

# Supplementary Material on Financial Results for the Fiscal Year Ended December 31, 2024

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February 10, 2025

**伝統と革新～100年先も選ばれる企業に**

 **多木化学株式会社**  
TAKI CHEMICAL CO., LTD.

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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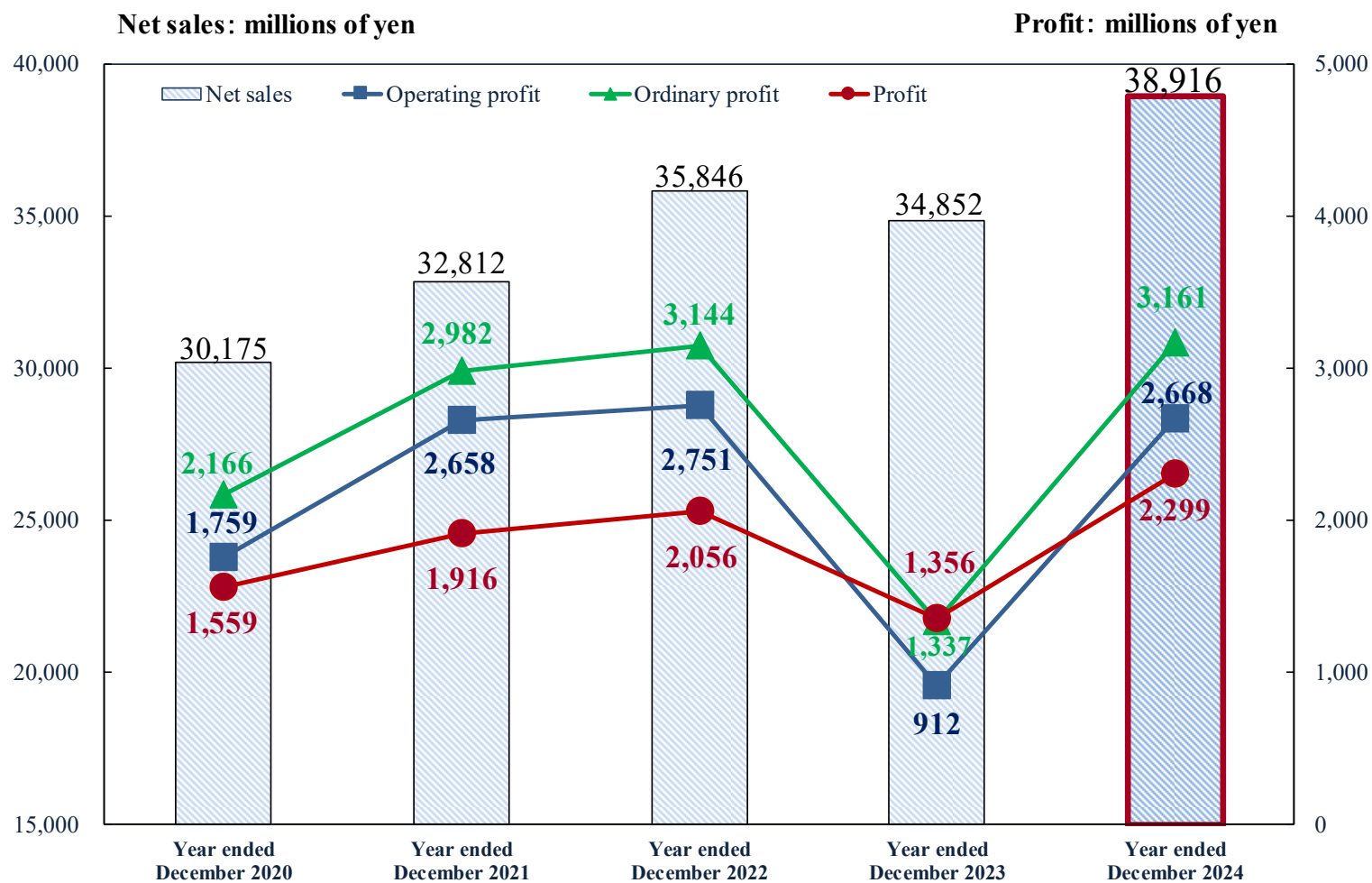
# Financial Results Summary for the Fiscal Year Ended December 31, 2024

■ Operating results summary for the fiscal year ended December 31, 2024 (Consolidated)

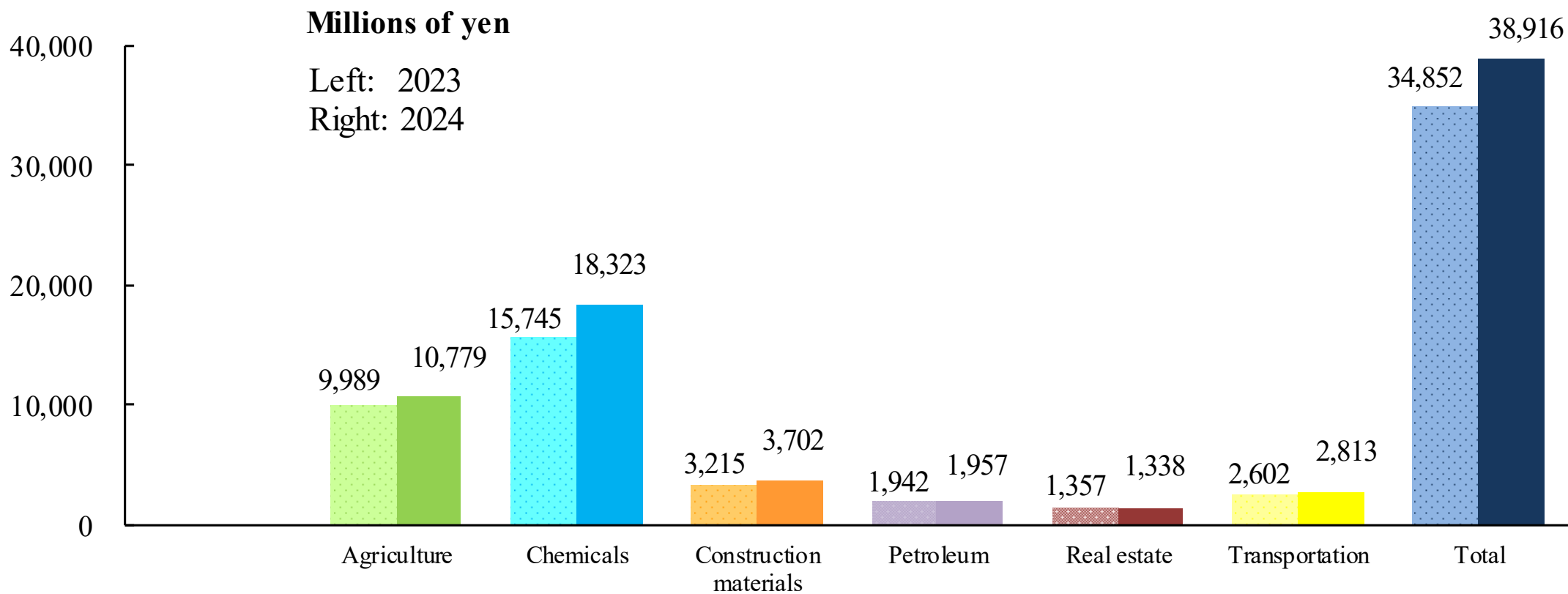
(Millions of yen)

	Year ended December 2023	Year ended December 2024	Year-on-year change	
			Amount	Percentage
<b>Net sales</b>	<b>34,852</b>	<b>38,916</b>	<b>+ 4,064</b>	<b>+11.7 %</b>
<b>Operating profit</b>	<b>912</b>	<b>2,668</b>	<b>+ 1,755</b>	<b>+192.3 %</b>
<b>Ordinary profit</b>	<b>1,337</b>	<b>3,161</b>	<b>+ 1,823</b>	<b>+136.4 %</b>
<b>Profit attributable to owners of parent</b>	<b>1,356</b>	<b>2,299</b>	<b>+ 942</b>	<b>+69.5 %</b>
<b>Annual dividends per share (Yen)</b>	<b>50</b>	<b>55</b> (planned)	<b>+ 5</b> (planned)	<b>+10.0 %</b>

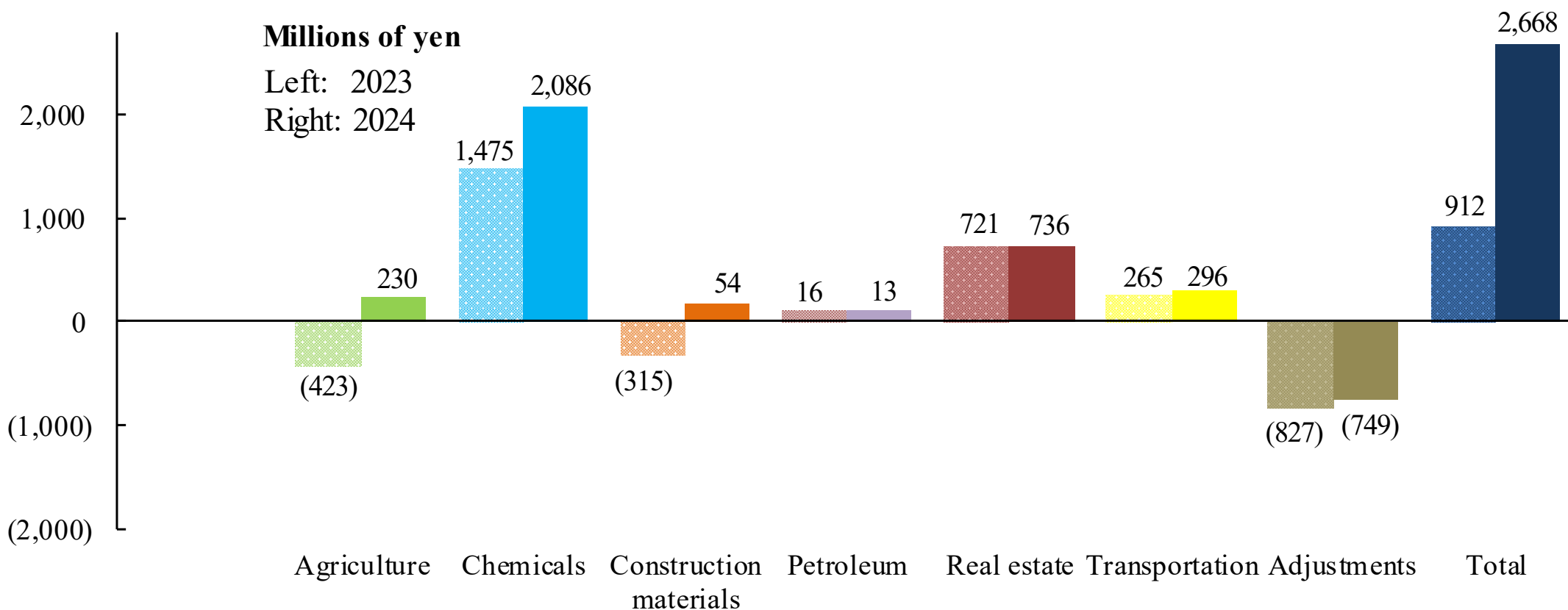
# Changes in financial results (Consolidated)



# ■ Segment sales for the fiscal year ended December 31, 2024 (Consolidated)

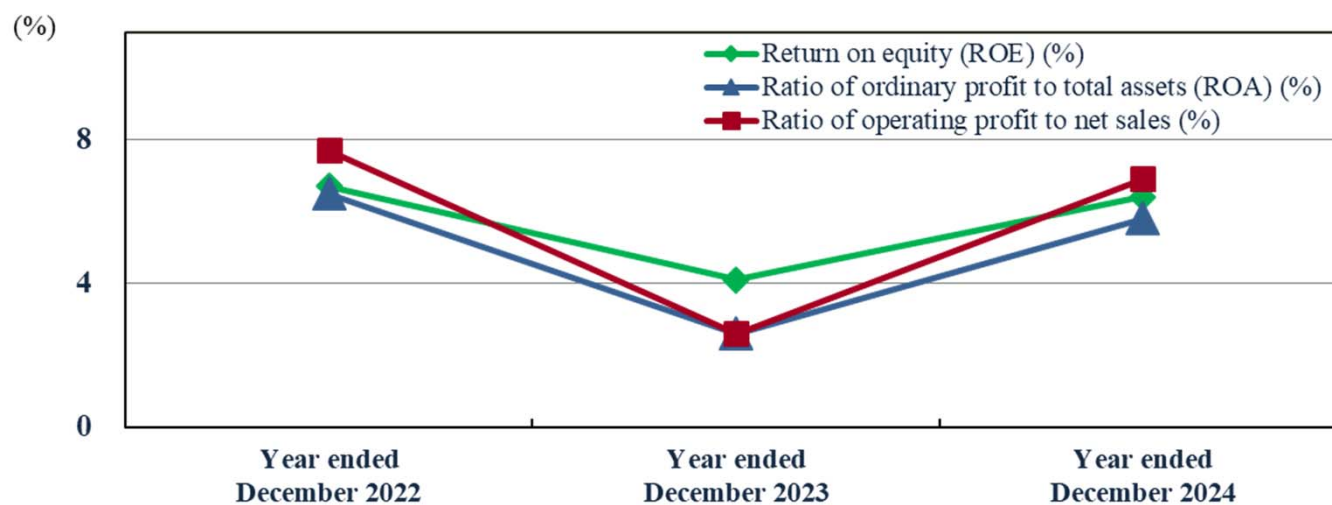


■ Segment profit for the fiscal year ended December 31, 2024 (Consolidated)



## ■ Key performance indicators (Consolidated)

	Year ended December 2022	Year ended December 2023	Year ended December 2024
Return on equity (ROE) (%)	6.7	4.1	6.4
Ratio of ordinary profit to total assets (ROA) (%)	6.5	2.6	5.8
Ratio of operating profit to net sales (%)	7.7	2.6	6.9





## ■ Balance sheet (Consolidated)

(Millions of yen)

		Year ended December 2023	Year ended December 2024	Year-on-year change
<b>Assets</b>	Current assets	23,784	27,274	+3,489
	Property, plant and equipment	16,380	16,990	+610
	Intangible assets	326	293	(33)
	Investments and other assets	10,807	13,844	+3,036
<b>Total assets</b>		<b>51,299</b>	<b>58,402</b>	<b>+7,102</b>
<b>Liabilities</b>	Current liabilities	8,503	10,489	+1,986
	Non-current liabilities	8,897	9,954	+1,057
<b>Total liabilities</b>		<b>17,400</b>	<b>20,443</b>	<b>+3,043</b>
<b>Total net assets</b>		<b>33,899</b>	<b>37,959</b>	<b>+4,059</b>
<b>Return on equity (%)</b>		<b>65.9</b>	<b>64.9</b>	<b>(1.0)</b>
<b>Net assets per share (yen)</b>		<b>3,994.74</b>	<b>4,468.46</b>	<b>+473.72</b>

## ■ Cash flows (Consolidated)

(Millions of yen)

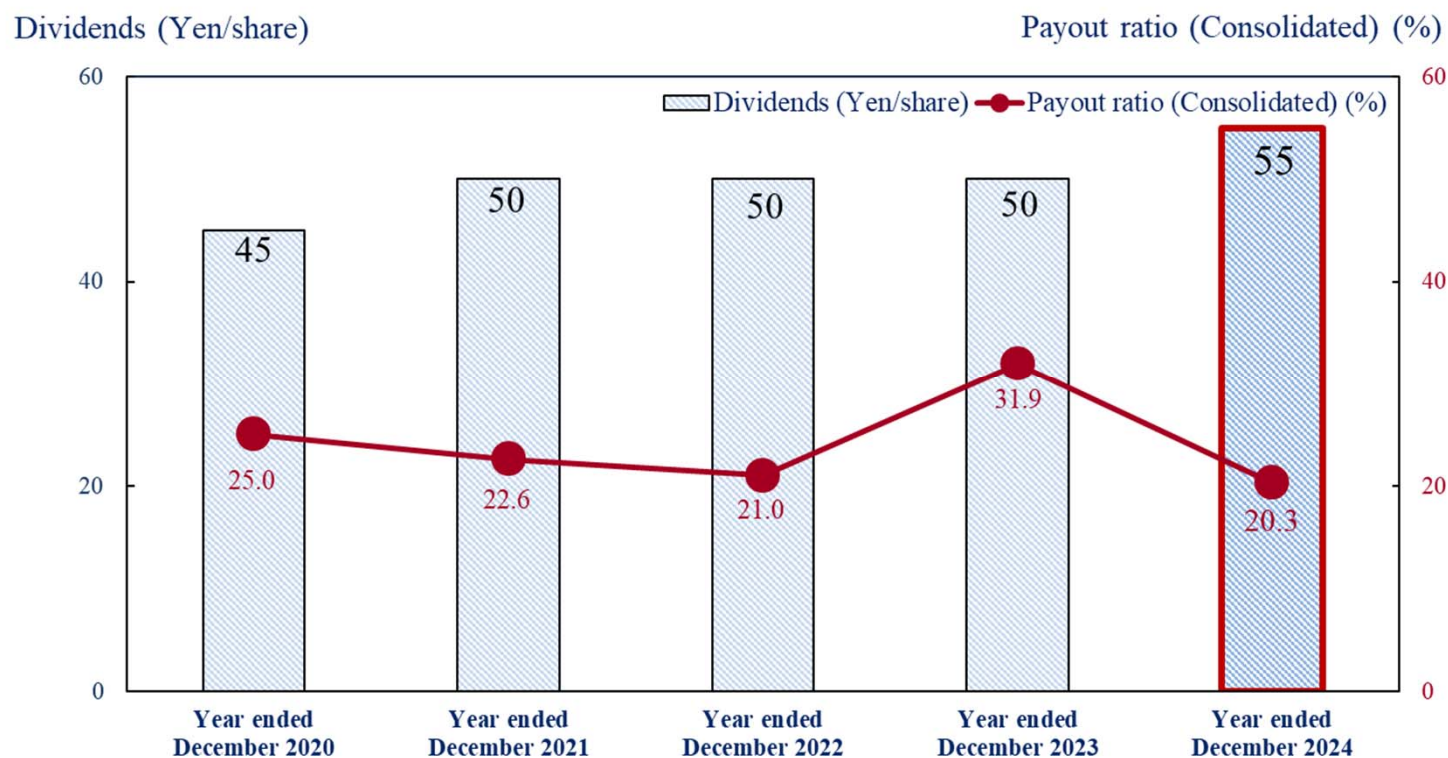
	Year ended December 2022	Year ended December 2023	Year ended December 2024
Cash flows from operating activities	1,444	1,620	4,343
Cash flows from investing activities	(1,083)	(1,640)	(1,613)
Cash flows from financing activities	(543)	(1,169)	(352)
Effect of exchange rate change on cash and cash equivalents	6,256	5,075	7,458

## ■ Changes in cash flow indicators (Consolidated)

	Year ended December 2020	Year ended December 2021	Year ended December 2022	Year ended December 2023	Year ended December 2024
<b>Equity-to-asset ratio (%)</b>	62.7	63.5	63.5	65.9	64.9
<b>Equity-to-asset ratio based on market value (%)</b>	131.3	109.0	78.4	53.1	50.1
<b>Ratio of interest-bearing debt to cash flow (annual)</b>	1.0	1.0	1.8	1.6	0.6
<b>Interest coverage ratio (times)</b>	227.6	222.1	118.3	135.6	347.2

## ■ Cash dividends

- For the year ended December 31, 2024, the Company plans to pay a dividend of ¥55 per share (ordinary dividend ¥50, commemorative dividend ¥5).
- For the year ending December 31, 2025, the Company plans to pay a dividend of ¥60 per share (ordinary dividend ¥60).

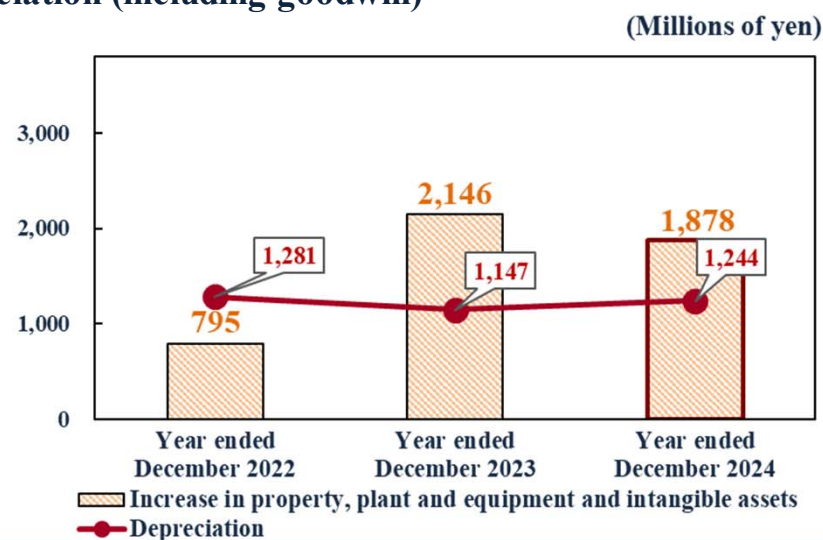
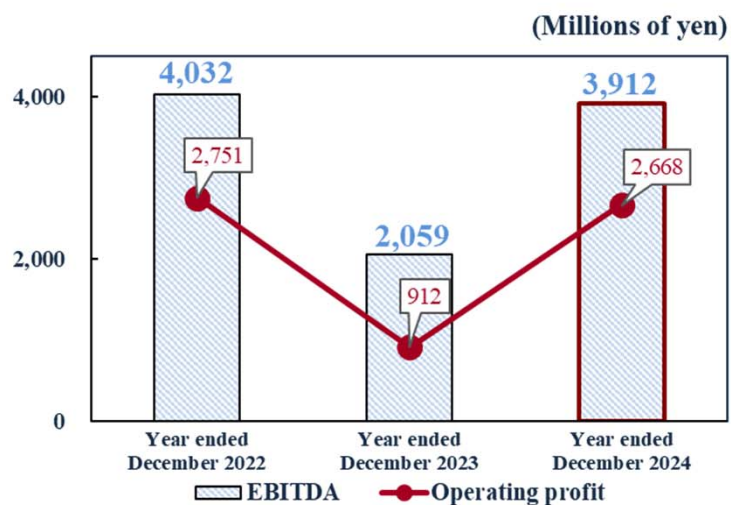


# Changes in consolidated key performance indicators

(Millions of yen)

Consolidated	Year ended December 2022		Year ended December 2023		Year ended December 2024	
		YoY		YoY		YoY
Operating profit	2,751	+93	912	(1,839)	2,668	+1,755
Increase in property, plant and equipment and intangible assets	795	(2,499)	2,146	+1,351	1,878	(268)
Depreciation	1,281	+93	1,147	(134)	1,244	+97
EBITDA*	4,032	+186	2,059	(1,973)	3,912	+1,853

\*Calculated based on operating profit plus depreciation (including goodwill)



# Operating Results by Segment

## ■ Operating results by segment – Agriculture business –



### Overview of operating results

While fertilizer sales prices decreased, sales volume recovered, resulting in higher net sales of ¥10,779 million, an increase of 7.9% versus the previous fiscal year, and the cost of sales ratio decreased due to the impact of inventory valuation, resulting in operating profit of ¥230 million (operating loss of ¥423 million in the previous fiscal year).

	(Millions of yen)	
	Year ended December 2023	Year ended December 2024
Net sales	9,989	10,779
Segment profit	(423)	230



# Operating results by segment – Chemicals business –



## Chemicals business

### Overview of operating results

Net sales of water treatment chemicals totaled ¥11,998 million, a significant increase of 11.8% versus the previous fiscal year, as the sales volume of ultra-high-basicity polyaluminum chloride increased and due to work to revise sales prices resulting from higher raw material prices.

Net sales of functional materials amounted to ¥6,168 million, a significant increase of 27.9% versus the previous fiscal 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 ¥157 million, down 19.1% versus the previous fiscal year. As a result, net sales came to ¥18,323 million, a significant increase of 16.4% versus the previous fiscal year, and operating profit came to ¥2,086 million, a significant increase of 41.4% versus the previous fiscal year.

(Millions of yen)

	Year ended December 2023			Year ended December 2024		
	Net sales	Water treatment	10,728	15,745	Water treatment	11,998
Functional		4,822	Functional		6,168	
Other		194	Other		157	
Segment profit	1,475			2,086		



# ■ Operating results by segment – Real estate business –



## Real estate business

### Overview of operating results

Net sales totaled ¥1,338 million, down 1.4% versus the previous fiscal year with rental income at shopping centers remaining at the same level as the previous fiscal year. However, operating profit increased 2.2% versus the previous fiscal year to ¥736 million due to a decrease in repair expenses.

	(Millions of yen)	
	Year ended December 2023	Year ended December 2024
<b>Net sales</b>	1,357	1,338
<b>Segment profit</b>	721	736

## Operating results by segment

– Construction materials business/ Petroleum business/ Transportation business –



Construction materials business



Petroleum business



Transportation business

(Millions of yen)

	2023	2024
Net sales	3,215	3,702
Segment profit	(315)	54

(Millions of yen)

	2023	2024
Net sales	1,942	1,957
Segment profit	16	13

(Millions of yen)

	2023	2024
Net sales	2,602	2,813
Segment profit	265	296

### Overview of operating results

**Construction materials business:** Net sales totaled ¥3,702 million, a significant increase of 15.2% versus the previous fiscal year, and operating profit totaled ¥54 million (operating loss of ¥315 million in the previous fiscal year), as a result of an increase in both the sales volume and sales prices of gypsum board.

**Petroleum business:** Despite a decline in fuel oil sales volume as a result of falling demand, net sales came to ¥1,957 million, an increase of 0.8% versus the previous fiscal year, due primarily to rising sales prices, while operating profit came to ¥13 million, a decrease of 19.4% versus the previous fiscal year, due to a decrease in non-oil-related profits such as car wash services.

**Transportation business:** Net sales rose 8.1% versus the previous fiscal year to ¥2,813 million, and operating profit rose 11.7% versus the previous fiscal year to ¥296 million as transported cargo increased despite a decrease in handling volume.

# Progress of “Medium-term Management Plan 2028” and Earnings Forecast

# Basic policies of “Medium-term Management Plan 2028”

## ◆ Basic Policies

Invest aggressively in growth businesses and create new businesses

### Life science

- Expansion of the medical materials business
- Establishment of a collagen business
- Commercialization of *Tricholoma bakamatsutake*



### Functional materials

- Sales expansion of nano-materials
- Development of new applications and new products through technology innovation
- New development of environmentally considerate products that resolve social issues



### M&A and overseas expansion

- Business expansion through business alliance
- Diversification through capital alliances
- Overseas market development



Enhance profitability by strengthening existing businesses

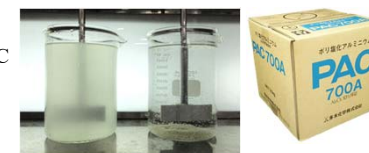
### Continued reinforcement of the Agriculture business

- Optimization of production, sales and inventories
- Promotion of modal shift
- Development of environmentally friendly products
- Entry into new businesses related to agriculture



### New development of water treatment business

- Market penetration of highly basic PAC
- Development of new environmentally considerate coagulants
- Stable procurement and cost reduction of raw materials



### Expansion of real estate business domain

- Development of compact cities
- Examine entry into renovation business and franchise business



# Basic policies of “Medium-term Management Plan 2028”

## ◆ Basic Policies

### Implement sustainability transformation

#### Response to climate change

- Promotion of energy-saving
- Introduction of renewable energy
- Reduction of greenhouse gases, including the supply chain
- Response to Task Force on Climate-Related Financial Disclosures (TCFD)



#### Promotion of human capital management

- Provision of equal opportunities and promotion of women's advancement
- Individual career path building and growth promotion
- Ongoing skill development and support for acquiring the latest knowledge
- Creation of a culture for smooth communication and feedback
- Increase in employee engagement and workplace environment, promotion of KENKO Investment for Health



#### Promotion of DX

- Operational efficiency increase through use of RPA and introduction of generative AI
- Improvement of IT literacy
- Diversification of information disclosure through ICT

### Promote GRC

#### G: Governance

- Improvement of effectiveness and ensuring of independence of the Board of Directors
- Rigorous disclosure that is timely, appropriate, and highly transparent
- Strengthening of auditing and supervision functions through coordination with the Audit & Supervisory Committee
- Enhancement of communication with stakeholders
- Contribution to local communities

#### R: Risk management

- Strengthening of risk management system
- Response based on risk map update through periodic risk revision
- Reinforcement of business continuity based on BCP
- Strengthening of information security

#### C: Compliance

- Establishment, internal promotion, and strengthening of robust compliance structure
- Improvement of effectiveness of internal control system
- Rapid response to changes in laws and regulations
- Early discovery and self-correction of issues through internal-reporting system

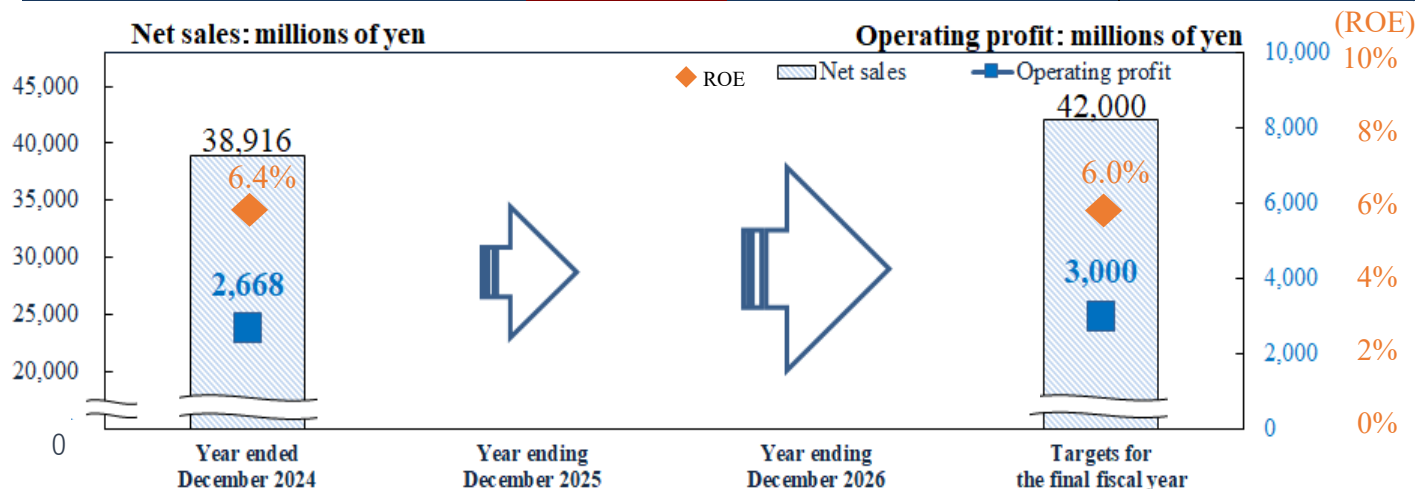


# Progress of “Medium-term Management Plan 2028”

- The performance of the fiscal year ended December 31, 2024 remained strong. Despite there being a decrease in sales prices for fertilizer, its sales volume recovered. In addition, sales for water treatment chemicals increased and demand for high-purity tantalum oxide for smartphones improved significantly. As a result, in terms of overall performance, the Group recorded consolidated net sales of ¥38,916 million, consolidated operating profit of ¥2,668 million, and a ROE of 6.4%.

(Millions of yen)

	Year ended December 2024 Results	Year ending December 2025 Results	Year ending December 2026 Results	Targets for the final fiscal year Medium-term Management Plan 2028
Net sales	38,916			42,000
Operating profit	2,668			3,000
Return on equity (ROE)	6.4%			6.0% or more



\*For more information on the “Long-Term Vision and Medium-Term Management Plan,” please refer to the Company’s website (<https://www.takichem.co.jp>) (in Japanese)



■ Consolidated earnings forecast for the fiscal year ending December 31, 2025

(Millions of yen)

	Year ended December 2024 Results	Year ending December 2025 Earnings forecast	Difference
<b>Net sales</b>	38,916	41,000	+2,084
<b>Operating profit</b>	2,668	1,300	(1,368)
<b>Ordinary profit</b>	3,161	1,850	(1,311)
<b>Profit attributable to owners of parent</b>	2,299	1,650	(649)
<b>Basic earnings per share (Yen)</b>	271.37	194.60	(76.77)

● Note

These materials contain forward-looking statements including consolidated financial results forecasts.

This information is based on information available at the time of preparation of these materials and certain assumption that were deemed to be reasonable.

Actual results and so forth may differ considerably due to various risk factors and uncertainties.

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