Takasago International Corporation

Supplemental Information

Financial Results for Fiscal Year 2025

May 15, 2026

TAKASAGO

Business Overview for FY2025

【FY2025】Business Environment

- Overseas, major raw material prices have remained in line with initial forecasts. In Japan, import costs for raw materials have increased due to the weakening JPY.
- Stable sales of flavor in Japan. For overseas, the shipments of beverage flavor and fabric-care fragrance remained solid in China.
- Fine Chemical is enhancing its quality management system in collaboration with major clients, resulting in the postponement of shipments of pharmaceutical intermediates overseas (to resume in 4Q).
- Overall shipments decreased in our US subsidiary because delivery backlog was cleared in the previous year.
- Fragrance shipments decreased in our French subsidiary due to delivery adjustments upon new ERP system implementation.

【FY2025】Business performance

[In JPY billion]	FY24	FY25	Year-on-year change %	Increase/Decrease factors
Net Sales	229.2	225.1	(1.8%)	• Flavor, fragrance and fine chemical shipments decreased in our US subsidiary • Fragrance shipments decreased in our French subsidiary
Operating Profit	15.3	8.1	(47.0%)	• Operating profit of Japan HQ dropped due to the decrease of pharmaceutical intermediate shipments to our US subsidiary • Sales decrease in our US subsidiary contributed to the fall of operating profit
Ordinary Profit	15.3	9.5	(37.9%)	• Profit decreased due to lower operating profit • Exchange gains and losses on receivables and payables improved from FY2024
Net Income attributable to owners of parent	13.3	9.5	(28.5%)	• Profit decreased due to lower ordinary profit. • Increase in Gain on sale of investment securities
Average exchange rates USD	152	150	(1.2%)	
Average exchange rates EUR	164	169	+3.1%	

Full-year forecast of PL and Dividend

【FY2026】Full-year Forecast

[In JPY billion]	FY25	FY26	Year-on-year change %	Increase/Decrease factors
Sales	225.1	240.0	+6.6%	･Sales of flavor to emerging markets increased ･Sales of fragrance increased, driven primarily by air care and home care products ･Shipments of pharmaceutical intermediates increased at the U.S. subsidiary
Operating Profit	8.1	11.0	+35.3%	･Gross profit increased in line with higher sales ･Profit increased at the Japanese headquarters due to higher exports of pharmaceutical intermediates to Europe and the U.S.
Ordinary Profit	9.5	11.5	+20.9%	･Profit increased in line with higher operating profit ･Foreign exchange gains related to the revaluation of foreign currency-denominated receivables decreased compared to the previous period
Net Income attributable to owners of parent	9.5	9.4	(1.3%)	･Gains on the sale of investment securities decreased compared to the previous period

【FY2026】 Full-year Forecast of Dividend

[In JPY]	FY25	FY26	Supplement information
Interim	120	26	• The interim figures for March 2026 are shown before the stock split
Year-end	28	26	• A 5-for-1 stock split took effect on October 1, 2025. Figures from the end of the fiscal year in March 2026 are shown after the split
Annual	-	52	• The annual dividend for March 2026 is not shown because it cannot be simply totaled • For March 2027, the DOE is 3.3% and the payout ratio is 53.9%
Note: After dividing into five parts	52	52	• The full-year dividend for March 2026 is 260 yen on a pre-split basis and 52 yen on a post-split basis

Financial Results for FY2025

[In JPY billion]	FY24	FY25	Year-on-year change %
Net Sales	229.2	225.1	(1.8%)
Gross Profit	77.4	72.9	(5.8%)
Gross Margin	33.8%	32.4%	(1.4P)
SG&A	62.1	64.8	+4.4%
SG&A ratio	27.1%	28.8%	+1.7P
Operating Profit	15.3	8.1	(47.0%)
Operating Profit Margin	6.7%	3.6%	(3.1P)
Ordinary Profit	15.3	9.5	(37.9%)
Ordinary Profit Margin	6.7%	4.2%	(2.5P)
Net Income attributable to owners of parent	13.3	9.5	(28.5%)
Net Profit Margin	5.8%	4.2%	(1.6P)
Average exchange rates USD	152	150	(1.2%)
Average exchange rates EUR	164	169	+3.1%

Increase/Decrease factors

Net Sales

- **JPY225.1 billion(-1.8%)**
  - Decline in shipments of flavors, fragrances, and fine chemicals at the U.S. subsidiary
  - Decline in fragrance shipments at the French subsidiary

Operating Profit

- **JPY8.1 billion (-47.0%)**
  - Gross profit decreased due to lower revenue
  - Gross profit in Japan decreased due to higher procurement costs resulting from exchange rate fluctuations and rising raw material prices

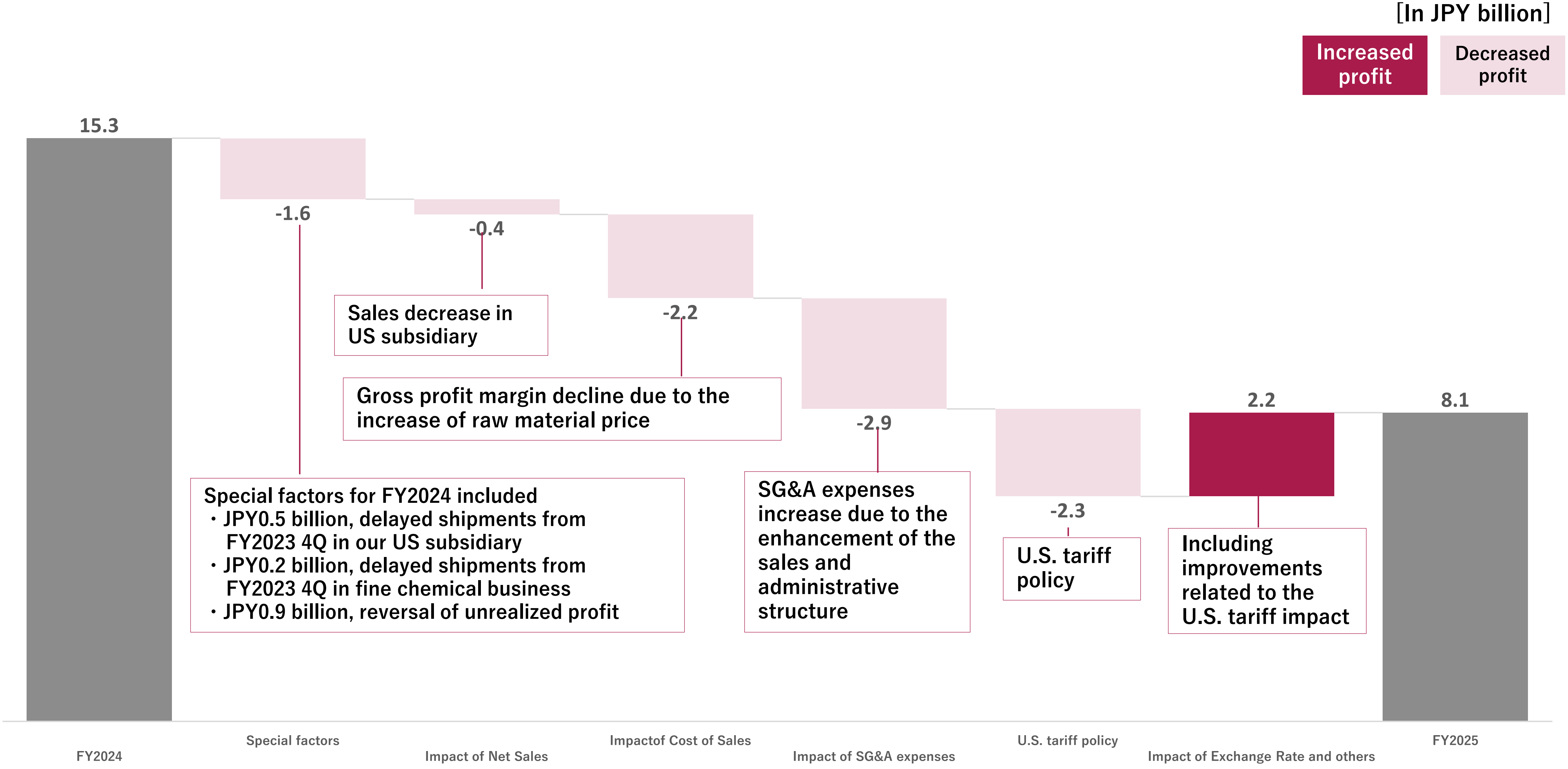
Ordinary Profit

- **JPY9.5 billion (-37.9%)**
  - Profit declined due to a decrease in operating income
  - Revaluation of foreign currency-denominated receivables improved compared to the previous period

Net Income

- **JPY9.5 billion (-28.5%)**
  - Profit declined due to a decrease in ordinary income
  - Gains on the sale of investment securities improved compared to the previous fiscal year due to the reduction of policy-held shares

Attribution analysis for operating profit



*Sales, cost of sales, and SG&A expenses are calculated using the prior-year exchange rates to show the impact on a comparable basis.

Regional segment

[In JPY billion]		FY24	FY25	Year-on-year change %	Increase/Decrease factors
Japan	Net sales	73.6	77.0	+3.4	● The sales for beverage remained strong ● Gross profit declined due to a decrease in exports of pharmaceutical intermediates to our U.S. subsidiary
	Operating Profit	4.5	0.6	(3.9)	
Americas	Net sales	66.5	55.6	(11.0)	● Shipments of flavors, fragrances, and fine chemicals decline at U.S. subsidiary
	Operating Profit	2.6	0.9	(1.7)	
EMEA	Net sales	39.3	42.4	+3.1	● Flavor and aroma ingredients remain strong ● Fragrance shipments declined due to shipping adjustments at our French subsidiary following the implementation of a new ERP system
	Operating Profit	2.5	0.8	(1.7)	
Asia-Pacific	Net sales	49.8	50.2	+0.4	● Shipments of beverage-related and fabric care products increase in China In Southeast Asia, gross profit improved due to raw material optimization
	Operating Profit	4.9	5.7	+0.7	
Adjustment	Net sales	-	-	-	
	Operating Profit	0.9	0.2	(0.7)	
Total	Net sales	229.2	225.1	(4.1)	
	Operating Profit	15.3	8.1	(7.2)	

Business segment

[In JPY billion]		FY24	FY25	Year-on-year change %	Increase/Decrease factors
Flavor	Net sales	119.8	122.6	+2.8	• Shipments of beverage products increase in Japan and China
	Operating Profit	5.2	5.2	(0)	
Fragrance	Net sales	74.5	75.8	+1.3	• Shipments of fabric care products in China increased • SGA expenses, including depreciation related to the new ERP system at the French subsidiary, increased
	Operating Profit	2.0	0.6	(1.5)	
Aroma Ingredients	Net sales	15.7	16.2	+0.5	• Sales of specialty products remain steady • Profit down due to rising raw material prices and other factors
	Operating Profit	2.6	2.0	(0.5)	
Fine Chemicals	Net sales	17.8	9.1	(8.7)	• The postponement of shipments of pharmaceutical intermediates overseas while enhancing the quality management system in collaboration with our major client.
	Operating Profit	4.4	(0.8)	(5.2)	
Others	Net sales	1.4	1.4	(0)	
	Operating Profit	1.2	1.2	(0)	
Total	Net sales	229.2	225.1	(4.1)	
	Operating Profit	15.3	8.1	(7.2)	

Earnings Forecasts for FY 2026

[In JPY billion]	FY25	FY26 (forecast)	Year-on-year change %
Net Sales	225.1	240.0	+6.6%
Gross Profit	72.9	80.1	+9.9%
Gross Margin	32.4%	33.4%	+1.0P
SG&A	64.8	69.1	+6.7%
SG&A ratio	28.8%	28.8%	+0.0P
Operating Profit	8.1	11.0	+35.3%
Operating Profit Margin	3.6%	4.6%	+1.0P
Ordinary Profit	9.5	11.5	+20.9%
Ordinary Profit Margin	4.2%	4.8%	+0.6P
Net Income attributable to owners of parent	9.5	9.4	(1.3%)
Net Profit Margin	4.2%	3.9%	(0.3P)
Average exchange rates USD	150	150	+0.2%
Average exchange rates EUR	169	170	+0.6%

Increase/Decrease factors

Sales

- JPY240.0billion(+6.6%)
  - Shipments of pharmaceutical intermediates for Europe and the U.S. have increased
  - Revenue has grown for fragrances for hair care and home care in the Americas, as well as for flavors for emerging markets

Operating Profit

- JPY11.0billion(+35.3%)
  - Gross profit increased due to higher sales in the Americas and Asia

Ordinary Profit

- JPY11.5billion(+20.9%)
  - Increase due to higher operating income
  - Foreign exchange gains related to the revaluation of foreign currency-denominated receivables decreased compared to the previous period

Net Income

- JPY9.4billion(-1.3%)
  - Gains on the sale of investment securities decreased compared to the previous period

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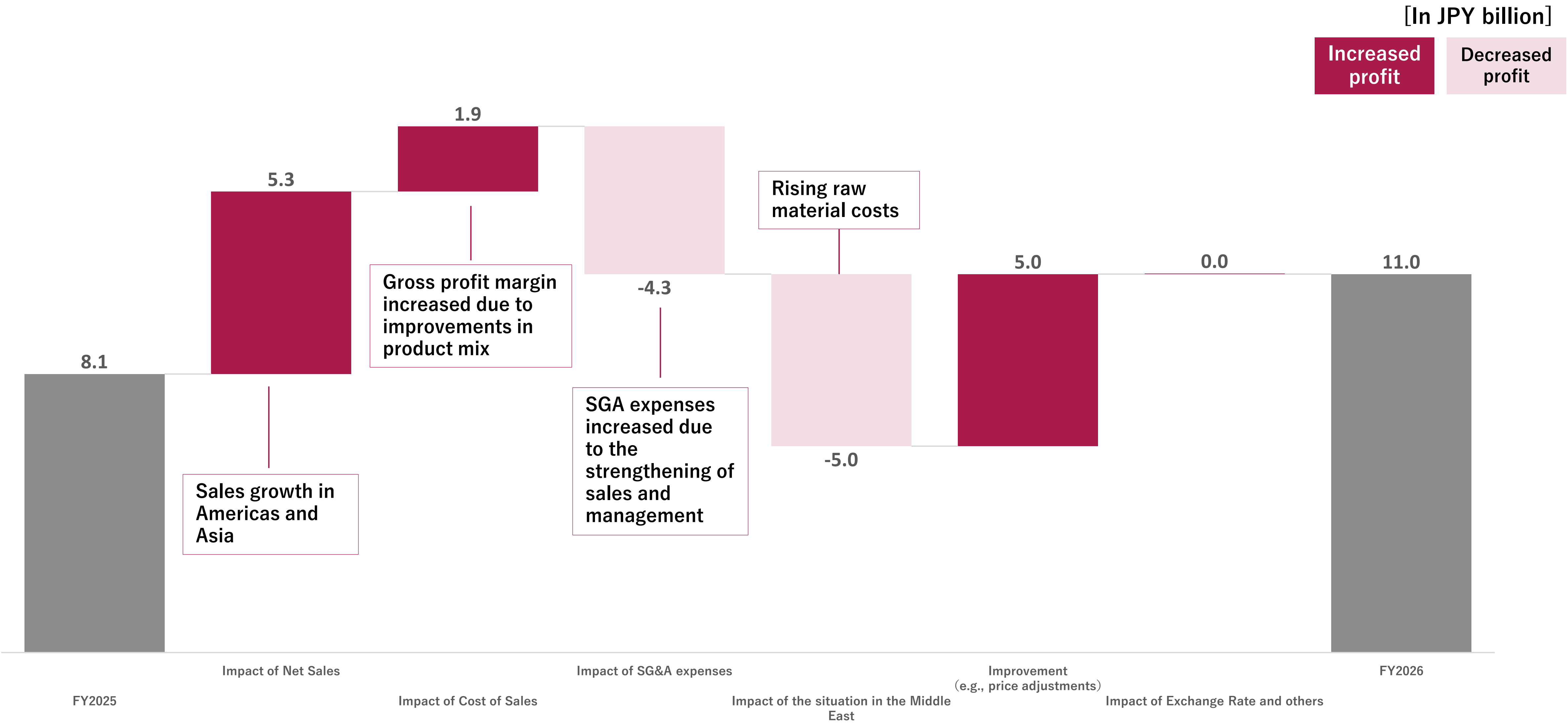
Attribution analysis for operating profit



*Sales, cost of sales, and SG&A expenses are calculated using the prior-year exchange rates to show the impact on a comparable basis.

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Regional segment

[In JPY billion]		FY25	FY26 (forecast)	Year-on-year change %	Increase/Decrease factors
Japan	Net sales	77.0	77.5	+0.5	• Increase in beverage-related shipments • Gross profit increased due to higher exports of pharmaceutical intermediates to our U.S. subsidiary
	Operating Profit	0.6	2.0	+1.4	
Americas	Net sales	55.6	65.2	+9.6	• Shipments of pharmaceutical intermediates for the European and North American markets have increased • Revenue from beverage-related flavors and fragrances for home care products has increased in the U.S.
	Operating Profit	0.9	2.6	+1.7	
EMEA	Net sales	42.4	42.9	+0.5	• Flavor and Aroma Ingredients segment performs steadily • SG&A expenses increase due to implementation of a new ERP system at German subsidiary
	Operating Profit	0.8	0.1	(0.7)	
Asia-Pacific	Net sales	50.2	54.4	+4.2	• Growth in flavors and fragrances in Southeast Asia and India • Increased shipments of beverage-related and fabric care products in China
	Operating Profit	5.7	6.2	+0.5	
Adjustment	Net sales	-	-	-	
	Operating Profit	0.2	-	(0.2)	
Total	Net sales	225.1	240.0	+14.9	
	Operating Profit	8.1	11.0	+2.9	

Business segment

[In JPY billion]		FY25	FY26 (forecast)	Year-on-year change %	Increase/Decrease factors
Flavor	Net sales	122.6	126.0	+3.3	• Sales to emerging markets increased, driven primarily by beverages, savory foods, and oral care products
	Operating Profit	5.2	5.1	(0.1)	• SGA expenses increased due to the implementation of a new ERP system at the German subsidiary
Fragrance	Net sales	75.8	79.1	+3.3	• Revenue growth in air care, home care, and fine fragrance products • Gross profit margin increased due to raw material optimization
	Operating Profit	0.6	2.6	+2.0	• Revenue growth in Southeast Asia for fabric care products and others
Aroma Ingredients	Net sales	16.2	16.5	+ 0.3	• Sales remained steady
	Operating Profit	2.0	1.5	(0.5)	• Cost of goods sold increased due to rising prices of key raw materials
Fine Chemicals	Net sales	9.1	17.0	+7.9	• Shipments of pharmaceutical intermediates for Europe and the U.S. have increased
	Operating Profit	(0.8)	0.6	+1.4	
Others	Net sales	1.4	1.4	+0.0	
	Operating Profit	1.2	1.2	+0.0	
Total	Net sales	225.1	240.0	+14.9	
	Operating Profit	8.1	11.0	+2.9	

Capital policy for FY2025

	FY24	FY25	FY26 (forecast)	NGP-2 2024-2026 (Announced in March 2025)
ROE	9.8%	6.4%	6.0%	8.0%-
Equity Ratio	55.0%	56.6%	53.4%	55%(Final Year)
Ratio of Policy-Held Shares to Net Assets	13.5%	12.8%	12.5%	10%(Final Year)
DOE	3.4%	3.4%	3.3%	3.0%-
Dividend Payout Ratio	35.1%	53.2%	53.9%	30%-
Dividend per Share	48 yen	52 yen	52 yen	48 yen- (after 5-for-1 stock split)

Thank you for your kind attention

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