Business Results for the Second Quarter of Fiscal Year Ending March 31, 2026

(April 1, 2025 – September 30, 2025)

November 14, 2025

Toyo Gosei Co., Ltd.

Securities Code: 4970

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FY2025 H1 Financial Highlights

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- New facilities for advanced semiconductor materials have been completed, and have commenced product certification and sample shipments toward stable mass production. The investment recovery phase has now begun, while efforts to stabilize mass production continue.
- Despite reciprocal tariff impacts, net sales increased to ¥19,349 million, up 3% YoY, driven by steady demand for advanced semiconductor materials.
- Operating profit decreased by 57% YoY to ￥937 million, mainly due to ￥1.21 billion in increased costs (depreciation, personnel expansion, etc.) related to new facility operations for future supply expansion, as well as the incidental effect of the lower of cost or market method.
- Compared with forecasts, net sales met expectations, while profits were lower due to approximately ￥0.4 billion impact from ※ lower of cost or market method.

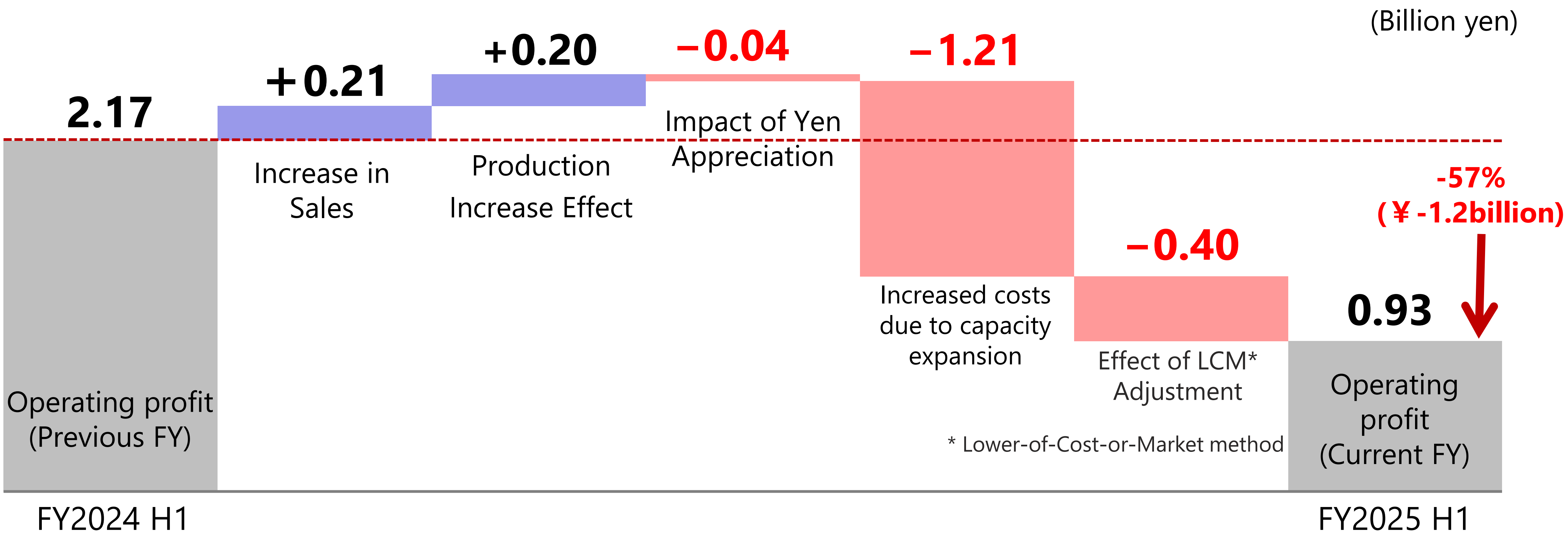
(Million yen)	FY2024 H1 Results	FY2025 H1 Results	YoY Change	YoY %	FY2025 H1 Forecast	Compared to Forecast Change	Compared to Forecast %
Net sales	18,743	**19,349**	+605	**+3%**	19,500	(150)	(1%)
Operating profit	2,178	**937**	(1,241)	**(57%)**	1,300	(362)	(28%)
Ordinary profit	2,060	**831**	(1,229)	**(60%)**	1,200	(368)	(31%)
Profit	1,391	**570**	(821)	**(59%)**	800	(229)	(29%)

	FY2024 H1 Results	FY2025 H1 Results
EPS	¥175	**¥71**
FX Rate (USD)	¥154/$	¥146/$

Note:
The lower-of-cost-or-market method(LCM) rule is applied when the cost of products exceeds their selling price.
In the second quarter, initial start-up of the new facilities and longer processing times for advanced semiconductor materials led to a sharp increase in product costs, which exceeded selling prices and triggered the LCM adjustment.
With increased production going forward, the impact is expected to diminish in the second half.

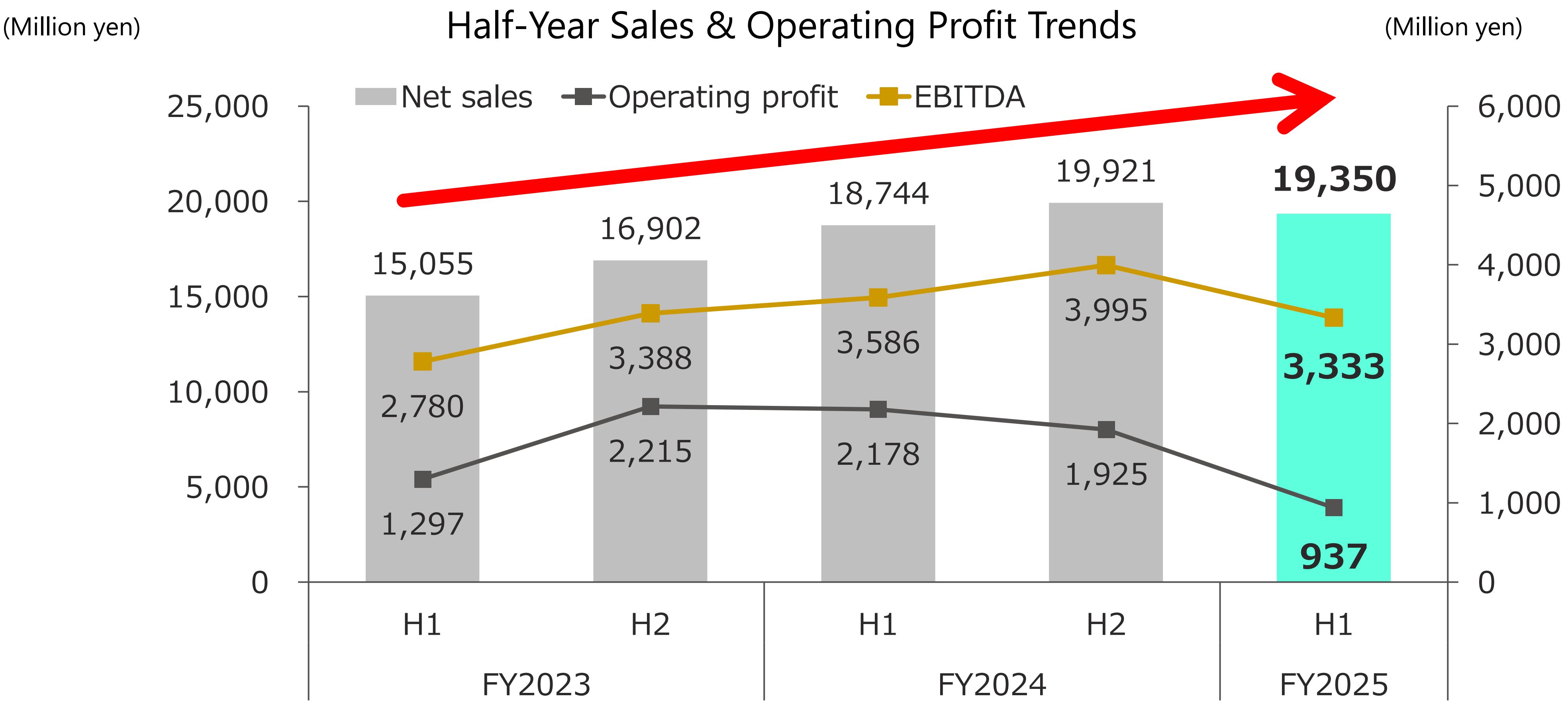
Variance Analysis: Operating profit

- Commenced product certification and sample shipments for the advanced semiconductor production line, resulting in a ￥0.41 billion profit increase from higher sales and production
- Depreciation and personnel expenses increased ahead of sales growth, and the launch of the Manufacturing Execution System added further costs, bringing the total increase to ￥1.21 billion.
- Additionally, the lower of cost or market method had a negative impact of ￥0.4 billion, resulting in operating profit of￥0.93 billion.



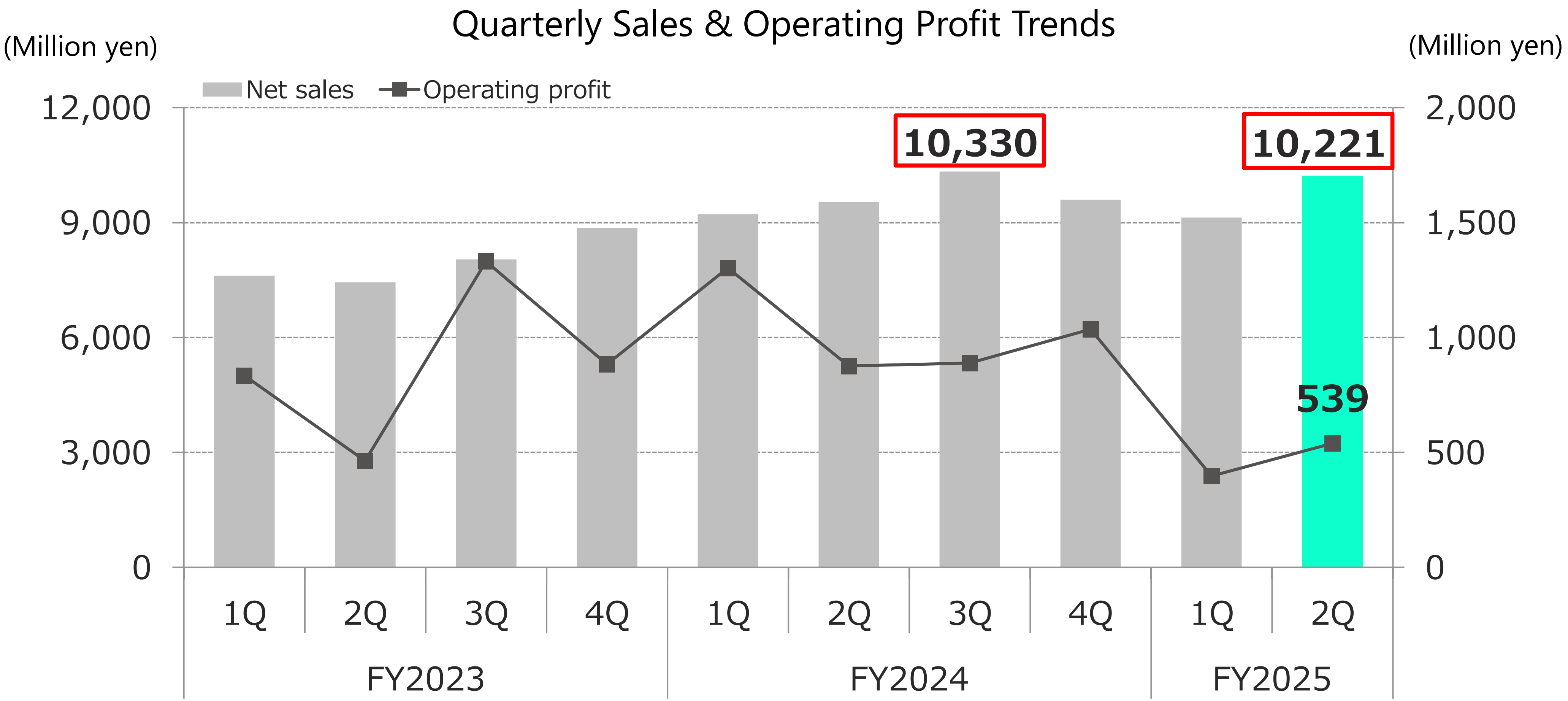
Semiannual Sales & Operating Profit Trends

- Net sales have continued to grow since the second half of FY2024, maintaining the ￥20,000 million level per half year.
- EBITDA (profitability) has remained at a high level.
- Operating profit decreased in the first half due to depreciation and other expenses, but it is expected to recover in the second half through increased sales.



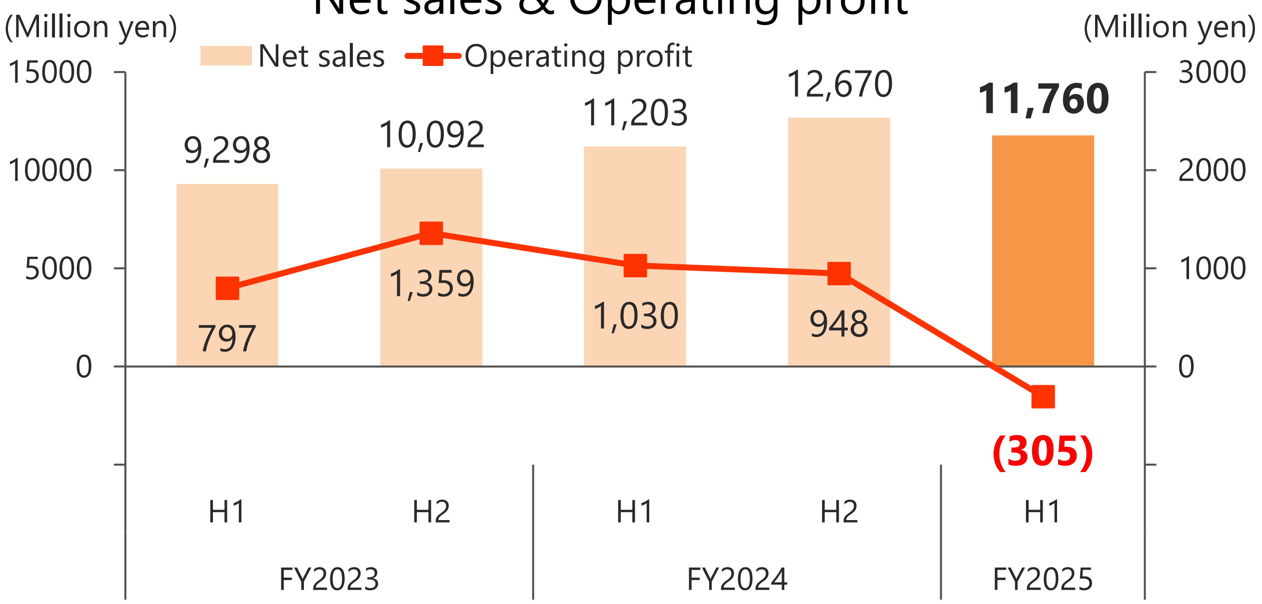
Quarterly Sales & Operating Profit Trends

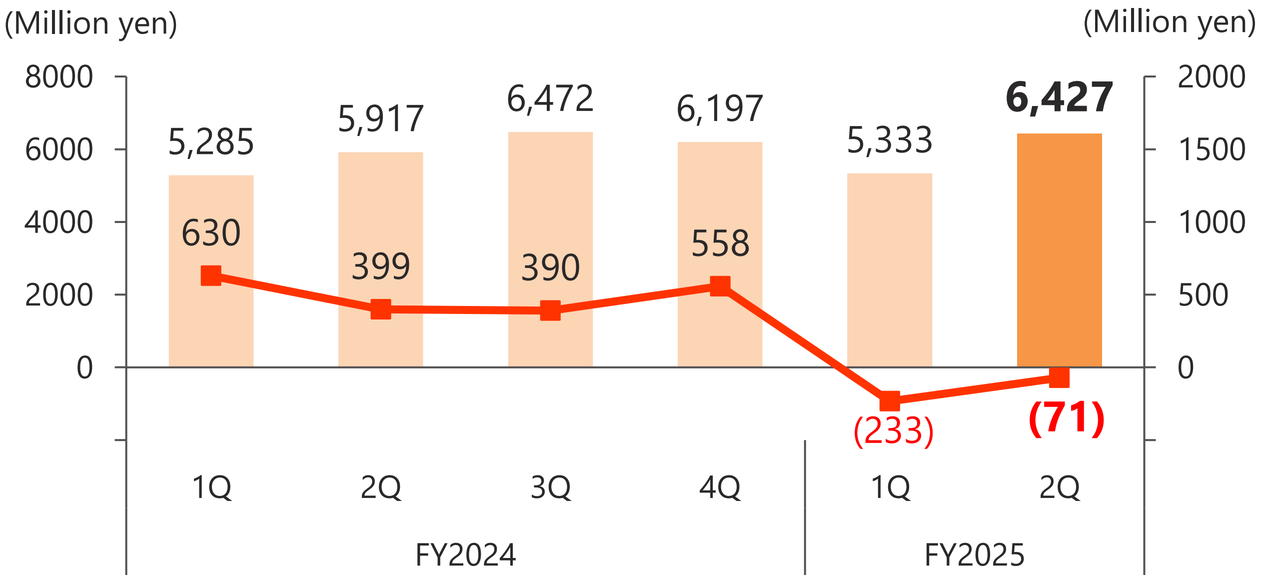
- In 1Q, both net sales and profit were sluggish.
- In 2Q, net sales of advanced semiconductor materials increased from 1Q, bringing net sales back to the second-highest level on record.
- Operating profit also increased in line with higher sales, increasing from 1Q to ￥539 million (+36%).



Photosensitive Materials Segment

Net sales & Operating profit





Net sales: ￥11,760 million

YoY +5%

- Demand for AI applications has remained strong, and net sales of materials for advanced photoresists increased, with 2Q rising 20% compared to 1Q.
- Sales for general semiconductor applications decreased YoY due to weak end demand.
- Sales of display materials remained solid, supported in part by subsidy policies in China.

Operating profit: –￥305 million

YoY –1,335 million

- Costs increased due to depreciation from new facilities and the launch of the Manufacturing Execution System, as well as personnel expansion.
- Product certification and sample shipments progressed toward stable mass production.
- The lower of cost or market method impact on advanced materials was approximately ￥0.4 billion .
- With increased sales of advanced materials, the operating loss in 2Q narrowed.

Chemicals Segment

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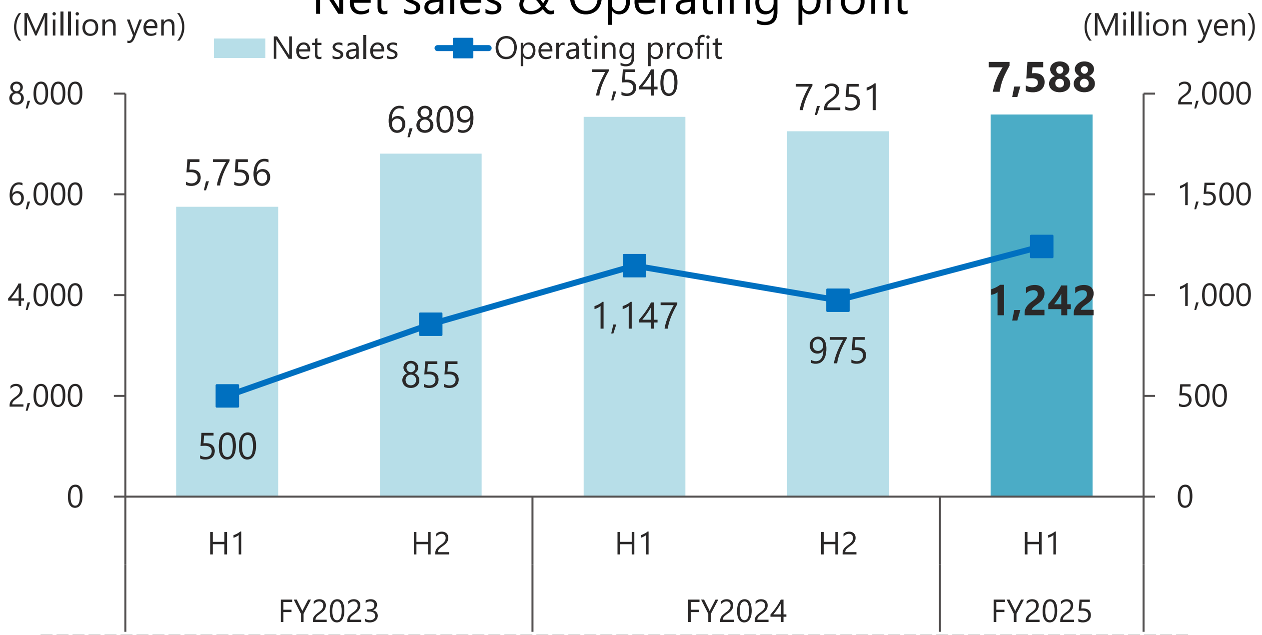
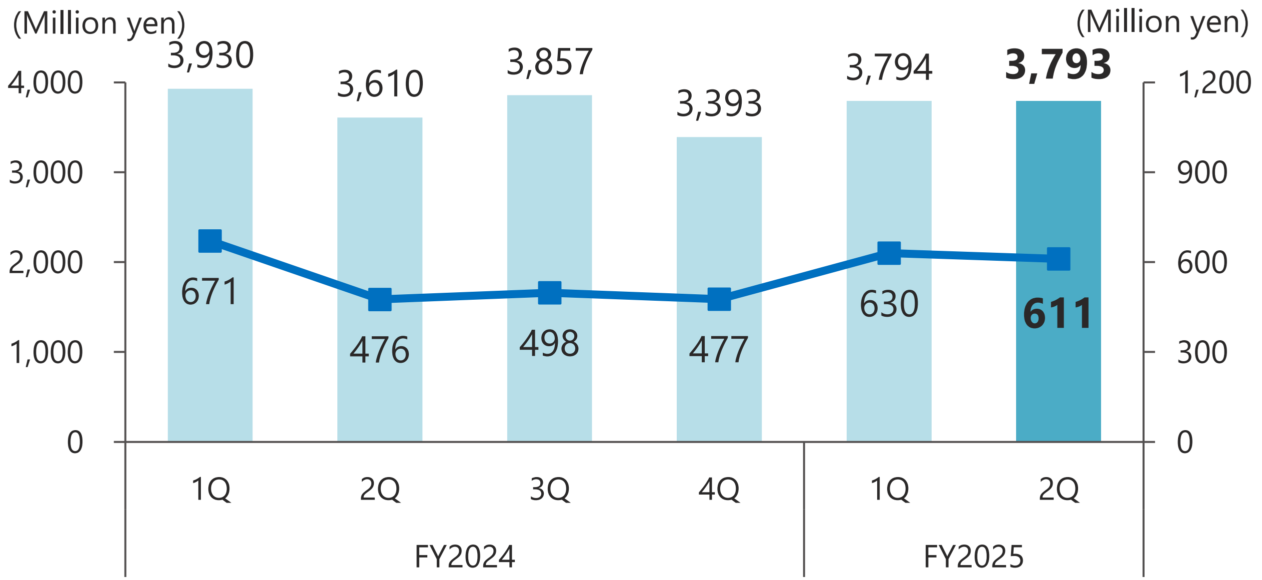
Net sales & Operating profit





Net sales: ¥7,558 million

YoY +1%

- Half-year net sales reached a record high.
- Net sales of high-purity solvents increased thanks to rising demand driven by the spread of generative AI.
- Sales of fragrance-related materials decreased due to inventory adjustments in the supply chain and exchange rate impact.
- The tank terminal business remained solid, supported by demand for domestic products as well as strong storage demand for imported products. Inquiries for tanks have continued at high levels.

Operating profit: ¥1,242 million

YoY +8%

- Half-year operating profit also reached a record high.
- Profit increased thanks to higher sales of high-value-added products and other factors.

FY2025 H1 Income Statement

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- Net sales were ￥19,349 million, a 3% increase YoY.
- Gross profit decreased YoY due to the ￥1.21 billionincrease (see P4) in expenses from new facility operations (depreciation, personnel expansion, etc.) and the lower of cost or market method impact on advanced materials.

(Million yen)	FY2024 H1	**FY2025 H1**	Change	%
Net sales	18,743	19,349	+605	+3%
Cost of sales	14,133	15,909	+1,775	+13%
Gross profit	4,609	3,440	(1,169)	(25%)
SG&A expenses	2,431	2,503	+71	+3%
Operating profit	2,178	937	(1,241)	(57%)
Non-operating income	145	85	(59)	(41%)
Non-operating expenses	262	191	(71)	(27%)
Ordinary profit	2,060	831	(1,229)	(60%)
Extraordinary income & losses	(50)	(3)	+47	(93%)
Profit before income taxes	2,009	827	(1,182)	(59%)
Income taxes	618	257	(361)	(58%)
Profit	1,391	570	(821)	(59%)

Gross profit Margin
24.6%→17.8%

FY2025 H1 Statement of Cash Flows

- Operating cash flow maintained stable at levels consistent with ※EBITDA, with progress in product certification and sample shipments from new facilities.
- Investing cash flow reflects the completion of all large-scale capital investment under the mid-term plan “Beyond500”.
- Financing cash flow shifted to the repayment phase following the completion of all large-scale capital investments, and free cash flow also turned positive.

Note: EBITDA
(Profit before income taxes + Depreciation)

(Million yen)	FY2024 H1	FY2025 H1	Change
Cash flows from operating activities	3,926	3,171	(754)
Profit before income taxes	2,009	827	(1,182)
Depreciation	1,576	2,505	+929
Decrease (increase) in trade receivables (+: decrease)	604	(61)	(665)
Decrease (increase) in inventories (+: decrease)	(717)	(560)	+156
Increase (decrease) in trade payables (+: increase)	1,618	(478)	(2,096)
Other	(1,164)	938	+2,103
Cash flows from investing activities	(5,500)	(2,972)	+2,528
FCF	(1,574)	199	+1,773
Cash flows from financing activities	1,651	(446)	(2,097)
Effect of exchange rate change on cash and cash equivalents	(61)	(20)	+41
Net increase (decrease) in cash and cash equivalents	16	(266)	(282)
Cash and cash equivalents	3,661	3,330	(330)

Increase in working capital due to start-up of new facilities and tax refund.

Regular investments and land acquisition.

Repayments and dividend payments.

FY2025 H1 Balance sheet

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- Thanks to an increase in high-value-added products, working capital (= accounts receivable + inventory − accounts payable) increased by ￥1.1 billion.
- Other current assets decreased by ￥1.29 billion due to tax refunds associated with large-scale investments completed in the previous term.
- Other liabilities decreased by ￥1.59 billion because of payments for capital investments.
- The equity ratio was 39.4% (+1.7 pt).

(Million yen)	Mar. 2025 ended	**Sep. 2025 ended**	Change	(Million yen)	Mar. 2025 ended	**Sep. 2025 ended**	Change
Current assets	24,069	23,125	(943)	**Liabilities**	41,032	38,844	(2,187)
Cash and deposits	3,597	3,330	(266)	Notes and accounts payable – trade	5,676	5,198	(478)
Notes and accounts receivable – trade	7,371	7,433	+61	Borrowings	27,731	27,614	(117)
Inventories	11,053	11,614	+560	Other	7,624	6,031	(1,592)
Other	2,047	747	(1,299)		0	0	+0
Fixed assets	41,794	40,994	(799)	**Net assets**	24,831	25,275	+443
Property, plant and equipment	37,702	36,938	(763)	Shareholders' equity	24,596	24,968	+371
Intangible assets	2,590	2,248	(341)	Valuation and translation adjustments	234	307	+72
Investments and other assets	1,501	1,807	+305		0	0	+0
Total assets	65,864	64,120	(1,743)	**Liabilities and net assets**	65,864	64,120	(1,743)

Contents

Revisions to FY2025 Earnings Forecast

- First-half net sales were roughly in line with forecasts, but profit decreased from the initial plan due to the impact of the lower of cost or market method of an approximately ￥0.4 billion valuation loss associated with new facility operations.
- Growth is expected to continue, driven mainly by demand related to generative AI.
- In the second half, profit is expected to increase through higher sales of high-value-added products (unchanged from the initial plan).
- The full-year earnings forecast has been revised downward only to reflect a ￥0.4 billion profit decrease in the first half, while keeping the original net sales forecast of ￥41,500 million unchanged.

(Million yen)	FY2025 H1			FY2025 Full-Year		
	Initial Forecast	Results	Change	Initial Forecast	Revised Forecast	Change
Net sales	19,500	**19,349**	(150)	41,500	**41,500**	–
Operating profit	1,300	**937**	(362)	3,200	**2,800**	(400)
Ordinary profit	1,200	**831**	(368)	3,000	**2,600**	(400)
Profit	800	**570**	(229)	2,300	**2,000**	(300)
FX Rate (USD)	¥145/$	¥146/$		¥145/$	¥145/$	

Progress of FY2025 Revised Full-Year Earnings Forecast

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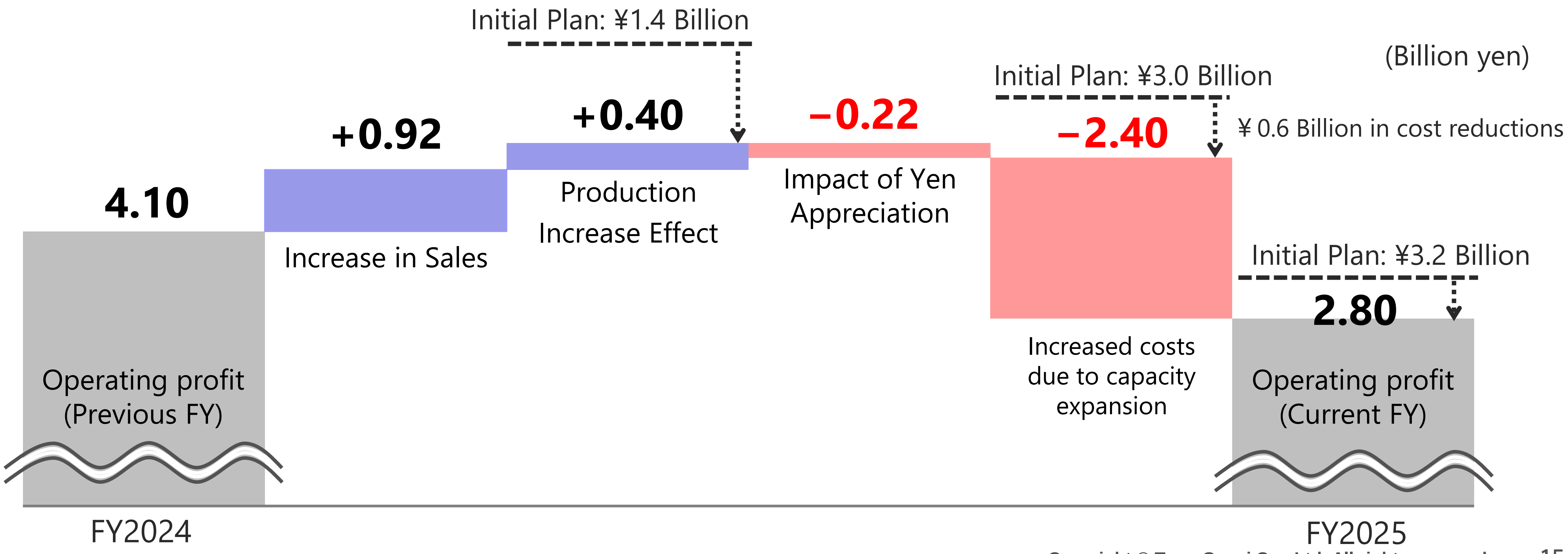
- Progress against full-year forecasts: Net sales 47%, Operating profit 33%, Ordinary profit 32%.
- Profit in the second half is expected to increase through higher sales of high-value-added products and expanded production at the new facilities.

	FY2025 Full-Year Forecasts	FY2025 H1 Results	Progress (%)
Net sales	41,500	19,349	47%
Operating profit	2,800	937	33%
Ordinary profit	2,600	831	32%
Profit	2,000	570	29%

Variance Analysis ： FY2025 Forecast vs. FY2024 Result

- Due to partial production cuts in 1H, the production effect diminished.
- Compared with the initial plan, the projected cost increase of ￥3.0 billion was reduced by ￥0.6 billion to ￥2.4 billion.
- Operating profit is projected at ￥2.8 billion (down ￥0.4 billion from the initial plan).



H2 FY2025 Net sales & Operating Profit Forecasts

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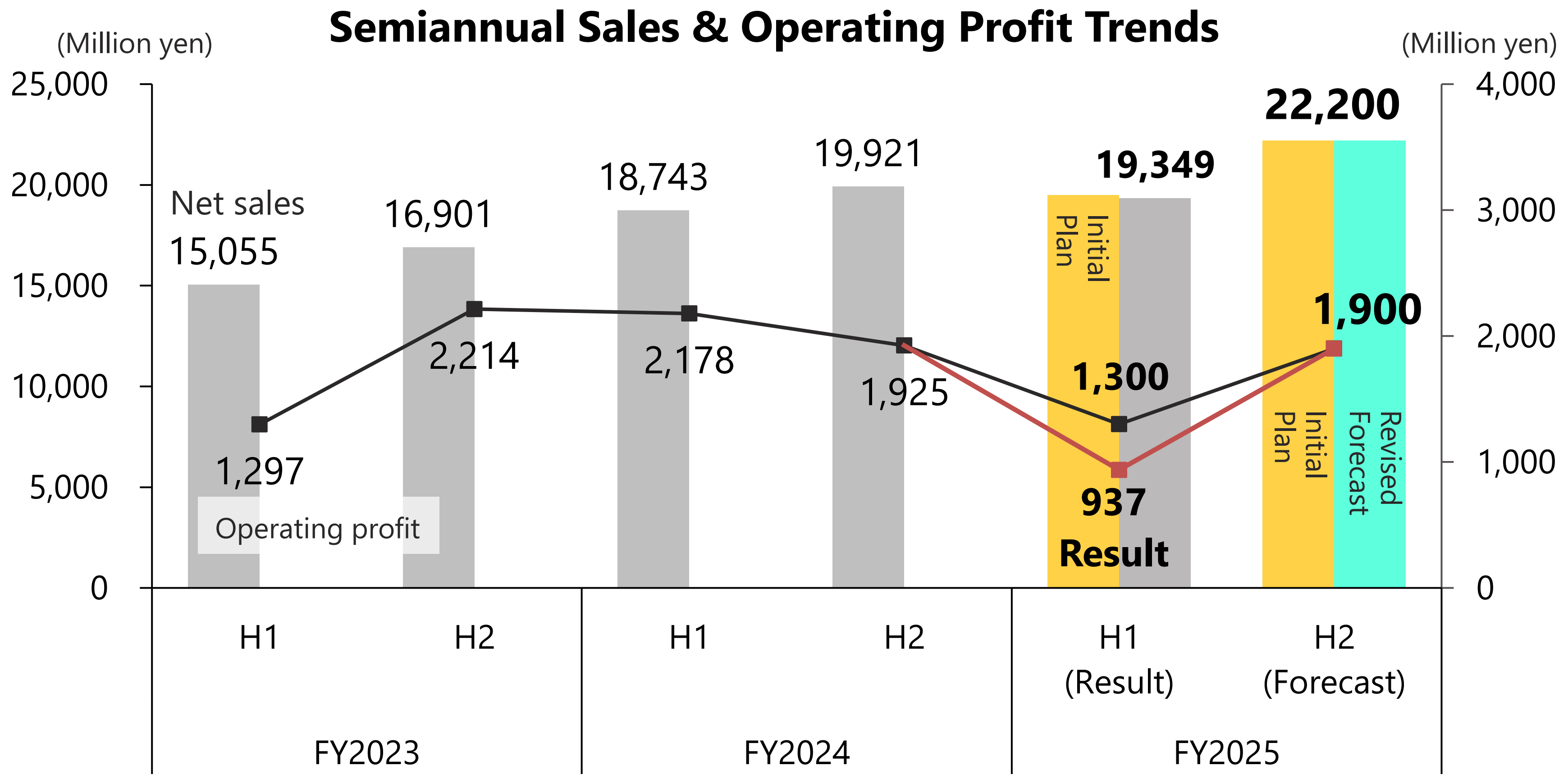
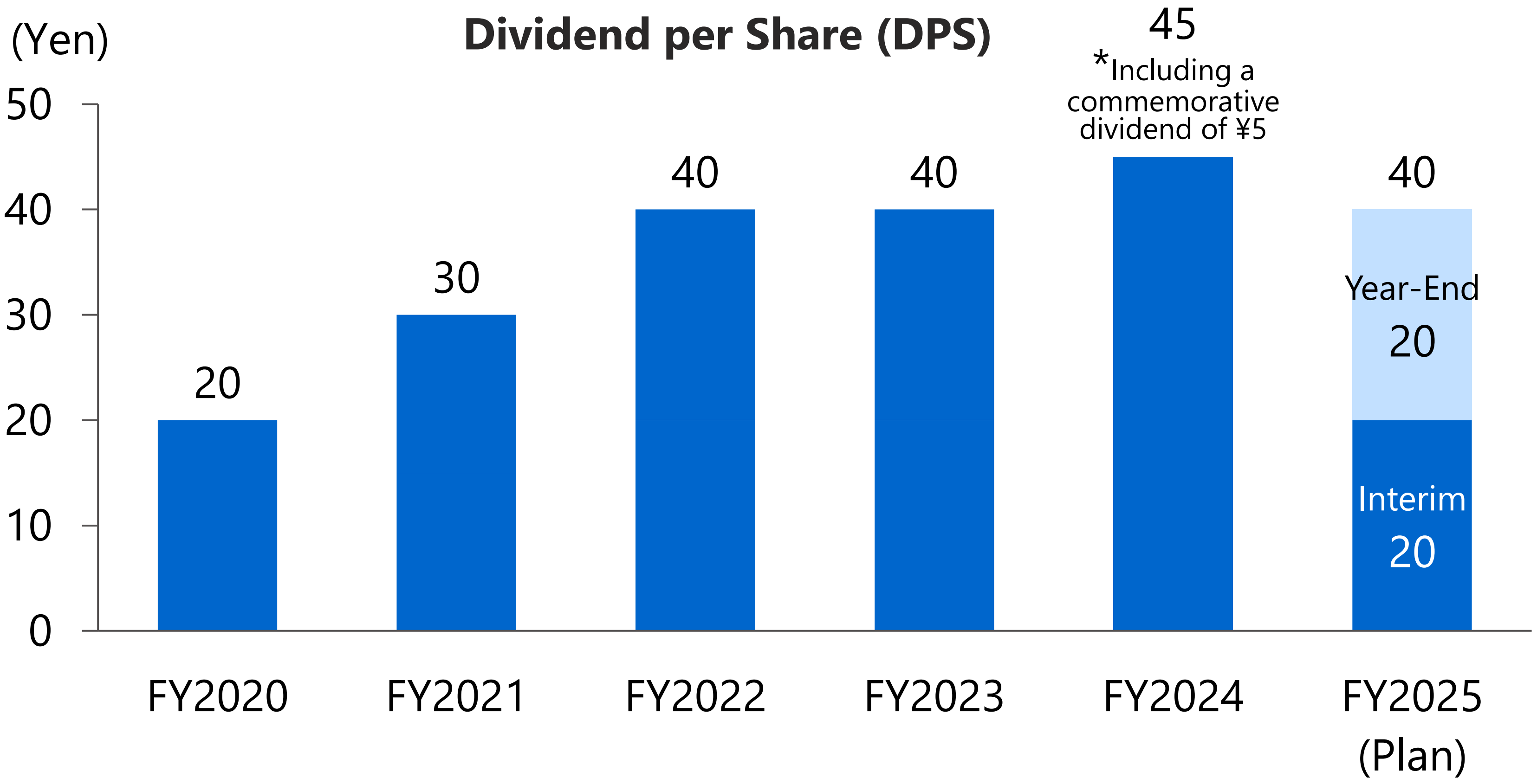
- The full-year net sales forecast is unchanged from the initial plan, operating profit is revised downward to ￥2.8 billion (–￥0.4 billion).
- Profit recovery is expected in 2H through increased sales of high-value-added products and expanded production at the new facilities.



Dividend Forecast

- With a basic policy of stable dividends, an annual dividend of ￥40 (interim ￥20) will be maintained for the FY2025.



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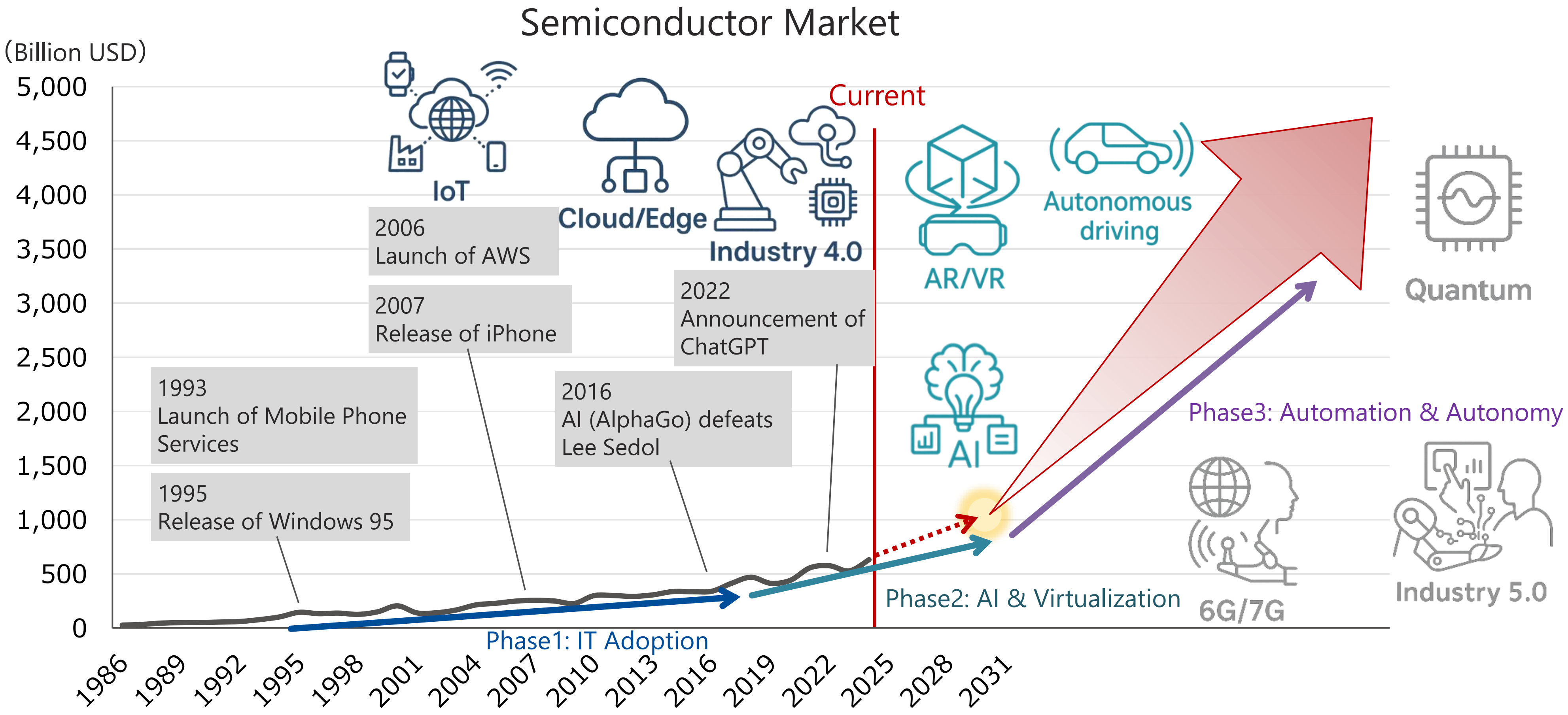
Semiconductor Market Growth and Outlook

- 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.



Source：METI, SEMI, WSTS

Long-Term Outlook for the Photoresist Market

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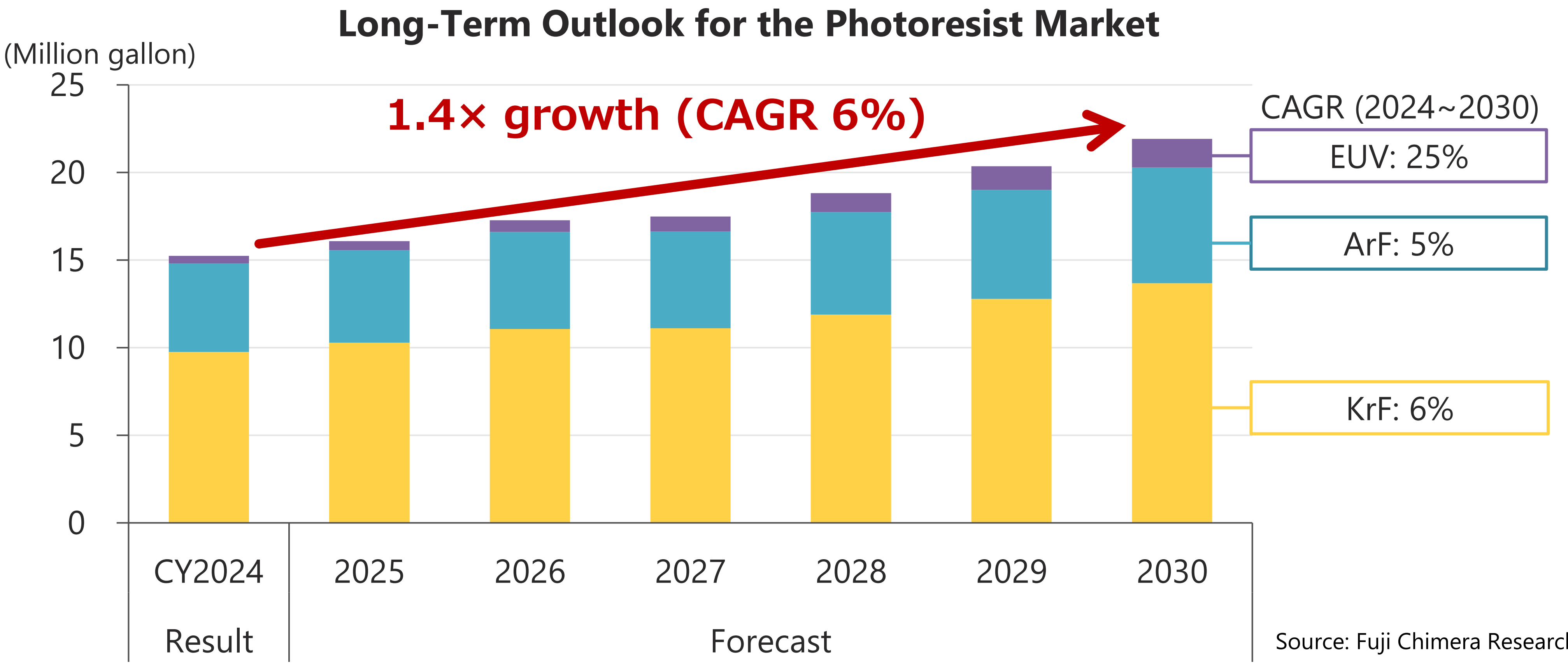
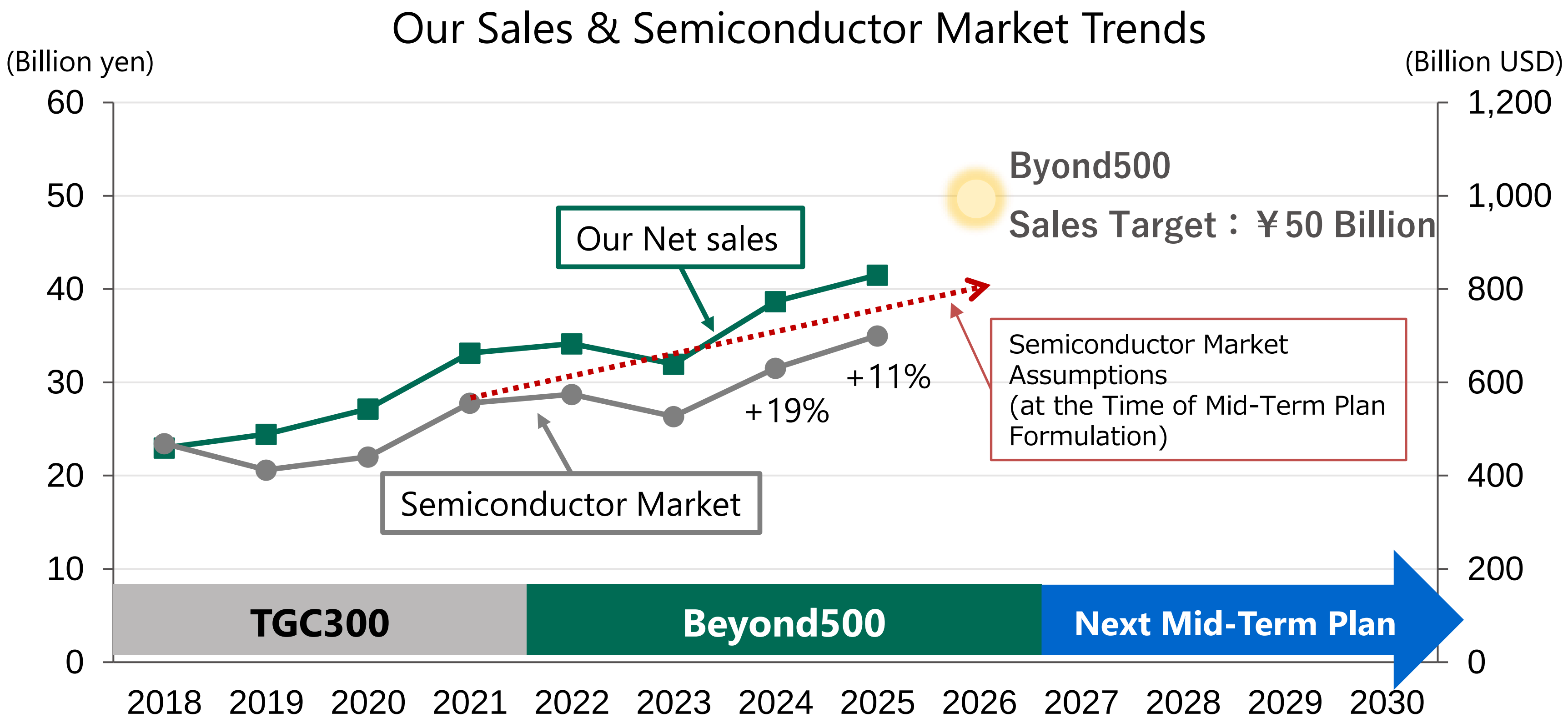
- Demand for EUV photoresists will grow 4.0 times from 2024 to 2030 at a CAGR of 25%.
- Demand for photoresists (KrF + ArF + EUV) is also expected to grow 1.4 times over the same period.
- Our capacity also increased through expansion at the No.4 Photosensitive Materials Plant, Chiba Factory.



Source: Fuji Chimera Research Institute, Inc

Semiconductor Market & Business Growth

- When the mid-term plan was formulated, the semiconductor market was expected to grow at an annual average rate of around 8%.
- However, due in part to demand adjustments in 2023, the actual average annual growth rate for 2021–2025 is 6%.
- Our sales have also trended in line with the semiconductor market’s growth rate.



Source：METI, SEMI, WSTS

Roadmap for Logic Semiconductors

Restated from Financial Presentation Materials for the Fiscal Year Ending March 2025

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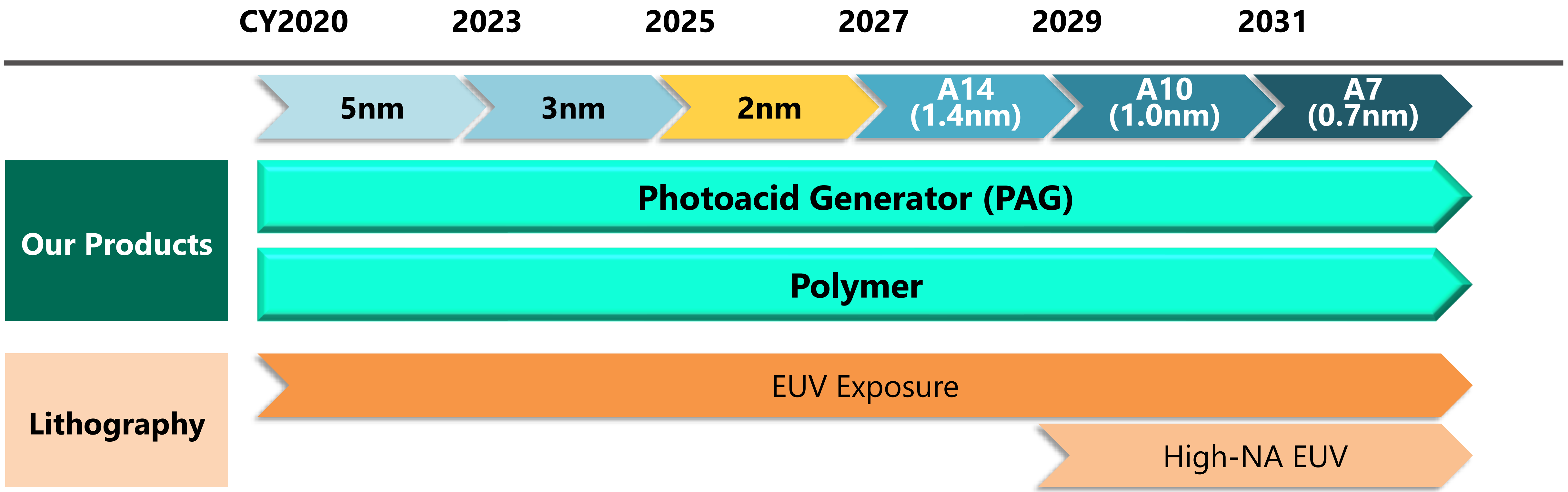
- As miniaturization progresses, the manufacturing difficulty of photoacid generators and polymers (raw materials for photoresists) also becomes more sophisticated.
- In addition to increasing production capacity, developing manufacturing and analysis technologies and promoting DX for visualization of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

Technology Roadmap



Source：IRDS 2024

Completion of Major Investment: “Beyond500” Plan

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- 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.

FY2023 | FY2024 | **FY2025 Plan**

Photosensitive Materials Segment

Production Capacity for ArF and EUV Materials Expanded 1.8x

Capacity Expansion of No.4 Photosensitive Materials Plant

Completed in May 2024 / Investment: Approx. ¥12 billion

Product Certification

Mass Production Start

Strengthening Development Capabilities

Photosensitive Materials R&D / QC Center

Completed in May 2024

Start of Operations

MES: Start of Operation: April

Expansion of Existing Facilities

Chemicals Segment

Shipment Capacity of High-Purity Solvents for Semiconductors Tripled

Awaji Plant’s No.2 Indoor Filling Station

Completed in March 2024

Product Certification

Start of Operations

Enhancement of Shipping Capacity

Flavor and Fragrance Plant’s Administration and Analysis Building

Maximizing Use of New Facilities

CAPEX, Depreciation, and R&D Progress

Restated from Financial Presentation Materials for the Fiscal Year Ending March 2025

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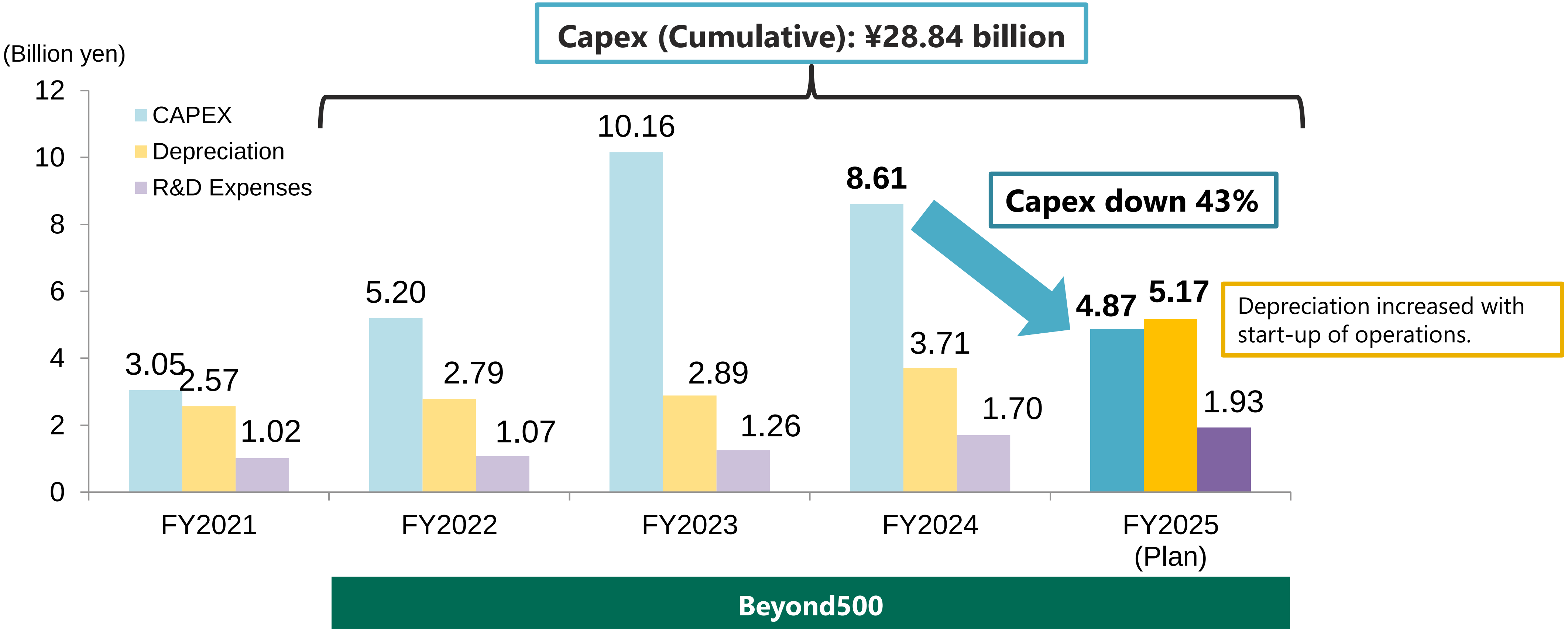
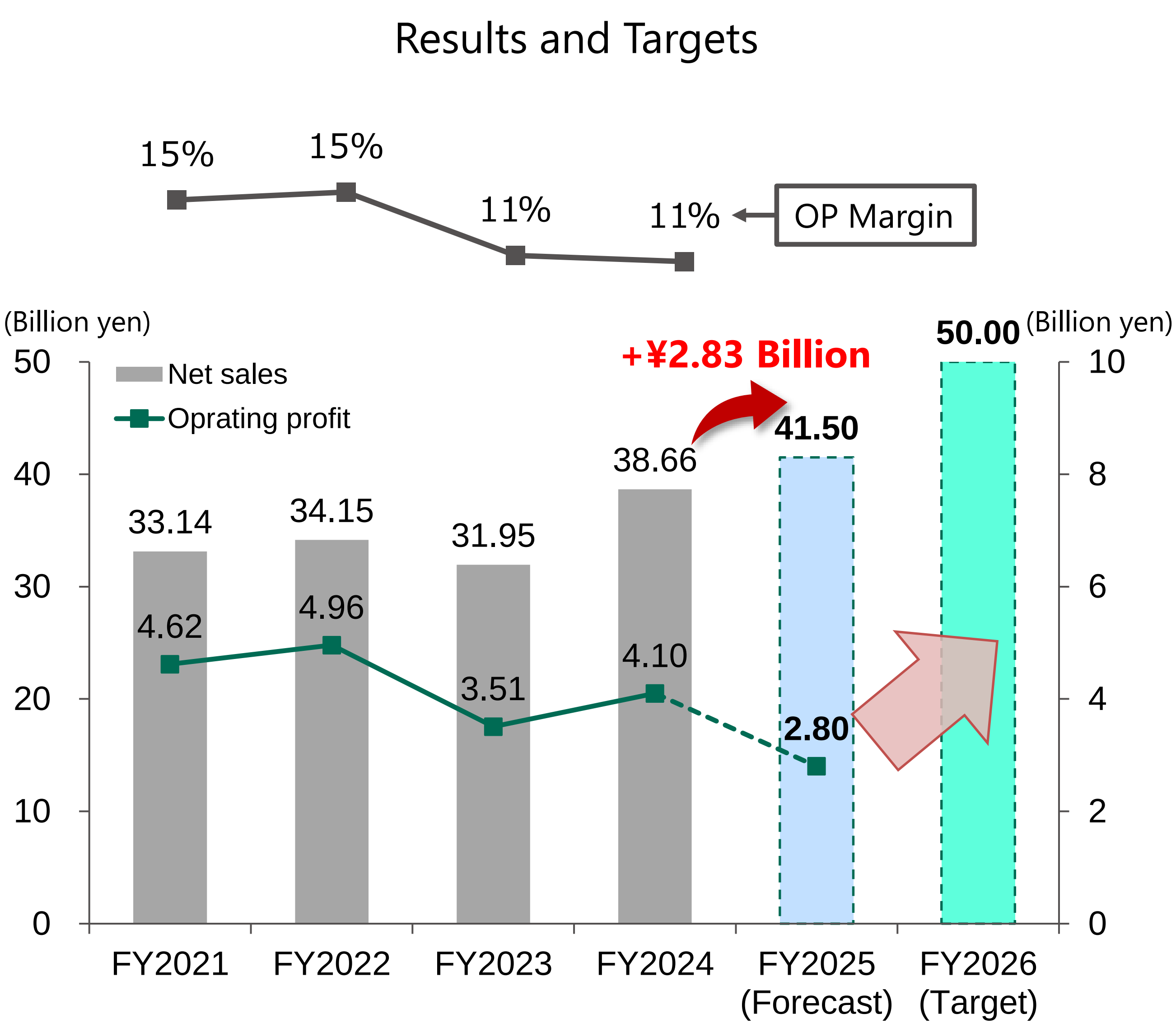
- Investment, depreciation, and R&D expenses remain unchanged from the initial plan.
- All large-scale Capex under current mid-term plan (Beyond 500) completed; capex down 43% YoY this fiscal year.
- Depreciation has increased with the start-up of the large-scale facilities, and aim to expand earnings by fully utilizing the new equipment going forward.

Capex, Depreciation, and R&D



Progress of Mid-Term Plan "Beyond500"



Beyond500

Beyond500 (FY2026)
Net sales: ¥50 billion
Operating profit: ¥8 billion (OP Margin 16%)
Capex: ¥30 billion (Total for the Mid-Term Plan Period)

- Sales have grown in line with the growth rate of the semiconductor market.
- Cumulative capital investment has reached ￥28.8 billion through this fiscal year, accompanied by higher costs (including various inflationary impacts).
- In line with increased production of advanced semiconductors, mass production at the new facilities will begin in the FY2025, with additional production planned for the second half of this year.
- Company-wide functional strategies and ESG initiatives are also progressing steadily.

TOYO GOSEI REPORT 2025

- By fully leveraging the completed facilities and expanding the supply of high-value-added products, we aim to further improve business performance. Your continued support and understanding would be appreciated.

(Supplementary)Initiatives under the Mid-Term Management Plan

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- **To strengthen R&D for achieving customer quality, the Photosensitive Materials R&D / QC Center was completed (approx. ￥3 billion).**
- **To meet growing demand, capital investments to expand production capacity for advanced semiconductor material were completed (approx. ￥12 billion).**
- **Operation of a Manufacturing Execution System began to improve productivity through visualization of manufacturing data.**

Strategic business expansion of the Photosensitive Material Segment

- Sufficient capacity expansion investments to meet growing market demand.
- Achieving both ultra-high-purity synthesis and improved productivity to support advanced semiconductors.
- Strengthening R&D capabilities to achieve customer quality.

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

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

Achievements

- To significantly strengthen manufacturing technology and analysis systems, R&D/QC Center was completed (approx. ￥3 billion).
- To enhance production capacity for advanced semiconductor materials, capacity at the No.4 Photosensitive Materials Plant was expanded (approx. ￥12 billion).
- Operation of a Manufacturing Execution System to digitize manufacturing data and facilitate analysis, leading to productivity improvement.

(Supplementary)Initiatives under the Mid-Term Management Plan

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- **To strengthen the stable supply system for ultra-high-purity solvents for advanced semiconductors, the 2nd Indoor Filling Station at the Awaji Factory (approx. ￥1 billion)was completed.**
- **To further enhance customer satisfaction at our chemical tank terminal, operation of our first dedicated inorganic chemical tank was started.**
- **To date, a total of approximately ￥16 million in large-scale capital investments across photosensitive material and chemical products have been made.**
- **Going forward, maximizing utilization of completed facilities and expanding supply of high-value-added products through stable mass production.**

Strengthening the Chemical Segment

- Strengthening quality, development, and stable supply systems for ultra-high-purity solvents for advanced semiconductors.
- Promoting automation and further improving customer satisfaction at the chemical tank terminal.

Achievements

- To increase shipping capacity for semiconductor solvents, the 2nd Indoor Filling Facility at the Awaji Factory was completed (approx. ￥1 billion).
- To improve customer satisfaction, operation of the company's first dedicated inorganic chemical tank has started.

Takahama Tank Tarminal
Start of Operation of the Dedicated Inorganic Chemical Tank
(Completed in June 2025)

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

Individual Development,
to the global Chemical

TOYO GOSEI

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.