

Business Results for the 1st Quarter of Fiscal Year Ending March 31, 2026 (April 1, 2025 – June 30, 2025)

August 8, 2025

Toyo Gosei Co., Ltd.

Securities Code: 4970

FY2025 1Q Financial Highlights

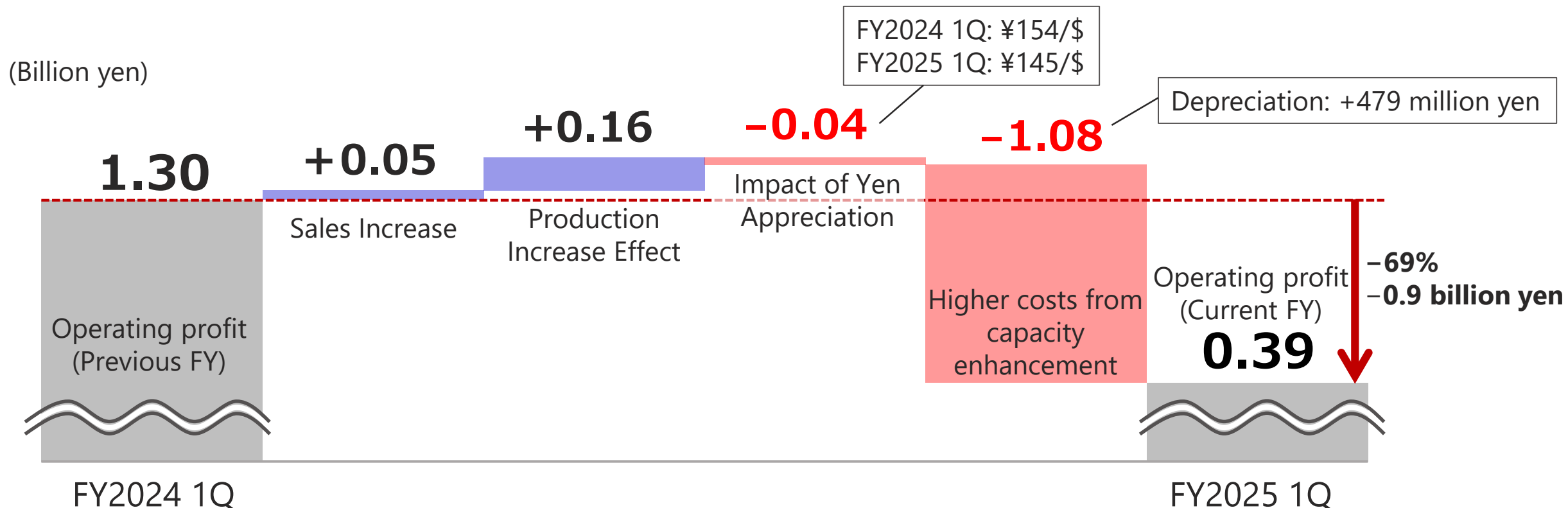
- All large-scale capital investments under the current mid-term plan (Beyond 500) were completed in the previous fiscal year.
- In October 2024, a new production line for advanced semiconductor materials was completed, resulting in a 1.8-fold increase in production capacity.
- Net sales remained at the same level as the previous year at 9,128 million yen, despite a decline in general-purpose products, thanks to steady sales of advanced semiconductor materials.
- Operating profit decreased by 69% YoY to 397 million yen due to a 1.08 billion yen increase in costs such as depreciation and personnel expansion associated with the start of operations of new facilities aimed at expanding supply in the future.

(Million yen)

	FY2024 1Q Results	FY2025 1Q Results	YoY	
			Change	%
Net sales	9,216	9,128	(88)	(1)
Operating profit	1,302	397	(905)	(69)
Ordinary profit	1,424	293	(1,131)	(79)
Profit	968	201	(767)	(79)
EPS	¥122.04	¥25.39		
FX Rate (USD)	¥154/\$	¥145/\$		

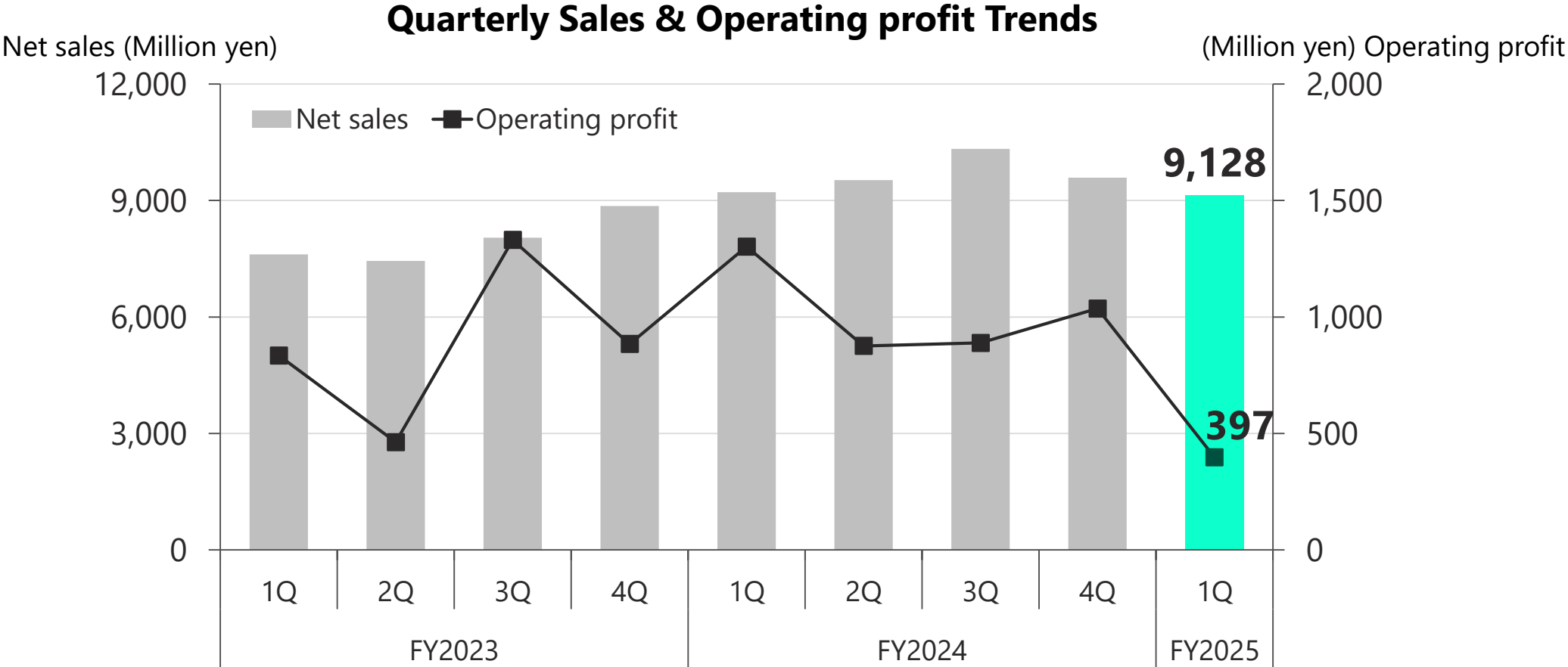
Variance Analysis: Operating profit

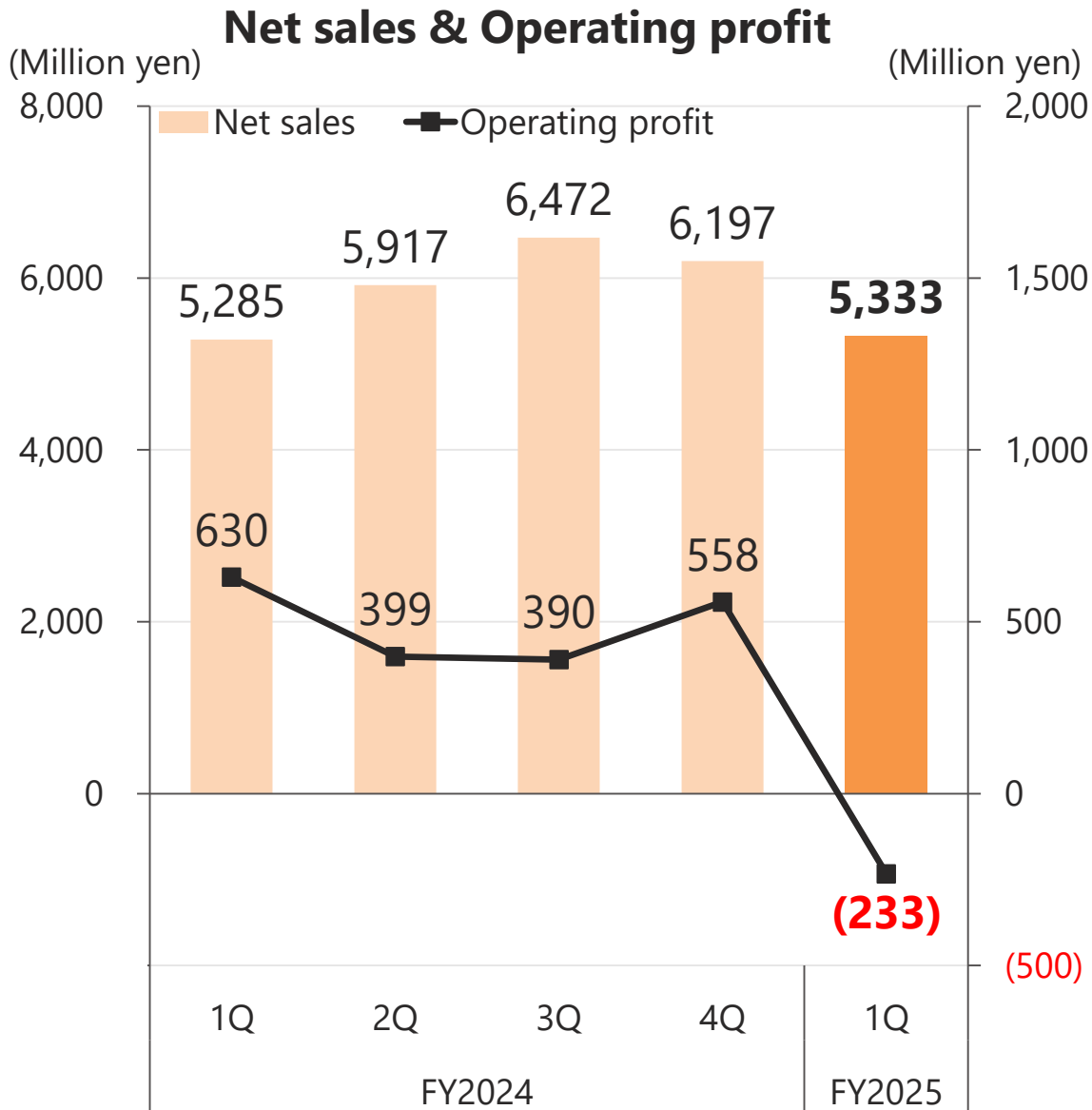
- Product qualifications progressing with start-up of new facility; however, depreciation and personnel expenses increased ahead of sales.
- In addition, the start of manufacturing execution system operations, depreciation expenses, personnel increases and other factors resulted in a total increase in expenses of 1.08 billion yen.
- As a result, operating profit declined 69% YoY to 397 million yen.



Quarterly Sales & Operating profit Trends

- Net sales decreased temporarily compared to the previous quarter due to inventory adjustments in the supply chain as a reaction to the rush demand caused by risk avoidance of US tariff measures.
- Operating profit was 397 million yen due to an increase in upfront costs such as depreciation expenses associated with the operation of new facilities and personnel expansion.





Net sales: 5,333 million yen

YoY: +1%

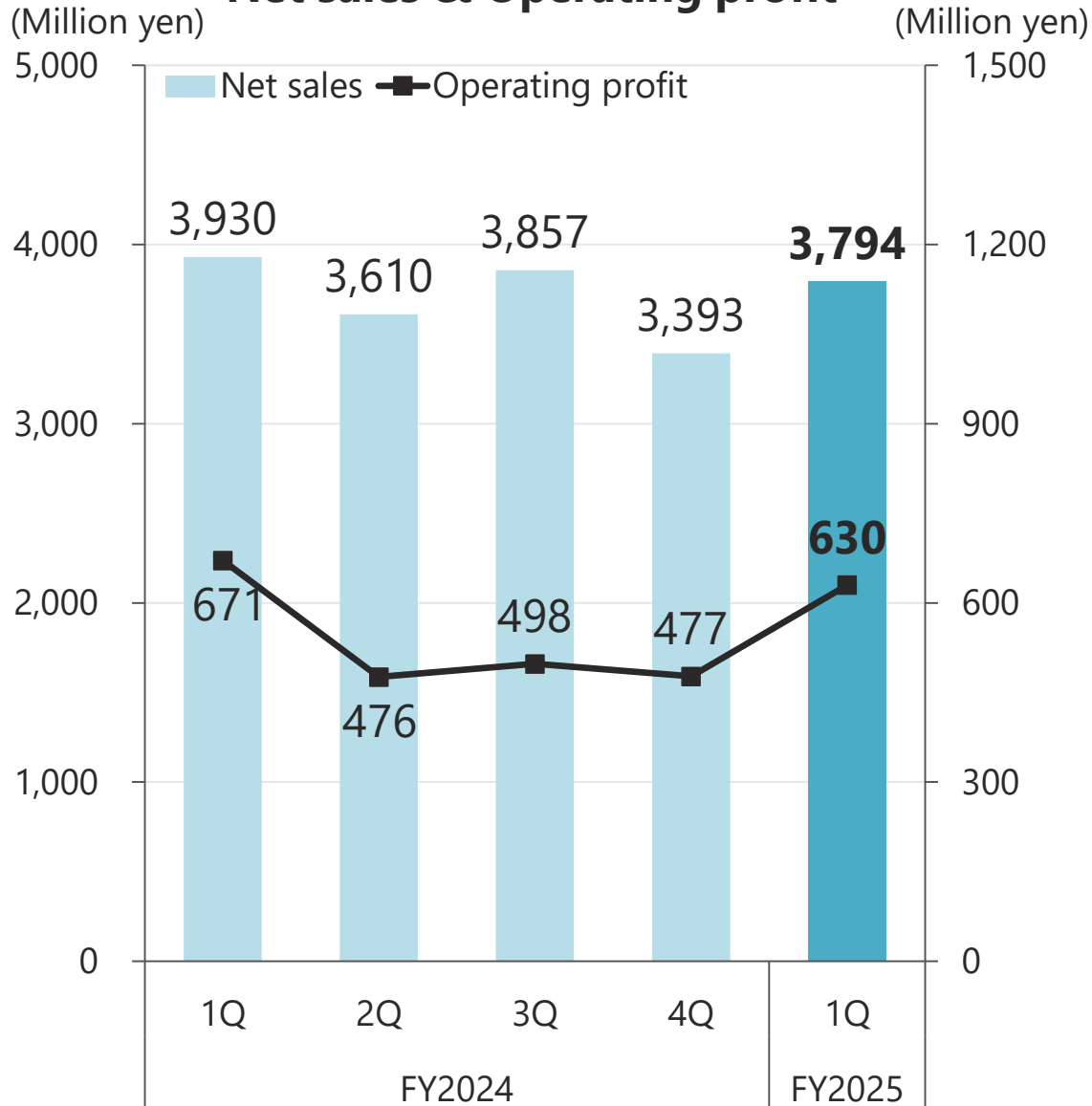
- Strong demand for generative AI applications continued YoY, boosting sales of advanced photoresist materials.
- Net sales for general semiconductor applications declined slightly YoY.
- Net sales of display materials remained strong, influenced by factors such as the effects of subsidy policies in China.
- Net sales excluding generative AI applications decreased QoQ.

Operating profit: –233 million yen

YoY: –864 million yen

- In October 2024, a new production line for advanced semiconductor materials was completed, marking the completion of all major capital investments under the current mid-term plan.
- Product qualifications toward mass production progressing.
- Manufacturing Execution System started operation in April 2025.
- Start-up of these operations increased costs, including depreciation and additional personnel.

Net sales & Operating profit



Net sales: 3,794 million yen

YoY: -3%

- Net sales of high-purity solvents increased YoY thanks to continued moderate growth in demand for semiconductors and electronic components.
- Net sales of aroma materials decreased YoY due to inventory adjustments in the supply chain and foreign exchange effects.
- In the tank terminal sector, in addition to domestic demand, demand for storage of imported goods is also strong. Demand for tanks remains strong.

Operating profit: 630 million yen

YoY: -6%

- Flat year on year.
- Higher profit QoQ driven by increased sales of high-purity solvents.

FY2025 1Q Income Statement

- Net sales: 9,128 million yen, flat YoY.
- Operating profit decreased by 905 million yen YoY due to an increase in expenses of 1.08 billion yen, including depreciation expenses and personnel expansion, resulting from the start of operations of new facilities.
- Ordinary profit down 1,131 million yen YoY due to FX gains recorded in the previous year.

			(Million yen)	
	FY2024 1Q	FY2025 1Q	Change	%
Net sales	9,216	9,128	(88)	(1)
Cost of sales	6,808	7,479	+670	+10
Gross profit	2,408	1,649	(758)	(32)
SG&A expenses	1,105	1,251	+146	+13
Operating profit	1,302	397	(905)	(69)
Non-operating income	176	48	(128)	(73)
Non-operating expenses	54	151	+97	(180)
Ordinary profit	1,424	293	(1,131)	(79)
Extraordinary income & losses	(26)	(1)	+25	(96)
Profit before income taxes	1,398	292	(1,105)	(79)
Income taxes	429	90	(338)	(79)
Profit	968	201	(767)	(79)

FY2025 1Q Balance sheet

- Working capital (= accounts receivable + inventories - accounts payable) increased by 458 million yen due to the production of certificating products following the start of operation of new facilities.
- Other current assets decreased by 1,219 million yen due to tax refunds associated with large investments completed in the previous fiscal year.
- Equity ratio at 38.5%, up 0.8 percentage points.

(Million yen)

	Mar. 2025 ended	Jun. 2025 ended	Change		Mar. 2025 ended	Jun. 2025 ended	Change
Current assets	24,069	23,289	(779)	Liabilities	41,032	39,604	(1,427)
Cash and deposits	3,597	3,561	(36)	Notes and accounts payable – trade	5,676	5,694	+17
Notes and accounts receivable – trade	7,371	6,520	(850)	Borrowings	27,731	27,565	(166)
Inventories	11,053	12,379	+1,326	Other	7,624	6,345	(1,278)
Other	2,047	828	(1,219)		0	0	+0
Fixed assets	41,794	41,144	(649)	Net assets	24,831	24,830	(1)
Property, plant and equipment	37,702	37,476	(225)	Shareholders' equity	24,596	24,600	+3
Intangible assets	2,590	2,257	(333)	Valuation and translation adjustments	234	230	(4)
Investments and other assets	1,501	1,410	(90)		0	0	+0
Total assets	65,864	64,434	(1,429)	Liabilities and net assets	65,864	64,434	(1,429)

FY2025 1st Half Earnings Forecast and Progress



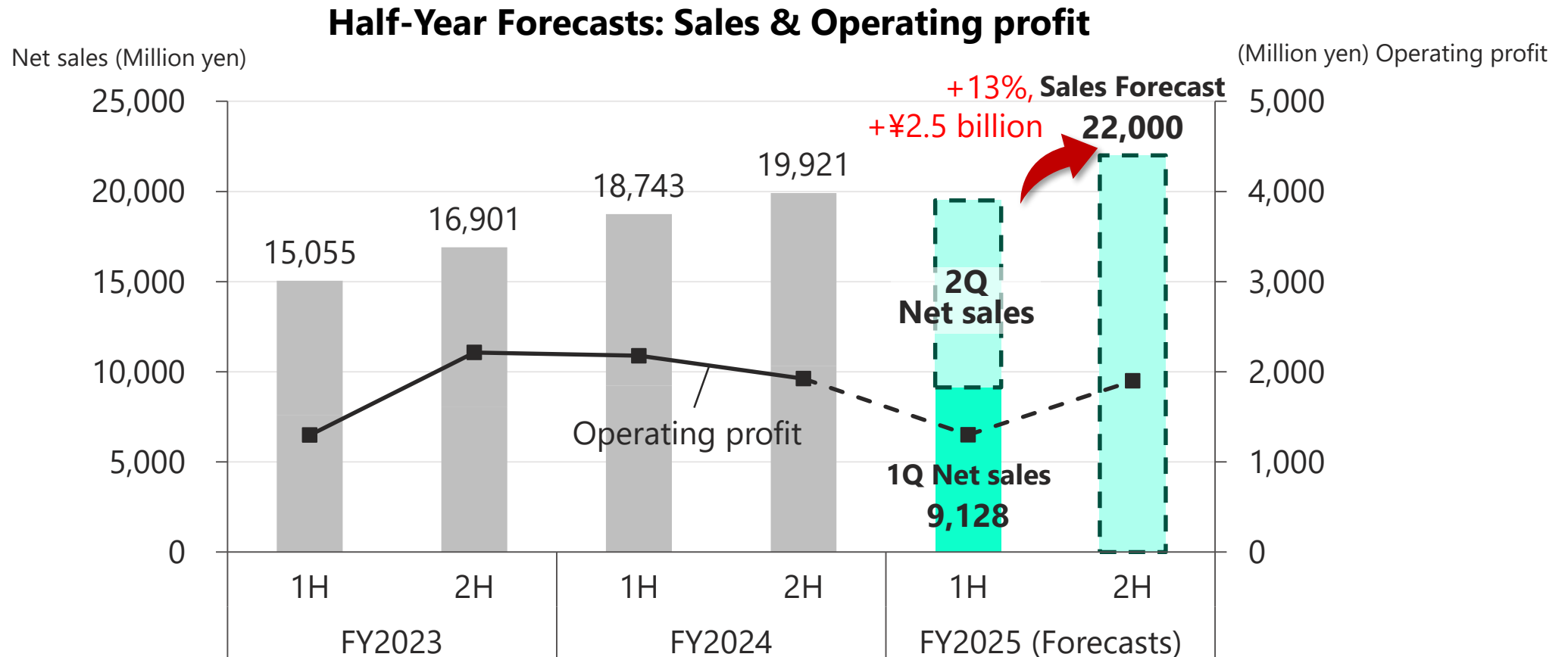
- Net sales progress rate reached 47% of the first-half forecast, roughly in line with plan.
- Profits progress rate reached 31% in operating income and 25% in net profit due to the impact of the product certification period for high value-added products.
- Net sales are expected to increase toward the second half of the fiscal year, and the earnings forecasts for both the first half and the full fiscal year remain unchanged from the previously announced figures.

(Million yen)

	FY2025 1st Half Forecasts	FY2025 1Q Results	Progress (%)
Net sales	19,500	9,128	47%
Operating profit	1,300	397	31%
Ordinary profit	1,200	293	24%
Profit	800	201	25%
FX Rate	¥145/\$	¥145/\$	

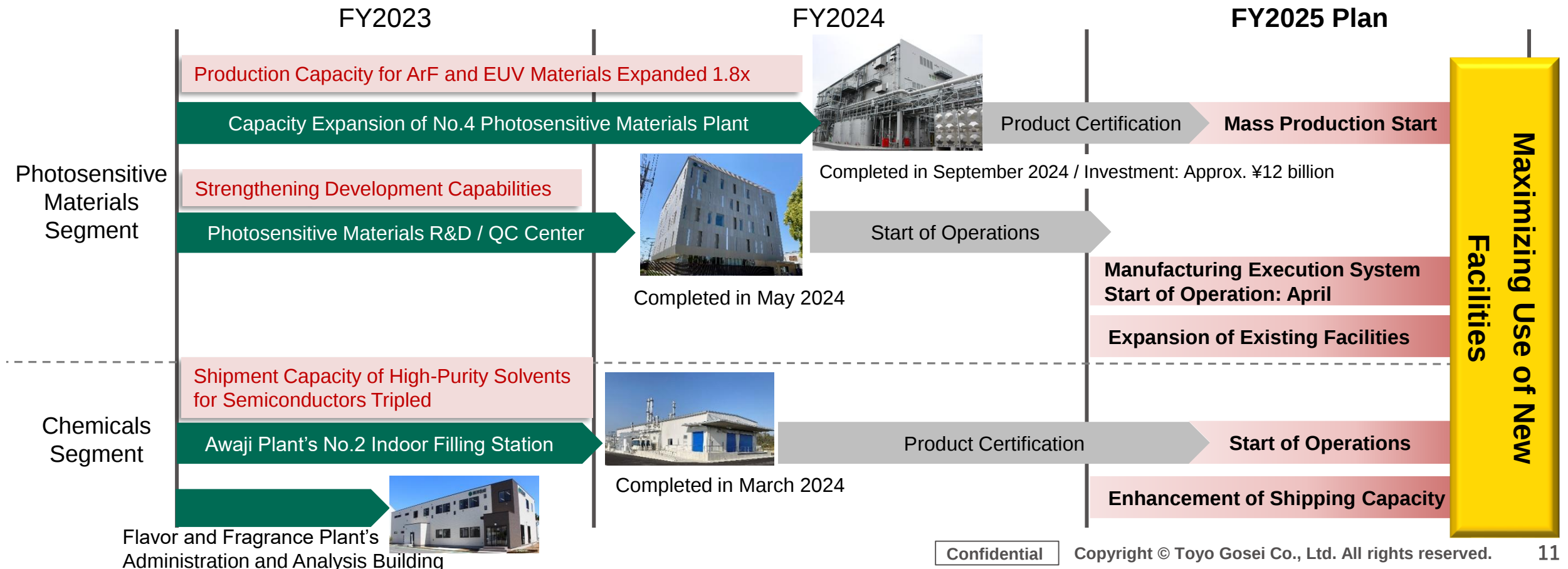
FY2025 Half-Year Forecast

- From the second quarter onwards, expect continued sales growth, mainly for advanced semiconductor materials.
- Product qualifications for the new facility are in progress.
- Net sales and operating profit expected to increase with higher mass production from new facility.



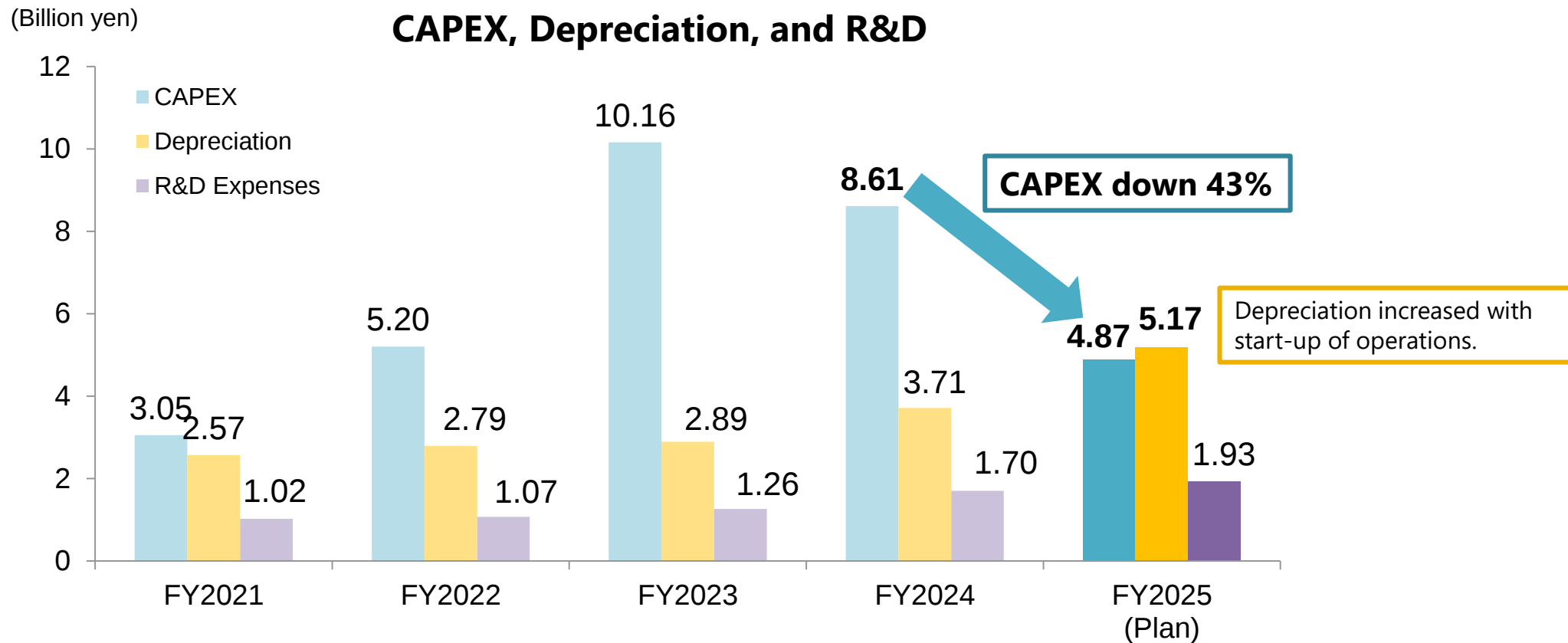
(Supplementary) Completion of Major Investment: “Beyond500” Plan

- 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).
- In the fiscal year ending March 2026, maximize the utilization of completed facilities and aim to expand the supply of high value-added products through product certification and mass production.



(Supplementary) CAPEX, Depreciation, and R&D Progress

- All large-scale Capex under current mid-term plan (Beyond 500) completed; capex down 43% YoY this fiscal year.
- Depreciation expenses increased with start-up of large-scale facilities.
- Expect to expand earnings through utilization of new facilities going forward.



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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.