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November 12, 2024

## Consolidated Financial Results for the Nine Months Ended September 30, 2024 (Under Japanese GAAP)

Company name: Taki Chemical Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 4025  
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 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on financial results: None  
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the nine months ended September 30, 2024 (from January 1, 2024 to September 30, 2024)

#### (1) Consolidated operating results (cumulative)

(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	%
Nine months ended								
September 30, 2024	27,809	11.0	1,645	165.5	1,924	124.1	1,388	97.6
September 30, 2023	25,042	(1.6)	619	(67.8)	858	(60.7)	702	(57.9)

Note: Comprehensive income For the nine months ended September 30, 2024: ¥2,782 million [(2.1)%]  
 For the nine months ended September 30, 2023: ¥2,841 million [61.0%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
September 30, 2024	163.85	–
September 30, 2023	81.10	–

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2024	54,670	36,301	66.3
December 31, 2023	51,299	33,899	65.9

Reference: Equity  
 As of September 30, 2024: ¥36,224 million  
 As of December 31, 2023: ¥33,819 million

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2023	–	–	–	50.00	50.00
Fiscal year ending December 31, 2024	–	–	–		
Fiscal year ending December 31, 2024 (Forecast)				55.00	55.00

Note: Revisions to the forecast of cash dividends most recently announced: None

Breakdown of year-end dividend for the fiscal year ended December 31, 2023

Ordinary dividend: ¥45.00

Commemorative dividend: ¥5.00 (Commemorating the construction of the new head office building)

## 3. Consolidated earnings forecast for the fiscal year ending December 31, 2024 (from January 1, 2024 to December 31, 2024)

(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
Full year	38,700	11.0	2,150	135.5	2,650	98.1	1,850	36.4	218.34

Note: Revisions to the earnings forecast most recently announced: None

**\*Notes**

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

Newly included: 0 companies

Excluded: 0 companies

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of September 30, 2024	9,458,768
As of December 31, 2023	9,458,768

(ii) Number of treasury shares at the end of the period

As of September 30, 2024	981,173
As of December 31, 2023	992,644

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2024	8,471,654
Nine months ended September 30, 2023	8,663,427

\* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: None

\* Proper use of earnings forecasts, and other special matters

The earnings forecast is based on information available to the Company as of the date of this document as well as certain assumptions it believes to be reasonable, and actual results may differ materially due to various factors. Please also see “(3) Explanation of Consolidated Earnings Forecast and Other Forward-Looking Information” in “1. Overview of Operating Results and Others” on page 3 of the appendix.

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## 1. Overview of Operating Results and Others

### (1) Overview of Operating Results for the Nine Months Ended September 30, 2024

Given the backdrop of rebounding economic and social activities, during the nine-month period under review, the Japanese economy continued recovering gradually due partly to the effects of various government policies. However, the situation remained uncertain due to downside risks caused by price increases, fluctuations in financial and capital markets, and other factors.

Working against this backdrop, the Group focused on enhancing the profitability of its current businesses in line with the Medium-term Management Plan 2028 launched in January 2024. As a result, net sales for the nine months under review totaled ¥27,809 million (up 11.0% versus the same period last year), operating profit was ¥1,645 million (up 165.5% versus the same period last year), ordinary profit was ¥1,924 million (up 124.1% versus the same period last year), and profit attributable to owners of parent was ¥1,388 million (up 97.6% versus the same period last year).

Operating results by segment are as shown below.

#### Agriculture

While fertilizer sales prices decreased, sales volume recovered, resulting in higher net sales of ¥7,096 million, an increase of 4.5% versus the same period last year. However, the segment incurred an operating loss of ¥60 million (operating loss of ¥165 million in the same period last year).

#### Chemicals

Net sales of water treatment chemicals totaled ¥8,827 million, a significant increase of 10.5% versus the same period last year, as the sales volume of ultra-high-basicity polyaluminum chloride increased and due to work to revise selling prices resulting from higher raw material prices.

Net sales of functional materials amounted to ¥4,577 million, a significant increase of 37.3% versus the same period last year, as the sales volume of high-purity tantalum oxide for smartphones was strong, in addition to an increase in volume of aluminum chloride with high basicity for automotive ceramic fibers mainly as a result of a recovery in demand.

Net sales of other chemical products totaled ¥116 million, down 22.0% versus the same period last year.

As a result, net sales came to ¥13,521 million, a significant increase of 17.9% versus the same period last year, and operating profit came to ¥1,459 million, a significant increase of 49.8% versus the same period last year.

#### Construction materials

Net sales totaled ¥2,701 million, a significant increase of 17.8% versus the same period last year, and operating profit totaled ¥16 million (operating loss of ¥333 million in the same period last year), as a result of an increase in both the sales volume and selling prices of gypsum board.

#### Petroleum

Net sales came to ¥1,407 million, a decrease of 2.5% versus the same period last year, and operating profit came to ¥6 million, a decrease of 14.3% versus the same period last year, due to a decline in fuel oil sales volume as a result of falling demand.

#### Real estate

Net sales totaled ¥1,007 million, down 1.0% versus the same period last year with rental income at shopping centers remaining at the same level as the same period last year. However, operating profit increased 5.2% versus the same period last year to ¥553 million amid a decrease in repair expenses.

#### Transportation

Net sales rose 2.6% versus the same period last year to ¥2,076 million, and operating profit rose 1.5% versus the same period last year to ¥215 million as transported cargo increased despite a decrease in handling volume.

### **(2) Overview of Financial Position for the Nine Months Ended September 30, 2024**

Total assets at the end of the third quarter of the current fiscal year came to ¥54,670 million (up ¥3,370 million from the end of the previous fiscal year). Current assets totaled ¥24,678 million (up ¥893 million from the end of the previous fiscal year) due primarily to an increase of ¥1,566 million in cash and deposits, despite a decrease of ¥1,033 million in notes and accounts receivable - trade. Non-current assets came to ¥29,992 million (up ¥2,477 million from the end of the previous fiscal year) due primarily to increases of ¥576 million in property, plant and equipment and ¥1,918 million in investment securities.

Total liabilities totaled to ¥18,369 million (up ¥968 million from the end of the previous fiscal year), due primarily to an increase of ¥633 million in deferred tax liabilities.

Net assets totaled ¥36,301 million (up ¥2,402 million from the end of the previous fiscal year) due primarily to increases of ¥964 million in retained earnings and ¥1,392 million in the valuation difference on available-for-sale securities.

### **(3) Explanation of Consolidated Earnings Forecast and Other Forward-Looking Information**

No changes have been made to the “Notice Regarding Revisions to the Full-Year Consolidated Earnings Forecast,” which was announced on July 31, 2024.

## 2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

### (1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of December 31, 2023	As of September 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	5,075	6,641
Notes and accounts receivable - trade	9,233	8,199
Electronically recorded monetary claims - operating	2,248	2,424
Securities	-	100
Merchandise and finished goods	4,274	4,217
Work in process	242	341
Raw materials and supplies	1,931	1,922
Other	790	845
Allowance for doubtful accounts	(12)	(13)
Total current assets	23,784	24,678
Non-current assets		
Property, plant and equipment		
Buildings and structures	22,376	24,120
Accumulated depreciation	(16,086)	(16,115)
Buildings and structures, net	6,290	8,005
Machinery, equipment and vehicles	16,908	17,071
Accumulated depreciation	(15,641)	(15,882)
Machinery, equipment and vehicles, net	1,266	1,189
Tools, furniture and fixtures	1,571	1,655
Accumulated depreciation	(1,425)	(1,415)
Tools, furniture and fixtures, net	145	240
Land	7,086	7,057
Leased assets	457	449
Accumulated depreciation	(121)	(134)
Leased assets, net	336	314
Construction in progress	1,255	149
Total property, plant and equipment	16,380	16,957
Intangible assets		
Leasehold interests in land	-	66
Software	317	228
Right to use water facilities, etc.	9	9
Software in progress	-	4
Total intangible assets	326	309
Investments and other assets		
Investment securities	10,605	12,524
Deferred tax assets	57	53
Other	179	181
Allowance for doubtful accounts	(34)	(34)
Total investments and other assets	10,807	12,725
Total non-current assets	27,515	29,992
Total assets	51,299	54,670

(Millions of yen)

	As of December 31, 2023	As of September 30, 2024
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	5,904	6,029
Short-term borrowings	373	355
Current portion of long-term borrowings	60	62
Lease liabilities	35	34
Accounts payable - other	1,218	1,295
Income taxes payable	174	243
Accrued consumption taxes	109	173
Provision for bonuses	42	214
Other	584	561
<b>Total current liabilities</b>	<b>8,503</b>	<b>8,970</b>
<b>Non-current liabilities</b>		
Long-term borrowings	335	283
Lease liabilities	342	316
Deferred tax liabilities	1,789	2,422
Retirement benefit liability	3,733	3,692
Guarantee deposits received	2,550	2,542
Other	146	141
<b>Total non-current liabilities</b>	<b>8,897</b>	<b>9,398</b>
<b>Total liabilities</b>	<b>17,400</b>	<b>18,369</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	2,147	2,147
Capital surplus	1,420	1,446
Retained earnings	26,435	27,400
Treasury shares	(1,370)	(1,352)
<b>Total shareholders' equity</b>	<b>28,632</b>	<b>29,640</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	5,199	6,591
Remeasurements of defined benefit plans	(12)	(8)
<b>Total accumulated other comprehensive income</b>	<b>5,187</b>	<b>6,583</b>
<b>Non-controlling interests</b>	<b>79</b>	<b>77</b>
<b>Total net assets</b>	<b>33,899</b>	<b>36,301</b>
<b>Total liabilities and net assets</b>	<b>51,299</b>	<b>54,670</b>



**(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income**  
**(Quarterly Consolidated Statement of Income)**  
**(First nine-month period)**

(Millions of yen)

	Nine months ended September 30, 2023	Nine months ended September 30, 2024
Net sales	25,042	27,809
Cost of sales	19,967	21,472
Gross profit	5,075	6,337
Selling, general and administrative expenses	4,455	4,692
Operating profit	619	1,645
Non-operating income		
Interest income	3	3
Dividend income	208	225
Other	55	70
Total non-operating income	267	299
Non-operating expenses		
Interest expenses	8	9
Loss on retirement of non-current assets	12	-
Waste disposal costs	3	7
Other	2	3
Total non-operating expenses	27	19
Ordinary profit	858	1,924
Extraordinary income		
Gain on sale of non-current assets	-	89
Gain on sale of investment securities	-	22
Insurance claim income	-	33
Subsidy income	214	-
Total extraordinary income	214	145
Extraordinary losses		
Loss on disaster	-	94
Loss on retirement of non-current assets	-	16
Loss on tax purpose reduction entry of non-current assets	-	4
Total extraordinary losses	-	115
Profit before income taxes	1,073	1,955
Income taxes - current	491	555
Income taxes - deferred	(87)	14
Total income taxes	403	569
Profit	669	1,385
Loss attributable to non-controlling interests	(32)	(2)
Profit attributable to owners of parent	702	1,388

**(Quarterly Consolidated Statement of Comprehensive Income)**  
**(First nine-month period)**

(Millions of yen)

	Nine months ended September 30, 2023	Nine months ended September 30, 2024
Profit	669	1,385
Other comprehensive income		
Valuation difference on available-for-sale securities	2,170	1,392
Remeasurements of defined benefit plans, net of tax	1	4
Total other comprehensive income	2,171	1,396
Comprehensive income	2,841	2,782
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,874	2,784
Comprehensive income attributable to non-controlling interests	(32)	(2)

**(3) Notes to Quarterly Consolidated Financial Statements**  
**(Notes on Significant Changes in Shareholders' Equity)**

Not applicable

**(Notes on Going Concern Assumption)**

Not applicable

**(Notes to Quarterly Consolidated Statement of Income)**

Insurance claim income and loss on disaster

The Group recorded extraordinary losses for the amount incurred from the damage to factory buildings and product inventories, among others, caused by the hailstorm that struck southwest Harima, Hyogo Prefecture, on April 16, 2024. The amount of insurance claim income for this damage is recorded in extraordinary income.

Expenses to be incurred in the future will be recorded when a reasonable estimate becomes available. As for the amount of insurance claim income, we will record the relevant amount as extraordinary income when it is determined.

**(Notes on Quarterly Consolidated Statement of Cash Flows)**

Quarterly consolidated statement of cash flows for the nine months ended September 30, 2024 is not prepared. The amounts of depreciation (including amortization of intangible assets) for the nine months ended September 30, 2023 and 2024 are as follows:

	(Millions of yen)	
	Nine months ended September 30, 2023 (from January 1, 2023 to September 30, 2023)	Nine months ended September 30, 2024 (from January 1, 2024 to September 30, 2024)
Depreciation	865	929

**(Notes on Segment Information, etc.)**

## I. Nine months ended September 30, 2023 (from January 1, 2023 to September 30, 2023)

## 1. Information on amounts of net sales and profit or loss for each reportable segment, and information on disaggregation of revenue

(Millions of yen)

	Reportable segments							Adjustments (Note 1)	Quarterly consolidated statement of income amounts (Note 2)
	Agriculture	Chemicals	Construction materials	Petroleum	Real estate	Transportation	Total		
Net sales									
Agriculture	6,793	–	–	–	–	–	6,793	–	6,793
Water treatment chemicals	–	7,989	–	–	–	–	7,989	–	7,989
Functional materials	–	3,333	–	–	–	–	3,333	–	3,333
Construction materials	–	–	2,292	–	–	–	2,292	–	2,292
Petroleum	–	–	–	1,424	–	–	1,424	–	1,424
Real estate	–	–	–	–	14	–	14	–	14
Transportation	–	–	–	–	–	1,931	1,931	–	1,931
Others	–	149	–	–	–	–	149	–	149
Revenue from contracts with customers	6,793	11,471	2,292	1,424	14	1,931	23,928	–	23,928
Other revenue (Note 3)	–	–	–	19	1,002	92	1,114	–	1,114
Sales to external customers	6,793	11,471	2,292	1,443	1,017	2,024	25,042	–	25,042
Intersegment sales or transfers	–	45	–	100	55	358	559	(559)	–
Total	6,793	11,516	2,292	1,544	1,072	2,382	25,602	(559)	25,042
Segment profit (loss)	(165)	974	(333)	8	526	212	1,222	(603)	619

Notes: 1. The adjustment to segment profit (loss) of negative ¥603 million represents corporate expenses, etc. not allocated to each reportable segment.

2. Segment profit (loss) is adjusted with operating profit in the quarterly consolidated statement of income.

3. Other revenue consists of transactions included in the scope of the Accounting Standard for Lease Transactions.

## 2. Information on impairment losses on non-current assets or goodwill, etc. for each reportable segment

Not applicable

## II. Nine months ended September 30, 2024 (from January 1, 2024 to September 30, 2024)

## 1. Information on amounts of net sales and profit or loss for each reportable segment, and information on disaggregation of revenue

(Millions of yen)

	Reportable segments							Adjustments (Note 1)	Quarterly consolidated statement of income amounts (Note 2)
	Agriculture	Chemicals	Construction materials	Petroleum	Real estate	Transportation	Total		
Net sales									
Agriculture	7,096	–	–	–	–	–	7,096	–	7,096
Water treatment chemicals	–	8,827	–	–	–	–	8,827	–	8,827
Functional materials	–	4,577	–	–	–	–	4,577	–	4,577
Construction materials	–	–	2,701	–	–	–	2,701	–	2,701
Petroleum	–	–	–	1,391	–	–	1,391	–	1,391
Real estate	–	–	–	–	7	–	7	–	7
Transportation	–	–	–	–	–	2,001	2,001	–	2,001
Others	–	116	–	–	–	–	116	–	116
Revenue from contracts with customers	7,096	13,521	2,701	1,391	7	2,001	26,719	–	26,719
Other revenue (Note 3)	–	–	–	15	999	75	1,090	–	1,090
Sales to external customers	7,096	13,521	2,701	1,407	1,007	2,076	27,809	–	27,809
Intersegment sales or transfers	–	48	–	89	59	357	555	(555)	–
Total	7,096	13,569	2,701	1,496	1,066	2,433	28,364	(555)	27,809
Segment profit (loss)	(60)	1,459	16	6	553	215	2,192	(546)	1,645

Notes: 1. The adjustment to segment profit (loss) of negative ¥546 million represents corporate expenses, etc. not allocated to each reportable segment.

2. Segment profit (loss) is adjusted with operating profit in the quarterly consolidated statement of income.

3. Other revenue consists of transactions included in the scope of the Accounting Standard for Lease Transactions.

## 2. Information on impairment losses on non-current assets or goodwill, etc. for each reportable segment

Not applicable