

Consolidated Financial Result Digest FY2025/3 1Q

(Fiscal Year Ended March 31, 2025)

Aug. 1, 2024

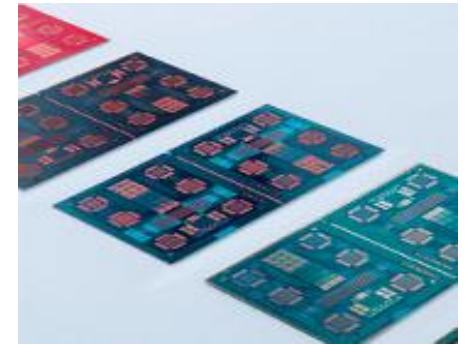


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Our Business Segments

Electronics

Developing, manufacturing, purchasing and selling chemicals that used in printed circuit boards (PCB) and other electronic components



Medical and Pharmaceuticals

Manufacturing, marketing pharmaceuticals, contract development and manufacturing organization (CDMO)
Manufacturing and selling dental prosthetics



ICT and Sustainability

Businesses included ICT, fine chemicals, energy, and food, etc.



FY2025/3 1Q Overview

Electronics

- Net sales increased by 37% year on year
<Reasons> The yen has been weak and there has been an increase in customer demand compared to the same period of the previous year, when the sales were sluggish.
 - The depreciation of the yen had a positive impact on our performance
Average exchange rate during the first quarter: <2025/3> 156.5 JPY/USD <2024/3> 138.1 JPY/USD
 - Rigid products: Sales volumes for display, automobile, consumer and smartphone products increased, particularly for display products (white dry film), compared to the same period of the previous year, when the sales were relatively sluggish
 - PKG products: Sales volumes increased following a visible recovery in demand, particularly for memory products, compared to the same period of the previous year, when the sales were sluggish against the backdrop of a decline in final demand
- Won 20th JPCA Award for “Thermal Conductive Insulating Materials with High Heat Dissipation for Power Semiconductors”

Medical and Pharmaceuticals

- Net sales increased by 13% year on year
<Reasons> Ricc Co., Ltd. has been converted into consolidated subsidiaries and the product mix in the contract manufacturing business has changed.
 - Increase due to the conversion of Ricc Co., Ltd. into consolidated subsidiaries
 - Increase due to the shifts in the product mix in the contract manufacturing business
 - Increase due to the succession of manufacturing and marketing approval of “REMINYL®,” therapeutic agent for Alzheimer dementia
 - Increase in demand due to a shortage of drugs with the same indications from other companies, cough suppressants, etc.
- Converted Ricc Co., Ltd. into consolidated subsidiaries

Company

- Revised the earnings forecasts for the fiscal year ended March 31, 2025 (FY 2025)
As Electronics' results for the FY 2025 are expected to exceed the earnings forecasts announced on May 1, 2024, we've revised our forecasts by replacing Electronics' first quarter forecasts with the actual results.

Consolidated Financial Results Summary

	①	②	②-①	(②-①)/①	③	②/③	④	②/④
Unit : JPY Million	2024/3 1Q Result	2025/3 1Q Result	YoY	% of Changes	2025/3 1 st Half Forecast (Announced on May 1)	% of Progress	2025/3 Full Year Forecast (Announced on May 1)	% of Progress
Net Sales	23,861	30,854	6,992	29%	56,100	55%	112,800	27%
Operating Income	3,470	6,358	2,887	83%	9,500	67%	18,400	35%
Ordinary Income	3,235	6,183	2,948	91%	9,200	67%	17,800	35%
Net Income	2,561	4,605	2,044	80%	6,200	74%	12,000	38%
Exchange rate of JPY/USD	138.1	156.5	18.4		145.0		145.0	
EBITDA	5,633	8,589	2,956	52%	14,000	61%	27,900	31%
Operating Income Margin	15%	21%			17%		16%	
EBITDA Margin	24%	28%			25%		25%	

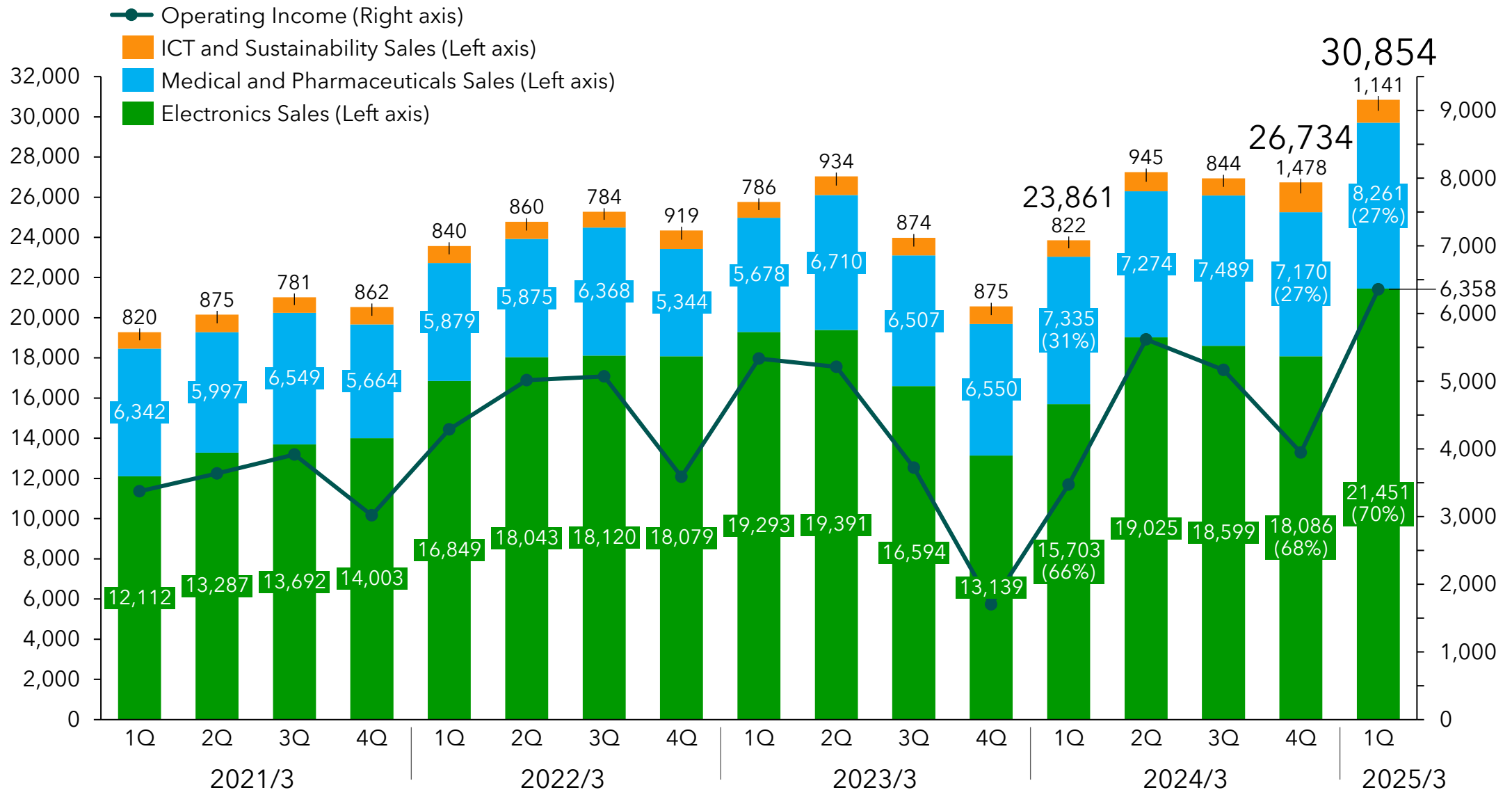
Performance by Segment

Cumulative Net Sales, Operating Income and EBITDA

		①	②	②-①	(②-①)/①	③	②/③	④	②/④
Unit : JPY Million		2024/3 1Q Result	2025/3 1Q Result	YoY	% of Changes	2025/3 1 st Half Forecast (Announced on May 1)	% of Progress	2025/3 Full Year Forecast (Announced on May 1)	% of Progress
Electronics	Net Sales	15,703	21,451	5,747	37%	37,700	57%	75,400	28%
	Operating Income	2,642	6,088	3,445	130%	8,800	69%	17,500	35%
	Operating Income Margin	17%	28%			23%		23%	
	EBITDA	3,284	6,917	3,632	111%	10,500	66%	21,100	33%
	EBITDA Margin	21%	32%			28%		28%	
Medical and Pharmaceuticals	Net Sales	7,335	8,261	926	13%	16,000	52%	32,500	25%
	Operating Income	751	579	(171)	(23%)	1,400	41%	2,200	26%
	Operating Income margin	10%	7%			9%		7%	
	EBITDA	2,059	1,751	(307)	(15%)	3,900	45%	7,300	24%
	EBITDA Margin	28%	21%			24%		22%	
ICT and Sustainability	Net Sales	822	1,141	318	39%	-	-	-	-
	Operating Income	18	69	50	279%	-	-	-	-
	Operating Income Margin	2%	6%			-	-	-	-
Company Expense	Operating Income / Loss	58	(378)	(437)		-	-	-	-

Trend of Quarterly Performance Net Sales and Operating Income

Unit : JPY Million



BS- Comparison with the Previous Term

Unit : JPY Million

	2024/3	2024/6	Changes		2024/3	2024/6	Changes
Cash and Deposits	58,583	58,077	(506)	Notes and Account Payable	8,795	10,741	1,945
Accounts Receivables* ¹	28,352	32,688	4,336	Short Term Borrowings* ³	43,588	47,859	4,271
Inventory* ²	17,166	18,803	1,636	Long Term Borrowings	43,134	38,542	(4,591)
Others	5,552	3,707	(1,844)	Others	16,835	14,776	(2,058)
Total Current Assets	109,655	113,276	3,621	Total Liabilities	112,353	111,920	(432)
Tangible Fixed Assets	68,852	70,075	1,222	Shareholders Equity	89,925	92,176	2,251
Intangible Fixed Assets	25,804	25,108	(695)	Accumulated Other Comprehensive Income	10,469	13,062	2,593
Investments and Other Assets	8,439	8,703	263	Non-Controlling Interest	4	4	0
Total Fixed Assets	103,096	103,887	790	Total Net Assets	100,398	105,244	4,845
Total Assets	212,751	217,164	4,412	Total Liabilities and Net Assets	212,751	217,164	4,412
				Equity to Asset Ratio	47.2%	48.5%	1.3%

*1 Accounts Receivables : Notes Receivable + Accounts Receivable-Trade + Contract Asset

*2 Inventories : Merchandise and Finished Goods + Work in Process + Raw Materials and Supplies

*3 Short-Term Borrowings : Short-Term Borrowings + Long-Term Borrowings Scheduled to Be Repaid within One Year

Revised Forecast for the First-Half of Fiscal Year Ended March 31, 2025 (FY 2025)

- ✓ We have revised our first-half forecasts for FY 2025, as Electronics' results for the FY 2025 are expected to exceed the earnings forecasts announced on May 1, 2024.
- ✓ The first-half forecast has been revised by replacing Electronics' first quarter forecasts with the actual results and remaining the second-quarter forecast unchanged from that disclosed on May 1, 2024.

Unit : JPY Million		2025/3 First-Half Forecast (Announced on May 1)* ¹		2025/3 First-Half Forecast (Announced on Aug. 1)* ²		Change Ratio	
		Amount	Profit Ratio	Amount	Profit Ratio	Amount	Ratio
Consolidated	Net Sales	56,100		59,400		+3,300	+6%
	Operating Income	9,500	17%	11,700	20%	+2,200	+23%
	EBITDA	14,000	25%	16,200	27%	+2,200	+16%
Electronics	Net Sales	37,700		41,000		+3,300	+9%
	Operating Income	8,800	23%	11,000	27%	+2,200	+25%
	EBITDA	10,500	28%	12,700	31%	+2,200	+21%
Medical and Pharmaceuticals	Net Sales	16,000		16,000		-	-
	Operating Income	1,400	9%	1,400	9%	-	-
	EBITDA	3,900	24%	3,900	24%	-	-

*1 2025/3 the first-half forecast: 145.0 JPY/USD

*2 2025/3 the first quarter (actual results) : 156.5 JPY/USD

2025/3 the beginning of the second-quarter forecast (unchanged) : 145.0 JPY/USD

Revised Forecast for the Fiscal Year Ended March 31, 2025 (FY 2025)

- ✓ We have revised our full-year forecasts for FY 2025, as Electronics' results for the FY 2025 are expected to exceed the earnings forecasts announced on May 1, 2024.
- ✓ The full-year forecast has been revised by replacing Electronics' first quarter forecasts with the actual results and remaining the forecast disclosed on May 1, 2024 unchanged from the second quarter onward.

Unit : JPY Million	2025/3 Full-Year Forecast (Announced on May 1) *1		2025/3 Full-Year Forecast (Announced on Aug. 1)*2		Change Ratio	
	Amount	Profit Ratio	Amount	Profit Ratio	Amount	Ratio
Consolidated	Net Sales	112,800	116,100		+3,300	+3%
	Operating Income	18,400	20,600	18%	+2,200	+12%
	Ordinary Income	17,800	20,000	17%	+2,200	+12%
	Net Income	12,000	13,800	12%	+1,800	+15%
	EBITDA	27,900	30,100	26%	+2,200	+8%
Electronics	Net Sales	75,400	78,700		+3,300	+4%
	Operating Income	17,500	19,700	25%	+2,200	+13%
	EBITDA	21,100	23,300	30%	+2,200	+10%
Medical and Pharmaceuticals	Net Sales	32,500	32,500		-	-
	Operating Income	2,200	2,200	7%	-	-
	EBITDA	7,300	7,300	22%	-	-

*1 2025/3 full-year forecast: 145.0 JPY/USD

*2 2025/3 the first quarter (actual results) : 156.5 JPY/USD

2025/3 the beginning of the second-quarter to the fourth-quarter forecast (unchanged) : 145.0 JPY/USD



Electronics

Electronics Terminology

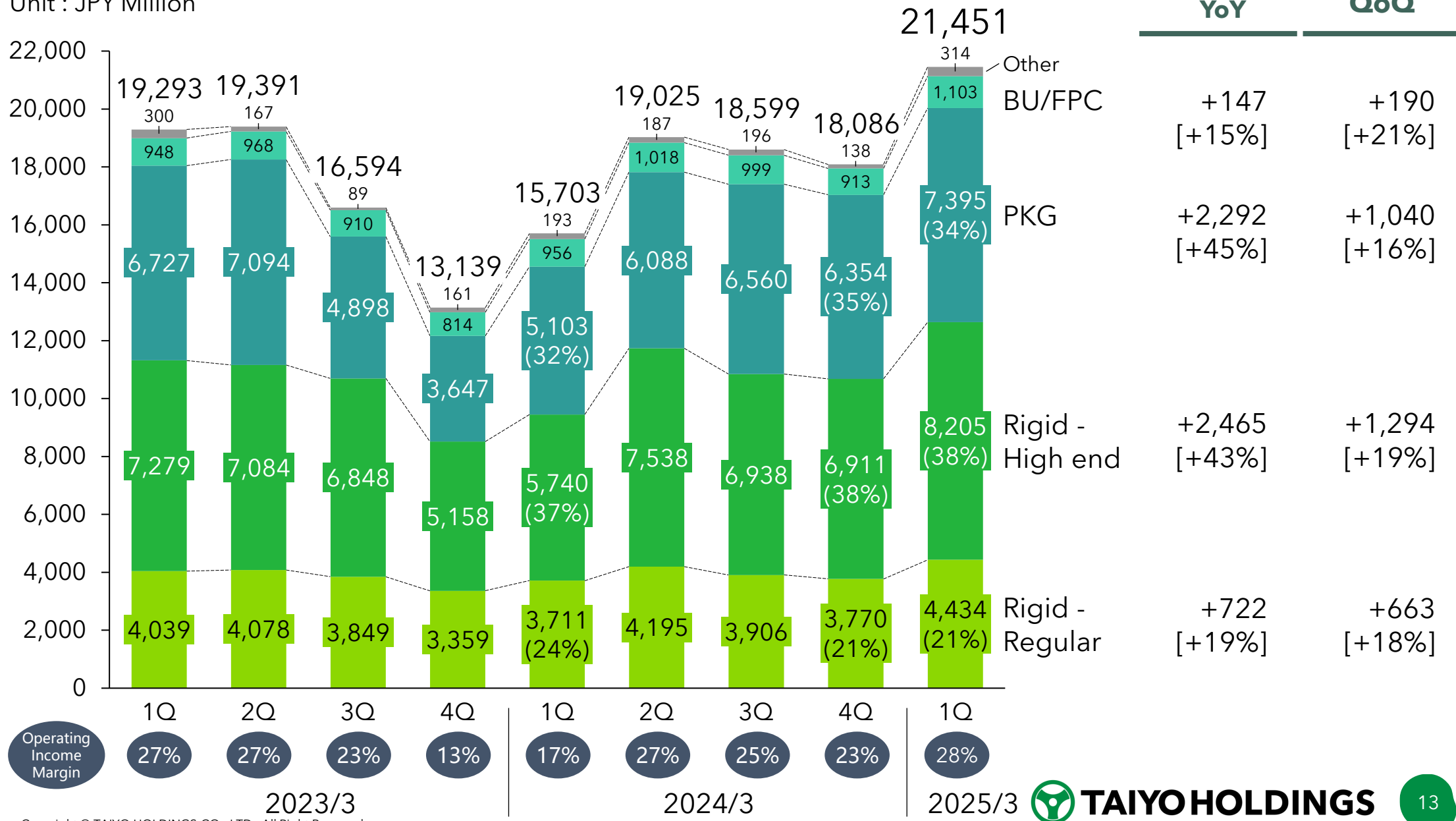
Term	Definition
PCB	<u>P</u> rinted <u>C</u> ircuit <u>B</u> oard
SR	<u>S</u> older <u>R</u> esist, also known as Solder Mask
PKG	Semiconductor <u>P</u> ack <u>a</u> ge
DF	<u>D</u> ry <u>F</u> ilm
BU	<u>B</u> uild- <u>u</u> p

Electronics Product Classification

Group	Category		Type	Remarks
PCB insulating materials	Rigid	Regular	Liquid	<ul style="list-style-type: none"> · SR materials for insulation and surface protection use · Marking, etching and plating materials · Electronic materials etc.
		High end	Liquid / DF	
	PKG		Liquid / DF	
	FPC (Flexible printed circuit board)		Liquid / DF	
	BU		Liquid / DF	
Other related products	Others		Liquid / DF	<ul style="list-style-type: none"> · Conductive paste etc.

Electronics Net Sales by Product Category

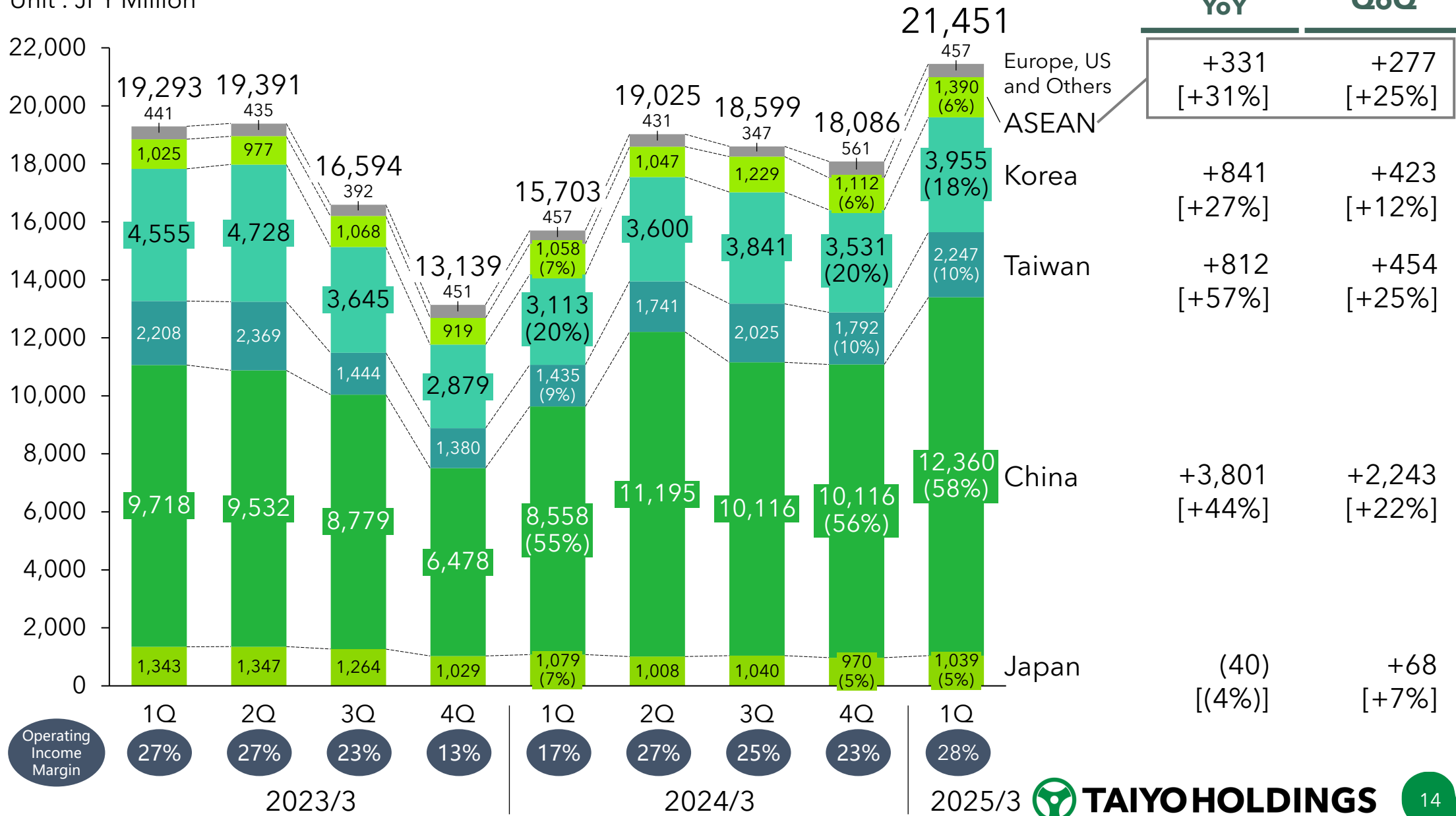
Unit : JPY Million



Operating Income Margin

Electronics Net Sales by Sales Area

Unit : JPY Million



Operating Income Margin

Won 20th JPCA Award for “Thermal Conductive Insulating Materials with High Heat Dissipation for Power Semiconductors”

- ✓ Taiyo Ink Mfg. was awarded the 20th JPCA Award by the Japan Electronics Packaging and Circuits Association (JPCA).

This marks the fifth consecutive year for which Taiyo Ink Mfg. has won the award.



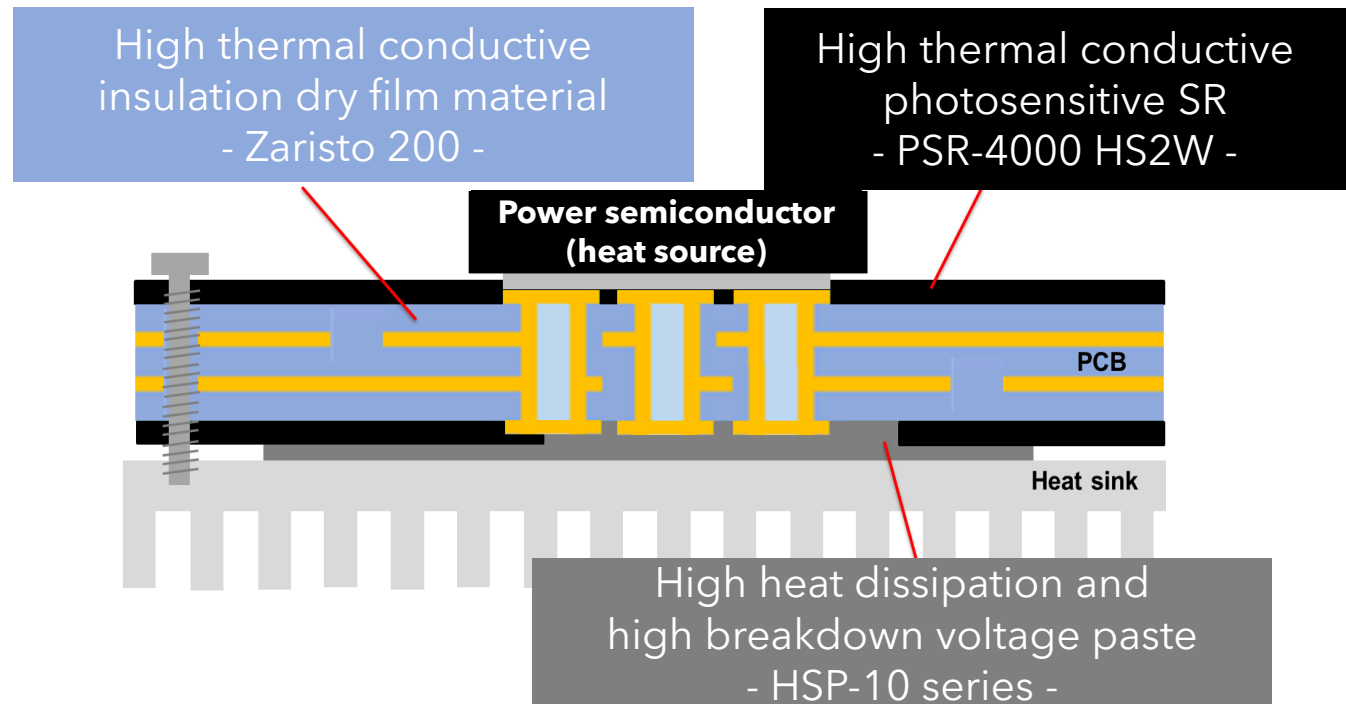
Characteristics and Problem of Power Semiconductors


- Power semiconductors are devices that control and convert electric power. They are necessary for the electrification of automobiles, the conversion of renewable energy, etc.
- There was a problem in power semiconductors that they generate the large amount of heat during operation. As electronic devices miniaturized and improved their performances, an effective solution to the heat problem has been required.

Materials contained in substrates mounted with power semiconductors also require higher heat dissipation.

What Taiyo Ink Mfg. has developed

- Developed three kinds of insulating materials with high heat dissipation by using compounding and dispersion technologies
- Won award for its potential as materials to be used for substrates mounted with power semiconductors





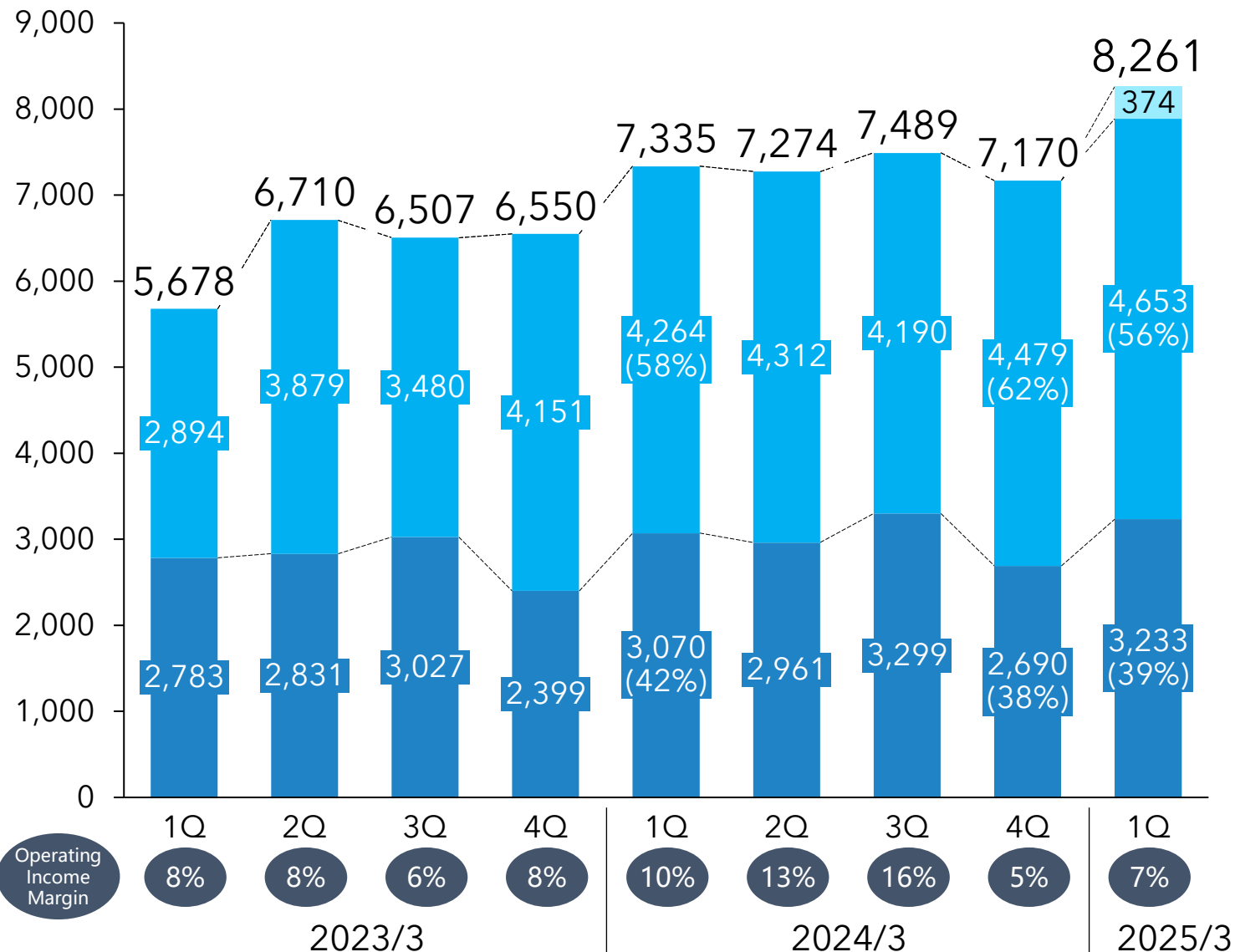
Medical and Pharmaceuticals

Medical and Pharmaceutical Terminology

Term	Definition
LLP	<u>L</u> ong <u>L</u> isted <u>P</u> roduct A drug for which the patent or re-examination period has expired, enabling the sale of generic drugs
CDMO	<u>C</u> ontract <u>D</u> evelopment <u>M</u> anufacturing <u>O</u> rganization Organizations contracted to manufacture and develop pharmaceutical formulations
GMP	<u>G</u> ood <u>M</u> anufacturing <u>P</u> ractice Standards for manufacturing control and quality of pharmaceuticals and quasi-drugs

Medical and Pharmaceuticals Net Sales by Company

Unit : JPY Million



1Q Cumulative YoY **QoQ**

Ricc*
(Dental Business)

+374

+374

Taiyo Pharma Tech
(CDMO)

+389
[+9%]

+174
[+4%]

Taiyo Pharma
(Manufacturing and Marketing)

+162
[+5%]

+542
[+20%]

*Ricc Co., Ltd. has been converted into consolidated subsidiaries

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Converted Ricc Co., Ltd. into consolidated subsidiaries

- ✓ Taiyo Holdings converted Ricc Co., Ltd., which has been its subsidiary since March 2022, into consolidated subsidiaries in this first quarter.
- ✓ Ricc Co., Ltd. aims to provide better dental care with a wide range of products by leveraging our strengths, in addition to the fusion of digital technology that enables cutting-edge techniques and the skills of its technicians.

Ricc Overview of Ricc Co., Ltd.

Location	Kita Ward, Osaka City Higashiyodogawa Ward, Osaka City Minato City, Tokyo
Established on	February 7, 1997
Representative	President and CEO: Masao Arima Vice President: Takafumi Inoue
Employees	131 (As of June 30, 2024)
Business Activities	Manufacture and sell dental prosthetic products



Corporate Website (Ricc Co., Ltd.): <https://www.ricc-web.co.jp/>

