

Translation

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## Consolidated Financial Results for the Fiscal Year Ended December 31, 2025 (Under Japanese GAAP)

February 9, 2026

Company name:	TAKI CHEMICAL CO., ltd.	
Stock exchange listings:	Tokyo Stock Exchange	
Stock code:	4025	
URL:	<a href="https://www.takichem.co.jp/">https://www.takichem.co.jp/</a>	
Representative:	Katsuhiko Taki, Representative Director, President	
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TEL:	+81-79-437-6002	
Scheduled date for ordinary general meeting of shareholders:	March 26, 2026	
Scheduled date for dividend payment:	March 27, 2026	
Scheduled date for submission of securities report:	March 25, 2026	
Supplementary materials for financial summaries:	Yes	
Financial results briefing:	None	

(Amounts of less than one million yen are rounded down.)

### 1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2025 (from January 01, 2025 to December 31, 2025)

(Percentages indicate YoY changes)

#### (1) Consolidated operating results

	Revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended December 31, 2025	41,977	7.9	3,163	18.6	3,780	19.6	3,277	42.5
December 31, 2024	38,916	11.7	2,668	192.3	3,161	136.4	2,299	69.5

(Note) Comprehensive income Fiscal year ended December 2025: 6,002 million yen (35.2%) Fiscal year ended December 2024: 4,439 million yen (53.4%)

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary income to total assets ratio	Net sales Operating profit margin
Fiscal year ended December 31, 2025	Yen 389.05	Yen -	% 8.1	% 6.1	% 7.5
December 31, 2024	271.37	-	6.4	5.8	6.9

(Reference) Investment profit (loss) on equity method Fiscal year ended December 2025 - million yen Fiscal year ended December 2024 - million yen

#### (2) Consolidated financial positions

	Total assets	Equity	Equity to total assets ratio	Net assets per share
As of December 31, 2025	Million yen 65,653	Million yen 43,328	% 65.3	Yen 5,143.16
December 31, 2024	58,402	37,959	64.9	4,468.46

(Reference) Owner's equity Fiscal year ended December 31, 7 42,887 million yen Fiscal year ended December 31, 6 37,881 million yen

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and equivalents, end of period
Fiscal year ended December 31, 2025	Million yen 2,310	Million yen (1,056)	Million yen (1,455)	Million yen 7,256
December 31, 2024	4,343	(1,613)	(352)	7,458

## 2. Cash dividends

	Annual dividends per share					Total dividends (aggregate)	Payout ratio (Consolidated)	Ratio of dividends to net assets (consolidated)
	1 st quarter-end	2 nd quarter-end	3 rd quarter-end	Fiscal year-end	Total			
Fiscal year ended December 31, 2024	Yen -	Yen -	Yen -	Yen 55.00	Yen 55.00	Million yen 466	% 20.3	% 1.3
Fiscal year ended December 31, 2025	-	-	-	75.00	75.00	625	19.3	1.6
Fiscal year ending December 31, 2026 (Forecast)	-	-	-	80.00	80.00		25.2	

Fiscal year ending December 2024 Detail of dividend per share - fiscal year end Ordinary dividend 50.00 yen Commemorative dividend 5.00 yen (Commemorating the appointment of the new president)

Detail of dividend per share for the fiscal year ended December 7: Ordinary dividend 60.00 yen, Commemorative dividend 5.00 yen (140th anniversary of founding), Special dividend 10.00 yen

Fiscal year ending December 2018 (Forecast) Detail of dividend per share - fiscal year end Ordinary dividend 80.00 yen

## 3. Consolidated Earnings Forecasts for the Fiscal Year Ending December 31, 2026 (from January 01, 2026 to December 31, 2026)

(Percentages indicate YoY changes)

	Revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Fiscal year ending December 31, 2026	43,000	2.4	2,450	(22.6)	3,050	(19.3)	2,650	(19.1)	317.79

\* Notes

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

New - Company (Company name), Excluded - Company (Company name)

(2) Changes in accounting policies, Changes in accounting estimates, Retrospective restatement

(i) Changes in accounting policies due to revisions of accounting standards : Yes

(ii) Changes in accounting policies other than (i): None

(iii) Changes in accounting estimates : None

(iv) Retrospective restatement : None

For details, please refer to page 12 of the attached materials, "3. Consolidated Financial Statements and Main Notes (5) Notes on Consolidated Financial Statements (Notes on Changes in Accounting Policies)."

(3) Number of shares issued (common stock)

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

As of December 31, 2025	9,458,768 shares
As of December 31, 2024	9,458,768 shares

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

As of December 31, 2025	1,119,946 shares
As of December 31, 2024	981,251 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended December 31, 2025	8,424,315 shares
Fiscal year ended December 31, 2024	8,473,125 shares

(Reference) Summary of Non-consolidated Results

**Non-consolidated results for the fiscal year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)**

**(1) Non-consolidated operating results**

(Percentages indicate YoY changes)

	Revenue		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2025	32,807	7.8	2,547	19.6	3,290	22.4	2,905	48.7
December 31, 2024	30,426	12.5	2,129	156.6	2,689	103.5	1,953	37.6
	Basic earnings per share		Diluted earnings per share					
Fiscal year ended	Yen		Yen					
December 31, 2025	344.94		-					
December 31, 2024	230.56		-					

**(2) Non-consolidated financial positions**

	Total assets	Equity	Equity to total assets ratio	Net assets per share
As of December 31, 2025	Million yen 58,945	Million yen 37,034	% 62.8	Yen 4,441.22
December 31, 2024	52,853	32,777	62.0	3,866.41

(Reference) Owner's equity Fiscal year ended December 31, 7: 37,034 million yen Fiscal year ended December 31, 6: 32,777 million yen

\* Financial results reports are not subject to audits by certified public accountants or audit corporations.

\* Notes regarding the appropriate use of forecasts and other special items

Regarding forecasts, they are based on information available as of the date of announcement and on certain assumptions deemed reasonable; however, actual results may differ significantly due to various factors.

Regarding the above Preamble to forecasts, please refer to page 4 of the attached materials, "1. Overview of operating results, etc. (4) Outlook for the future."

(How to obtain supplementary materials for financial results)

The supplementary financial results materials have been disclosed on TDnet and our company website (<https://www.takichem.co.jp/>) on the same day.

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## 1. Overview of Operating Results, etc.

### (1) Overview of Operating Results for the Period

During the fiscal year under review, the Japanese economy continued its gradual recovery, supported by the normalization of economic and social activities and the effects of various policies. However, the situation remained uncertain due to factors such as rising prices, policy trends in the United States including trade policies, and downside risks stemming from fluctuations in financial and capital markets.

In this environment, based on the "Medium-Term Management Plan 2028" promoted since January 2024, our group has worked to improve the profitability of existing businesses and other initiatives. As a result, for the fiscal year ended March 31, 2024, net sales were 41,977 million yen (Percentage indicate YoY changes), operating profit was 3,163 million yen (Percentage indicate YoY changes), ordinary profit was 3,780 million yen (Percentage indicate YoY changes), and profit attributable to owners of parent was 3,277 million yen (Percentage indicate YoY changes).

In addition, as Rakuto Kasei Kogyo Co., Ltd. (fiscal year-end: October 31) became a consolidated subsidiary, the results of this company for the nine months from February to October 2025 have been reflected in the Group's Chemicals Business.

The operating results by segment are as follows.

#### (Agriculture)

Due to an increase in fertilizer sales volume and a rise in selling prices resulting from higher raw material costs, net sales significantly increased by 10.1% year on year to 11,863 million yen. In addition, operating profit saw a substantial increase of 110.9% year on year to 485 million yen, owing to rationalization of production methods and other factors.

#### (Chemicals)

In water treatment chemicals, in addition to an increase in sales volume of ultra-high basicity polyaluminum chloride, efforts to adjust selling prices in response to rising raw material costs resulted in net sales of 13,417 million yen, a significant increase of 11.8% compared to the previous fiscal year.

Although sales volume of high-purity tantalum oxide for smartphones decreased due to intensified competition in Functional Materials, sales volume of high-basicity aluminum chloride for automotive ceramic fibers and other products remained strong. As a result, net sales increased by 7.3% year on year to 6,619 million yen.

Net sales of other chemical products increased by 11.4% year on year to 1,075 million yen.

As a result, net sales significantly increased by 10.3% year on year to 20,212 million yen, and operating profit also significantly increased by 10.8% year on year to 2,312 million yen.

#### (Construction Materials)

Although the sales volume of gypsum board decreased, net sales increased by 2.5% year on year to 3,797 million yen due to higher selling prices. In addition, operating profit saw a significant increase of 178.7% year on year to 152 million yen, mainly due to a reduction in energy costs.

#### (Petroleum)

Although the sales volume of fuel oil decreased due to a decline in demand, net sales increased by 0.3% compared to the previous period to 1,963 million yen, as sales prices rose. In addition, due to reductions in selling, general and administrative expenses, operating profit increased significantly by 28.1% compared to the previous period to 16 million yen.

#### (Real Estate)

Although rental income from shopping centers remained at the same level as the previous period, due to a decrease in rental properties, net sales were 1,315 million yen, a decrease of 1.8% compared to the previous period, and operating profit was 721 million yen, a decrease of 2.0% compared to the previous period.

#### (Transportation)

Although merchandise sales decreased, net sales increased by 0.5% year on year to 2,826 million yen due to an increase in freight volume and cargo handling volume, and operating profit increased by 3.9% year on year to 308 million yen.

### (2) Overview of the financial position for the period

Total assets at the end of the fiscal year amounted to 65,653 million yen (an increase of 7,250 million yen from the previous fiscal year). Current assets amounted to 29,816 million yen (an increase of 2,542 million yen from the previous fiscal year), mainly due to a decrease in cash and deposits by 292 million yen, but increases in notes and accounts receivable - trade by 716 million yen, electronically recorded monetary claims - operating by 394 million yen, merchandise and finished goods by 799 million yen, raw materials and supplies by 273 million yen, and other current assets by 370 million yen. Non-current assets amounted to 35,836 million yen (an increase of 4,707 million yen from the previous fiscal year), mainly due to increases in property, plant and equipment by 780 million yen and investment securities by 3,585 million yen.

Liabilities amounted to 22,324 million yen (an increase of 1,881 million yen from the previous fiscal year), mainly due to a decrease in retirement benefit liability by 350 million yen, while notes and accounts payable - trade increased by 775 million yen and deferred tax liabilities increased by 1,529 million yen, among other factors.

Net assets decreased by 611 million yen due to the acquisition of treasury shares, but increased by 2,811 million yen in retained earnings, 2,438 million yen in valuation difference on available-for-sale securities, 270 million yen in remeasurements of defined benefit plans, and 362 million yen in non-controlling interests due to the newly consolidated subsidiary Rakuto Kasei Kogyo Co., Ltd., among other factors, resulting in 43,328 million yen (an increase of 5,368 million yen compared to the previous fiscal year).

### (3) Overview of Cash Flows for the Period

Cash flows from operating activities for the fiscal year ended amounted to an inflow of 2,310 million yen, cash flows from investing activities amounted to an outflow of 1,056 million yen, and cash flows from financing activities amounted to an outflow of 1,455 million yen. As a result, cash and cash equivalents at the end of the fiscal year decreased by 22 million yen compared to the end of the previous fiscal year, amounting to 7,256 million yen.

#### (Cash flows from operating activities)

There was a decrease in funds of 968 million yen due to an increase in accounts receivable, a decrease in funds of 963 million yen due to an increase in inventories, a decrease in funds of 333 million yen due to an increase in other assets, and payment of income taxes amounting to 1,279 million yen. However, due to factors such as income before income taxes of 4,374 million yen, depreciation of 1,362 million yen, and an increase in funds of 752 million yen due to an increase in accounts payable, there was an increase in funds of 2,310 million yen (compared to an increase of 4,343 million yen in the same period of the previous year).

#### (Cash flows from investing activities)

Although there were proceeds from sale of investment securities of 840 million yen, due to factors such as purchase of non-current assets amounting to 1,562 million yen, there was a decrease in funds of 1,056 million yen (compared to a decrease of 1,613 million yen in the same period of the previous year).

#### (Cash flows from financing activities)

Due to the purchase of treasury shares amounting to 0.7 billion yen and dividend payments of 466 million yen, funds decreased by 1,455 million yen (compared to a decrease of 352 million yen in the same period of the previous year).

#### Trends in Cash Flow Indicators

	Fiscal year ended December 31, 2021	Fiscal year ended December 2022	Fiscal year ended December 2023	Fiscal year ending December 2024	Fiscal year ending December 2025
Equity to total assets ratio (%)	63.5	63.5	65.9	64.9	65.3
Equity to total assets ratio on a market value basis (%)	109.0	78.4	53.1	50.1	48.6
Cash Flow to Interest-Bearing Liabilities Ratio (years)	1.0	1.8	1.6	0.6	1.2
Interest coverage ratio (times)	222.1	118.3	135.6	347.2	139.7

Equity to total assets ratio: Owner's equity/Total assets

Equity to total assets ratio on a market value basis: Market capitalization / Total assets

Cash Flow to Interest-Bearing Liabilities Ratio: Interest-Bearing Liabilities / Operating Cash Flow

Interest coverage ratio: Operating cash flow / Interest payments

(Note) 1. All indicators are calculated based on consolidated financial figures.

2. The market capitalization is calculated by multiplying the closing share price at the end of the period by the number of shares outstanding at the end of the period (after deduction of treasury shares).
3. Operating cash flows are based on cash flows from operating activities in the consolidated statement of cash flows. Interest-bearing liabilities refer to all liabilities recorded on the consolidated balance sheet that require interest payments. In addition, interest paid is based on the interest paid item in the consolidated statement of cash flows.

### (4) Future Outlook

As for the outlook for the Japanese economy, while economic and social activities are gradually normalizing and various policy measures are having an effect, the recovery remains moderate. However, the situation remains uncertain due to factors such as rising prices, trends in U.S. trade and other policies, and downside risks stemming from fluctuations in financial and capital markets. In this environment, the second year of our Group's five-year "Medium-Term Management Plan 2028," which began in 2024, has been completed. The "Medium-Term Management Plan 2028" is based on the following basic policies: (i) proactive investment in growth businesses and creation of new businesses, (ii) enhancement of profitability through deepening of existing businesses, (iii) implementation of sustainability transformation, and (iv) promotion of GRC. In the fiscal year ending March 2025, sales volumes of fertilizers and water treatment chemicals increased, sales prices rose due to higher raw material costs, and each segment's business performed steadily. As a result, the Group's consolidated results were: Net sales of 41,977 million yen, Operating profit of 3,163 million yen, and ROE of 8.1%. For the fiscal year ending March 2026, we expect to exceed our initial targets, supported

by increased sales resulting from the expansion of production capacity for water treatment chemicals, which is part of our growth strategy.

Regarding the management targets for the final year of the "Medium-Term Management Plan 2028," as separately disclosed today (February 9, 2026) in the "Notice of Upward Revision of Target Figures for the Medium-Term Management Plan 2028," we have revised upward the targets to consolidated Net sales of 44 billion yen, consolidated Operating profit of 3.5 billion yen, and ROE of 7.0% or higher. We will continue to pursue both proactive growth investments and appropriate capital policies, striving for the sustainable enhancement of corporate value.

#### (5) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years

We position the return of profits to shareholders as an important management issue, and while targeting a consolidated payout ratio of 30% or more, our basic policy is to provide stable and continuous dividends with a focus on "progressive dividends." In addition, to achieve sustainable corporate growth and enhance corporate value, we will also allocate resources to capital investment, research and development investment, and rationalization investment.

Regarding the year-end dividend for the current fiscal year, taking into comprehensive consideration the strengthening of our corporate structure, future business development, business performance, and various other factors, and in order to respond to the support of our shareholders, we plan to pay a total of 75 yen per share, consisting of an ordinary dividend of 60 yen, a special dividend of 10 yen, and a commemorative dividend of 5 yen to mark the 140th anniversary of our founding.

In addition, for the year-end dividend for the next fiscal year, we forecast an ordinary dividend of 80 yen per share.

#### 2. Basic policy regarding the selection of accounting standards

Our group has adopted the policy of preparing consolidated financial statements in accordance with Japanese GAAP for the time being, taking into consideration the comparability of consolidated financial statements over periods and among companies. With regard to the adoption of IFRS, we will continue to appropriately consider it in light of various domestic and international circumstances.

3. Consolidated Financial Statements and Main Notes (1) Consolidated Balance Sheet

(Unit: Million yen)

	Previous fiscal year (As of December 31, 2024)	For the fiscal year (As of December 31, 2025)
<b>Assets</b>		
Current assets		
Cash and deposit	7,458	7,166
Notes and trade receivables	10,251	10,968
Electronically recorded monetary claims - operating	2,568	2,962
Securities	-	199
Merchandise and finished goods	3,980	4,779
Work in process	301	383
Raw materials and supplies	1,957	2,230
Other	771	1,141
Allowance for doubtful accounts	(14)	(15)
Total current asset	27,274	29,816
Non-current assets		
Property, plant, and equipment		
Buildings and structures	24,179	24,782
Accumulated depreciation	(16,194)	(17,042)
Buildings and structures, net	7,985	7,740
Machinery, equipment and vehicles	16,762	17,737
Accumulated depreciation	(15,462)	(16,343)
Machinery, equipment and vehicles, net	1,299	1,394
Tools, furniture and fixtures	1,653	2,024
Accumulated depreciation	(1,411)	(1,561)
Tools, furniture and fixtures, net	241	463
Land	7,112	7,695
Leased assets	449	440
Accumulated depreciation	(141)	(160)
Leased assets, net	308	279
Construction in progress	44	197
Total property, plant and equipment, net	16,990	17,771
Intangible assets		
Goodwill	-	82
Leasehold interests in land	66	66
Software	213	258
Right to use water facilities, etc.	9	10
Software in progress	4	-
Total intangible assets	293	418
Investment Other assets		
Investment securities	13,649	17,235
Deferred tax assets	32	59
Other	196	386
Allowance for doubtful accounts	(34)	(34)
Total investment and other assets	13,844	17,646
Total non-current assets	31,128	35,836
Total assets	58,402	65,653

(Unit: Million yen)

	Previous fiscal year (As of December 31, 2024)	For the fiscal year (As of December 31, 2025)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	6,703	7,478
Short-term borrowings	529	454
Current portion of long-term borrowings	62	106
Lease liabilities	34	31
Accounts payable	1,439	1,624
Income taxes payable	749	555
Accrued consumption taxes	266	134
Provision for bonuses	43	70
Provision for loss on disaster	159	94
Other	500	599
<b>Total current liabilities</b>	<b>10,489</b>	<b>11,150</b>
<b>Non-current liabilities</b>		
Long-term borrowings	283	398
Lease liabilities	308	276
Deferred tax liabilities	2,610	4,140
Provision for loss on disaster	360	275
Liabilities for retirement benefits	3,735	3,384
Guarantee deposits received	2,516	2,557
Others	140	141
<b>Total non-current liabilities</b>	<b>9,954</b>	<b>11,174</b>
<b>Total liabilities</b>	<b>20,443</b>	<b>22,324</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	2,147	2,147
Capital surplus	1,446	1,544
Retained earnings	28,311	31,122
Treasury shares	(1,352)	(1,964)
<b>Total shareholders' equity</b>	<b>30,552</b>	<b>32,849</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	7,350	9,788
Remeasurements of defined benefit plans	(20)	249
<b>Total accumulated other comprehensive income</b>	<b>7,329</b>	<b>10,038</b>
<b>Non-controlling interests</b>	<b>77</b>	<b>440</b>
<b>Total net assets</b>	<b>37,959</b>	<b>43,328</b>
<b>Total liabilities and net assets</b>	<b>58,402</b>	<b>65,653</b>

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

(Consolidated Statement of Income)

(Unit: Million yen)

	Previous fiscal year (From January 1, 2024 As of December 31, 2024)	For the fiscal year (From January 1, 2025 As of December 31, 2025)
Revenue	38,916	41,977
Cost of sales	29,908	31,735
Gross profit	9,008	10,242
Selling, general and administrative expenses	6,339	7,078
Operating profit	2,668	3,163
Non-operating income		
Interest income	2	9
Dividend income	423	578
Other	95	63
Total non-operating income	520	651
Non-operating expenses		
Interest expense	12	16
Waste disposal expenses	14	14
Other	1	3
Total non-operating expenses	28	34
Ordinary profit	3,161	3,780
Extraordinary income		
Gain on sale of non-current assets	92	6
Gain on sale of investment securities	35	690
Insurance claim income	679	-
Total extraordinary income	807	697
Extraordinary losses		
Impairment losses	-	28
Loss on sale of non-current assets	0	1
Loss on retirement of fixed assets	37	65
Loss on reduction of non-current assets	15	-
Loss on sale of investment securities	0	-
Loss on valuation of investment securities	-	8
Loss on disaster	652	-
Total extraordinary losses	707	104
Net income before income taxes	3,262	4,374
Income taxes - current	1,066	1,082
Income taxes - deferred	(102)	(1)
Total income taxes	964	1,081
Net income	2,297	3,292
Profit (loss) attributable to non-controlling interests	(1)	14
Profit attributable to owners of parent	2,299	3,277

## (Consolidated Statement of Comprehensive Income)

(Unit: Million yen)

	Previous fiscal year (From January 1, 2024 As of December 31, 2024)	For the fiscal year (From January 1, 2025 As of December 31, 2025)
Net income	2,297	3,292
Other comprehensive income (loss), net of tax		
Valuation difference on available-for-sale securities	2,150	2,438
Remeasurements of defined benefit plans, net of tax	(8)	272
Other comprehensive income, net of tax	2,141	2,710
Comprehensive income	4,439	6,002
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,441	5,986
Comprehensive income attributable to non-controlling interests	(1)	16

(3) Consolidated Statement of Changes in Shareholders' Equity, etc.

For the fiscal year ended December 31, 2024

(Unit: Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,147	1,420	26,435	(1,370)	28,632
Changes during period					
Cash dividends			(423)		(423)
Profit attributable to owners of parent			2,299		2,299
Acquisitions of treasury shares				(0)	(0)
Treasury shares sold		25		17	43
Net loss attributable to non-controlling interests (-)					-
Net changes during the period in items other than shareholders' equity					-
Total changes during period	-	25	1,876	17	1,919
Balance at end of period	2,147	1,446	28,311	(1,352)	30,552

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Beginning balance	5,199	(12)	5,187	79	33,899
Changes during period					
Cash dividends					(423)
Profit attributable to owners of parent					2,299
Acquisitions of treasury shares					(0)
Treasury shares sold					43
Net loss attributable to non-controlling interests (-)				(1)	(1)
Net changes during the period in items other than shareholders' equity	2,150	(8)	2,142	(0)	2,141
Total changes during period	2,150	(8)	2,142	(1)	4,059
Balance at end of period	7,350	(20)	7,329	77	37,959

For the fiscal year ending December 31, 2025

(Unit: Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,147	1,446	28,311	(1,352)	30,552
Changes during period					
Cash dividends			(466)		(466)
Profit attributable to owners of parent			3,277		3,277
Acquisitions of treasury shares				(700)	(700)
Treasury shares sold		98		88	186

Net income attributable to non-controlling interests					
Net changes during the period in items other than shareholders' equity					
Total changes during period	-	98	2,811	(611)	2,297
Balance at end of period	2,147	1,544	31,122	(1,964)	32,849

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Beginning balance of the period	7,350	(20)	7,329	77	37,959
Changes during period					
Cash dividends				(1)	(467)
Profit attributable to owners of parent					3,277
Acquisitions of treasury shares					(700)
Treasury shares sold					186
Net income attributable to non-controlling interests				14	14
Net changes during the period in items other than shareholders' equity	2,438	270	2,708	348	3,057
Total changes during period	2,438	270	2,708	362	5,368
Balance at end of period	9,788	249	10,038	440	43,328

## (4) Consolidated Statement of Cash Flows

(Unit: Million yen)

	Previous fiscal year (From January 1, 2024 As of December 31, 2024)	For the fiscal year (From January 1, 2025 Until December 31, 2025)
<b>Cash flows from operating activities</b>		
Net income before income taxes	3,262	4,374
Depreciation	1,244	1,362
Impairment losses	-	28
Amortization of goodwill	-	6
Loss (gain) on sale of investment securities	(35)	(690)
Loss (gain) on sale of fixed assets	(92)	(5)
Loss (gain) on valuation of investment securities	-	8
Loss on disaster	132	-
Loss on retirement of fixed assets	37	65
Loss on reduction of non-current assets	15	-
Increase (decrease) in allowance for doubtful accounts	1	0
Increase (decrease) in provision for loss on disaster	520	(150)
Increase (decrease) in liabilities for retirement benefits	(10)	(36)
Interest income and dividends income	(425)	(588)
Insurance claim income	(679)	-
Interest expense	12	16
Decrease (increase) in trade receivables	(1,338)	(968)
(Increase) decrease in inventories	165	(963)
Increase (decrease) in trade payables	798	752
Increase (decrease) in other assets (- indicates increase)	18	(333)
Increase (decrease) in other liabilities (- indicates decrease)	187	106
Others	22	33
<b>Subtotal</b>	<b>3,838</b>	<b>3,018</b>
Interest and dividends received	425	587
Proceeds from insurance income	679	-
Payments associated with disaster loss	(79)	-
Interest paid	(12)	(16)
Income taxes paid	(507)	(1,279)
<b>Cash flows from operating activities</b>	<b>4,343</b>	<b>2,310</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment, and intangible assets	(1,809)	(1,562)
Proceeds from sales of property, plant and equipment, and intangible assets	135	10
Purchase of investment securities	(59)	(116)
Proceeds from the sale of investment securities	53	840
Proceeds from redemption of investment securities	100	-
Acquisition of shares of subsidiaries resulting in changes in the scope of consolidation	-	(172)
Expenditure		
Other	(33)	(55)
<b>Cash flows from investing activities</b>	<b>(1,613)</b>	<b>(1,056)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	155	(135)
Proceeds from long-term borrowings	10	-
Repayment of long-term borrowings	(60)	(121)
Acquisition of treasury shares	(0)	(700)
Cash dividends paid	(423)	(466)
Dividends paid to non-controlling interests	-	(1)
Others	(35)	(31)

Cash flows from financing activities	(352)	(1,455)
Effect of exchange rate change on cash and cash equivalents	5	(1)
Increase (decrease) in cash and cash equivalents	2,383	(202)
Cash and cash equivalents at the beginning of the period	5,075	7,458
Cash and cash equivalents at end of the period	7,458	7,256

(5) Notes to the Consolidated Financial Statements

(Notes regarding the assumption of a going concern)

There are no applicable items.

(Notes on changes in accounting policies)

(Application of Accounting Standards such as 'Income Taxes - Current')

"Accounting Standard for Income Taxes - Current, etc." (Accounting Standard No. 27, October 28, 2022; hereinafter referred to as the "2022 Accounting Standard")

The "Revised Accounting Standards," etc. have been applied from the beginning of the current consolidated fiscal year.

Regarding the revision of the classification of income taxes (taxation on other comprehensive income), Revised Accounting Standard No. 20 of 2022

Transitional treatment stipulated in the proviso of Item 3 and the "Implementation Guidance on Accounting Standard for Tax Effect Accounting" (Accounting Standards Board of Japan Guidance No.

No. 28, October 28, 2022 (hereinafter referred to as the "2022 Amendment Application Guidelines"). Article 65-2,

Paragraph (2), proviso, regarding transitional measures stipulated therein.

We are in compliance with the relevant treatment. In addition, there is no impact on the consolidated financial statements resulting from this change in accounting policy.

In addition, regarding the revision related to the treatment in consolidated financial statements of deferred tax on gains or losses arising from the sale of shares of subsidiaries among consolidated companies, the Revised Implementation Guidance of 2022 has been applied from the beginning of the current consolidated fiscal year. This change in accounting policy has been applied retrospectively, and the consolidated financial statements for the previous consolidated fiscal year have been restated accordingly. There is no impact on the consolidated financial statements for the previous consolidated fiscal year as a result of this change in accounting policy.

(Notes on segment information, etc.)

1. Overview of Reportable Segments

The reportable segments of our group are those components for which separate financial information is available and which are subject to regular review by the Board of Directors for the purpose of making decisions regarding the allocation of management resources and evaluating performance.

Our group is composed of segments based on the finished goods and services handled, and we have designated six reportable segments: "Agriculture", "Chemicals", "Construction Materials", "Petroleum", "Real Estate", and "Transportation".

Each segment formulates comprehensive strategies and conducts business activities for the businesses under its jurisdiction, including those of its subsidiaries.

The main finished goods or business activities of each reporting segment are as follows.

1. Agriculture	Compound fertilizers, phosphate fertilizers, agricultural materials, and others	1
2. Chemicals	Water treatment chemicals, functional materials, and others	2
3. Construction Materials	Gypsum board	3
4. Petroleum	Petroleum and others	4
5. Real Estate	Real estate leasing, sales, and others	5
6. Transportation	Marine transportation, land transportation, and others	6
		7
		8
		9
		10
		11
		12

2. Method of calculating the amounts of Net sales, profit or loss, assets, liabilities, and other items by reportable segment

The accounting methods for the reported business segments are in accordance with the accounting policies adopted for the preparation of the consolidated financial statements.

The profit of the reportable segments is based on operating profit.

Internal revenues and transfers between segments are based on market prices.

3. Information on net sales, profit or loss, assets, liabilities, and other items by reportable segment, and breakdown of revenue

For the fiscal year ended December 31, 2024

(Unit: Million yen)

	Reportable segment							Adjustment amount (Note) 1	Consolidated Financial Statements Recorded amount (Note) 2
	Agriculture	Chemicals	Construction materials	Petroleum	Real estate	Transportation	Total		
Revenue									
Agriculture	10,779	-	-	-	-	-	10,779	-	10,779
Water treatment chemicals	-	11,998	-	-	-	-	11,998	-	11,998
Functional Materials	-	6,168	-	-	-	-	6,168	-	6,168
Construction materials	-	-	3,702	-	-	-	3,702	-	3,702
Petroleum	-	-	-	1,936	-	-	1,936	-	1,936
Real estate	-	-	-	-	9	-	9	-	9
Transportation	-	-	-	-	-	2,714	2,714	-	2,714
Other	-	157	-	-	-	-	157	-	157
Revenue from contracts with customers	10,779	18,323	3,702	1,936	9	2,714	37,467	-	37,467
Other revenue (Note) 3	-	-	-	20	1,329	-	98	1,448	-
Net sales to external customers	10,779	18,323	3,702	1,957	1,338	2,813	38,916	-	38,916
Internal net sales between segments	-	66	-	121	79	502	769	(769)	-

or transfer amount									
Total	10,779	18,390	3,702	2,079	1,418	3,315	39,685	(769)	38,916
Segment profit	230	2,086	54	13	736	296	3,418	(749)	2,668
Segment Assets	11,135	11,803	2,404	955	6,263	4,167	36,731	21,671	58,402
Other items									
Depreciation	198	481	11	13	303	154	1,162	82	1,244
Property, plant and equipment and intangible assets	522	953	115	8	77	44	1,722	156	1,878
Increase in non-current assets									

(Note) 1. The adjustment amounts are as follows.

- (1) The adjustment amount of segment profit, -749 million yen, represents company-wide expenses and other items not allocated to each reportable segment.
- (2) The adjustment amount of segment assets, 21,671 million yen, mainly consists of company-wide assets of 21,682 million yen that are not allocated to each reportable segment. The main components of company-wide assets are cash and deposits at the parent company, long-term investment funds (investment securities), and assets related to administrative departments.
- (3) The adjustment amount of 82 million yen for depreciation represents depreciation of company-wide assets that have not been allocated to each reportable segment.
- (4) The adjustment amount of 156 million yen for the increase in property, plant and equipment and intangible assets represents the increase in company-wide assets that have not been allocated to each reportable segment.

2. Segment profit is adjusted with operating profit in the consolidated statement of income.

3. Other income is related to transactions that fall within the scope of the 'Accounting Standard for Lease Transactions.'

For the fiscal year ending December 31, 2025

(Unit: Million yen)

	Reportable segments							Adjustment amount (Note) 1	Consolidated Financial Statements Recorded amount (Note) 2
	Agriculture	Chemicals	Construction materials	Petroleum	Real estate	Transportation	Total		
Revenue									
Agriculture	11,863	-	-	-	-	-	11,863	-	11,863
Water treatment chemicals	-	13,417	-	-	-	-	13,417	-	13,417
Functional Materials	-	6,619	-	-	-	-	6,619	-	6,619
Construction materials	-	-	3,797	-	-	-	3,797	-	3,797
Petroleum	-	-	-	1,942	-	-	1,942	-	1,942
Real estate	-	-	-	-	6	-	6	-	6
Transportation	-	-	-	-	-	2,713	2,713	-	2,713
Other	-	175	-	-	-	-	175	-	175
Revenue from contracts with customers	11,863	20,212	3,797	1,942	6	2,713	40,536	-	40,536
Other revenue Note 3	-	-	-	20	1,308	112	1,441	-	1,441
Net sales to external customers	11,863	20,212	3,797	1,963	1,315	2,826	41,977	-	41,977
Internal net sales between segments or transfer amount	0	72	-	118	79	564	834	(834)	-
Total	11,864	20,284	3,797	2,081	1,395	3,390	42,812	(834)	41,977
Segment profit	485	2,312	152	16	721	308	3,996	(832)	3,163

Segment Assets	12,044	14,965	2,531	879	6,164	4,324	40,910	24,742	65,653
Other items									
Depreciation	212	570	28	15	298	147	1,273	89	1,362
Amortization of goodwill	-	6	-	-	-	-	6	-	6
Property, plant and equipment and intangible assets	320	767	90	25	175	54	1,433	159	1,593
Increase in non-current assets									
(Note) 4									

(Note) 1. The adjustment amounts are as follows.

- (1) The adjustment amount of segment profit, -832 million yen, represents company-wide expenses and other items not allocated to each reportable segment.
- (2) The adjustment amount of segment assets, 24,742 million yen, mainly consists of company-wide assets of 24,749 million yen that are not allocated to each reportable segment. The main components of company-wide assets are cash and deposits at the parent company, long-term investment funds (investment securities), and assets related to administrative departments.
- (3) The adjustment amount of 89 million yen for Depreciation represents the Depreciation of company-wide assets that have not been allocated to each reportable segment.
- (4) The adjustment amount of 159 million yen for the increase in property, plant and equipment and intangible assets represents the increase in company-wide assets that have not been allocated to each reportable segment.

2. Segment profit is adjusted with operating profit in the consolidated statement of income.
3. Other income is related to transactions that fall within the scope of the 'Accounting Standard for Lease Transactions.'
4. The increase in property, plant and equipment and intangible assets does not include the increase due to new consolidation.

(Per share information)

	Previous fiscal year (From January 1, 2024 As of December 31, 2024)	For the fiscal year (From January 1, 2025 Until December 31, 2025)
Net assets per share	4,468.46 yen	5,143.16 yen
Basic earnings per share	271.37 yen	389.05 yen

(Note) 1. Diluted earnings per share is not presented as there are no potential shares outstanding.

2. The basis for the calculation of net assets per share is as follows.

	Previous fiscal year (From January 1, 2024 As of December 31, 2024)	For the fiscal year (From January 1, 2025 Until December 31, 2025)
Total net assets (million yen)	37,959	43,328
Amount to be deducted from total net assets (million yen) (of which, Non-controlling interests (million yen))	77 (77)	440 (440)
Net assets at the end of the period attributable to common stock (million yen)	37,881	42,887
Number of common shares used to calculate net assets per share (thousand shares)	8,477	8,338

The basis for the calculation of basic earnings per share is as follows.

	Previous fiscal year (From January 1, 2024 As of December 31, 2024)	For the fiscal year (From January 1, 2025 As of December 31, 2025)
Profit attributable to owners of parent (million yen)	2,299	3,277
Amount not attributable to common shareholders (million yen)	-	-
Profit attributable to owners of parent related to common stock (million yen)	2,299	3,277
Average number of common shares (thousand shares)	8,473	8,424

(Significant Subsequent Events)

There are no applicable items.

#### 4. Others

Regarding the changes in officers as of March 26, 2026, please refer to "Notice Regarding Executive Personnel" disclosed today on our website (<https://www.takichem.co.jp/>).