

February 5, 2025

Consolidated Financial Results for the Nine Months of the Fiscal Year Ended March 31, 2025 <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 commence dividend payments: —
Preparation of supplementary results briefing material on financial results: Yes
Holding of financial results presentation meeting: Yes (for individual investors)

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

1. Consolidated financial results for the nine months of the fiscal year ended March 31, 2025 (from April 1, 2024 to December 31, 2024)

(1) Operating results (cumulative)

(Millions of yen, % year on year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
		%		%		%		%
Nine months ended:								
December 31, 2024	90,682	16.2	18,020	26.4	17,746	28.9	12,965	27.2
December 31, 2023	78,040	1.7	14,256	(0.1)	13,771	(1.0)	10,196	(1.2)

Note: Comprehensive income
For the nine months ended December 31, 2024: 14,010 millions of yen [13.6%]
For the nine months ended December 31, 2023: 12,335 millions of yen [11.1%]

	Basic earnings per share	Diluted earnings per share
Nine months ended:	Yen	Yen
December 31, 2024	231.98	—
December 31, 2023	182.54	—

ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT

This is a translation of the original Japanese-language document and is provided for convenience only.

In the event of any discrepancy between this translated document and Japanese original, the original shall prevail.

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2024	198,815	107,957	54.3	1,944.34
March 31, 2024	212,751	100,398	47.2	1,795.14

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

As of December 31, 2024 : 107,951 millions of yen

As of March 31, 2024 : 100,394 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, 2024	—	38.00	—	42.00	80.00
Fiscal year ended March 31, 2025	—	40.00	—		
Fiscal year ended March 31, 2025 (Forecast)				40.00	80.00

Note: Revisions to the forecasts of cash dividends most recently announced: None

**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
Fiscal year ended March 31, 2025	118,600	13.2	22,300	22.5	21,700	25.4	14,900	72.2	267.00

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

*** Notes**

- (1) Significant change in scope of consolidation during the nine months of the fiscal year ended March 31, 2025: 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: Yes
 - 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

Note: See “2. Consolidated Financial Statements and Explanatory Notes (3) Notes on consolidated financial statements (Changes in accounting policies)” on P. 6 of Supplementary Schedules and Notes regarding changes in accounting policies due to revisions to accounting standards and other regulations.

(4) Number of issued shares

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

As of December 31, 2024	58,369,505shares
As of March 31, 2024	58,291,559shares

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

As of December 31, 2024	2,848,478shares
As of March 31, 2024	2,366,038shares

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

As of December 31, 2024	55,889,215shares
As of December 31, 2023	55,857,692shares

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)).

*** Review of the accompanying quarterly consolidated financial statements by a certified public accountant or audit firm : None**

*** 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 the 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. Overview of Operating Results

Please refer to the overview of operating results which is included in the financial results briefing material posted today (February 5, 2025) on TDnet and our corporate website (<https://www.taiyo-hd.co.jp/en>).

2. Consolidated Financial Statements and Explanatory Notes

(1) Consolidated balance sheet

(Millions of yen)

	Consolidated fiscal year ended March 31, 2024 (As of March 31, 2024)	The nine months of consolidated fiscal year ended March 31, 2025 (As of December 31, 2024)
Assets		
Current assets		
Cash and deposits	58,583	42,619
Notes and accounts receivable - trade, and contract assets	28,352	30,885
Merchandise and finished goods	8,571	8,954
Work in process	1,451	1,772
Raw materials and supplies	7,143	9,596
Other	5,582	3,259
Allowance for doubtful accounts	(30)	(31)
Total current assets	109,655	97,055
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	30,690	30,810
Other, net	38,161	37,983
Total property, plant and equipment	68,852	68,793
Intangible assets		
Goodwill	2,896	2,686
Sales rights	13,979	12,614
Customer-related assets	5,000	4,642
Other	3,927	3,792
Total intangible assets	25,804	23,736
Investments and other assets		
Other	8,666	9,493
Allowance for doubtful accounts	(227)	(263)
Total investments and other assets	8,439	9,230
Total non-current assets	103,096	101,760
Total assets	212,751	198,815
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,795	8,983
Short-term borrowings	9,821	316
Current portion of long-term borrowings	33,766	17,451
Income taxes payable	1,986	2,736
Provision for bonuses	1,152	742
Other provisions	118	522
Other	9,232	5,708
Total current liabilities	64,874	36,460
Non-current liabilities		
Long-term borrowings	43,134	49,422
Retirement benefit liability	292	307
Other provisions	48	49
Other	4,002	4,618
Total non-current liabilities	47,478	54,398
Total liabilities	112,353	90,858
Net assets		
Shareholders' equity		
Share capital	9,903	10,031
Capital surplus	15,025	15,153
Retained earnings	70,989	79,357
Treasury shares	(5,993)	(8,105)
Total shareholders' equity	89,925	96,437
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	709	859
Foreign currency translation adjustment	9,766	10,660
Remeasurements of defined benefit plans	(6)	(5)
Total accumulated other comprehensive income	10,469	11,514
Non-controlling interests	4	5
Total net assets	100,398	107,957
Total liabilities and net assets	212,751	198,815

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

(Millions of yen)

	The nine months of consolidated fiscal year ended March 31, 2024 (April 1, 2023 to December 31, 2023)	The nine months of consolidated fiscal year ended March 31, 2025 (April 1, 2024 to December 31, 2024)
Net sales	78,040	90,682
Cost of sales	41,552	47,500
Gross profit	36,487	43,182
Selling, general and administrative expenses	22,230	25,162
Operating income	14,256	18,020
Non-operating income		
Interest income	162	225
Dividend income	20	29
Foreign exchange gains	-	37
Subsidy income	29	8
Other	135	266
Total non-operating income	347	566
Non-operating expenses		
Interest expenses	478	608
Foreign exchange losses	84	-
Other	270	232
Total non-operating expenses	833	840
Ordinary income	13,771	17,746
Profit before income taxes	13,771	17,746
Income taxes - current	3,081	4,464
Income taxes - deferred	493	316
Total income taxes	3,575	4,781
Profit	10,196	12,965
Loss attributable to non-controlling interests	(0)	(0)
Profit attributable to owners of parent	10,196	12,965

Consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	The nine months of consolidated fiscal year ended March 31, 2024 (April 1, 2023 to December 31, 2023)	The nine months of consolidated fiscal year ended March 31, 2025 (April 1, 2024 to December 31, 2024)
Profit	10,196	12,965
Other comprehensive income		
Valuation difference on available-for-sale securities	340	150
Foreign currency translation adjustment	1,798	894
Remeasurements of defined benefit plans, net of tax	0	0
Total other comprehensive income	2,139	1,045
Comprehensive income	12,335	14,010
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,335	14,010
Comprehensive income attributable to non-controlling interests	(0)	0

(3) Notes to consolidated financial statements

(Changes in accounting policies)

(Application of Accounting Standard for Current Income Taxes and Related Guidance)

The Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, revised October 28, 2022; hereafter, “the 2022 revised accounting standard”) and related guidance were applied from the beginning of the three months of the consolidated fiscal year ended March 31, 2025.

The revision to the account classification for current income taxes (taxes on other comprehensive income) follows the transitional treatment specified in the provisory clause of Paragraph 20-3 of the 2022 revised accounting standard and the transitional treatment specified in the provisory clause of Paragraph 65-2, Provision (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, revised October 28, 2022; hereafter, “the 2022 revised guidance”). The change in accounting policy had no effect on the consolidated financial statements for the nine months of the fiscal year ended March 31, 2025.

We applied the 2022 revised guidance on revisions concerning treatment in the consolidated financial statements when deferring taxes on gain or loss on the sale of the shares of subsidiaries, etc., between consolidated companies from the beginning of the three months of the consolidated fiscal year ended March 31, 2025. The change in accounting policy was applied retroactively, and we have restated the quarterly and full-year consolidated financial statements for the previous fiscal year to reflect the changes after the revision. The change in the accounting policy had no effect on the quarterly consolidated financial statements and the full-year consolidated financial statements for the previous fiscal year.

(Segment information and related information)

[Segment information]

I. The nine months of consolidated fiscal year ended March 31, 2024 (April 1, 2023 to December 31, 2023)

1. Information regarding net sales and profit or loss by reportable segment

(Millions of yen)

	Reportable segment			Other (Note)	Total
	Electronics	Medical and Pharmaceuticals	Total		
Net sales					
External sales	53,329	22,098	75,428	2,612	78,040
Inter-segment sales or transfers	0	—	0	244	244
Total	53,329	22,098	75,428	2,857	78,285
Segment profit	12,359	2,877	15,237	47	15,284

Note: 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. Differences between the total profit or loss amount in reportable segments and the amount recorded on the consolidated statement of income (cumulative), and details of thereof (reconciliation)

(Millions of yen)

Profit (Loss)	Amount
Reportable segment total	15,237
“Other” segment profit	47
Inter-segment eliminations	(17)
Profit (Loss) not allocated to business segments (Note)	(1,010)
Operating income in the consolidated statement of income	14,256

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

3. Information regarding impairment loss on non-current assets, goodwill, etc., in each reportable segment
(Significant impairment loss on non-current assets)

None.

(Significant change in the amount of goodwill)

None.

II. The nine months of consolidated fiscal year ended March 31, 2025 (April 1, 2024 to December 31, 2024)

1. Information regarding net sales and profit or loss by reportable segment

(Millions of yen)

	Reportable segment			Other (Note)	Total
	Electronics	Medical and Pharmaceuticals	Total		
Net sales					
External sales	62,672	24,575	87,247	3,435	90,682
Inter-segment sales or transfers	—	—	—	299	299
Total	62,672	24,575	87,247	3,734	90,982
Segment profit	16,981	2,046	19,028	161	19,190

Note: 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. Differences between the total profit or loss amount in reportable segments and the amount recorded on the consolidated statement of income (cumulative), and details of thereof (reconciliation)

(Millions of yen)

Profit (Loss)	Amount
Reportable segment total	19,028
“Other” segment profit	161
Inter-segment eliminations	(2)
Profit (Loss) not allocated to business segments (Note)	(1,167)
Operating income in the consolidated statement of income	18,020

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

3. Information regarding impairment loss on non-current assets, goodwill, etc. in each reportable segment (Significant impairment loss on non-current assets)

None.

(Significant change in the amount of goodwill)

None.

(Substantial changes in the amount of shareholders' equity)

None.

(Premise of going concern)

None.

(Consolidated statement of cash flows)

We did not prepare a consolidated statement of cash flows for the nine months of the consolidated fiscal year ended March 31, 2025. Depreciation (including depreciation of intangible assets except for goodwill) and amortization of goodwill for the nine months of the consolidated fiscal year ended March 31, 2025 are as follows.

	(Millions of yen)	
	The nine months of consolidated fiscal year ended March 31, 2024 (April 1, 2023 to December 31, 2023)	The nine months of consolidated fiscal year ended March 31, 2025 (April 1, 2024 to December 31, 2024)
Depreciation	6,397	6,731
Amortization of goodwill	217	218