

May 1, 2024

## Consolidated Financial Results for 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 of ordinary general meeting of shareholders: June 15, 2024  
 Scheduled date to commence dividend payments: June 17, 2024  
 Scheduled date to file annual securities report: June 17, 2024  
 Preparation of supplementary results briefing material on financial results: Yes  
 Holding of 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 fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

#### (1) Operating results

(Millions of yen, % year on year)

Fiscal year ended	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
		%		%		%		%
March 31, 2024	104,775	7.6	18,203	14.0	17,310	12.0	8,654	(24.1)
March 31, 2023	97,338	(0.6)	15,972	(11.1)	15,462	(14.4)	11,405	(3.4)

Note: Comprehensive income

For the fiscal year ended March 31, 2024: 12,484 millions of yen (0.1%)  
 For the fiscal year ended March 31, 2023: 12,494 millions of yen (20.0%)

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
March 31, 2024	154.89	—	9.0	8.7	17.4
March 31, 2023	203.71	—	12.8	8.2	16.4

Reference: Share of (profit) loss of entities accounted for using equity method

For the fiscal year ended March 31, 2024: - millions of yen  
 For the fiscal year ended March 31, 2023: - millions of yen

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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
March 31, 2024	212,751	100,398	47.2	1,795.14
March 31, 2023	187,263	92,739	49.5	1,663.25

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

As of March 31, 2024: 100,394 millions of yen

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

**(3) Cash flows**

(Millions of yen)

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at the end of period
March 31, 2024	21,224	(21,069)	8,954	57,664
March 31, 2023	22,736	(13,160)	(13,942)	47,088

**2. Cash dividends**

	Annual cash dividends					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter- end	Second quarter- end	Third quarter- end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2023	—	37.00	—	(Note) 52.00	89.00	4,986	43.7	5.6
Fiscal year ended March 31, 2024	—	38.00	—	42.00	80.00	4,479	51.6	4.6
Fiscal year ended March 31, 2025 (Forecast)	—	40.00	—	40.00	80.00		37.2	

Note: 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, 2025  
(from April 1, 2024 to March 31, 2025)**

(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 ended September 30, 2024	56,100	9.8	9,500	4.5	9,200	6.3	6,200	(0.5)	110.97
Fiscal year ended March 31, 2025	112,800	7.7	18,400	1.1	17,800	2.8	12,000	38.7	214.77

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\* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) 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

(3) Number of issued shares

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

As of March 31, 2024	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 March 31, 2024	2,366,038 shares
As of March 31, 2023	2,429,150 shares

- c. Average number of outstanding shares during the period

Fiscal year ended March 31, 2024	55,873,328 shares
Fiscal year ended March 31, 2023	55,989,729 shares

Note: 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)).

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

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

(Disclaimer concerning forward-looking statements)

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 the achievement of any content in the forward-looking statements. Actual business and other results may differ substantially due to various factors. See "1. Overview of Operating Results (4) Future Forecasts" on page 5 of the attached materials for precautions on the use of earnings forecasts and the assumptions underlying earnings forecasts.

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## 1. Overview of Operating Results

### (1) Overview of operating results for fiscal year ended March 31, 2024

Net sales for the consolidated fiscal year ended March 31, 2024 were 104,775 million yen (up 7.6% year on year). Operating income was 18,203 million yen (up 14.0% year on year), and ordinary income was 17,310 million yen (up 12.0% year on year). Profit attributable to owners of the parent was 8,654 million yen (down 24.1% year on year), which reflects impairment losses recognized by Taiyo Pharma Co., Ltd. as a result of reviewing the sales rights with declining profitability.

Results by segment were as follows.

The Group consists of segments based on operating subsidiaries and has two reportable segments: the Electronics and Medical and Pharmaceutical businesses.

#### *Electronics*

In rigid products, sales volume declined year on year for display-related materials and consumer-related materials. Sales remained especially lean for display-related materials. In contrast, products for automotive applications and smartphones saw year on year growth in sales volume. Sales volume of products for automotive applications, in particular, increased as automotive production fully recovered with higher sales volume compared to the previous fiscal year, in which inventory adjustments occurred due mainly to a shortage of semiconductors and parts.

In semiconductor package products (PKG), sales volume decreased for liquid materials while increasing slightly for dry film materials from the previous fiscal year. Sales volume for smartphones, PCs, tablets, and other products was low at the beginning of the fiscal year due to a decline in end-user demand, but saw a gradual rebound in demand during the period, mainly in products for memory.

Since over 90% of sales in this segment are made overseas, foreign exchange gains (a result of the weak yen) contribute to revenue and profit growth. Throughout the period under review, JPY against USD averaged at JPY 144.4/USD, 9.4 yen lower than the previous period's average rate of JPY 135.0/USD.

As a result, net sales amounted to 71,415 million yen (up 4.4% year on year), and segment profit came to 16,456 million yen (up 3.9% year on year).

#### *Medical and Pharmaceuticals*

Taiyo Pharma Co., Ltd.'s ethical pharmaceuticals manufacturing and marketing business saw an increase in net sales from the previous fiscal year despite the negative impact of NHI drug price revisions. This increase resulted from an increase in demand accompanying the transfer of assets for REMINYL<sup>®</sup>, the new long-listed products, and a supply shortage of other companies' products with the same efficacy, antitussives, and other products.

Taiyo Pharma Tech Co., Ltd.'s ethical pharmaceuticals contract development and manufacturing business saw an increase in net sales due to a change in product mix at the customer's request and a revision of the selling price accompanying the surge in raw material and energy prices.

As a result, net sales amounted to 29,269 million yen (up 15.0% year on year), and segment profit came to 3,248 million yen (up 70.4% year on year).

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**(2) Overview of financial position as of March 31, 2024**

The following shows the status of assets, liabilities, and net assets as of March 31, 2024.

	As of March 31, 2023 (Millions of yen)	As of March 31, 2024 (Millions of yen)	Change (Millions of yen)	Main factors (Comparison with the end of the previous fiscal year)
Current assets	90,050	109,655	19,604	Increase of ... 11,462 million yen in cash and deposits 5,617 million yen in notes and accounts receivable - trade, and contract assets
Non-current assets	97,212	103,096	5,884	Increase of ... 8,198 million yen in buildings and structures  Decrease of ... 2,116 million yen in construction in progress
Total assets	187,263	212,751	25,488	
Total liabilities	94,523	112,353	17,829	Increase of... 10,824 million yen in long-term borrowings (including current portion of long-term borrowings) 4,396 million yen in short-term borrowings
Total net assets	92,739	100,398	7,658	Positive factors: Recorded 8,654 million yen in profit attributable to owners of parent Increase of 3,542 million yen in foreign currency translation adjustment account  Negative factors: Decrease of 5,033 million yen in dividends of surplus
Total liabilities and net assets	187,263	212,751	25,488	

**(3) Consolidated statements of cash flows**

The following is the status of cash flows for the fiscal year ended March 31, 2024.

	Fiscal year ended March 31, 2024 (Millions of yen)	Main factors
Net cash provided by (used in) operating activities	21,224	Cash inflows: 12,102 million yen in profit before income taxes 8,676 million yen in depreciation 4,792 million yen in impairment losses  Cash outflows: (3,731) million yen in increase in trade receivables (2,642) million yen in income taxes paid
Net cash provided by (used in) investing activities	(21,069)	Cash outflows: (11,582) million yen in purchase of property, plant and equipment (7,229) million yen in purchase of intangible assets (927) million yen in purchase of shares of subsidiaries and associates
Net cash provided by (used in) financing activities	8,954	Cash inflows: 23,948 million yen in proceeds from long-term borrowings 3,335 million yen in net increase in short-term borrowings  Cash outflows: (13,107) million yen in repayment of long-term borrowings (5,028) million yen in dividends paid
Net increase (decrease) in cash and cash equivalents	10,299	
Cash and cash equivalents at end of period	57,664	

#### (4) Future forecasts

We expect the global economy to continue to face increasing uncertainty due to soaring resource and other prices caused by rising geopolitical risks, rising interest rates in the United States and European countries, foreign exchange fluctuations, the economic slump in China, and other uncertainties. Despite these concerns, we anticipate a rebound in demand for finished products due to the spread of the fifth-generation mobile communication system (5G), generative AI, and advances in digital transformation (DX). Under these uncertain environments, we forecast growth in both sales and profit in the next fiscal year.

##### *Electronics*

As we mentioned in “(1) Overview of operating results for fiscal year ended March 31, 2024,” over 90% of sales in this segment are made overseas. Therefore, exchange rate fluctuations have a significant impact. The segment forecasts for the period ended March 31, 2025, are calculated based on an average exchange rate of JPY145.0 yen/USD, which is equivalent to the average exchange rate for this fiscal year.

In rigid products, we forecast a gradual increase in demand, mainly in products for automotive applications and smartphones and continuing low demand for consumer goods and equipment. We therefore expect sales volume for liquid materials to be roughly on par with fiscal year ended March 31, 2024. However, we anticipate a slump in demand for our display-related materials due to changes in the specifications for finished products and therefore forecast a decline in sales volume from fiscal year ended March 31, 2024.

In semiconductor package products (PKG), we project a rebound in sales volume, mainly in products for memory as end-user demand for smartphones, PCs, tablets, and data centers gradually rebounds compared to fiscal year ended March 31, 2024.

Selling, general, and administrative (SG&A) expenses are expected to increase due to an increase in R&D expenses and depreciation accompanying the construction of our new Technology Development Center. As a result, we assume there will be an increase in both sales and profit in the electronics business for the next fiscal year.

##### *Medical and Pharmaceuticals*

In Taiyo Pharma Co., Ltd.'s ethical pharmaceuticals manufacturing and marketing business, we expect an increase in net sales and profit, mainly due to the limited impact of the NHI price revisions in April 2024, receipt of manufacturing and market approval from Janssen Pharmaceutica NV for REMINYL<sup>®</sup>, an Alzheimer's disease treatment, and decrease in amortization of sales rights as a result of the impairment losses recorded in the fiscal year under review.

In Taiyo Pharma Tech Co., Ltd.'s ethical pharmaceuticals contract development and manufacturing business, we anticipate an increase in sales from a change in the shipment plans of existing customers and commencing contract manufacturing for a new customer. On the other hand, we forecast a decrease in profit due to increased wage levels from strengthening hiring and revision of the personnel system, an increase in depreciation from commencement of new contract products, and other factors.

As a result, we assume an increase in sales and a decrease in profit in the medical and pharmaceuticals business in the next fiscal year.

The forecasts in these materials are based on information available when the results were announced. Due to various future factors, actual results may differ from the forecasts.



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Consolidated earnings forecasts

	Net sales (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Profit attributable to owners of parent (Millions of yen)	Basic earnings per share (Yen)
Fiscal year ended March 31, 2025 Forecast	112,800	18,400	17,800	12,000	214.77
Fiscal year ended March 31, 2024 Actual result	104,775	18,203	17,310	8,654	154.89
Rate of change (%)	7.7	1.1	2.8	38.7	

< Reference: Segment forecasts for net sales and operating income >

	Segment	Fiscal year ended March 31, 2024 Actual result	Fiscal year ended March 31, 2025 Forecast	Change	Rate of change (%)
Net sales (Millions of yen)	Consolidated	104,775	112,800	8,025	7.7
	Electronics	71,415	75,400	3,985	5.6
	Medical and Pharmaceuticals	29,269	32,500	3,231	11.0
Operating income (Millions of yen)	Consolidated	18,203	18,400	197	1.1
	Electronics	16,456	17,500	1,044	6.3
	Medical and Pharmaceuticals	3,248	2,200	(1,048)	(32.3)

Note: The outlook for the fiscal year ended March 2025 is based on an average exchange rate of JPY 145.0/USD.  
The average exchange rate for the fiscal year ended March 2024 is JPY 144.4/USD.

## **2. Basic Policy Concerning the Selection of Accounting Standards**

The Group adopts the Japanese GAAP as the accounting standards in order to ensure comparability among other domestic companies in the same industry.

### 3. Consolidated Financial Statements and Explanatory Notes

#### (1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	47,121	58,583
Notes and accounts receivable - trade, and contract assets	22,734	28,352
Merchandise and finished goods	7,038	8,571
Work in process	1,398	1,451
Raw materials and supplies	6,539	7,143
Other	5,290	5,582
Allowance for doubtful accounts	(72)	(30)
Total current assets	90,050	109,655
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	22,492	30,690
Machinery, equipment and vehicles, net	10,538	12,032
Tools, furniture and fixtures, net	1,908	2,380
Land	14,991	15,084
Construction in progress	9,378	7,261
Other	1,091	1,403
Total property, plant and equipment	60,401	68,852
Intangible assets		
Goodwill	4,974	2,896
Sales rights	15,834	13,979
Customer-related assets	5,476	5,000
Other	2,885	3,927
Total intangible assets	29,170	25,804
Investments and other assets		
Investment securities	3,923	4,437
Shares of subsidiaries and associates	1,152	1,394
Deferred tax assets	501	391
Retirement benefit asset	503	461
Other	1,753	1,982
Allowance for doubtful accounts	(193)	(227)
Total investments and other assets	7,640	8,439
Total non-current assets	97,212	103,096
<b>Total assets</b>	<b>187,263</b>	<b>212,751</b>

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(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	6,513	8,795
Short-term borrowings	5,424	9,821
Current portion of long-term borrowings	12,902	33,766
Accounts payable - other	5,374	6,586
Income taxes payable	1,031	1,986
Provision for bonuses	1,108	1,152
Other provisions	87	118
Other	2,672	2,646
Total current liabilities	35,115	64,874
Non-current liabilities		
Deferred tax liabilities	3,974	1,200
Long-term borrowings	53,174	43,134
Retirement benefit liability	108	292
Other provisions	55	48
Asset retirement obligations	1,006	1,386
Other	1,088	1,415
Total non-current liabilities	59,407	47,478
Total liabilities	94,523	112,353
<b>Net assets</b>		
Shareholders' equity		
Share capital	9,761	9,903
Capital surplus	14,883	15,025
Retained earnings	67,561	70,989
Treasury shares	(6,107)	(5,993)
Total shareholders' equity	86,098	89,925
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	429	709
Foreign currency translation adjustment	6,223	9,766
Remeasurements of defined benefit plans	(14)	(6)
Total accumulated other comprehensive income	6,637	10,469
Non-controlling interests	3	4
Total net assets	92,739	100,398
<b>Total liabilities and net assets</b>	<b>187,263</b>	<b>212,751</b>

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

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	97,338	104,775
Cost of sales	54,547	55,944
Gross profit	42,791	48,830
Selling, general and administrative expenses	26,818	30,627
Operating income	15,972	18,203
Non-operating income		
Interest income	116	262
Subsidy income	90	150
Other	344	219
Total non-operating income	552	632
Non-operating expenses		
Interest expenses	473	664
Foreign exchange losses	242	175
Other	346	685
Total non-operating expenses	1,062	1,525
Ordinary income	15,462	17,310
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	—	416
Impairment losses	—	4,792
Total extraordinary losses	—	5,208
Profit before income taxes	15,462	12,102
Income taxes - current	3,634	3,741
Income taxes - deferred	422	(291)
Total income taxes	4,057	3,449
Profit	11,405	8,652
Loss attributable to non-controlling interests	(0)	(1)
Profit attributable to owners of parent	11,405	8,654

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**(Consolidated statement of comprehensive income)**

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	11,405	8,652
Other comprehensive income		
Valuation difference on available-for-sale securities	108	280
Foreign currency translation adjustment	1,036	3,543
Remeasurements of defined benefit plans, net of tax	(55)	8
Total other comprehensive income	1,089	3,832
Comprehensive income	12,494	12,484
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,494	12,485
Comprehensive income attributable to non-controlling interests	(0)	(1)

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**(3) Consolidated statement of changes in equity**

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,612	14,734	60,321	(4,752)	79,916
Changes during period					
Dividends of surplus			(4,165)		(4,165)
Profit attributable to owners of parent			11,405		11,405
Change in scope of consolidation			(0)		(0)
Issuance of new shares	148	148			297
Purchase of treasury shares				(1,500)	(1,500)
Disposal of treasury shares				145	145
Net changes in items other than shareholders' equity					
Total changes during period	148	148	7,239	(1,354)	6,182
Balance at end of period	9,761	14,883	67,561	(6,107)	86,098

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	321	5,187	40	5,549	1	85,466
Changes during period						
Dividends of surplus						(4,165)
Profit attributable to owners of parent						11,405
Change in scope of consolidation						(0)
Issuance of new shares						297
Purchase of treasury shares						(1,500)
Disposal of treasury shares						145
Net changes in items other than shareholders' equity	108	1,036	(55)	1,088	1	1,090
Total changes during period	108	1,036	(55)	1,088	1	7,272
Balance at end of period	429	6,223	(14)	6,637	3	92,739

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Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,761	14,883	67,561	(6,107)	86,098
Changes during period					
Dividends of surplus			(5,033)		(5,033)
Profit attributable to owners of parent			8,654		8,654
Change in scope of consolidation			(192)		(192)
Issuance of new shares	141	141			283
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				115	115
Net changes in items other than shareholders' equity					
Total changes during period	141	141	3,427	114	3,826
Balance at end of period	9,903	15,025	70,989	(5,993)	89,925

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	429	6,223	(14)	6,637	3	92,739
Changes during period						
Dividends of surplus						(5,033)
Profit attributable to owners of parent						8,654
Change in scope of consolidation						(192)
Issuance of new shares						283
Purchase of treasury shares						(0)
Disposal of treasury shares						115
Net changes in items other than shareholders' equity	280	3,542	8	3,831	0	3,832
Total changes during period	280	3,542	8	3,831	0	7,658
Balance at end of period	709	9,766	(6)	10,469	4	100,398



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**(4) Consolidated statement of cash flows**

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	15,462	12,102
Depreciation	7,441	8,676
Impairment losses	—	4,792
Amortization of goodwill	334	290
Loss on valuation of shares of subsidiaries and associates	—	416
Subsidy income	(51)	(106)
Decrease (increase) in retirement benefit asset	(149)	59
Increase (decrease) in retirement benefit liability	(7)	(5)
Increase (decrease) in allowance for doubtful accounts	(52)	(54)
Increase (decrease) in provision for bonuses	(210)	(2)
Interest and dividend income	(158)	(295)
Interest expenses	473	664
Decrease (increase) in consumption taxes refund receivable	667	(1,074)
Decrease (increase) in trade receivables	5,597	(3,731)
Decrease (increase) in inventories	1,585	(1,690)
Increase (decrease) in trade payables	(3,151)	1,262
Other, net	2,262	2,808
<b>Subtotal</b>	<b>30,042</b>	<b>24,111</b>
Interest and dividends received	158	286
Interest paid	(476)	(530)
Income taxes paid	(6,987)	(2,642)
<b>Net cash provided by (used in) operating activities</b>	<b>22,736</b>	<b>21,224</b>
<b>Cash flows from investing activities</b>		
Payments into time deposits	(33)	(857)
Proceeds from withdrawal of time deposits	414	—
Purchase of property, plant and equipment	(11,667)	(11,582)
Purchase of intangible assets	(739)	(7,229)
Purchase of investment securities	(950)	(394)
Purchase of shares of subsidiaries and associates	(324)	(927)
Other, net	139	(77)
<b>Net cash provided by (used in) investing activities</b>	<b>(13,160)</b>	<b>(21,069)</b>

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(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(8,926)	3,335
Proceeds from long-term borrowings	18,672	23,948
Repayments of long-term borrowings	(17,492)	(13,107)
Purchase of treasury shares	(1,520)	(0)
Dividends paid	(4,164)	(5,028)
Proceeds from issuance of shares	177	164
Other, net	(687)	(355)
Net cash provided by (used in) financing activities	(13,942)	8,954
Effect of exchange rate change on cash and cash equivalents	286	1,189
Net increase (decrease) in cash and cash equivalents	(4,079)	10,299
Cash and cash equivalents at beginning of period	51,152	47,088
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	15	276
Cash and cash equivalents at end of period	47,088	57,664

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**(5) Notes to consolidated financial statements**

**(Notes on premise of going concern)**

None.

**(Segment information and related information)**

## [Segment information]

## 1. Overview of reportable segments

The reportable segments of the Group are components of the Group whose separate financial information is available. These segments are periodically evaluated by the Board of Directors in deciding how to allocate management resources and in assessing the performance.

The Group has operating subsidiaries for different products and services. Each operating subsidiary formulates comprehensive domestic and overseas strategies and conducts business activities for the products and services it handles.

Group business segments are, therefore, based on these operating subsidiaries and are divided into two reportable segments: The Electronics and the Medical and Pharmaceuticals business.

The Electronics business develops, manufactures, sells, and procures and sells printed circuit board materials and chemical products for use in electronic components. The Medical and Pharmaceutical business engages in the manufacturing and marketing of ethical pharmaceuticals and provides contract development and manufacturing organization (CDMO) services for ethical pharmaceuticals.

## 2. Information on the calculation of net sales, profit or loss, assets, and other items by reportable segment

The accounting method applied for the reportable segments is complied with the accounting policies adopted for preparation of consolidated financial statements.

Profit by reportable segment represents operating income.

Inter-segment revenue and transfers are based on the market prices.

## 3. Information regarding net sales, profit or loss, assets and other items by reportable segment

Fiscal year ended March 31, 2023

(Millions of yen)

	Reportable segment			Other (Note 1)	Total
	Electronics	Medical and Pharmaceuticals	Total		
Net sales					
External sales	68,419	25,447	93,866	3,472	97,338
Inter-segment sales or transfers	0	—	0	293	293
Total	68,419	25,447	93,866	3,766	97,632
Segment profit	15,845	1,906	17,752	26	17,778
Segment assets	72,078	75,388	147,466	8,001	155,468
Other items					
Depreciation (Note 2)	2,433	3,981	6,414	388	6,803
Increase in property, plant and equipment, and intangible assets	3,299	8,072	11,371	520	11,892

Notes: 1. The “Other” category represents operating segments not included in reportable segments, and includes ICT business, fine chemicals business, energy business, and food business. These are collectively referred to as ICT and Sustainability business.

2. Depreciation does not include amortization of goodwill.

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Fiscal year ended March 31, 2024

(Millions of yen)

	Reportable segment			Other (Note 1)	Total
	Electronics	Medical and Pharmaceuticals	Total		
Net sales					
External sales	71,415	29,269	100,684	4,090	104,775
Inter-segment sales or transfers	0	—	0	335	335
Total	71,415	29,269	100,684	4,425	105,110
Segment profit	16,456	3,248	19,704	78	19,783
Segment assets	86,953	66,265	153,218	10,013	163,232
Other items					
Depreciation (Note 2)	2,749	5,068	7,818	396	8,215
Increase in property, plant and equipment, and intangible assets	12,342	7,388	19,731	556	20,287

Notes: 1. The “Other” category represents operating segments not included in reportable segments, and includes ICT business, fine chemicals business, energy business, and food business. These are collectively referred to as ICT and Sustainability business.

2. Depreciation does not include amortization of goodwill.

4. Differences between total amounts in reportable segments and the amount recorded on consolidated financial statements, and details of thereof (reconciliation)

(Millions of yen)

Net sales	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Reportable segment total	93,866	100,684
“Other” segment net sales	3,766	4,425
Inter-segment eliminations	(293)	(335)
Net sales reported in consolidated statement of income	97,338	104,775

(Millions of yen)

Profit/Loss	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Reportable segment total	17,752	19,704
“Other” segment profit	26	78
Inter-segment eliminations	(29)	(22)
Profit/loss not allocated to business segments (Note)	(1,776)	(1,557)
Operating income in the consolidated statement of income	15,972	18,203

Note: Profit/loss primarily related to the holding company (company filing the consolidated financial statements).

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(Millions of yen)

Assets	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Reportable segment total	147,466	153,218
“Other” segment assets	8,001	10,013
Inter-segment eliminations	(61)	(92)
Assets not allocated to business segments (Note)	31,918	49,900
Reclassification by tax effect conversion	(62)	(288)
Total assets reported in consolidated balance sheet	187,263	212,751

Note: Assets primarily related to the holding company (company filing the consolidated financial statements).

(Millions of yen)

Other items	Reportable segment total		Other		Adjustments (Note)		Amount on the consolidated financial statements	
	FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2023	FY ended March 31, 2024
Depreciation	6,414	7,818	388	396	638	461	7,441	8,676
Increase in property, plant and equipment, and intangible assets	11,371	19,731	520	556	2,178	(639)	14,070	19,648

Note: Primarily related to the holding company (company filing the consolidated financial statements).

[Related information]

**I Fiscal year ended March 31, 2023**

## 1. Information by product and service

(Millions of yen)

	Electronics	Medical and Pharmaceuticals	Other	Total
External sales	68,419	25,447	3,472	97,338

## 2. Information by region

## (1) Net sales

(Millions of yen)

Japan	China	Taiwan	Korea	Other	Total
33,885	34,378	7,328	15,810	5,936	97,338

Note: Net sales are classified by country or region based on the location of customers.

## (2) Property, plant and equipment

(Millions of yen)

Japan	China	Taiwan	Korea	Other	Total
49,226	3,769	3,883	1,749	1,773	60,401

## 3. Information by main customer

(Millions of yen)

Customer Name	Net sales	Name of Related Segment
Daiichi Sankyo Co., Ltd. (Note)	10,450	Medical and Pharmaceuticals

Note: Shows aggregated net sales posted to Daiichi Sankyo Espha Co., Ltd., which is affiliated with the Daiichi Sankyo Co., Ltd. corporate group.

**II Fiscal year ended March 31, 2024**

## 1. Information by product and service

(Millions of yen)

	Electronics	Medical and Pharmaceuticals	Other	Total
External sales	71,415	29,269	4,090	104,775

## 2. Information by region

## (1) Net sales

(Millions of yen)

Japan	China	Taiwan	Korea	Other	Total
37,459	39,987	6,995	14,087	6,245	104,775

Note: Net sales are classified by country or region based on the location of customers.

## (2) Property, plant and equipment

(Millions of yen)

Japan	China	Taiwan	Korea	Other	Total
54,996	5,425	4,459	1,809	2,161	68,852

## 3. Information by main customer

(Millions of yen)

Customer Name	Net sales	Name of Related Segment
Daiichi Sankyo Co., Ltd. (Note)	12,746	Medical and Pharmaceuticals

Note: Shows aggregated net sales posted to Daiichi Sankyo Espha Co., Ltd., which is affiliated with the Daiichi Sankyo Co., Ltd. corporate group.



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[Information regarding impairment loss of non-current assets in each reportable segment]

Fiscal year ended March 31, 2023

None.

Fiscal year ended March 31, 2024

(Millions of yen)

	Reportable segment			Other	Corporate and Elimination	Total
	Electronics	Medical and Pharmaceuticals	Total			
Impairment losses	—	4,792	4,792	—	—	4,792

[Information on amortization of goodwill and unamortized balance in each reportable segment]

Fiscal year ended March 31, 2023

(Millions of yen)

	Reportable segment			Other	Corporate and Elimination	Total
	Electronics	Medical and Pharmaceuticals	Total			
Amortization for fiscal year ended March 31, 2023	52	271	323	10	—	334
Balance as of March 31, 2023	526	4,423	4,949	24	—	4,974

Note: The figure for “Other” is the amount for the ICT and Sustainability business.

Fiscal year ended March 31, 2024

(Millions of yen)

	Reportable segment			Other	Corporate and Elimination	Total
	Electronics	Medical and Pharmaceuticals	Total			
Amortization for fiscal year ended March 31, 2024	53	225	279	10	—	290
Balance as of March 31, 2024	512	2,370	2,883	13	—	2,896

Note: The figure for “Other” is the amount for the ICT and Sustainability business.

[Information on negative goodwill in each reportable segment]

Fiscal year ended March 31, 2023

None.

Fiscal year ended March 31, 2024

None.

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**(Per share information)**

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net assets per share	1,663.25 yen	1,795.14 yen
Basic earnings per share	203.71 yen	154.89 yen

- Notes: 1. Diluted earnings per share is not presented because there are no dilutive shares.  
2. In calculating net assets per share, treasury shares are deducted, and shares held in the trust account for shares granted under the Employee Stock Ownership Plan (ESOP) are included in the treasury shares (previous consolidated fiscal year: 125,600 shares; consolidated fiscal year under review: 62,240 shares).  
3. Basis for calculating basic earnings per share is shown below.

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit attributable to owners of parent (Millions of yen)	11,405	8,654
Amount not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent for common shares (Millions of yen)	11,405	8,654
Average number of outstanding common shares during the period (Shares)	55,989,729	55,873,328

- Note: In calculating the average number of outstanding common shares during the period, treasury shares are deducted and shares held in the trust account for shares granted under the Employee Stock Ownership Plan (ESOP) are included in the treasury shares (previous consolidated fiscal year: 150,258 shares; consolidated fiscal year under review: 81,866 shares).

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**(Significant subsequent events)**

None.