

April 30, 2025

Consolidated Financial Results for 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 of ordinary general meeting of shareholders: June 21, 2025
 Scheduled date to commence dividend payments: June 2, 2025
 Scheduled date to file annual securities report: June 17, 2025
 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, 2025 (from April 1, 2024 to March 31, 2025)

(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, 2025	119,010	13.6	22,067	21.2	21,577	24.6	10,780	24.6
March 31, 2024	104,775	7.6	18,203	14.0	17,310	12.0	8,654	(24.1)

Note: Comprehensive income

For the fiscal year ended March 31, 2025: 9,272 millions of yen(25.7%)

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

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, 2025	193.18	—	10.6	10.7	18.5
March 31, 2024	154.89	—	9.0	8.7	17.4

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

For the fiscal year ended March 31, 2025: - millions of yen

For the fiscal year ended March 31, 2024: - 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, 2025	192,022	102,978	53.6	1,854.68
March 31, 2024	212,751	100,398	47.2	1,795.14

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

As of March 31, 2025: 102,973 millions of yen

As of March 31, 2024: 100,394 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, 2025	23,713	(8,307)	(29,216)	44,052
March 31, 2024	21,224	(21,069)	8,954	57,664

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, 2024	—	38.00	—	42.00	80.00	4,479	51.6	4.6
Fiscal year ended March 31, 2025	—	40.00	—	150.00	190.00	10,652	98.4	10.4
Fiscal year ended March 31, 2026 (Forecast)	—	145.00	—	145.00	290.00		100.6	

**3. Consolidated earnings forecasts for the fiscal year ended March 31, 2026
(from April 1, 2025 to March 31, 2026)**

(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, 2025	62,500	4.3	11,800	(5.1)	11,500	(7.4)	8,500	(7.7)	153.10
Fiscal year ended March 31, 2026	123,400	3.7	23,300	5.6	22,500	4.3	16,000	48.4	288.18

* Notes

- (1) Changes in significant subsidiaries during the period: 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: 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 “3. Consolidated Financial Statements and Explanatory Notes (5) Notes on consolidated financial statements (Changes in accounting policies)” on page 16 of Supplementary Schedules and Notes regarding changes in accounting policies due to revisions to accounting standards and other regulations.

(3) Number of issued shares

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

As of March 31, 2025	58,369,505 shares
As of March 31, 2024	58,291,559 shares

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

As of March 31, 2025	2,848,449 shares
As of March 31, 2024	2,366,038 shares

- c. Average number of outstanding shares during the period

Fiscal year ended March 31, 2025	55,804,249 shares
Fiscal year ended March 31, 2024	55,873,328 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)).

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating results

(Millions of yen, % year on year)

Fiscal year ended	Operating revenue		Operating income		Ordinary income		Profit	
		%		%		%		%
March 31, 2025	23,650	52.9	15,188	109.9	14,109	104.7	10,166	67.8
March 31, 2024	15,463	10.3	7,236	6.6	6,894	5.2	6,058	△4.8

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2025	182.18	—
March 31, 2024	108.44	—

(2) Non-consolidated financial position

Fiscal year ended	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2025	117,962	59,577	50.5	1,073.05
March 31, 2024	132,686	55,662	41.9	995.29

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

As of March 31, 2025: 59,577 millions of yen

As of March 31, 2024: 55,662 millions of yen

*** 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 the fiscal year ended March 31, 2025

Net sales for the consolidated fiscal year ended March 31, 2025 were 119,010 million yen (up 13.6% year on year). Operating income was 22,067 million yen (up 21.2% year on year), and ordinary income was 21,577 million yen (up 24.6% year on year). Profit attributable to owners of the parent was 10,780 million yen (up 24.6% year on year), which mainly reflects impairment losses recognized by TAIYO Pharma Co., Ltd. as a result of revaluating 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

Sales volume for rigid board materials increased year on year on the back of strong demand in China for automotive products and smartphone-related products. Display-related materials also saw firm demand for dry film materials and sales volume increased year on year.

In semiconductor package products (PKG), sales volume increased for liquid materials and dry film materials from the previous fiscal year. A rebound during the fiscal under review was seen, particularly in dry film materials compared to the first half of the previous fiscal year when demand was low. Sales volume increased, mainly in products for memory.

Over 90% of sales in this segment were overseas sales. Foreign exchange gains (a result of the weak yen) therefore contributed to revenue and profit growth in the fiscal year under review. Throughout the fiscal year under review, the JPY/USD exchange rate averaged at JPY 152.5/USD, 8.1 yen weaker than the previous period's average rate of JPY 144.4/USD.

As a result, net sales amounted to 81,703 million yen (up 14.4% year on year), and segment profit came to 21,458 million yen (up 30.4% 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 from a decline in sales volume accompanying changes in the market environment, mainly due to the elective care scheme for long-listed products. This increase resulted from an increase in demand from a supply shortage of other companies' products with the same efficacy, an increase in demand for antitussives, and an increase in sales accompanying the transfer of manufacturing and sales licensing for REMINYL®.

TAIYO Pharma Tech Co., Ltd.'s ethical pharmaceuticals contract development and manufacturing business recorded year on year growth in net sales, due to an increase in the volume contracted by customers. mystarz Co., Ltd. (formerly Ricc Co., Ltd.), which manufactures and sells dental prosthetics, was also made a consolidated subsidiary from the fiscal year under review.

As a result, net sales amounted to 31,558 million yen (up 7.8% year on year), and segment profit came to 2,049 million yen (down 36.9% year on year.)

(2) Overview of financial position as of March 31, 2025

The following shows the status of assets, liabilities, and net assets as of March 31, 2025.

	As of March 31, 2024 (Millions of yen)	As of March 31, 2025 (Millions of yen)	Change (Millions of yen)	Main factors (Comparison with the end of the previous fiscal year)
Current assets	109,655	98,008	(11,646)	Decrease of ... 13,680 million yen in cash and deposits, Increase of ... 2,191 million yen in raw materials and supplies 1,968 million yen in merchandise and finished goods
Non-current assets	103,096	94,014	(9,082)	Decrease of... 8,794 million yen in sales right, 3,784 million yen in construction in progress Increase of... 2,714 million yen in machinery, equipment and vehicles, net
Total assets	212,751	192,022	(20,729)	
Total liabilities	112,353	89,043	(23,309)	Decrease of... 12,683 million yen in long-term borrowings (including current portion of long-term borrowings) 9,515 million yen in short-term borrowings
Total net assets	100,398	102,978	2,580	Positive factors: Recorded 10,780 million yen in profit attributable to owners of parent Negative factors: 4,594 million yen in dividends of surplus Increase of 2,113 million yen in treasury shares Decrease of 1,738 million yen in foreign currency translation adjustment account
Total liabilities and net assets	212,751	192,022	(20,729)	

(3) Consolidated statements of cash flows

The following is the status of cash flows for the fiscal year ended March 31, 2025.

	Fiscal year ended March 31, 2025 (Millions of yen)	Main factors
Net cash provided by (used in) operating activities	23,713	Cash inflows: 14,566 million yen in profit before income taxes 9,090 million yen in depreciation 7,010 million yen in impairment losses Cash outflows: (4,388) million yen in increase in inventory (3,013) million yen in income taxes paid
Net cash provided by (used in) investing activities	(8,307)	Cash outflows: (6,312) million yen in purchase of property, plant and equipment (983) million yen in purchase of intangible assets
Net cash provided by (used in) financing activities	(29,216)	Cash inflows: 22,950 million yen in proceeds from long Cash outflows: (35,788) million yen in repayment of long-term borrowings (9,426) million yen in net decrease in short-term borrowings (4,594) million yen in dividends paid (2,219) million yen in purchase of treasury shares
Net increase (decrease) in cash and cash equivalents	(14,201)	
Cash and cash equivalents at end of period	44,052	

(4) Future forecasts

We expect growth of the global economy to slow due to rising uncertainty over the tariff policies of the U.S. administration, amid continuing high interest rates in the United States and European countries, exchange rate fluctuations accompanying the high interest rates, and the economic slump in China. However, 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, 2025,” a high percentage of sales in this segment are overseas sales. Exchange rate fluctuations, therefore, have a significant impact. The segment forecasts for the fiscal year ended March 31, 2026 are calculated based on an average exchange rate of JPY 145.0 /USD, which is JPY 7.5 /USD stronger than the average exchange rate of JPY 152.5 /USD for the fiscal year ended March 31, 2025.

In rigid products, we forecast a gradual increase in demand, mainly in automotive products and smartphone-related products, and continuing low demand for consumer equipment. Therefore, we expect sales volume for liquid materials to be roughly on par with the fiscal year ended March 31, 2025. 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 the fiscal year ended March 31, 2025.

In PKG, we expect sales volume to recover, mainly in products for memory as end-user demand for smartphones, PCs, tablets, and data centers gradually rebounds compared to the fiscal year ended March 31, 2025.

Selling, general, and administrative (SG&A) expenses are expected to increase due to an increase in R&D expenses.

As a result, we assume there will be a decrease in both sales and profit in the electronics business for the next fiscal year.

Medical and Pharmaceuticals

TAIYO Pharma Co., Ltd.'s ethical pharmaceuticals manufacturing and marketing business will see limited impact from the NHI drug price revisions in April 2025. However, we anticipate a decrease in sales volume, mainly in the items affected by changes in the market environment due to the elective care scheme for long-listed products. We forecast a decrease in sales and an increase in profit for segment due to a decrease in amortization of sales rights from impairment losses recognized in the fiscal year ended March 31, 2025.

In TAIYO Pharma Tech Co., Ltd.'s ethical pharmaceuticals contract development and manufacturing business, we anticipate an increase in sales and profit as contract manufacturing for a new customer gets fully underway and the volume contracted by existing customers increases.

As a result, we assume there will be an increase in sales and 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, 2026 Forecast	123,400	23,300	22,500	16,000	288.18
Fiscal year ended March 31, 2025 Actual result	119,010	22,067	21,577	10,780	193.18
Rate of change (%)	3.7	5.6	4.3	48.4	

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

	Segment	Fiscal year ended March 31, 2025 Actual result	Fiscal year ended March 31, 2026 Forecast	Change	Rate of change (%)
Net sales (Millions of yen)	Consolidated	119,010	123,400	4,390	3.7
	Electronics	81,703	81,500	(203)	(0.2)
	Medical and Pharmaceuticals	31,558	35,400	3,842	12.2
Operating income (Millions of yen)	Consolidated	22,067	23,300	1,233	5.6
	Electronics	21,458	20,100	(1,358)	(6.3)
	Medical and Pharmaceuticals	2,049	4,600	2,551	124.5

Note: The outlook for the fiscal year ended March 2026 is based on an average exchange rate of JPY 145.0/USD.
The average exchange rate for the fiscal year ended March 2025 is JPY 152.5/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, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	58,583	44,903
Notes and accounts receivable - trade, and contract assets	28,352	27,896
Merchandise and finished goods	8,571	10,539
Work in process	1,451	1,470
Raw materials and supplies	7,143	9,334
Other	5,582	3,897
Allowance for doubtful accounts	(30)	(34)
Total current assets	109,655	98,008
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	30,690	30,337
Machinery, equipment and vehicles, net	12,032	14,746
Tools, furniture and fixtures, net	2,380	2,637
Land	15,084	15,113
Construction in progress	7,261	3,477
Other	1,403	1,326
Total property, plant and equipment	68,852	67,638
Intangible assets		
Goodwill	2,896	3,032
Sales rights	13,979	5,185
Customer-related assets	5,000	4,523
Other	3,927	3,599
Total intangible assets	25,804	16,341
Investments and other assets		
Investment securities	4,437	4,870
Shares of subsidiaries and associates	1,394	993
Deferred tax assets	391	1,450
Retirement benefit asset	461	576
Other	1,982	2,437
Allowance for doubtful accounts	(227)	(294)
Total investments and other assets	8,439	10,034
Total non-current assets	103,096	94,014
Total assets	212,751	192,022

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(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,795	8,505
Short-term borrowings	9,821	305
Current portion of long-term borrowings	33,766	17,328
Accounts payable - other	6,586	5,662
Income taxes payable	1,986	3,168
Provision for bonuses	1,152	1,425
Other provisions	118	111
Other	2,646	1,483
Total current liabilities	64,874	37,991
Non-current liabilities		
Long-term borrowings	43,134	46,888
Deferred tax liabilities	1,200	964
Other provisions	48	89
Retirement benefit liability	292	352
Asset retirement obligations	1,386	1,424
Other	1,415	1,332
Total non-current liabilities	47,478	51,052
Total liabilities	112,353	89,043
Net assets		
Shareholders' equity		
Share capital	9,903	10,031
Capital surplus	15,025	15,153
Retained earnings	70,989	76,932
Treasury shares	(5,993)	(8,106)
Total shareholders' equity	89,925	94,011
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	709	913
Foreign currency translation adjustment	9,766	8,027
Remeasurements of defined benefit plans	(6)	21
Total accumulated other comprehensive income	10,469	8,962
Non-controlling interests	4	4
Total net assets	100,398	102,978
Total liabilities and net assets	212,751	192,022

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

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	104,775	119,010
Cost of sales	55,944	62,823
Gross profit	48,830	56,187
Selling, general and administrative expenses	30,627	34,119
Operating income	18,203	22,067
Non-operating income		
Interest income	262	322
Subsidy income	150	261
Other	219	445
Total non-operating income	632	1,029
Non-operating expenses		
Interest expenses	664	730
Foreign exchange losses	175	55
Loss on tax purpose reduction entry of non-current assets	88	233
Other	597	499
Total non-operating expenses	1,525	1,519
Ordinary income	17,310	21,577
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	416	—
Impairment losses	4,792	7,010
Total extraordinary losses	5,208	7,010
Profit before income taxes	12,102	14,566
Income taxes - current	3,741	5,338
Income taxes - deferred	(291)	(1,551)
Total income taxes	3,449	3,786
Profit	8,652	10,779
Loss attributable to non-controlling interests	(1)	(0)
Profit attributable to owners of parent	8,654	10,780

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(Consolidated statement of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	8,652	10,779
Other comprehensive income		
Valuation difference on available-for-sale securities	280	203
Foreign currency translation adjustment	3,543	(1,738)
Remeasurements of defined benefit plans, net of tax	8	27
Total other comprehensive income	3,832	(1,507)
Comprehensive income	12,484	9,272
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,485	9,272
Comprehensive income attributable to non-controlling interests	(1)	(0)

(3) Consolidated statement of changes in equity

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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Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,903	15,025	70,989	(5,993)	89,925
Changes during period					
Dividends of surplus			(4,594)		(4,594)
Profit attributable to owners of parent			10,780		10,780
Change in scope of consolidation			(242)		(242)
Issuance of new shares	128	128			256
Purchase of treasury shares				(2,219)	(2,219)
Disposal of treasury shares				106	106
Net changes in items other than shareholders' equity					
Total changes during period	128	128	5,943	(2,113)	4,086
Balance at end of period	10,031	15,153	76,932	(8,106)	94,011

	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	709	9,766	(6)	10,469	4	100,398
Changes during period						
Dividends of surplus						(4,594)
Profit attributable to owners of parent						10,780
Change in scope of consolidation						(242)
Issuance of new shares						256
Purchase of treasury shares						(2,219)
Disposal of treasury shares						106
Net changes in items other than shareholders' equity	203	(1,738)	27	(1,507)	0	(1,506)
Total changes during period	203	(1,738)	27	(1,507)	0	2,580
Balance at end of period	913	8,027	21	8,962	4	102,978

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	12,102	14,566
Depreciation	8,676	9,090
Impairment losses	4,792	7,010
Amortization of goodwill	290	551
Loss on valuation of shares of subsidiaries and associates	416	—
Subsidy income	(106)	(235)
Decrease (increase) in retirement benefit asset	59	(95)
Increase (decrease) in retirement benefit liability	(5)	3
Increase (decrease) in allowance for doubtful accounts	(54)	82
Increase (decrease) in provision for bonuses	(2)	219
Interest and dividend income	(295)	(372)
Interest expenses	664	730
Decrease (increase) in consumption taxes refund receivable	(1,074)	517
Decrease (increase) in trade receivables	(3,731)	88
Decrease (increase) in inventories	(1,690)	(4,388)
Increase (decrease) in trade payables	1,262	(28)
Other, net	2,808	(632)
Subtotal	24,111	27,108
Interest and dividends received	286	365
Interest paid	(530)	(746)
Income taxes paid	(2,642)	(3,013)
Net cash provided by (used in) operating activities	21,224	23,713
Cash flows from investing activities		
Payments into time deposits	(857)	(875)
Proceeds from withdrawal of time deposits	—	867
Purchase of property, plant and equipment	(11,582)	(6,312)
Purchase of intangible assets	(7,229)	(983)
Purchase of investment securities	(394)	(270)
Purchase of shares of subsidiaries and associates	(927)	(339)
Other, net	(77)	(392)
Net cash provided by (used in) investing activities	(21,069)	(8,307)

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(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,335	(9,426)
Proceeds from long-term borrowings	23,948	22,950
Repayments of long-term borrowings	(13,107)	(35,788)
Purchase of treasury shares	(0)	(2,219)
Dividends paid	(5,028)	(4,594)
Proceeds from issuance of shares	164	129
Other, net	(355)	(267)
Net cash provided by (used in) financing activities	8,954	(29,216)
Effect of exchange rate change on cash and cash equivalents	1,189	(391)
Net increase (decrease) in cash and cash equivalents	10,299	(14,201)
Cash and cash equivalents at beginning of period	47,088	57,664
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	276	589
Cash and cash equivalents at end of period	57,664	44,052

(5) 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 “2022 revised accounting standard”) and related guidance were applied from the beginning 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”). This change in accounting policy had no impact on the consolidated financial statements for the fiscal year under review.

The 2022 revised guidance was also applied from the beginning of the fiscal year ended March 31, 2025 to revisions due to a change in treatment in the consolidated financial statements when gains or losses on sale accompanying the sale of shares of subsidiaries among consolidated companies are deferred for tax purposes. The change in accounting policy was applied retroactively and the consolidated financial statements for the previous consolidated fiscal year reflect the retroactive application. This change in accounting policy had no impact on the consolidated financial statements for the previous fiscal year.

(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, 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.

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Fiscal year ended March 31, 2025

(Millions of yen)

	Reportable segment			Other (Note 1)	Total
	Electronics	Medical and Pharmaceuticals	Total		
Net sales					
External sales	81,703	31,558	113,261	5,749	119,010
Inter-segment sales or transfers	—	—	—	406	406
Total	81,703	31,558	113,261	6,155	119,417
Segment profit	21,458	2,049	23,508	262	23,771
Segment assets	87,369	64,130	151,500	10,933	162,433
Other items					
Depreciation (Note 2)	3,626	4,526	8,152	436	8,589
Increase in property, plant and equipment, and intangible assets	2,560	1,217	3,778	1,294	5,072

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, 2024	Fiscal year ended March 31, 2025
Reportable segment total	100,684	113,261
“Other” segment net sales	4,425	6,155
Inter-segment eliminations	(335)	(406)
Net sales reported in consolidated statement of income	104,775	119,010

(Millions of yen)

Profit/Loss	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Reportable segment total	19,704	23,508
“Other” segment profit	78	262
Inter-segment eliminations	(22)	(4)
Profit/loss not allocated to business segments (Note)	(1,557)	(1,698)
Operating income in the consolidated statement of income	18,203	22,067

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, 2024	Fiscal year ended March 31, 2025
Reportable segment total	153,218	151,500
“Other” segment assets	10,013	10,933
Inter-segment eliminations	(92)	(92)
Assets not allocated to business segments (Note)	49,900	29,842
Reclassification by tax effect conversion	(288)	(161)
Total assets reported in consolidated balance sheet	212,751	192,022

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, 2024	FY ended March 31, 2025	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2024	FY ended March 31, 2025
Depreciation	7,818	8,152	396	436	461	501	8,676	9,090
Increase in property, plant and equipment, and intangible assets	19,731	3,778	556	1,294	(639)	612	19,648	5,684

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

[Related information]

I 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.

II Fiscal year ended March 31, 2025

1. Information by product and service

(Millions of yen)

	Electronics	Medical and Pharmaceuticals	Other	Total
External sales	81,703	31,558	5,749	119,010

2. Information by region

(1) Net sales

(Millions of yen)

Japan	China	Taiwan	Korea	Other	Total
41,128	47,902	8,127	14,749	7,102	119,010

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
54,268	5,536	4,008	1,837	1,988	67,638

3. Information by main customer

(Millions of yen)

Customer Name	Net sales	Name of Related Segment
Daiichi Sankyo Co., Ltd. (Note)	11,797	Medical and Pharmaceuticals

Note: Shows aggregated net sales posted to Daiichi Sankyo Chemical Pharma Co., Ltd., which is affiliated with the Daiichi Sankyo Co., Ltd. corporate group. Daiichi Sankyo Co., Ltd. have announced to absorb and merge Daiich Sankyo Chemical Pharma Co., Ltd., with the effective date of the merger being April 1, 2025.

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

Fiscal year ended March 31, 2024

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

Fiscal year ended March 31, 2025

(Millions of yen)

	Reportable segment			Other	Corporate and Elimination	Total
	Electronics	Medical and Pharmaceuticals	Total			
Impairment losses	—	7,010	7,010	—	—	7,010

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

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.

Fiscal year ended March 31, 2025

(Millions of yen)

	Reportable segment			Other	Corporate and Elimination	Total
	Electronics	Medical and Pharmaceuticals	Total			
Amortization for fiscal year ended March 31, 2025	54	486	541	10	—	551
Balance as of March 31, 2025	434	2,594	3,028	3	—	3,032

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, 2024

None.

Fiscal year ended March 31, 2025

None.

(Per share information)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net assets per share	1,795.14 yen	1,854.68 yen
Basic earnings per share	154.89 yen	193.18 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: 62,240 shares; consolidated fiscal year under review: 544,560 shares).
 3. Basis for calculating basic earnings per share is shown below.

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit attributable to owners of parent (Millions of yen)	8,654	10,780
Amount not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent for common shares (Millions of yen)	8,654	10,780
Average number of outstanding common shares during the period (Shares)	55,873,328	55,804,249

- 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: 81,866 shares; consolidated fiscal year under review: 237,435 shares).

(Significant subsequent events)

None.