

November 6, 2023

Consolidated Financial Results for the First Six Months of the Fiscal Year Ended 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: November 6, 2023
Scheduled date to commence dividend payments: December 1, 2023
Preparation of supplementary briefing material on quarterly financial results: Yes
Holding of quarterly financial results presentation meeting: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the first six months of the fiscal year ended March 31, 2024 (from April 1, 2023 to September 30, 2023)

(1) Operating results (cumulative)

(Millions of yen, % year on year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
		%		%		%		%
Six months ended:								
September 30, 2023	51,107	(3.2)	9,089	(13.8)	8,651	(15.2)	6,232	(16.8)
September 30, 2022	52,795	9.2	10,548	13.4	10,203	7.3	7,489	11.5

Note: Comprehensive income
For the six months ended September 30, 2023: 9,322 millions of yen [(8.4%)]
For the six months ended September 30, 2022: 10,181 millions of yen [36.8%]

	Basic earnings per share	Diluted earnings per share
Six months ended:	Yen	Yen
September 30, 2023	111.64	—
September 30, 2022	133.32	—

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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
September 30, 2023	197,867	99,555	50.3	1,780.07
March 31, 2023	187,263	92,739	49.5	1,663.25

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

As of September 30, 2023: 99,550 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 ended March 31, 2024	—	38.00			
Fiscal year ended March 31, 2024 (Forecast)			—	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 ended 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
Fiscal year ended March 31, 2024	103,600	6.4	17,600	10.2	16,900	9.3	11,700	2.6	209.57

Note: Revisions to the consolidated earnings forecasts most recently announced: Yes

*** Notes**

- (1) Changes in significant subsidiaries during the first six months of the fiscal year ended 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 September 30, 2023	58,291,559 shares
As of March 31, 2023	58,185,501 shares

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

As of September 30, 2023	2,366,398 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 September 30, 2023	55,828,713 shares
As of September 30, 2022	56,176,400 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)

	Consolidated fiscal year ended March 31, 2023 (As of March 31, 2023)	Consolidated fiscal year ended March 31, 2024 (As of September 30, 2023)
Assets		
Current assets		
Cash and deposits	47,121	45,386
Notes and accounts receivable - trade	22,734	29,580
Merchandise and finished goods	7,038	6,996
Work in process	1,398	1,380
Raw materials and supplies	6,539	7,435
Other	5,290	2,360
Allowance for doubtful accounts	(72)	(49)
Total current assets	90,050	93,091
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	22,492	24,235
Other, net	37,909	39,954
Total property, plant and equipment	60,401	64,189
Intangible assets		
Goodwill	4,974	3,032
Sales rights	15,834	20,056
Customer-related assets	5,476	5,238
Other	2,885	3,622
Total intangible assets	29,170	31,950
Investments and other assets		
Other	7,834	8,859
Allowance for doubtful accounts	(193)	(223)
Total investments and other assets	7,640	8,635
Total non-current assets	97,212	104,775
Total assets	187,263	197,867
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,513	9,796
Short-term borrowings	5,424	7,876
Current portion of long-term borrowings	12,902	33,463
Income taxes payable	1,031	2,121
Provision for bonuses	1,108	1,106
Other provisions	87	306
Other	8,047	6,221
Total current liabilities	35,115	60,893
Non-current liabilities		
Long-term borrowings	53,174	32,908
Retirement benefit liability	108	94
Other provisions	55	49
Other	6,069	4,366
Total non-current liabilities	59,407	37,418
Total liabilities	94,523	98,311
Net assets		
Shareholders' equity		
Share capital	9,761	9,903
Capital surplus	14,883	15,025
Retained earnings	67,561	70,888
Treasury shares	(6,107)	(5,993)
Total shareholders' equity	86,098	89,823
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	429	650
Foreign currency translation adjustment	6,223	9,091
Remeasurements of defined benefit plans	(14)	(14)
Total accumulated other comprehensive income	6,637	9,727
Non-controlling interests	3	5
Total net assets	92,739	99,555
Total liabilities and net assets	187,263	197,867

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

(Millions of yen)

	Consolidated fiscal year ended March 31, 2023 (April 1, 2022 to September 30, 2022)	Consolidated fiscal year ended March 31, 2024 (April 1, 2023 to September 30, 2023)
Net sales	52,795	51,107
Cost of sales	28,679	27,726
Gross profit	24,115	23,380
Selling, general and administrative expenses	13,566	14,291
Operating income	10,548	9,089
Non-operating income		
Interest income	46	110
Dividend income	16	17
Subsidy income	55	19
Outsourcing service income	59	—
Other	62	95
Total non-operating income	242	242
Non-operating expenses		
Interest expenses	197	307
Foreign exchange losses	315	150
Other	74	223
Total non-operating expenses	587	680
Ordinary income	10,203	8,651
Profit before income taxes	10,203	8,651
Income taxes - current	2,674	2,155
Income taxes - deferred	39	263
Total income taxes	2,714	2,418
Profit	7,489	6,232
Loss attributable to non-controlling interests	(0)	(0)
Profit attributable to owners of parent	7,489	6,232

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Consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Consolidated fiscal year ended March 31, 2023 (April 1, 2022 to September 30, 2022)	Consolidated fiscal year ended March 31, 2024 (April 1, 2023 to September 30, 2023)
Profit	7,489	6,232
Other comprehensive income		
Valuation difference on available-for-sale securities	35	221
Foreign currency translation adjustment	2,661	2,868
Remeasurements of defined benefit plans, net of tax	(4)	0
Total other comprehensive income	2,692	3,090
Comprehensive income	10,181	9,322
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,181	9,322
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.