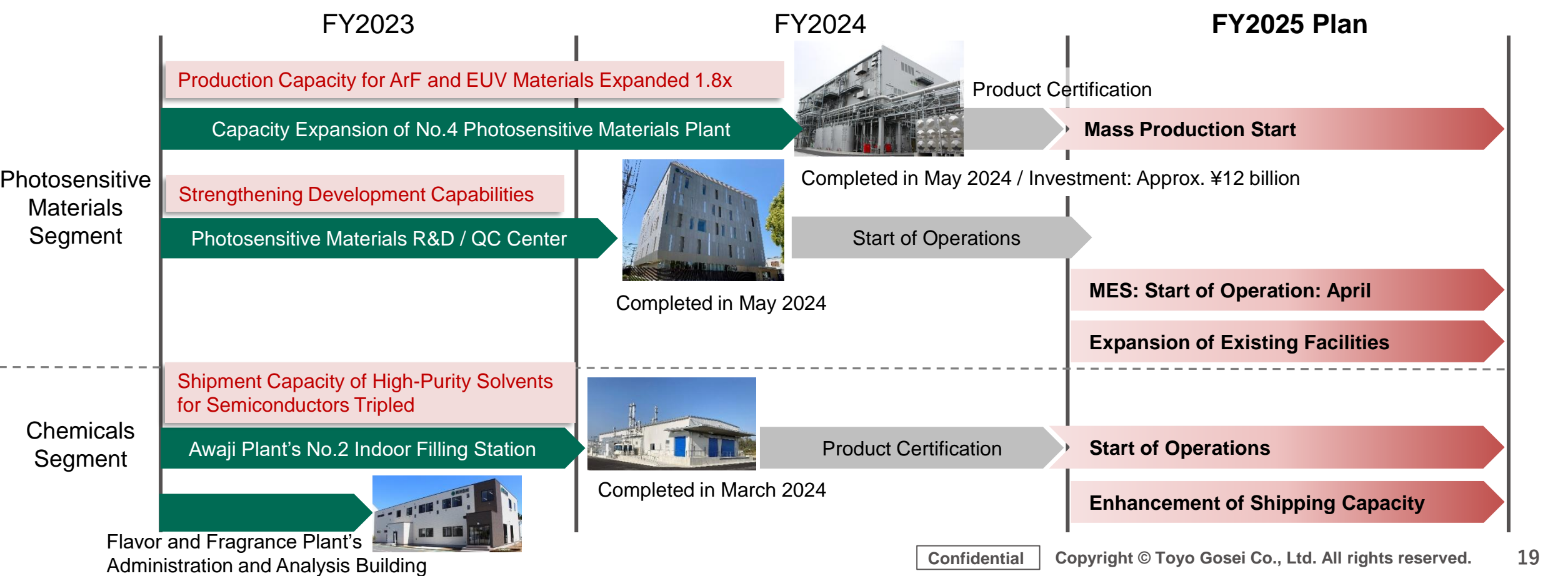
Photosensitive Materials R&D/QC Center
(Completed in May 2024)



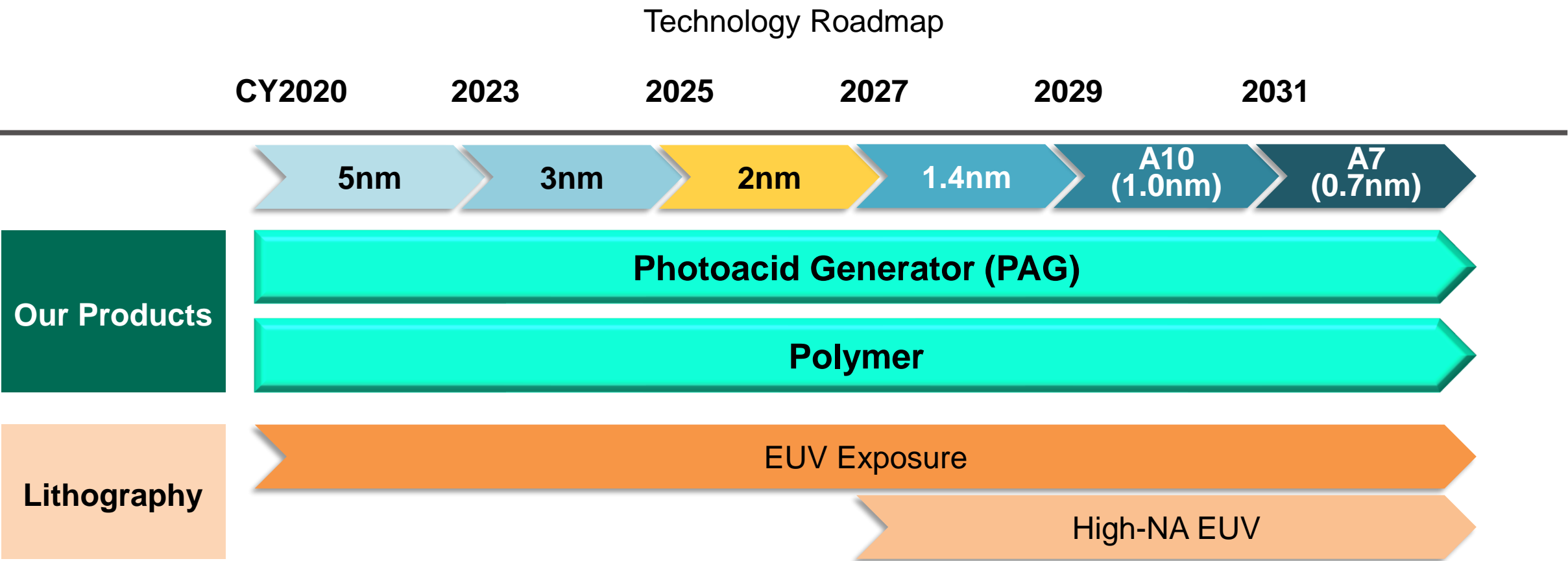
Capacity Expansion of No.4
Photosensitive Materials Plant
(Completed in September 2024)

- Flavor and Fragrance Plant's Administration and Analysis Building
(Investment: Approx. ¥0.3 billion)
Improving Analysis, Workplace, and Supply Stability
- Awaji Plant's No.2 Indoor Filling Station
(Investment: Approx. ¥1 billion)
Shipment Capacity of High-Purity Solvents for Semiconductors Tripled
- Photosensitive Materials R&D/QC Center
(Investment: Approx. ¥3 billion)
Integrated R&D and Quality Control to Significantly Strengthen Manufacturing Technologies and Analytical Capabilities
- Capacity Expansion of No.4 Photosensitive Materials Plant
(Investment: Approx. ¥12 billion)
Production Capacity for ArF and EUV Materials Expanded 1.8x (vs. FY2021)

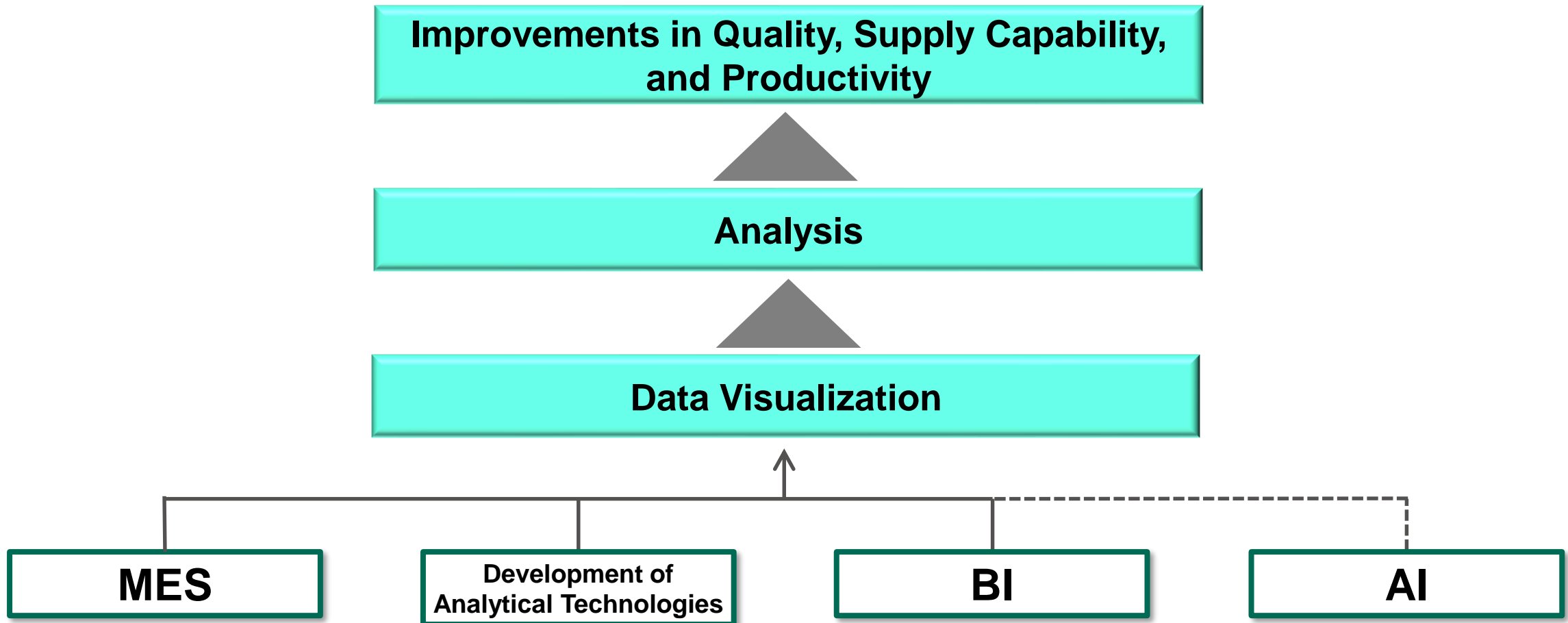
- Completion of production line for materials for cutting-edge semiconductors (ArF, EUV) in September 2024, completing all major capital investments under Beyond 500 (current mid-term plan).
- For FY2025, aiming at maximum use of the completed facilities and establishing a stable supply system that meets cutting-edge quality standards.



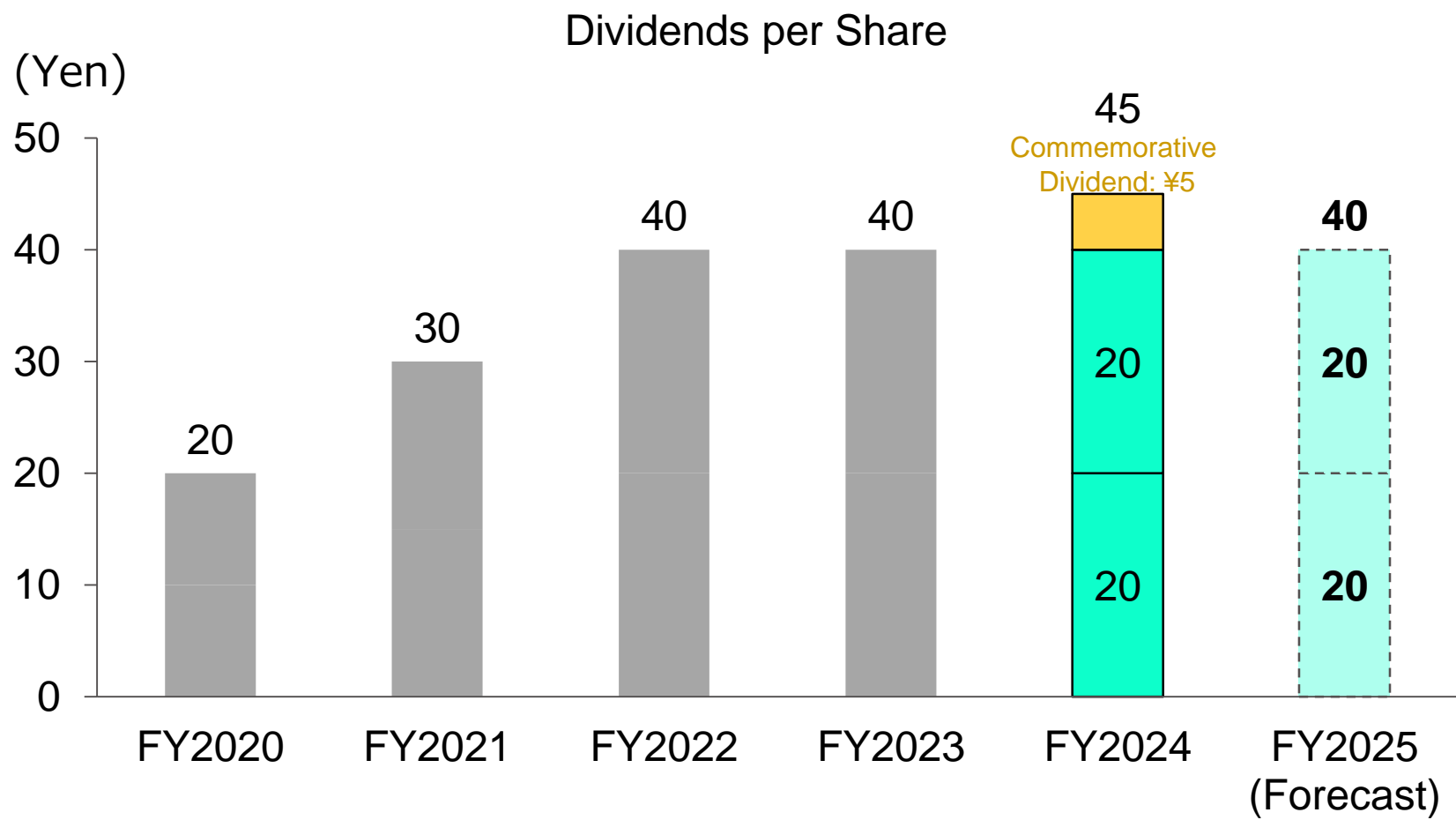
- As miniaturization progresses, the manufacturing difficulty of photoacid generators and polymers (raw materials for photoresists) also becomes more sophisticated.
- In addition to increasing production capacity, developing manufacturing and analysis technologies and promoting DX for visualization of manufacturing data, aiming to establish a supply system with stable quality for the next generation.



- Visualization of manufacturing data and sophistication of analysis technology to develop a data base for manufacturing quality improvement.
- Improve productivity by sharing various types of data in an easy-to-understand manner through BI.



- For FY2025, interim and year-end dividends of 20 yen each, for a total annual dividend of 40 yen are forecasted.



1. FY2024 Business Results

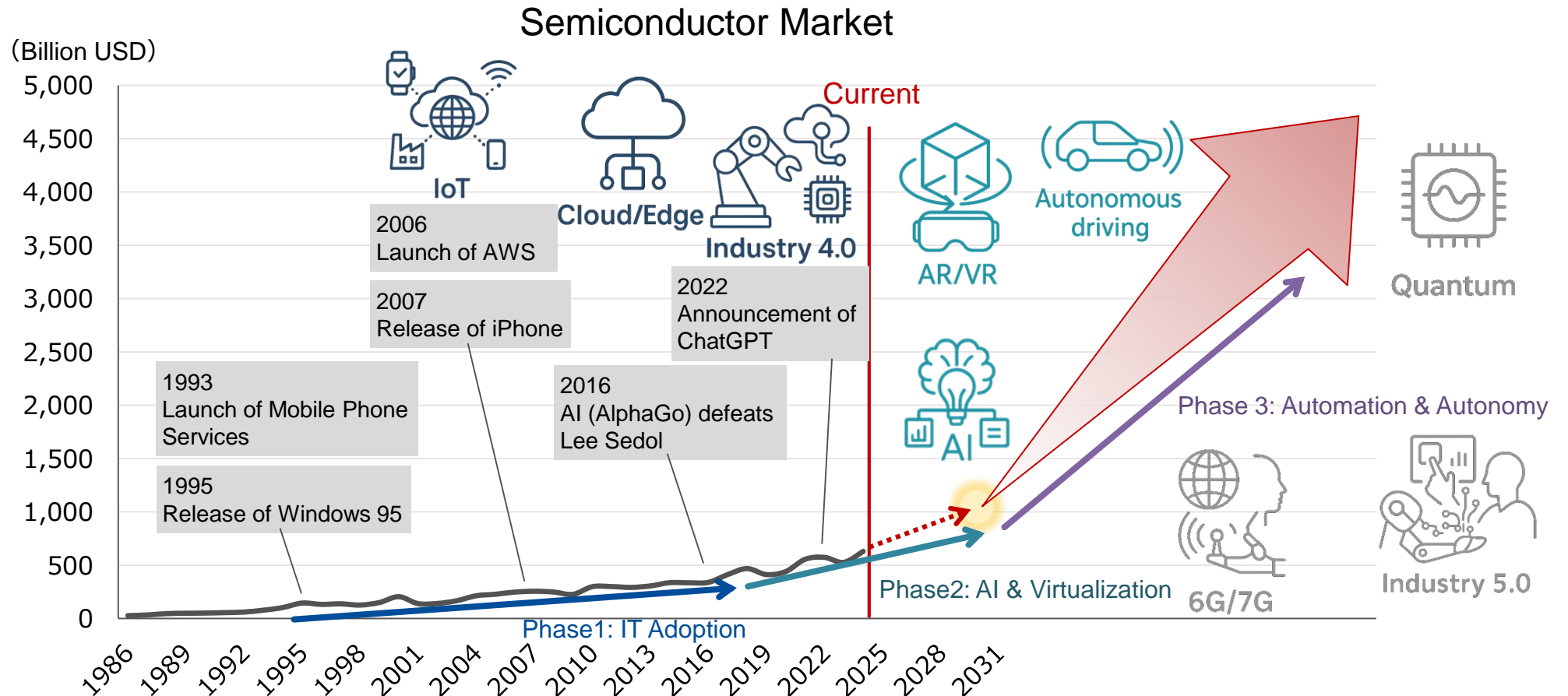
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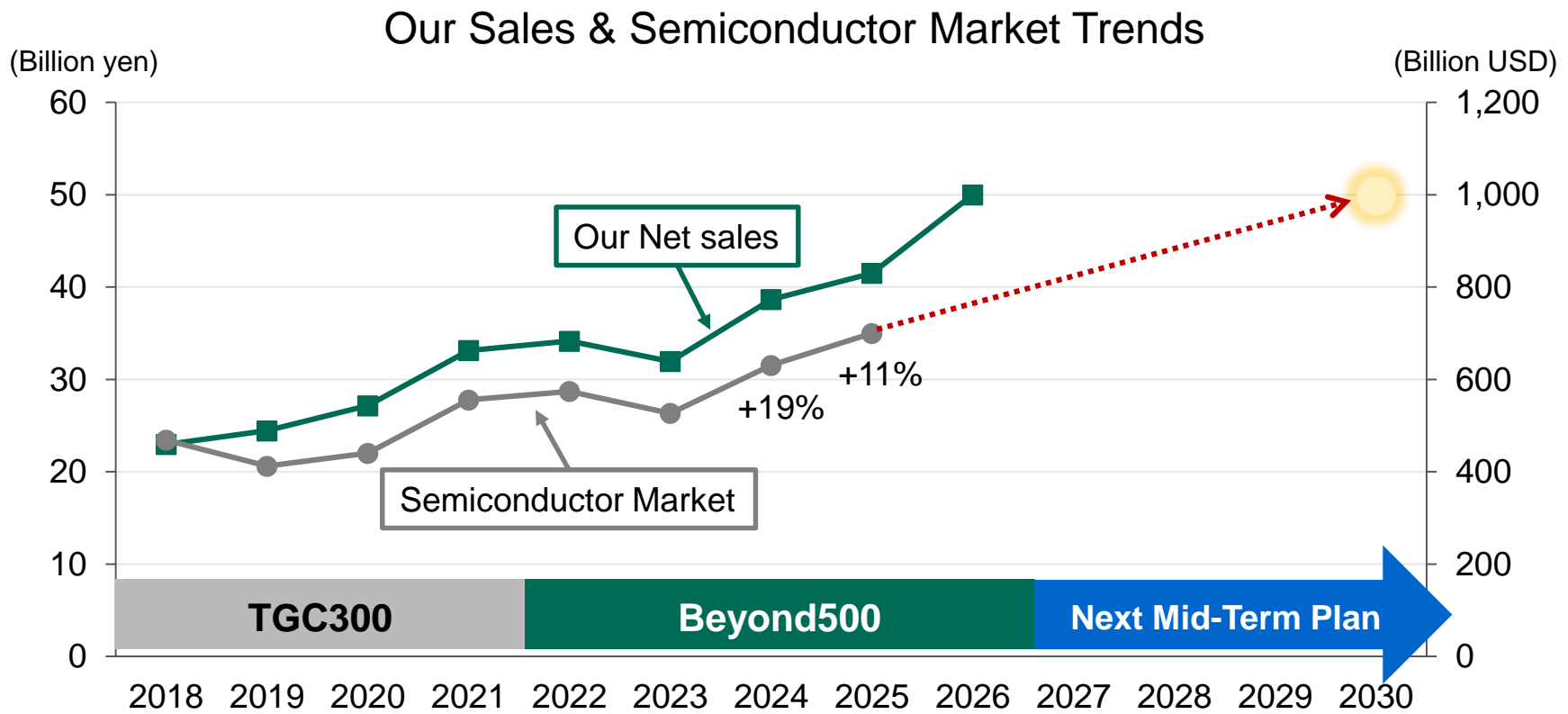
4. Sustainability Activities

Semiconductor Market Growth and Outlook

- The semiconductor market has expanded 30 times over the past 40 years (CAGR 9%).
- Growth is expected to continue, reaching \$1 trillion by 2030 and \$5 trillion by 2050.

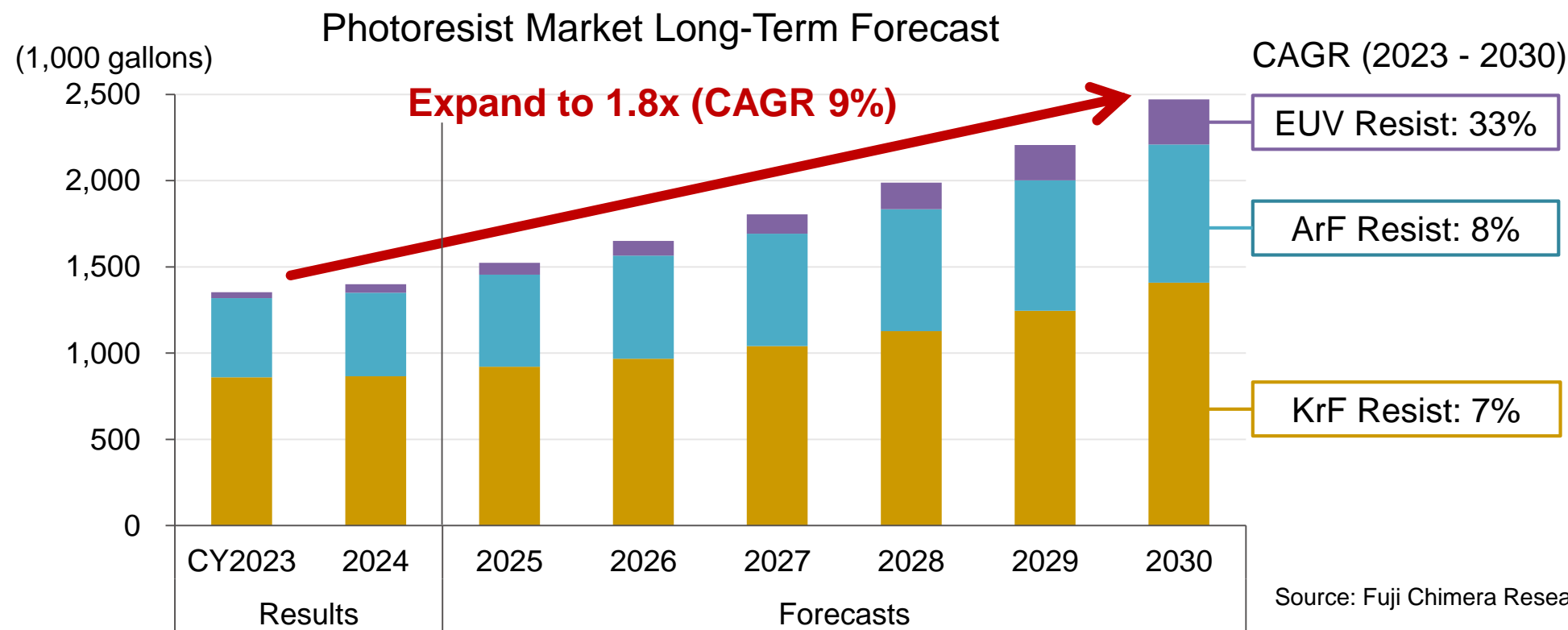


- Projected growth of +19% in 2024 and +11% in 2025.
- Sales grew steadily along with the expansion of the semiconductor market.
- In order to continue to support the evolution of semiconductors, continue to research and develop new materials that support miniaturization and high integration as developing manufacturing technologies, enhancing quality control as well as improving productivity by maximizing use of our increased capacity facilities, then ensure a stable supply of high quality products.



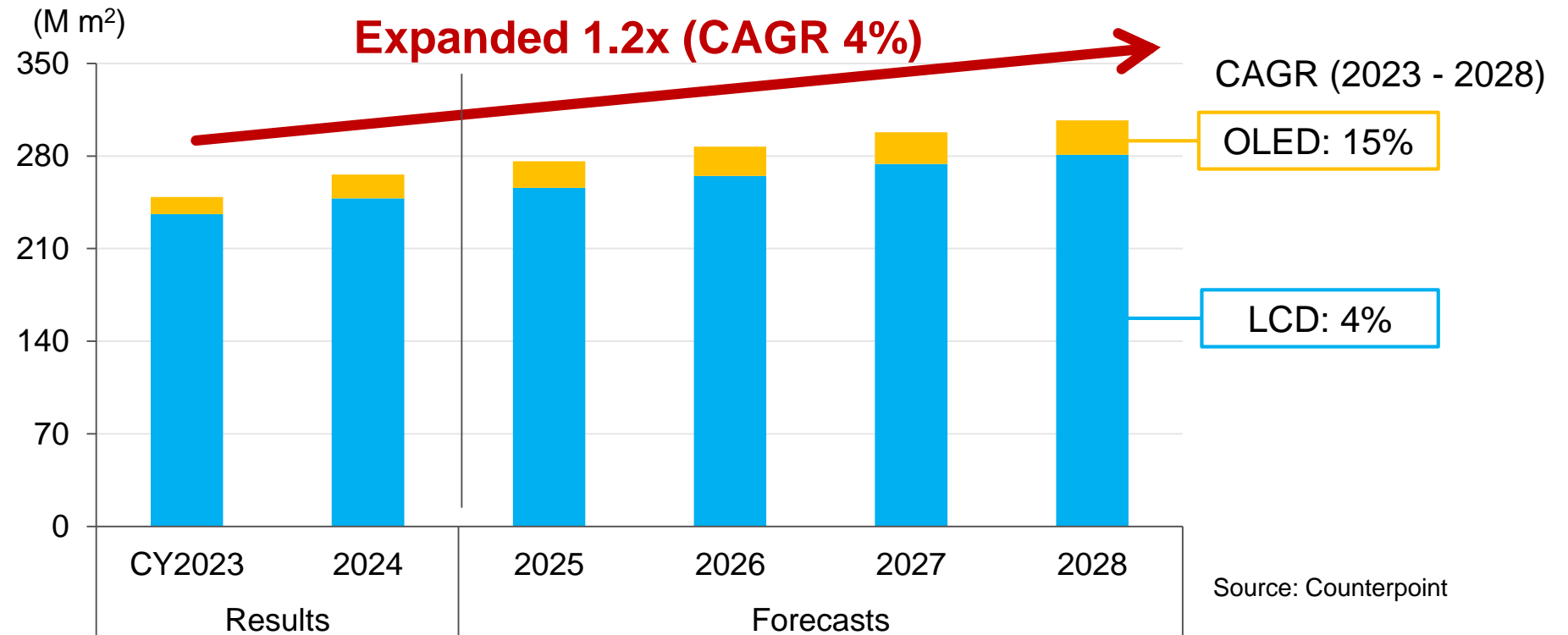
Source : METI, SEMI, WSTS

- Demand for EUV photoresists will grow 7.5 times from 2023 to 2030 at a CAGR of 33%.
- Demand for photoresists (KrF+ArF+EUV) is also expected to expand 1.8 times from 2023 to 2030.
- The Chiba Plant's No.4 Photosensitive Materials Plant has increased capacity by 1.8 times.



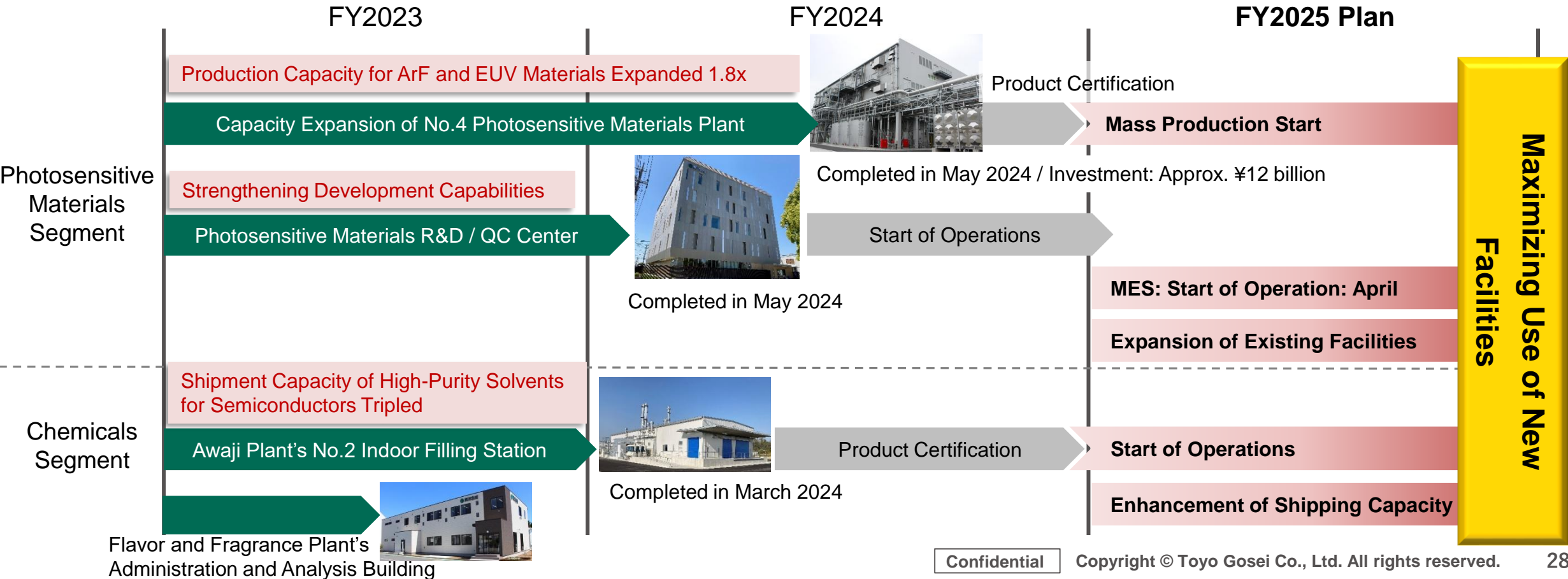
- Display area demand is forecast to continue to grow at a moderate 4% average annual growth rate.
- Area demand is expected to expand by 1.2 times between 2023 and 2028.
- Demand for photosensitive materials/high purity solvents is on the rise thanks to the increasing size of TVs and the spread of high-definition products.

Display Market Long-Term Forecast



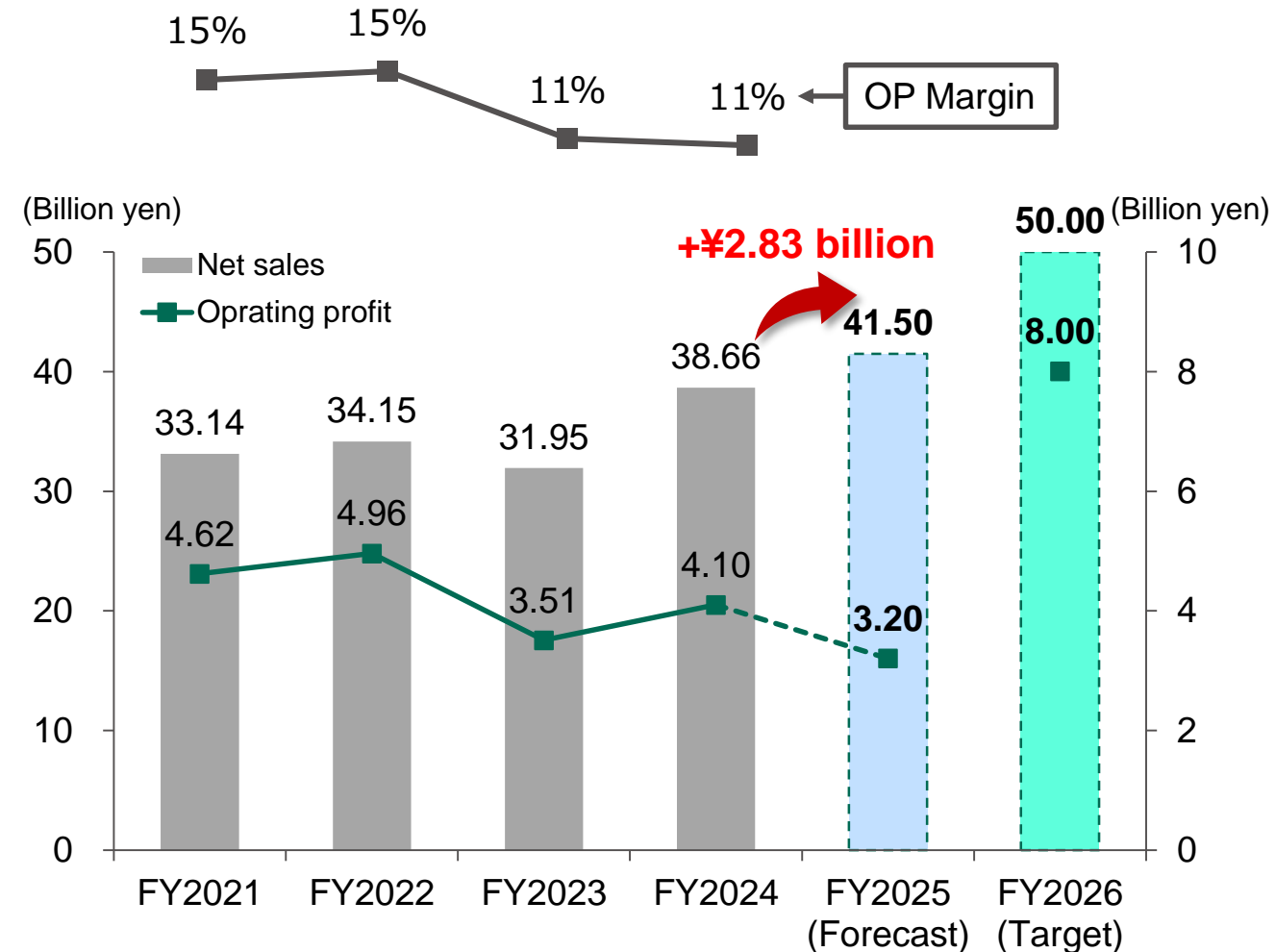
Completion of Major Investment: “Beyond500” Plan

- Completion of production line for materials for cutting-edge semiconductors (ArF, EUV) in September 2024, completing all major capital investments under Beyond 500 (current mid-term plan).
- For FY2025, aiming at maximum use of the completed facilities and establishing a stable supply system that meets cutting-edge quality standards.



Progress of Mid-Term Plan “Beyond500”

Targets vs. Actuals



Beyond500 (FY2026)

Net sales: ¥50 billion

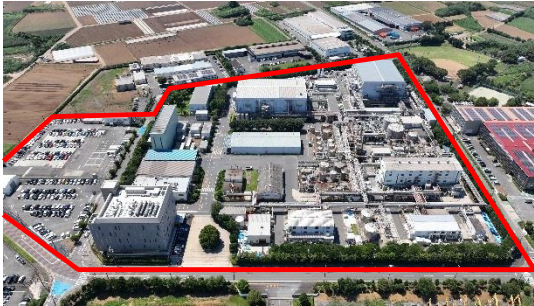
Operating profit: ¥8 billion
(OP Margin 16%)

- The semiconductor market is expected to continue to grow over the medium to long term.
- In order to expand supply, mass production operation of new facilities started in FY 2025.
- Maximizing use of the completed facilities, then aiming for a stable supply system that meets the most cutting-edge quality standards.

- Capital investment is planned for 2027~2029 to further expand supply capacity.
- Approved as a project eligible for funding under the METI's Economic Security (November 29, 2024).
- Production capacity for photosensitive materials and polymers is expected to expand 1.4 times compared to FY2024.
- In anticipation of future demand for semiconductors, aiming to secure production capacity after the current mid-term plan as securing stable supply of cutting-edge quality products that support market growth.

Overview of the Supply Security Plan (Eligible for Grant Support)

	Production Site	Planned Supply Start	Planned Production Capacity	Planned Investment Amount
Photosensitive Materials Segment	Chiba Plant	April 2029	Plan to expand production capacity of photosensitive materials and polymers to 1.4x FY2024 level.	Approx. ¥21.1 billion Maximum Grant Amount: Up to ¥7 billion
Chemicals Segment	Ichikawa Plant	September 2027	To establish a stable production system for photosensitive materials and polymers, enhance the production capacity of high-purity solvents.	
	Awaji Plant			



Chiba Plant



Ichikawa Plant



Awaji Plant

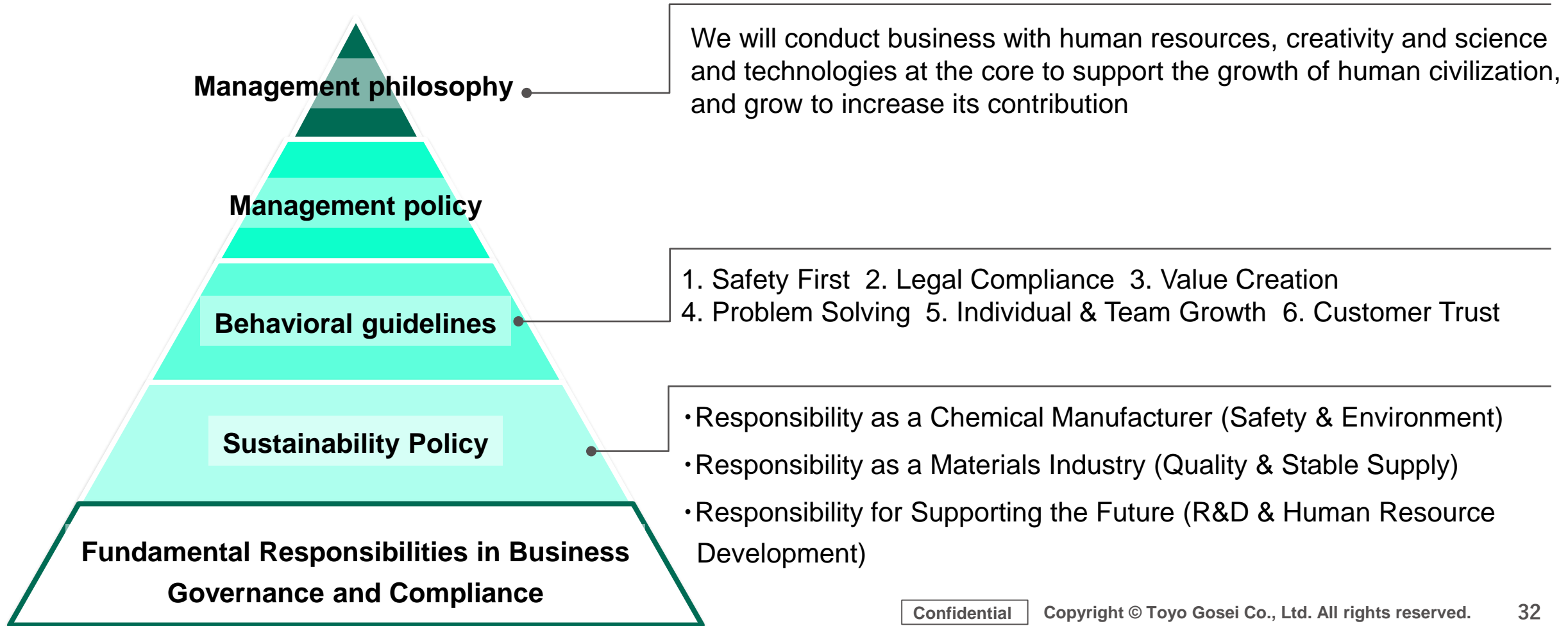
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- We aim to contribute to a sustainable society through the implementation of its management philosophy, which is based on the principle of “conduct business with human resources, creativity and science and technologies at the core to support the growth of human civilization, and grow to increase its contribution.



- Environment : From the perspective of the global environment and sustainable growth of society, we promote the reduction of greenhouse gases and environmental impact from our business activities.
- Human Capital : Promote the creation of an organization that supports business growth through the development of human resources by creating a comfortable work environment that allows for diversity.

Key Initiatives

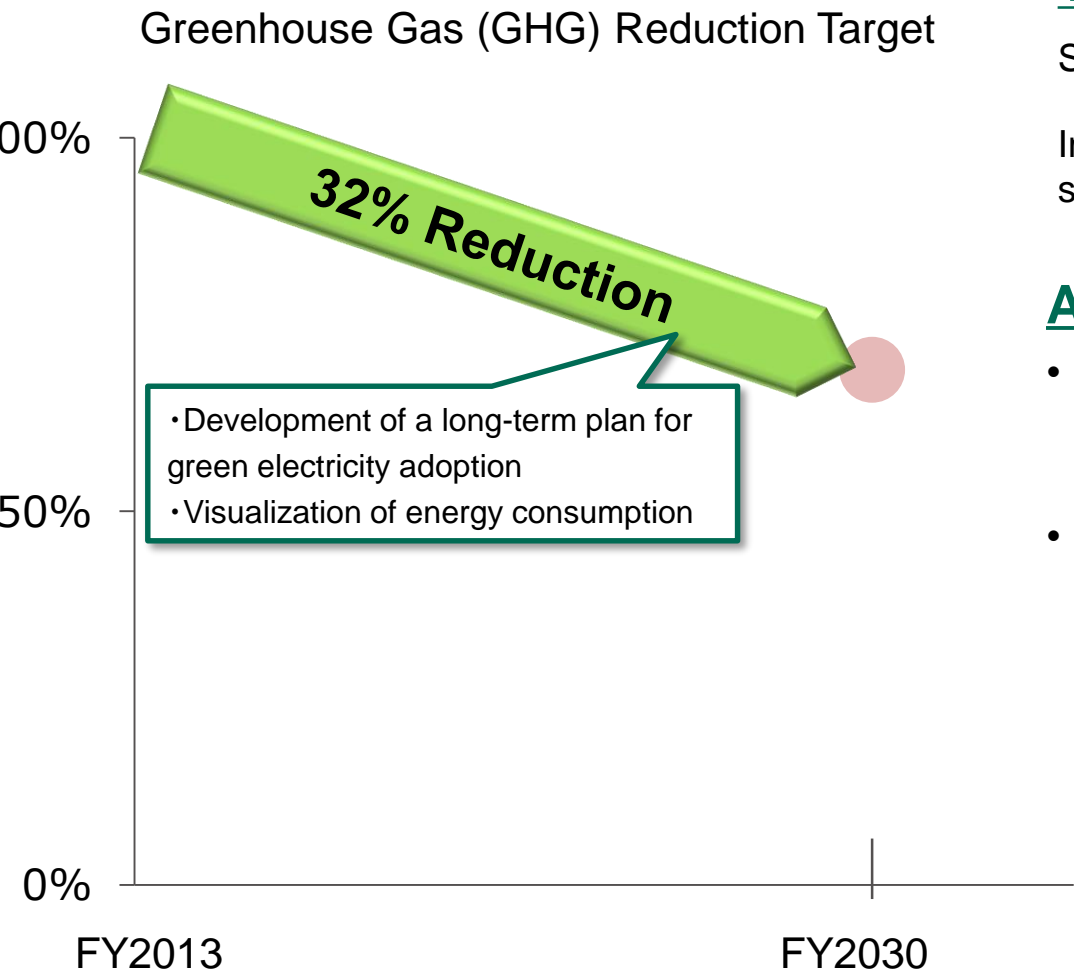
Climate Change and Environmental Impact

- Establish of roadmap and action plan to achieve goals.
- ① Disclosed Scope 1 & 2 targets, and calculated Scope 3 emissions.
- ② Visualization of energy consumption and optimization of energy consumption
- ③ Implemented a system for calculating the carbon footprint of products.
- ④ Promoting resource recovery through waste reduction and solvent recycling.

Enhancement of Human Capital

- Human resources and organization capable of autonomous decision-making.
- A corporate culture that leverages differences in values and experience.
- Organizational management in which individual growth leads to team growth.
- Develop human resources who respect honest communication and individuality.

- Implemented various measures to realize the goals.



Target

- Scope1 and 2 : Target to reduce GHG emissions by 32% by FY2030 (compared to FY2013)
- Implementation of energy-saving measures : Annual 1% reduction in energy consumption per unit of production

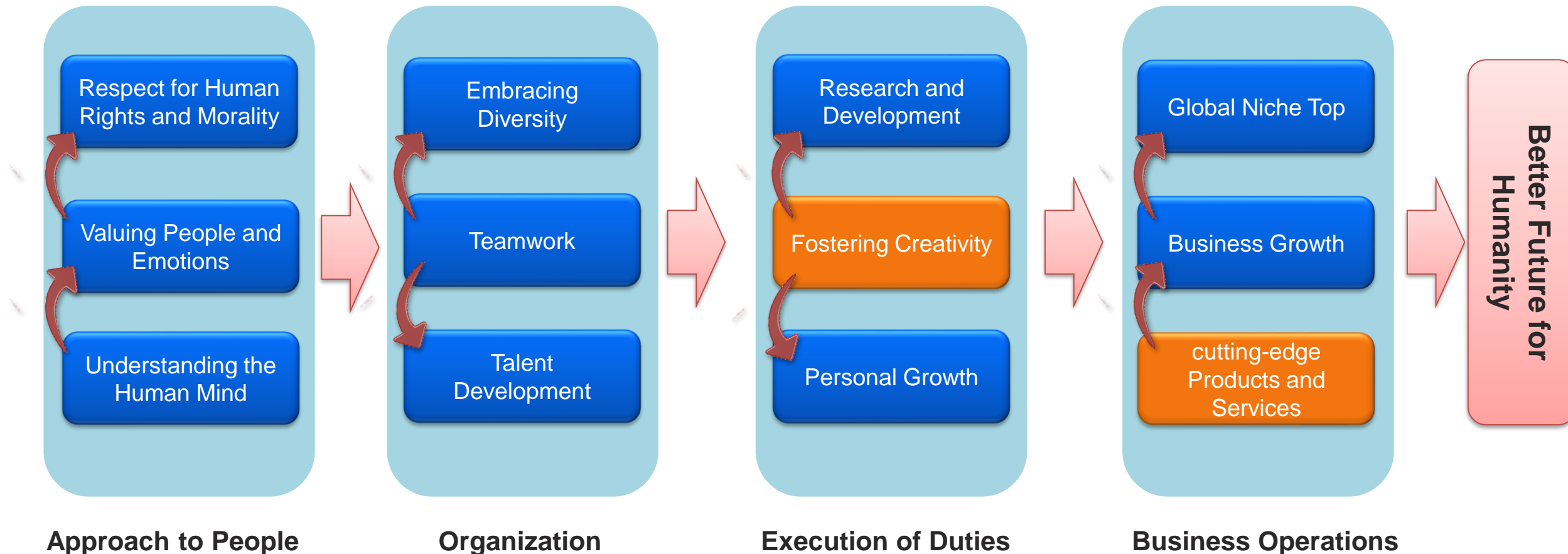
Activities to Date

- Visualization of energy consumption by equipment for effective energy saving measures and effectiveness measurement. Establishment of a roadmap.
- In addition to solar power, the Awaji Plant has increased its use of green power to 50%.



Solar Power at Awaji Plant

- Deepen understanding of the human mind, increase psychological safety, and foster teams that tolerate diversity in values and backgrounds.
- The goal is to create an organization in which creativity can be demonstrated and lead to sustainable human resource growth and business growth.



■ Training on Human Rights and Compliance

Training for all directors and employees to experience various feelings of people through practical role-playing training to deepen proper awareness of “human rights” that respect and honor people.

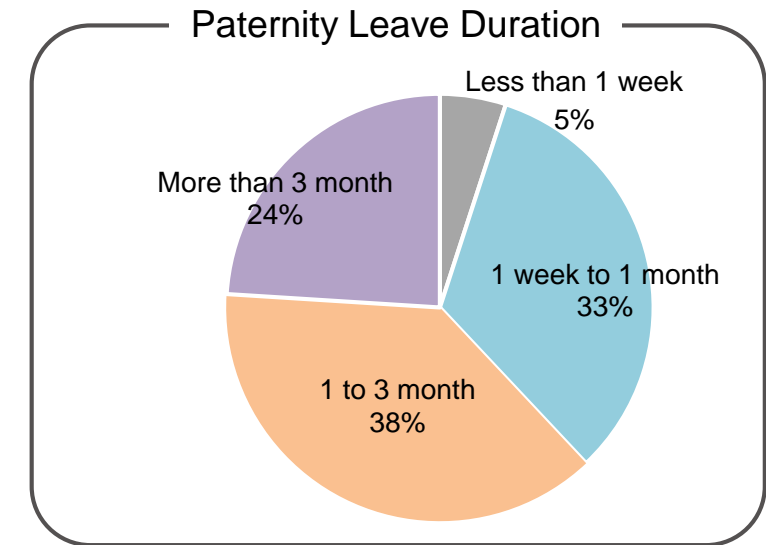


■ Diversity, Equity & Inclusion (DE&I)

- Along with the development of corporate system, internal training and seminars such as childcare sharing sessions and nursing care seminars are held.
- Male employees taking childcare leave increased to 80.8% (YoY +23.1 pt)

■ Health and Productivity Management

Recognized for the second year in a row as one of the 2025 Excellent Corporations for Health Management (Large Corporation Division) as part of our commitment to wellbeing.



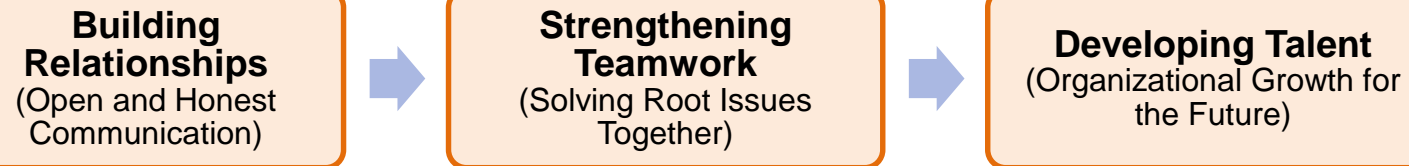
2025
健康経営優良法人
KENKO Investment for Health
大規模法人部門

Enhancing Engagement

- Promoting a safe, secure, and rewarding workplace that respects the individuality of each person and values people.

■ Safety Culture Promoting Workshops, Team Building

- Held at all plants to realize “safety that can be felt and a culture that sees it as one's own business.
- Under implementing as a foundation for safety culture promotion, human resource development, and organizational development.



■ Improving the Workplace Environment

The Development and Analysis Building brings together development divisions to create an environment for the co-creation of knowledge.

■ Employee Engagement

Held a 70th anniversary thanksgiving party at each site with family participation, reviewing on the history of growth and fostering a sense of unity for future growth.

■ Engagement Surveys

Improve management through annual regular monitoring.



70th Anniversary
-A Decade of Growth-



70th Anniversary
-Site Events-

Initiatives for Talent Development

- Implement various measures with the aim of creating a growing organization through individual growth and teamwork.

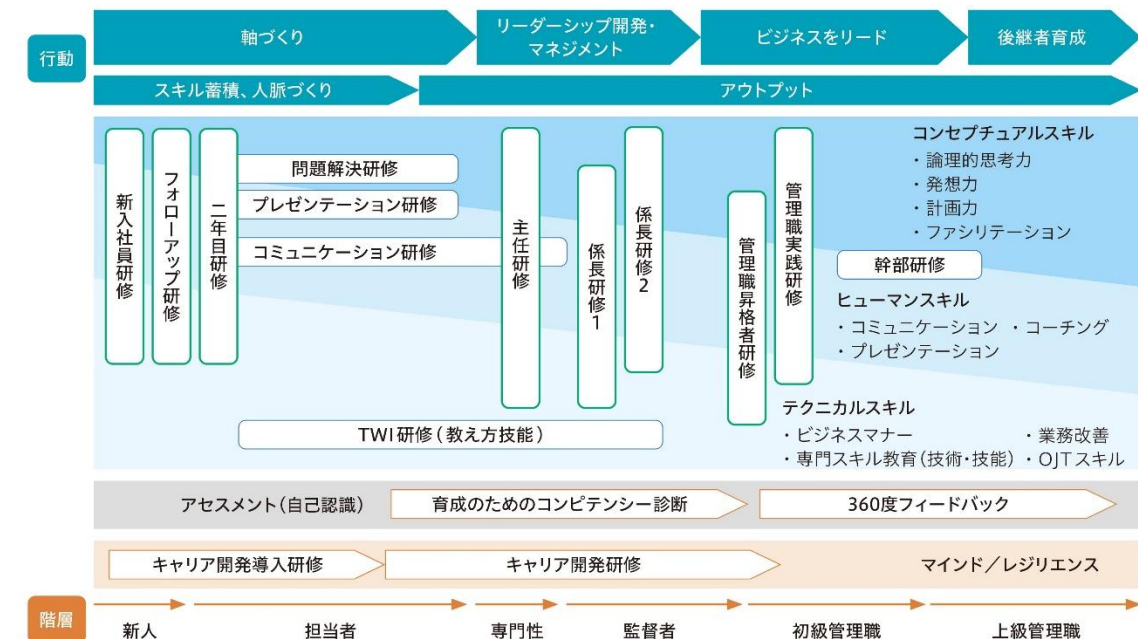
■ Career Development

- Provide regular opportunities for employees to think about their careers and support self-development that utilizes their individuality and strengths.
- Provide career training that utilizes Will・Can・Must to encourage each individual to learn autonomously and pursue their own career.

■ Support for Long-Term Growth

- Provides opportunities to define, learn, and experience the skills needed at each stage of the process, from new hires to senior management.
- As the company grows, training is expanded and management training required for the role is provided regardless of length of service.

研修体系図



**Individual Development,
to the global Chemical**



Toyo Gosei Co., Ltd.

(Note):

The forecasts presented in this document are based on information currently available and certain assumptions deemed reasonable at the time of preparation.

As such, they involve various uncertainties, and actual results may differ materially from those projected due to factors such as changes in the economic environment or market conditions surrounding the company. These forecasts are not intended to constitute guarantees or promises of future performance.