February 9, 2026

Name of listed company: Taki Chemical Co., Ltd.
Representative: Katsuhiko Taki, Representative Director, President
Code number: 4025 (Prime Market of Tokyo Stock Exchange)
Inquiries to: Osamu Okamoto, General Manager, General Affairs & Personnel Department
Tel: +81-(0)79-437-6002

Notice regarding action to implement management that is conscious of cost of capital and stock price

Taki Chemical Co., Ltd. (the "Company") announces that its Board of Directors, at a meeting held on February 9, 2026, resolved to update the policies on actions to implement management that is conscious of the cost of capital and stock price, as disclosed on February 13, 2024 and February 10, 2025, toward achieving sustainable growth and enhancing corporate value over the medium to long term, as follows.

1. Analysis of current situation

	FY12/2021	FY12/2022	FY12/2023	FY12/2024	FY12/2025
Ordinary profit (million yen)	2,982	3,144	1,337	3,161	3,780
ROE (%)	6.8	6.7	4.1	6.4	8.1
Basic earnings per share (yen)	221.46	237.53	156.86	271.37	389.05
Dividends per share (yen)	50.00	50.00	50.00	55.00	75.00
Net assets per share (yen)	3,378.42	3,689.28	3,994.74	4,468.46	5,143.16
Equity-to-asset ratio (%)	63.5	63.5	65.9	64.9	65.3
Year-end stock price (yen)	5,800	4,555	3,215	3,450	3,825
PBR (times)	1.72	1.23	0.80	0.77	0.74

・The Company and its group companies (collectively the "Group") reported a year-on-year increase in sales and profit because of an increase in sales volume, coupled with a significant recovery in demand for water treatment chemicals and high-purity tantalum oxide for smartphones, despite a decline in fertilizer sales prices. In the fiscal year ended December 31, 2025, the Group achieved record-high profits. Key factors include an increase in sales volume both of fertilizer and water treatment chemicals and upward selling price revisions reflected by higher raw material costs, as well as robust business growth across all the segments. Despite these earnings trends, PBR remains below 1.0 since September 2024. The Group recognizes that this situation is primarily attributed to its inability to formulate and disseminate concrete growth strategies.

2. Policies on actions to address the current situation

(1) Based on the Taki Chemical Group's mission of "Tradition and Innovation—Become a Company of Choice 100 Years Down the Road," the Group has formulated the Long-Term Vision 2050, which clarifies the ideal state of the Group and what it wishes to achieve. Under the Vision, the Group will strive to boost corporate value and achieve sustainable growth from a long-term perspective. On January 7, 2025, the Company acquired 56.3% of the shares of Rakuto Chemical Industry Co., Ltd., making it a subsidiary. The acquisition is expected to generate business synergies in our main business segments, namely, the development of biostimulants in the Agriculture business segment, as well as environmentally friendly water treatment chemicals in the Chemicals Business segment, and in new research and development efforts, serving as a strong driving force toward achieving the Long-Term Vision 2050

(2) Meanwhile, actual results are forecasted to exceed initial targets of the five-year "Medium-Term Management Plan 2028" started in 2024, due to an increase in sales volume, associated with "production capability enhancement of water treatment chemicals" as part of growth strategies. The Group will, therefore, raise final-year targets set forth as consolidated net sales of ¥44,000 million, consolidated operating profit of ¥3,500 million, and ROE of 7.0% or more to dedicate to sustainable enhancement of corporate value.

(3) The Group will work on strengthening communications with stakeholders and further improving shareholder return.

3. Initiatives in line with the policies

(1) With putting the environment, society, and local community at the core of the strategy, the Group will strengthen the three pillars of its businesses, namely Agriculture, Chemicals, and Real estate, to achieve sustainable growth through developing creative and innovative new businesses and products.

(2) In line with the following basic policies set out in the "Medium-Term Management Plan 2028," the Group will endeavor to increase sales and improve profits by steadily implementing action plans set for each business, thereby achieving the targets.

a. Invest aggressively in growth businesses and create new businesses
b. Enhance profitability by strengthening existing businesses
c. Implement sustainability transformation
d. Promote GRC (Governance, Risk Management and Compliance)

For more information on our "Long-Term Vision 2050" and "Medium-Term Management Plan 2028," please also visit our website. (Please scan the QR code)
The "Medium-Term Management Plan 2028" was updated today.

(3) Strengthen communication with stakeholders and further improve shareholder return

a. Communicate with shareholders and investors

The Company will strive to deepen constructive communication with shareholders and investors by further enhancing the Sustainability Report and holding briefing sessions for individual investors and each IR meeting with institutional investors based on the principle of timely and appropriate disclosure. In addition, by providing appropriate feedback of opinions and insights obtained through communication to the management to incorporate them into its management strategy and capital policy, the Group will deepen mutual understanding with investors toward enhancing corporate value over the medium to long term and strengthen mutual trust relationship with them.

b. Maintain stable dividends on a continual basis and further improve shareholder return

The Company positions the profit return to its shareholders as a key management priority. Accordingly, it has revised its forecast of dividends for the fiscal year ended December 31, 2025, to ¥75 (planned) per share from the initial forecast of ¥60 per share based on upward revision of earnings forecasts and temporary profit from sale of cross-shareholdings and other sources. Accordingly, it forecasts dividends for the fiscal year ending December 31, 2026, to ¥80 per share, an increase of ¥5 per share from the previous fiscal year. While the Company has set a target of 30% or more in a consolidated payout ratio as a policy of dividend payments, its fundamental policy is to ensure stable and continuous dividend payments conscious of “progressive dividend payments.” The Company will continue to flexibly acquire its own shares depending on market conditions and its financial position to enhance capital efficiency and to execute its capital policy in an agile manner. It further enhances shareholder returns and optimize its capital structure focused on the cost of capital by maintaining and enhancing the “total return ratio” in combination of dividend payments and own shares acquisitions.

c. Raise capital efficiency and pursue ROE

The Company will drive financial and capital strategies with a focus on cost of equity, sustainably enhancing corporate value. The Company takes it seriously as a critical management issue that PBR currently remains below 1.0x. It also recognizes that PBR enhancement is achieved by higher ROE and better capital efficiency. Accordingly, it will steadily execute the following initiatives:

* Optimize capital efficiency

  The Company has set a target to lower the ratio of cross-shareholdings relative to consolidated net assets to less than 20% by the end of fiscal year 2030 by continuing to reduce cross-shareholdings. It preferentially allocates funds created through asset monetization to investments in growing businesses and shareholder returns, striving to optimize its balance sheet and enhance capital efficiency.

* Enhance profitability and invest in growing businesses

  Effectively leveraging cash and deposits and various financing techniques, the Company will strategically drive investments in growing businesses to enhance profitability and ROE. It will build a robust profit base unaffected by single-year fluctuations in earnings. Through a virtuous cycle of earnings growth, shareholder returns, and capital efficiency, it will achieve sustainable PBR enhancement.