

August 1, 2023

Consolidated Financial Results for the First Three Months of the Fiscal Year Ending March 31, 2024 <under Japanese GAAP>

Company name: **TAIYO HOLDINGS CO., LTD.**
Listing: Prime Market of the Tokyo Stock Exchange
Stock code: 4626
URL: <https://www.taiyo-hd.co.jp/en>
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Scheduled date to file quarterly report: August 1, 2023
Scheduled date to commence dividend payments: –
Preparation of supplementary briefing material on quarterly financial results: Yes
Holding of quarterly financial results presentation meeting: None

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated financial results for the first three months of the fiscal year ending March 31, 2024 (from April 1, 2023 to June 30, 2023)

(1) Operating results (cumulative)

(Millions of yen, % year on year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
		%		%		%		%
Three months ended:								
June 30, 2023	23,861	(7.4)	3,470	(35.0)	3,235	(36.8)	2,561	(29.2)
June 30, 2022	25,757	9.3	5,335	24.4	5,119	15.0	3,619	16.5

Note: Comprehensive income
For the three months ended June 30, 2023: 4,701 millions of yen [(21.0%)]
For the three months ended June 30, 2022: 5,954 millions of yen [67.8%]

	Basic earnings per share	Diluted earnings per share
Three months ended:	Yen	Yen
June 30, 2023	45.94	—
June 30, 2022	64.47	—

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(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2023	191,439	94,536	49.4	1,695.45
March 31, 2023	187,263	92,739	49.5	1,663.25

Reference: Equity (Net assets excluding non-controlling interests)

As of June 30, 2023: 94,532 millions of yen

As of March 31, 2023: 92,736 millions of yen

2. Cash dividends

	Annual cash dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	—	37.00	—	(Note 2) 52.00	89.00
Fiscal year ending March 31, 2024	—				
Fiscal year ending March 31, 2024 (Forecast)		38.00	—	38.00	76.00

Notes: 1. Revisions to the forecasts of cash dividends most recently announced: None

2. Breakdown of year-end dividends for the fiscal year ended March 31, 2023:

Dividend per common share: 37.00 yen Commemorative dividend: 15.00 yen

**3. Consolidated earnings forecasts for the fiscal year ending March 31, 2024
(from April 1, 2023 to March 31, 2024)**

(Millions of yen, % year on year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
		%		%		%		%	Yen
Six months ending September 30, 2023	49,200	(6.8)	6,500	(38.4)	6,400	(37.3)	4,500	(39.9)	80.37
Fiscal year ending March 31, 2024	101,700	4.5	15,100	(5.5)	14,700	(4.9)	10,000	(12.3)	178.60

Note: Revisions to the consolidated earnings forecasts most recently announced: None

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*** Notes**

- (1) Changes in significant subsidiaries during the first three months of the fiscal year ending March 31, 2024 (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Application of specific accounting for preparing quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections
- a. Changes in accounting policies due to revisions to accounting standards and other regulations: None
- b. Changes in accounting policies due to other reasons: None
- c. Changes in accounting estimates: None
- d. Restatement of prior period financial statements after error corrections: None

(4) Number of issued shares

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

As of June 30, 2023	58,185,501 shares
As of March 31, 2023	58,185,501 shares

b. Number of treasury shares at the end of the period

As of June 30, 2023	2,429,198 shares
As of March 31, 2023	2,429,150 shares

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

As of June 30, 2023	55,756,377 shares
As of June 30, 2022	56,149,673 shares

Notes: The number of treasury shares includes the Company's shares held by The Master Trust Bank of Japan, Ltd. (trust account for shares granted under the Employee Stock Ownership Plan (ESOP)).

*** Quarterly financial statements are not subject to quarterly review by a certified public accountant or audit firm.**

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

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. The Company makes no promise regarding achievement of any content in the forward-looking statements. Actual business and other results may differ substantially due to various factors.

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1. Consolidated Financial Statements and Explanatory Notes**(1) Consolidated balance sheet**

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	47,121	43,933
Notes and accounts receivable - trade	22,734	25,334
Merchandise and finished goods	7,038	6,900
Work in process	1,398	1,380
Raw materials and supplies	6,539	6,984
Other	5,290	3,958
Allowance for doubtful accounts	(72)	(58)
Total current assets	90,050	88,434
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	22,492	24,495
Other, net	37,909	38,378
Total property, plant and equipment	60,401	62,874
Intangible assets		
Goodwill	4,974	3,106
Sales rights	15,834	20,698
Customer-related assets	5,476	5,357
Other	2,885	2,914
Total intangible assets	29,170	32,076
Investments and other assets		
Other	7,834	8,271
Allowance for doubtful accounts	(193)	(216)
Total investments and other assets	7,640	8,054
Total non-current assets	97,212	103,005
Total assets	187,263	191,439
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,513	8,886
Short-term borrowings	5,424	8,521
Current portion of long-term borrowings	12,902	13,083
Income taxes payable	1,031	1,162
Provision for bonuses	1,108	1,627
Other provisions	87	209
Other	8,047	7,956
Total current liabilities	35,115	41,448
Non-current liabilities		
Long-term borrowings	53,174	51,240
Retirement benefit liability	108	103
Other provisions	55	163
Other	6,069	3,946
Total non-current liabilities	59,407	55,455
Total liabilities	94,523	96,903
Net assets		
Shareholders' equity		
Share capital	9,761	9,761
Capital surplus	14,883	14,883
Retained earnings	67,561	67,217
Treasury shares	(6,107)	(6,108)
Total shareholders' equity	86,098	85,753
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	429	545
Foreign currency translation adjustment	6,223	8,248
Remeasurements of defined benefit plans	(14)	(15)
Total accumulated other comprehensive income	6,637	8,778
Non-controlling interests	3	3
Total net assets	92,739	94,536
Total liabilities and net assets	187,263	191,439

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(2) Consolidated statement of income and consolidated statement of comprehensive income
Consolidated statement of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	25,757	23,861
Cost of sales	13,770	13,596
Gross profit	11,987	10,265
Selling, general and administrative expenses	6,651	6,794
Operating income	5,335	3,470
Non-operating income		
Interest income	16	50
Dividend income	11	1
Outsourcing service income	44	—
Other	42	38
Total non-operating income	114	90
Non-operating expenses		
Interest expenses	79	138
Foreign exchange losses	209	64
Other	42	123
Total non-operating expenses	331	326
Ordinary income	5,119	3,235
Profit before income taxes	5,119	3,235
Income taxes - current	1,667	884
Income taxes - deferred	(168)	(210)
Total income taxes	1,499	674
Profit	3,619	2,561
Loss attributable to non-controlling interests	(0)	(0)
Profit attributable to owners of parent	3,619	2,561

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Consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	3,619	2,561
Other comprehensive income		
Valuation difference on available-for-sale securities	(143)	116
Foreign currency translation adjustment	2,480	2,025
Remeasurements of defined benefit plans, net of tax	(2)	(0)
Total other comprehensive income	2,334	2,140
Comprehensive income	5,954	4,701
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,954	4,701
Comprehensive income attributable to non-controlling interests	(0)	0

(3) Notes to consolidated financial statements

(Notes on premise of going concern)

None.

(Notes on substantial changes in the amount of shareholders' equity)

None.