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August 7, 2025

Consolidated Financial Results for the Six Months Ended June 30, 2025 (Under Japanese GAAP)

Company name: Taki Chemical Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 4025
 URL: <https://www.takichem.co.jp/>
 Representative: Katsuhiko Taki, Representative Director, President
 Inquiries: Osamu Okamoto, General Manager, General Affairs & Personnel Department
 TEL: 079-437-6002
 Scheduled date to file semi-annual securities report: August 8, 2025
 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 six months ended June 30, 2025 (from January 1, 2025 to June 30, 2025)

(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	%
Six months ended								
June 30, 2025	20,969	7.4	1,702	48.0	2,009	42.1	1,400	38.0
June 30, 2024	19,522	11.2	1,150	125.4	1,414	94.8	1,014	65.0

Note: Comprehensive income For the six months ended June 30, 2025: ¥1,612 million [(53.7%)]
 For the six months ended June 30, 2024: ¥3,486 million [74.3%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2025	165.10	–
June 30, 2024	119.80	–

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2025	60,658	39,476	64.4
December 31, 2024	58,402	37,959	64.9

Reference: Equity
 As of June 30, 2025: ¥39,055 million
 As of December 31, 2024: ¥37,881 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, 2024	–	–	–	55.00	55.00
Fiscal year ending December 31, 2025	–	–			
Fiscal year ending December 31, 2025 (Forecast)			–	75.00	75.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

Breakdown of year-end dividend

For the fiscal year ended December 31, 2024:	Ordinary dividend:	¥50.00
	Commemorative dividend:	¥5.00 (Commemorating the appointment of the new President)
For the fiscal year ending December 31, 2025 (forecast):	Ordinary dividend:	¥60.00
	Commemorative dividend:	¥5.00 (Commemorating the 140th anniversary of founding)
	Special dividend	¥10.00

3. Consolidated earnings forecast for the fiscal year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

(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	41,600	6.9	2,900	8.7	3,550	12.3	3,000	30.5	353.77

Note: Revisions to the earnings forecast most recently announced: Yes

***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 semi-annual 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: Yes

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

(iii) Changes in accounting estimates: None

(iv) Restatement: None

* For more information, please see “(4) Notes to Semi-annual Consolidated Financial Statements (Notes on Changes in Accounting Policies)” in “2. Semi-Annual Consolidated Financial Statements and Significant Notes Thereto” on page 9 of the appendix.

(4) Number of issued shares (common shares)

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

As of June 30, 2025	9,458,768
As of December 31, 2024	9,458,768

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

As of June 30, 2025	974,002
As of December 31, 2024	981,251

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

Six months ended June 30, 2025	8,480,193
Six months ended June 30, 2024	8,468,651

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit corporation.

* 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 “(4) Explanation of Consolidated Earnings Forecast and Other Forward-Looking Information” in “1. Overview of Operating Results and Others” on page 3 of the appendix.

2. Consolidated Financial Statements and Significant Notes Thereto**(1) Semi-annual Consolidated Balance Sheet**

(Millions of yen)

	As of December 31, 2024	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	7,458	5,625
Notes and accounts receivable - trade	10,251	11,476
Electronically recorded monetary claims - operating	2,568	3,320
Securities	–	100
Merchandise and finished goods	3,980	4,300
Work in process	301	363
Raw materials and supplies	1,957	2,093
Other	771	671
Allowance for doubtful accounts	(14)	(14)
Total current assets	27,274	27,936
Non-current assets		
Property, plant and equipment		
Buildings and structures	24,179	24,592
Accumulated depreciation	(16,194)	(16,825)
Buildings and structures, net	7,985	7,766
Machinery, equipment and vehicles	16,762	17,629
Accumulated depreciation	(15,462)	(16,267)
Machinery, equipment and vehicles, net	1,299	1,361
Tools, furniture and fixtures	1,653	1,758
Accumulated depreciation	(1,411)	(1,492)
Tools, furniture and fixtures, net	241	266
Land	7,112	7,723
Leased assets	449	443
Accumulated depreciation	(141)	(149)
Leased assets, net	308	293
Construction in progress	44	507
Total property, plant and equipment	16,990	17,919
Intangible assets		
Goodwill	–	86
Leasehold interests in land	66	66
Software	213	160
Right to use water facilities, etc.	9	10
Software in progress	4	145
Total intangible assets	293	469
Investments and other assets		
Investment securities	13,649	14,098
Deferred tax assets	32	31
Other	196	238
Allowance for doubtful accounts	(34)	(34)
Total investments and other assets	13,844	14,333
Total non-current assets	31,128	32,722
Total assets	58,402	60,658

Taki Chemical Co., Ltd. (4025) Financial Results for the Six Months Ended June 30, 2025

(Millions of yen)

	As of December 31, 2024	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,703	6,817
Short-term borrowings	529	482
Current portion of long-term borrowings	62	130
Lease liabilities	34	32
Accounts payable - other	1,439	1,609
Income taxes payable	749	577
Accrued consumption taxes	266	134
Provision for bonuses	43	59
Provision for loss on disaster	159	200
Other	500	733
Total current liabilities	10,489	10,778
Non-current liabilities		
Long-term borrowings	283	415
Lease liabilities	308	292
Deferred tax liabilities	2,610	2,952
Provision for loss on disaster	360	287
Retirement benefit liability	3,735	3,773
Guarantee deposits received	2,516	2,541
Other	140	139
Total non-current liabilities	9,954	10,403
Total liabilities	20,443	21,182
Net assets		
Shareholders' equity		
Share capital	2,147	2,147
Capital surplus	1,446	1,460
Retained earnings	28,311	29,245
Treasury shares	(1,352)	(1,341)
Total shareholders' equity	30,552	31,511
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,350	7,561
Remeasurements of defined benefit plans	(20)	(18)
Total accumulated other comprehensive income	7,329	7,543
Non-controlling interests	77	421
Total net assets	37,959	39,476
Total liabilities and net assets	58,402	60,658

(2) Semi-annual Consolidated Statement of Income and Semi-annual Consolidated Statement of Comprehensive Income
(Semi-annual Consolidated Statement of Income)
(First six-month period)

(Millions of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Net sales	19,522	20,969
Cost of sales	15,181	15,837
Gross profit	4,341	5,132
Selling, general and administrative expenses	3,190	3,429
Operating profit	1,150	1,702
Non-operating income		
Interest income	2	3
Dividend income	205	295
Other	68	40
Total non-operating income	275	339
Non-operating expenses		
Interest expenses	6	7
Foreign exchange losses	–	14
Other	5	8
Total non-operating expenses	11	31
Ordinary profit	1,414	2,009
Extraordinary income		
Gain on sale of non-current assets	89	6
Gain on sale of investment securities	4	9
Insurance claim income	0	–
Total extraordinary income	94	16
Extraordinary losses		
Loss on sale of non-current assets	–	0
Loss on retirement of non-current assets	10	37
Loss on valuation of investment securities	–	8
Loss on disaster	71	–
Total extraordinary losses	81	46
Profit before income taxes	1,427	1,979
Income taxes - current	342	570
Income taxes - deferred	74	11
Total income taxes	417	581
Profit	1,010	1,398
Loss attributable to non-controlling interests	(4)	(1)
Profit attributable to owners of parent	1,014	1,400

(Semi-annual Consolidated Statement of Comprehensive Income)
(First six-month period)

(Millions of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Profit	1,010	1,398
Other comprehensive income		
Valuation difference on available-for-sale securities	2,473	211
Remeasurements of defined benefit plans, net of tax	2	2
Total other comprehensive income	2,476	214
Comprehensive income	3,486	1,612
Comprehensive income attributable to:		
Owners of parent	3,490	1,614
Non-controlling interests	(4)	(1)

(3) Semi-annual Consolidated Statement of Cash Flows

(Millions of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Cash flows from operating activities		
Profit before income taxes	1,427	1,979
Depreciation	593	622
Amortization of goodwill	–	2
Loss (gain) on sale of investment securities	(4)	(9)
Loss (gain) on sale of non-current assets	(89)	(5)
Loss (gain) on valuation of investment securities	–	8
Loss on disaster	71	–
Loss on retirement of non-current assets	10	37
Increase (decrease) in allowance for doubtful accounts	0	(0)
Increase (decrease) in provision for loss on disaster	–	(31)
Increase (decrease) in retirement benefit liability	(68)	(41)
Interest and dividend income	(207)	(298)
Insurance claim income	(0)	–
Interest expenses	6	7
Decrease (increase) in trade receivables	(2,527)	(1,833)
Decrease (increase) in inventories	739	(327)
Increase (decrease) in trade payables	89	91
Decrease (increase) in other assets	122	216
Increase (decrease) in other liabilities	134	(21)
Other, net	5	28
Subtotal	301	423
Interest and dividends received	207	298
Proceeds from insurance income	0	–
Payments associated with disaster loss	(26)	–
Interest paid	(2)	(4)
Income taxes paid	(171)	(740)
Net cash provided by (used in) operating activities	309	(22)
Cash flows from investing activities		
Purchase of non-current assets	(1,186)	(769)
Proceeds from sale of non-current assets	131	7
Purchase of investment securities	(17)	(2)
Proceeds from sale of investment securities	7	20
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(172)
Other, net	(77)	(117)
Net cash provided by (used in) investing activities	(1,142)	(1,033)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(18)	(107)
Repayments of long-term borrowings	(60)	(81)
Purchase of treasury shares	(0)	–
Dividends paid	(423)	(466)
Dividends paid to non-controlling interests	–	(1)
Other, net	(16)	(15)
Net cash provided by (used in) financing activities	(517)	(671)
Effect of exchange rate change on cash and cash equivalents	8	(14)
Net increase (decrease) in cash and cash equivalents	(1,342)	(1,742)
Cash and cash equivalents at beginning of period	5,075	7,458
Cash and cash equivalents at end of period	3,732	5,715

(4) Notes to Semi-annual Consolidated Financial Statements
(Notes on Significant Changes in Shareholders' Equity)

Not applicable

(Notes on Going Concern Assumption)

Not applicable

(Notes on Changes in Accounting Policies)

Application of the "Accounting Standard for Current Income Taxes," etc.

The Company has applied the "Accounting Standard for Current Income Taxes" (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the "Revised Accounting Standard of 2022"), etc. from the beginning of the first six-month period of the current fiscal year.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and to the transitional treatment in the proviso of paragraph 65-2(2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; the "Revised Guidance of 2022"). This change in accounting policies has no impact on the semi-annual consolidated financial statements.

In addition, for changes related to the revised treatment in consolidated financial statements when a gain or loss on sale arising from the sale of shares of subsidiaries, etc. among consolidated companies is deferred for tax purposes, the Revised Guidance of 2022 has been applied from the beginning of the first six-month period of the current fiscal year. This change in accounting policies has been applied retrospectively, and is reflected in the semi-annual consolidated financial statements for the same period of the previous fiscal year and the consolidated financial statements for the previous fiscal year. This change in accounting policies has no impact on the semi-annual consolidated financial statements for the same period of the previous fiscal year and the consolidated financial statements for the previous fiscal year.