

# Consolidated Financial Result Digest FY2025/3 4Q

(Fiscal Year Ended March 31, 2025)

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Apr. 30, 2025



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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 and marketing ethical 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 4Q Overview

## Electronics

- Net sales increased by 14% year on year on a cumulative basis and decreased by 5% quarter on quarter  
<Reasons related to cumulative YoY>
  - Rigid products: Sales volume increased for automotive, smartphone and display (white dry film) products
  - PKG products: Sales volume increased, particularly for memory products, compared to the same period of the previous year when sales were sluggish in the first half of the year
  - The depreciation of the yen had a positive impact on our performance  
Average exchange rate: <2025/3> 152.5 JPY/USD <2024/3> 144.4 JPY/USD<Reasons related to QoQ>
  - Rigid products: Sales volume decreased for consumer-related and display (white dry film) products

## Medical and Pharmaceuticals

- Net sales increased by 8% year on year on a cumulative basis and decreased by 26% quarter on quarter  
<Reasons related to cumulative YoY>
  - mystarz Co., Ltd. (formerly Ricc Co., Ltd.) has been converted into our consolidated subsidiary
  - In the manufacturing and marketing business, there was an increase in demand for drugs with the same indications, which were in short supply from other companies, as well as for cough suppressants and expectorants
  - In the contract manufacturing business, contract volume increased due to an increase in demand from manufacturing customers
  - The approval for manufacturing and marketing of "REMINYL<sup>®</sup>," therapeutic agent for Alzheimer's disease, has been transferred to Taiyo Pharma<Reasons related to QoQ>
  - The product mix in the contract manufacturing business has been changed
  - Sales volume decreased due to customers holding off on purchases prior to NHI drug price revisions in the manufacturing and marketing business
- Taiyo Pharma recorded impairment losses

## ICT and Sustainability

- Taiyo Green Energy opened new floating solar power plants

## Company

- Shareholder Return Policy has been changed  
Return profits to shareholders with the aim of achieving a consolidated total payout ratio of 100% (at least until the fiscal year ending March 2028) while maintaining a DOE of 5% or more

# Consolidated Financial Results Summary

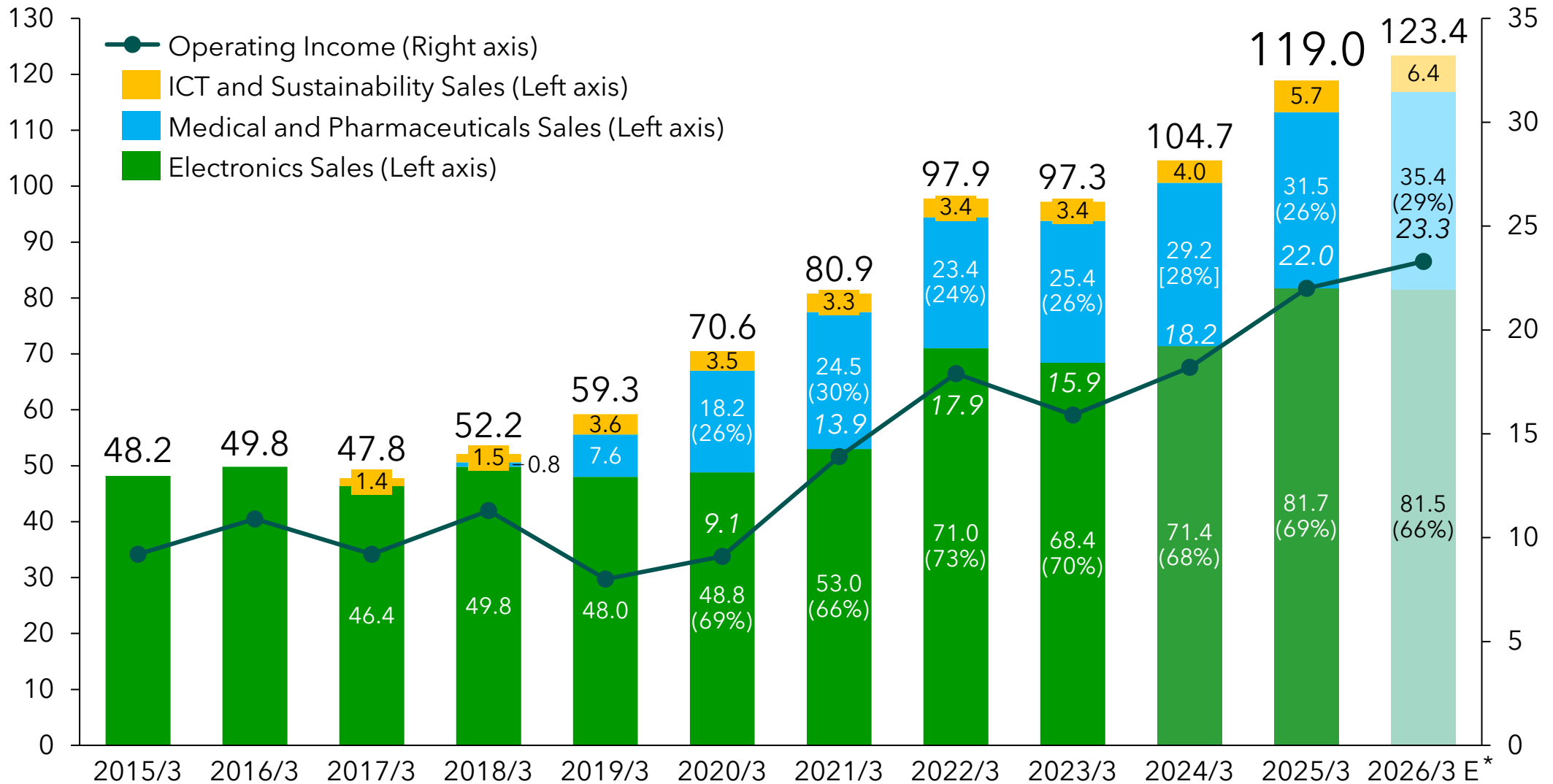
Unit : JPY Million	① 2024/3 4Q Cumulative Result	② 2025/3 4Q Cumulative Result	②-① YoY	(②-①)/① % of Changes	③ 2025/3 Full Year Forecast (Announced on Mar. 24)	②/③ % of Progress
Net Sales	<b>104,775</b>	<b>119,010</b>	14,235	14%	<b>118,600</b>	100%
Operating Income	<b>18,203</b>	<b>22,067</b>	3,864	21%	<b>22,300</b>	99%
Ordinary Income	<b>17,310</b>	<b>21,577</b>	4,266	25%	<b>21,700</b>	99%
Net Income	<b>8,654</b>	<b>10,780</b>	2,126	25%	<b>10,600</b>	102%
Exchange rate of JPY/USD	144.4	152.5	8.1		*	
EBITDA	<b>27,170</b>	<b>31,709</b>	4,539	17%	<b>31,800</b>	100%
Operating Income Margin	17%	19%			19%	
EBITDA Margin	26%	27%			27%	

\* The exchange rate was calculated based on actual results (152.7 JPY/USD) from April 2024 to February 2025 and current results (152.4 JPY/USD) at the time of the full-year forecast revision (announced on March 24).

# Trend of Yearly Performance

## Yearly trend of Net Sales and Operating Income

Unit : JPY Billion



\* JPY/USD exchange rate : Assumed value for FY2026/3 145.0 JPY

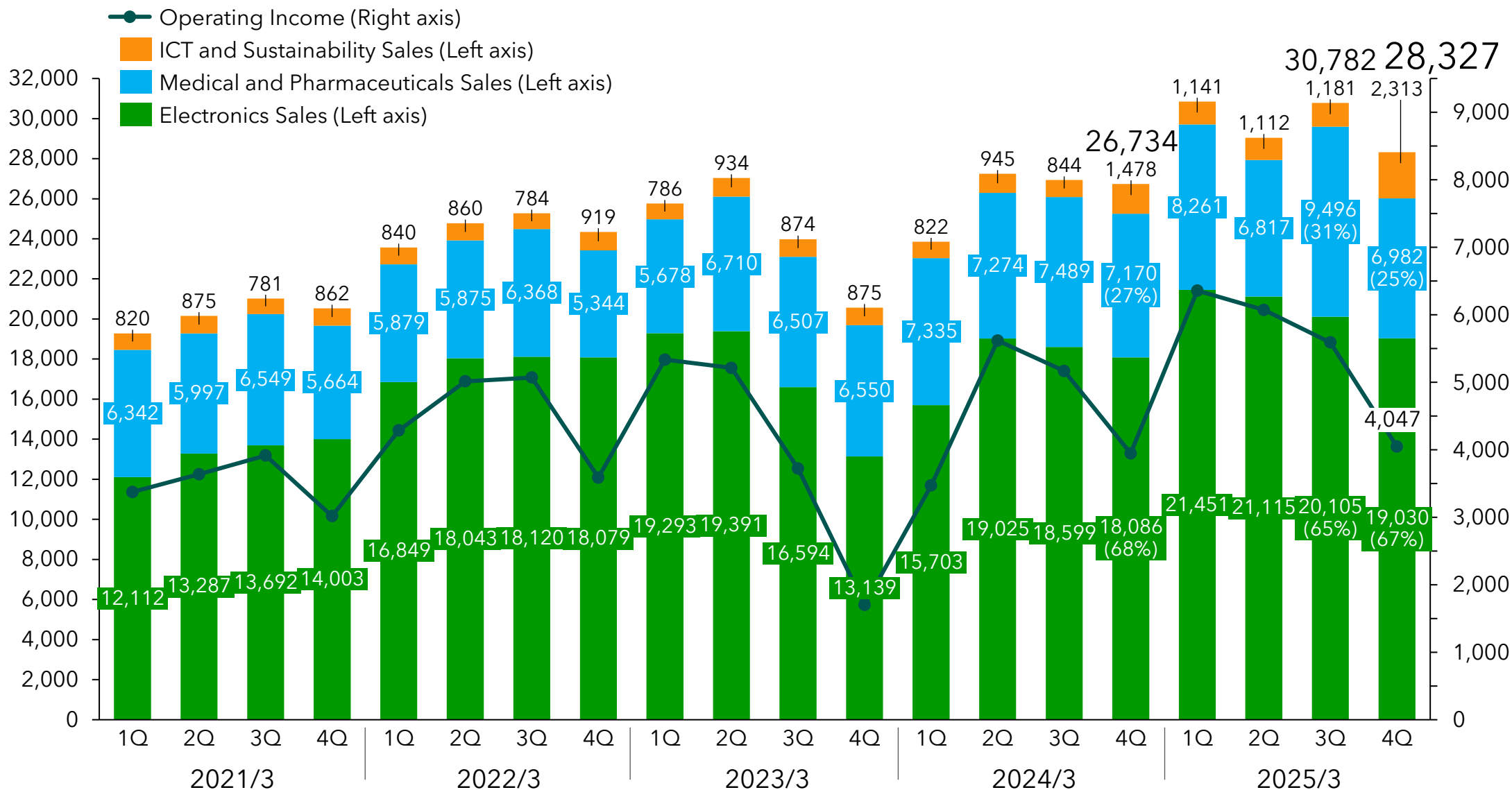
# Performance by Segment

## Cumulative Net Sales, Operating Income and EBITDA

		①	②	②-①	(②-①)/①	③	②/③
Unit : JPY Million		2024/3 4Q Cumulative Result	2025/3 4Q Cumulative Result	YoY	% of Changes	2025/3 Full Year Forecast (Announced on Mar.24)	% of Progress
Electronics	Net Sales	<b>71,415</b>	<b>81,703</b>	10,287	14%	<b>81,200</b>	101%
	Operating Income	<b>16,456</b>	<b>21,458</b>	5,002	30%	<b>21,400</b>	100%
	Operating Income Margin	23%	26%			26%	
	EBITDA	<b>19,259</b>	<b>25,139</b>	5,880	31%	<b>25,000</b>	101%
	EBITDA Margin	27%	31%			31%	
Medical and Pharmaceuticals	Net Sales	<b>29,269</b>	<b>31,558</b>	2,288	8%	<b>32,500</b>	97%
	Operating Income	<b>3,248</b>	<b>2,049</b>	(1,199)	(37%)	<b>2,200</b>	93%
	Operating Income margin	11%	6%			7%	
	EBITDA	<b>8,543</b>	<b>7,061</b>	(1,481)	(17%)	<b>7,300</b>	97%
	EBITDA Margin	29%	22%			22%	
ICT and Sustainability	Net Sales	<b>4,090</b>	<b>5,749</b>	1,658	41%	-	-
	Operating Income	<b>78</b>	<b>262</b>	184	235%	-	-
	Operating Income Margin	2%	5%			-	-
Company Expense	Operating Income / Loss	<b>(1,579)</b>	<b>(1,703)</b>	(123)		-	-

# Trend of Quarterly Performance Net Sales and Operating Income

Unit : JPY Million



# BS- Comparison with the Previous Term

Unit : JPY Million

	2024/3	2025/3	Changes		2024/3	2025/3	Changes
Cash and Deposits	58,583	44,903	(13,680)	Notes and Account Payable	8,795	8,505	(290)
Accounts Receivables* <sup>1</sup>	28,352	27,896	(455)	Short Term Borrowings* <sup>3</sup>	43,588	17,634	(25,953)
Inventory* <sup>2</sup>	17,166	21,345	4,178	Long Term Borrowings	43,134	46,888	3,754
Others	5,552	3,862	(1,689)	Others	16,835	16,015	(819)
<b>Total Current Assets</b>	<b>109,655</b>	<b>98,008</b>	(11,646)	<b>Total Liabilities</b>	<b>112,353</b>	<b>89,043</b>	(23,309)
Tangible Fixed Assets	68,852	67,638	(1,213)	Shareholders Equity	89,925	94,011	4,086
Intangible Fixed Assets	25,804	16,341	(9,463)	Accumulated Other Comprehensive Income	10,469	8,962	(1,507)
Investments and Other Assets	8,439	10,034	1,594	Non-Controlling Interest	4	4	0
<b>Total Fixed Assets</b>	<b>103,096</b>	<b>94,014</b>	(9,082)	<b>Total Net Assets</b>	<b>100,398</b>	<b>102,978</b>	2,580
<b>Total Assets</b>	<b>212,751</b>	<b>192,022</b>	(20,729)	<b>Total Liabilities and Net Assets</b>	<b>212,751</b>	<b>192,022</b>	(20,729)
				Equity to Asset Ratio	47.2%	53.6%	6.4%

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

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

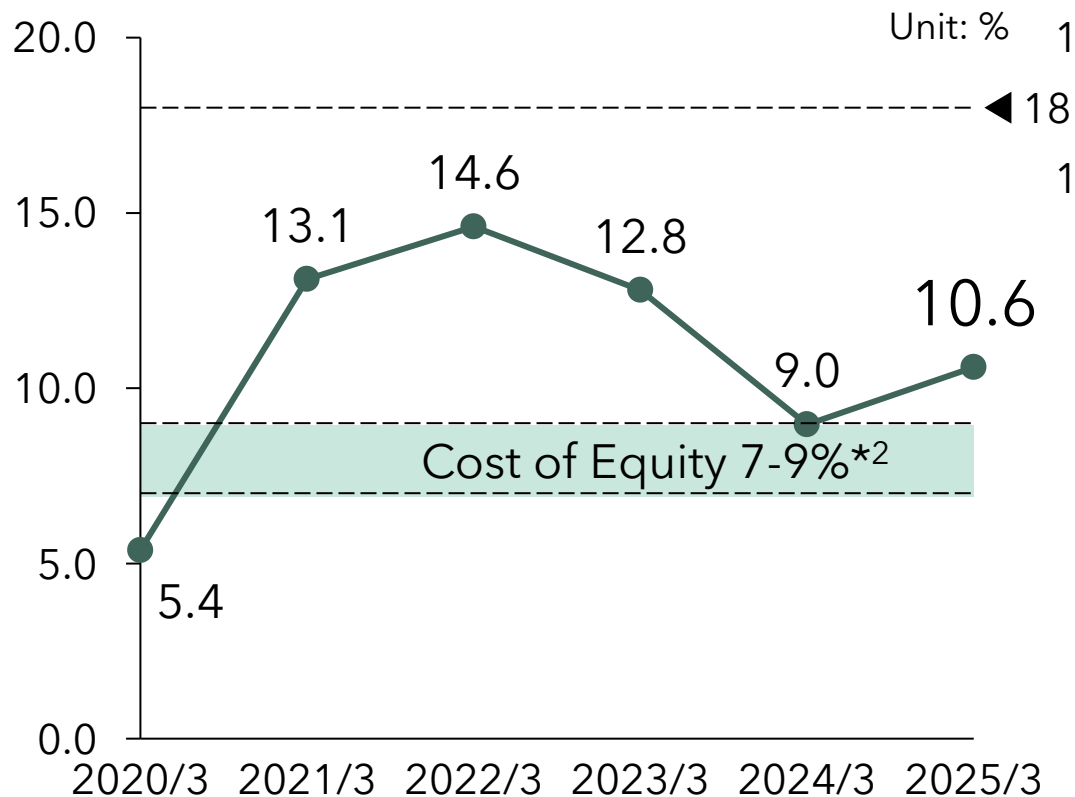
\*3 Short-Term Borrowings : Short-Term Borrowings + Long-Term Borrowings Scheduled to Be Repaid within One Year



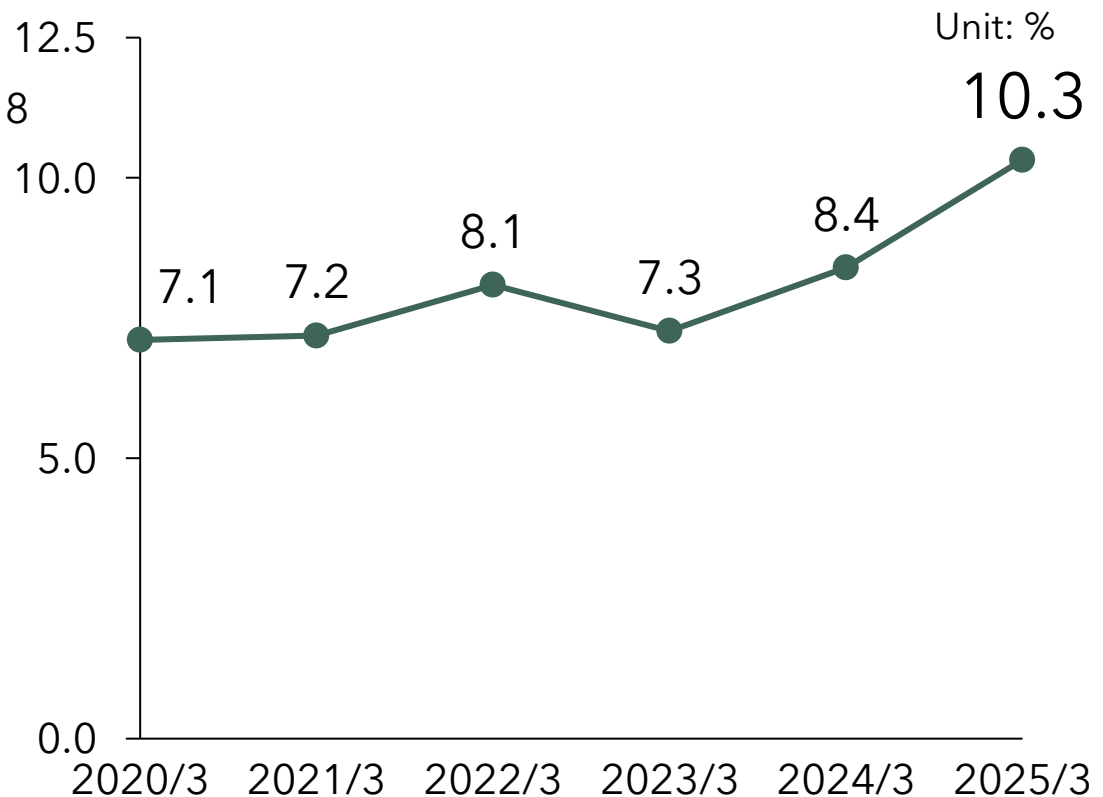
# Trend of Yearly ROE and ROIC

- ✓ ROE in FY2025/3 increased due to the rise in net income compared to FY2024/3. We continue to work towards achieving our target figure of 18% by 2030 under our long-term management plan. ROIC in FY2025/3 also improved due to the increase in operating income and the decrease in interest-bearing debt.

## ROE (Return on Equity)\*1



## ROIC (Return on invested Capital Equity)\*1



\*1 ROE : Net income attributable to shareholders of the parent company / Average equity capital during the fiscal year

ROIC : Net operating income after tax / Average of (Balance of interest-bearing debt+Total equity) during the fiscal year

\*2 Risk-free rate (Japan government bond yield) of 1.5% + Taiyo Holdings'  $\beta$  value of 1.1-1.2  $\times$  risk premium of 5-6%

# Change in Shareholder Return Policy

- ✓ As part of efforts to improve ROE, a target indicator under the long-term management plan, we decided to return profits to shareholders with the aim of achieving a consolidated total payout ratio of 100% at least until FY2028/3.

## New Shareholder Return Policy\*

We regards returning cash to shareholders as one of its most important policies and returns a high level of profits to shareholders on a continuous and stable basis.

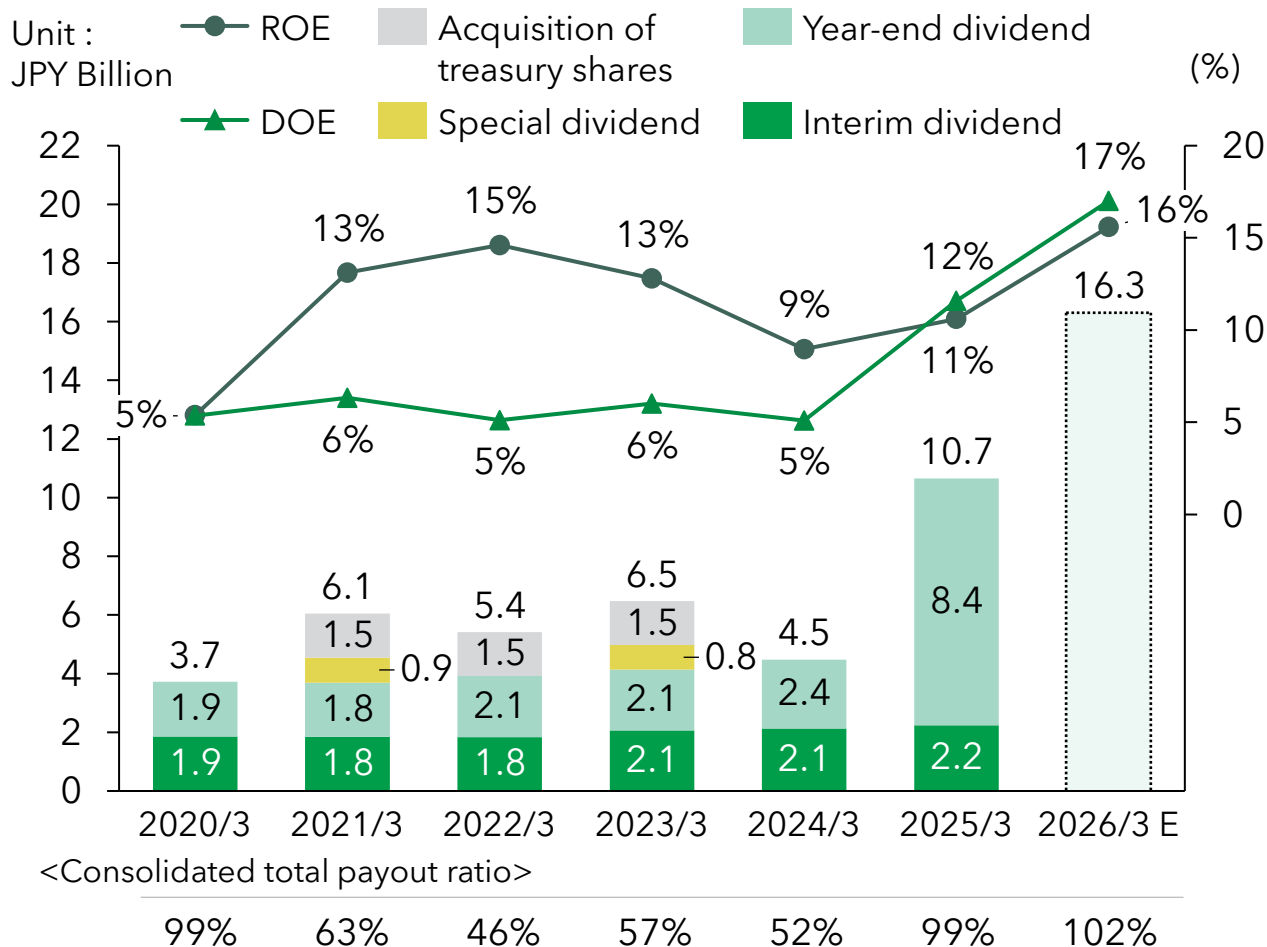
- We uses a Dividend on Equity ratio (DOE) as a target indicator for our long-term management plan, while maintaining a (DOE) of more than 5% based on the consolidated accounts.

### <Additional Policy>

- To improve ROE, we will return profits to shareholders with the aim of achieving a consolidated total payout ratio of 100% (at least until FY2028/3)

\* From at the end of FY2025/3

## Shifts in total dividends and acquisition of treasury shares



# Trend of Shareholder Returns

- ✓ Based on our shareholder return policy, we set the forecast of our dividend per share (DPS) as follows.

<Fiscal year ended March 31, 2025>

Interim dividend: 40 yen

Year-end dividend: 150 yen

Annual dividend: 190 yen (DOE 11.6%)

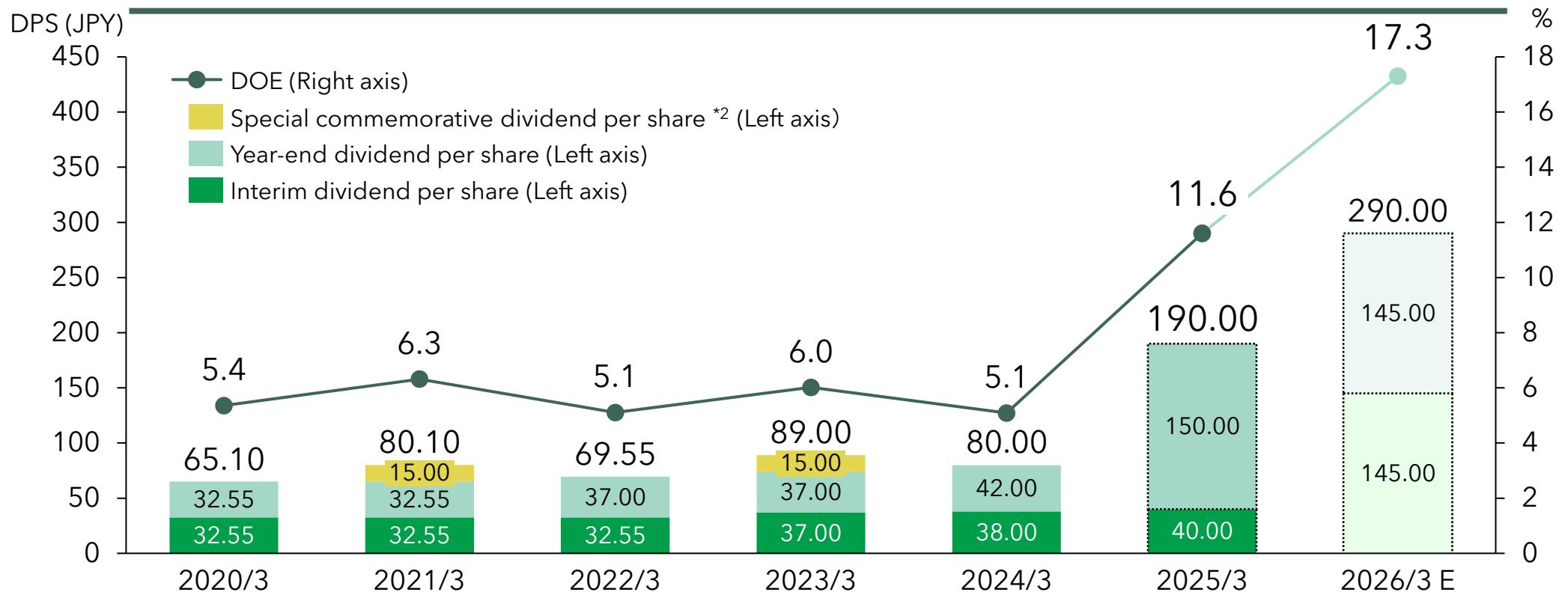
<Fiscal year ended March 31, 2026 (forecast) >

Interim dividend: 145 yen

Year-end dividend: 145 yen

Annual dividend: 290 yen (DOE 17.3%)

## Dividend\*1 - DOE



\*1 We performed a stock split with effect from October 1, 2021 whereby each common stock of Taiyo Holdings was divided into two shares.

Figures have been calculated assuming that the stock split was performed at the beginning of 2020/3.

\*2 2021/3: Commemorative dividend for the 20th anniversary of listing on the TSE 1st section

2023/3: Commemorative dividend for the 70th anniversary of company's foundation

# Impairment losses of Taiyo Pharma

- ✓ We revised the valuation of sales rights for Taiyo Pharma products with declining profitability and recorded impairment losses of 7 billion yen as a result in FY2025/3.

## Impairment losses of Taiyo Pharma: Overview

Description of extraordinary losses	Revised the valuation amount of sales rights whose profitability had declined at Taiyo Pharma Co., Ltd., a consolidated subsidiary of Taiyo Holdings.	
Monetary impact of extraordinary losses	Impairment losses amount to seven products: 7,010 million yen	
Main reason for incurrance of extraordinary losses	KYTRIL® MADOPAR®	<ul style="list-style-type: none"> <li>• Steep rise in procurement price due to yen weakness and inflation</li> <li>• Decrease in selling price due to NHI drug price revision</li> </ul>
	DIGOSIN®	<ul style="list-style-type: none"> <li>• Steep rise in procurement price due to yen weakness and inflation</li> <li>• Decline in sales volume due to changes in the market environment resulting mainly from the elective care scheme for long-listed products</li> </ul>
	OMEPRAL® TENORMIN® SELOKEN® REMINYL®	<ul style="list-style-type: none"> <li>• Steep rise in procurement price due to yen weakness and inflation</li> <li>• Decrease in selling price due to NHI drug price revision</li> <li>• Decline in sales volume due to changes in the market environment resulting mainly from the elective care scheme for long-listed products</li> </ul>

Note that due to the recognition of impairment losses, amortization expenses for the sales rights booked under intangible assets are anticipated to be reduced by 1,123 million yen in the fiscal year ended March 31, 2026, and thereafter.

# ESG External Evaluations and Inclusion in Indices

- ✓ We have achieved high external evaluations, including recognition as a Certified Health and Productivity Management Outstanding Organization as well as inclusion in indices.

## Health and Productivity Management Outstanding Organization

Taiyo Holdings was recognized as a “2025 Certified Health and Productivity Management Outstanding Organization” in the large enterprise category for the first time (in March 2025)



## JPX-Nikkei Index 400

Continuously selected as a constituent since August 2023

## Nikkei Semiconductor Stock Index

Continuously selected as a constituent

## CDP 2024 Climate change questionnaire

Received a “B” score from the CDP based on our disclosure on climate change solutions (February 2025)



## MSCI\* Japan Empowering Women (WIN) Select Index

Continuously selected as a constituent since June 2024

**2024** CONSTITUENT MSCI JAPAN  
EMPOWERING WOMEN INDEX (WIN)

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# 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

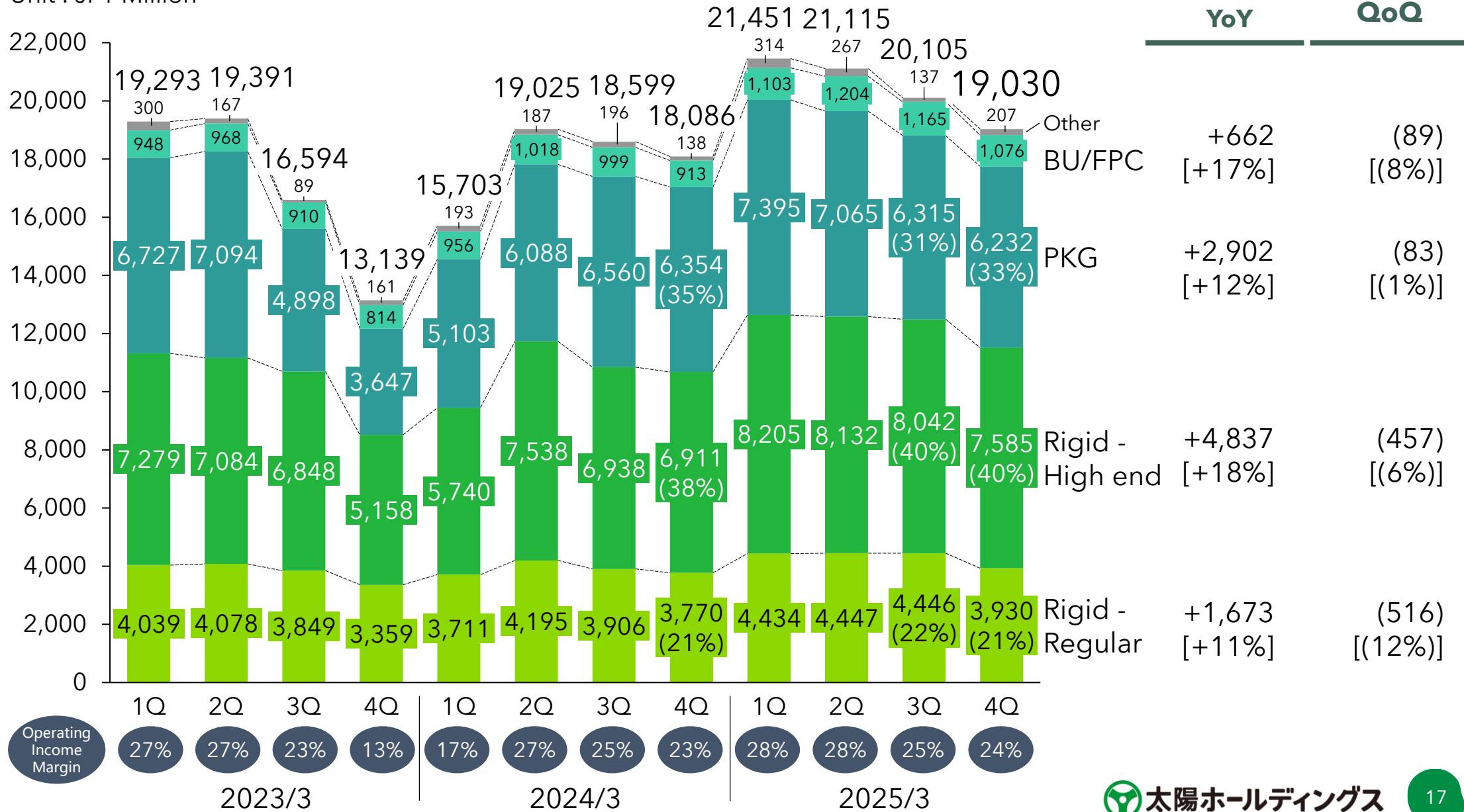
# Electronics Product Classification

Group	Category		Type	Remarks
PCB insulating materials	Rigid	Regular	Liquid	<ul style="list-style-type: none"> <li>▪ SR materials for insulation and surface protection use</li> <li>▪ Marking, etching and plating materials</li> <li>▪ Electronic materials etc.</li> </ul>
		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"> <li>▪ Conductive silver paste etc.</li> </ul>



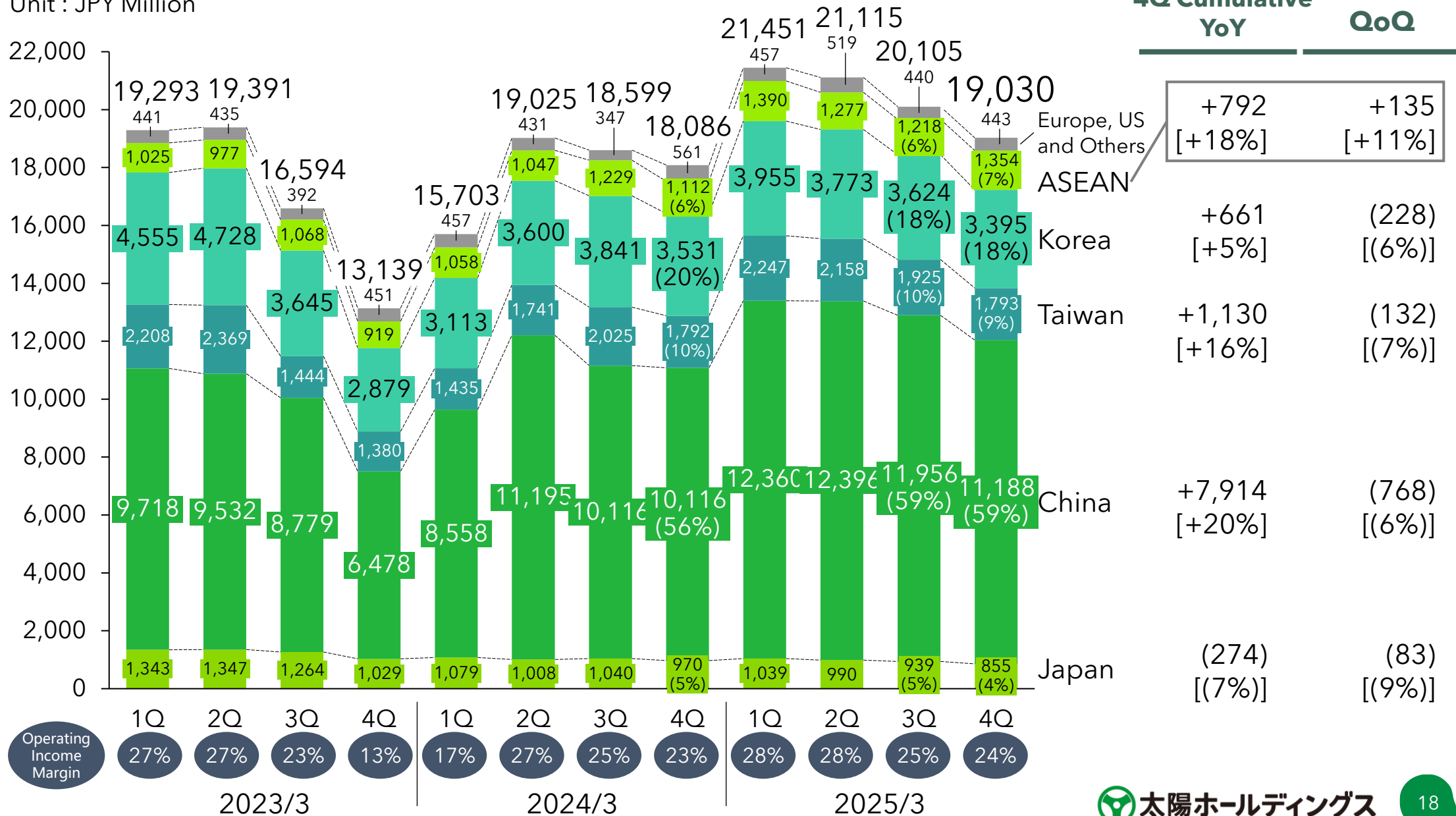
# Electronics Net Sales by Product Category

Unit : JPY Million



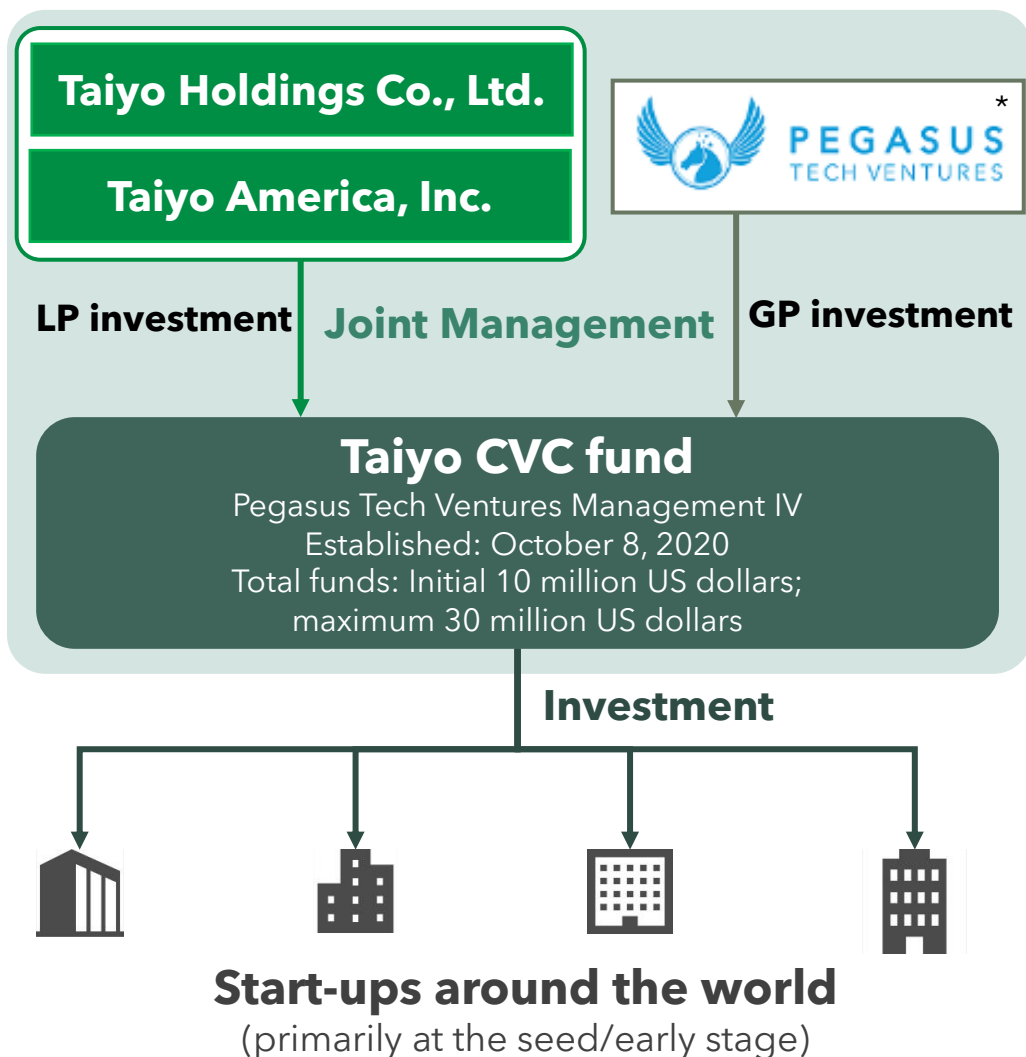
# Electronics Net Sales by Sales Area

Unit : JPY Million



# Utilization of Corporate Venture Capital (CVC)

- ✓ In order to create new businesses, particularly in Electronics, we established a CVC fund in October 2020. Through this fund, we explore technology seeds, cooperate with investee companies to gather information, assess new products, etc.



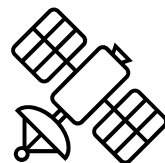
## Examples of investment fields

We invest in and collaborate with the Electronics field, while also investing in space and AI-related companies.



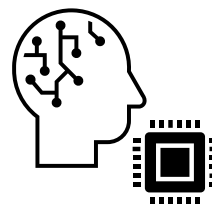
### Electronics field

- Technology seeds exploration and surveys on the latest technology trends (substrates, heat dissipation, shielding, etc.)
- Sales and joint promotions for products of investee companies
- Consider contract manufacturing by our group for some products of investee companies



### Space-related fields


- Surveys on the latest technology trends
- Assessment and sales promotion for our group's products



### AI-related fields

- Surveys on the latest technology trends

\*Pegasus Tech Ventures Head Office: California (US)



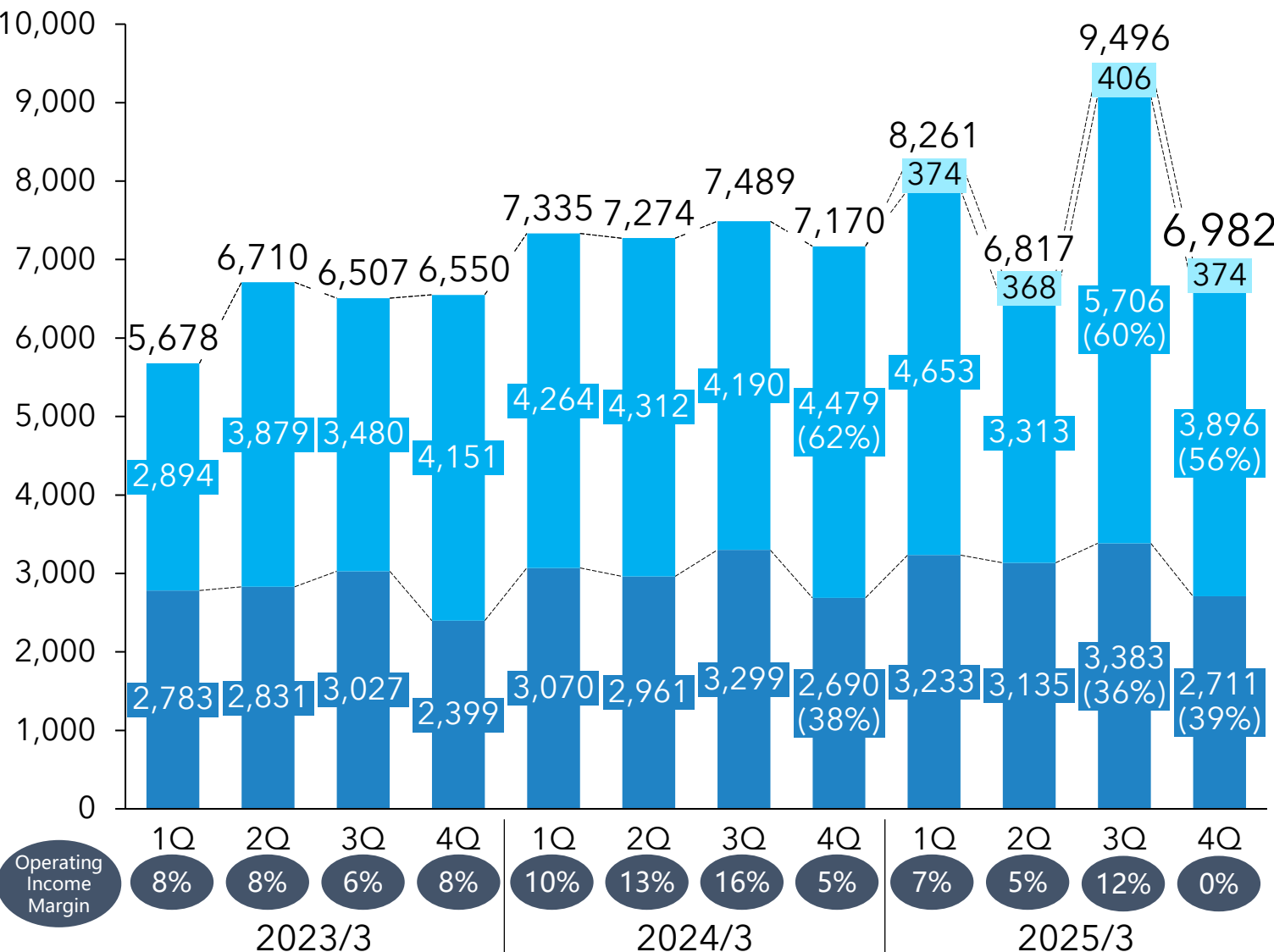
# Medical and Pharmaceuticals

# 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



**4Q Cumulative**  
**YoY**      **QoQ**

mystarz* (Dental Business)	+1,524	(31) [(8%)]
Taiyo Pharma Tech (CDMO)	+323 [+2%]	(1,810) [(32%)]
Taiyo Pharma (Manufacturing and Marketing)	+440 [+4%]	(671) [(20%)]

\*mystarz Co., Ltd. has been converted into consolidated subsidiaries since the first quarter of FY2025.

Since April 2025, its company name has been changed from Ricc Co., Ltd.

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# Taiyo Pharma Asia Completes Construction of New Plant in Thailand

- ✓ Taiyo Pharma Asia, a subsidiary of Taiyo Pharma, completed the construction of a new plant in the Kingdom of Thailand. This will be the first overseas site under the Medical and Pharmaceutical Business.
- ✓ The new plant, which will comply with both Thai (PIC/S) and Japanese GMPs, will introduce automatic visual inspection machines and packaging machines that conform to Japanese quality standards. The plant is scheduled to start its operation in the second half of FY2027/3.

## Overview of new Taiyo Pharma Asia plant

### [Location]

999/34 Moo 15 Bangsaotong Sub-District,  
Bangsaotong District, Samutprakarn Province,  
Thailand

### [Building Overview]

Total floor area: 2,592 m<sup>2</sup>  
Steel-framed two-story building

### [Date of Completion]

April 2025

### [Operation Start Date]

Second half of FY2027/3 (tent.)





# ICT and Sustainability

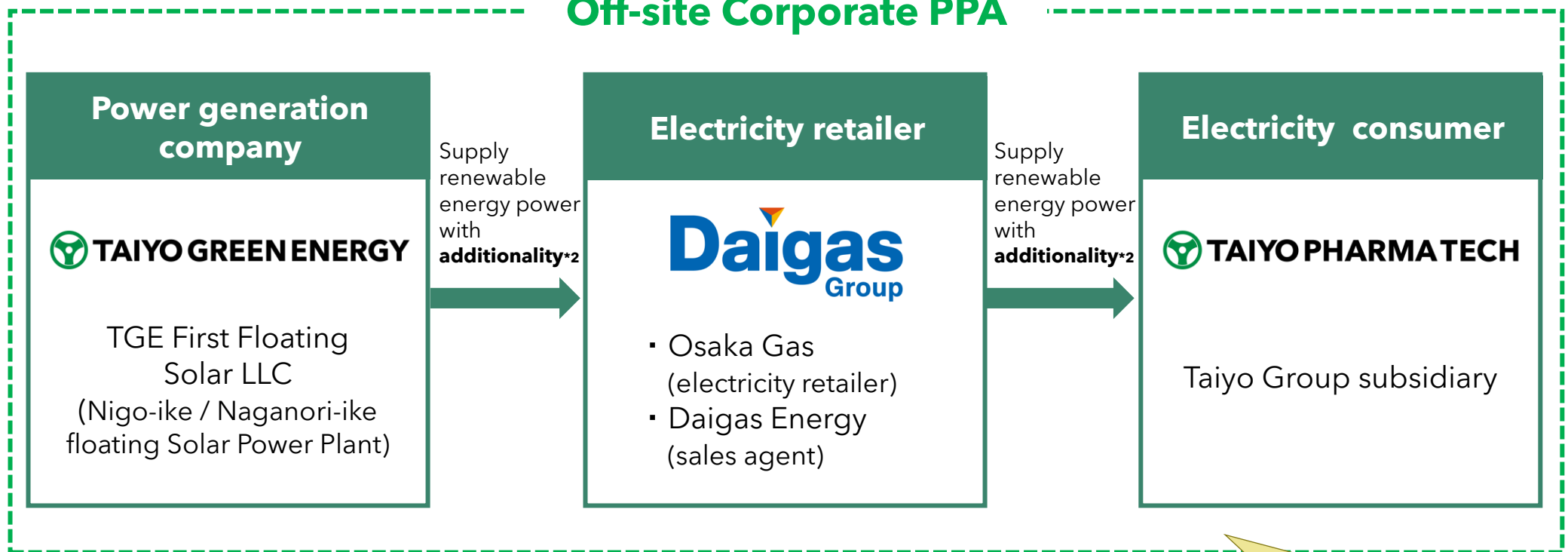


# Taiyo Green Energy Opened New Floating Solar Power Plants

- ✓ In February 2025, Taiyo Green Energy opened its 17th and 18th floating solar power plants in Japan and entered into an off-site corporate PPA\*1 with Taiyo Pharma Tech through Osaka Gas Co., Ltd. and its subsidiary, Daigas Energy Co., Ltd.

## Business Scheme

### Off-site Corporate PPA



\*1 A power purchase agreement in which a solar power generation system is introduced in a separate place from the facility that requires electric power, and the electricity generated is transmitted to the facility that requires electric power via the power transmission network

\*2 An effect of promoting the increase of new renewable energy facilities and investment in such facilities through the purchase of electricity generated by renewable energy, its certificates, etc.

Approx. 1,300 t-CO<sub>2</sub> of annual CO<sub>2</sub> reductions



# Earnings Forecasts

# FY2026/3 Earnings Forecasts Overview

## Electronics

- Net sales are expected to remain mostly unchanged (0%) from FY2025/3 results. Average exchange rate for FY2026/3 are assumed to be 145.0 JPY/USD.
  - We assume the yen to appreciate by 7.5 yen compared with 152.5 JPY/USD (the actual exchange rate for FY2025/3), which will negatively impact earnings.
  - PKG products: The sales volume is expected to increase due to an anticipated moderate recovery in demand, particularly for memory products.
  - Rigid products (liquid): A moderate increase in demand is expected for automotive and smartphone-related products. However, we expect sales volume to remain relatively unchanged from FY2025/3 due to a sluggish demand for consumer equipment, etc.
  - Rigid products (DF): A decrease in sales volume is expected due to an anticipated decline in demand for our display-related products resulting from changes to specifications for final products.
- Operating income is expected to decrease by 6% from FY2025/3 results.
  - SGA expenses: R&D expenses and other expenses are expected to increase.

## Medical and Pharmaceuticals

- Net sales are expected to increase by 12% from FY2025/3 results.
  - Contract manufacturing business: The contract volume from new customers is expected to increase due to the start of full-scale contract manufacturing. We also expect an increase in contract volume from our existing customers.
  - Manufacturing and marketing business: The sales volume is expected to decrease particularly for products eligible for elective care, while we expect the impact of NHI drug price revisions in April 2025 to be limited.
- Operating income is expected to increase by 124% from FY2025/3 results.
  - Contract manufacturing business: An increase in operating income is expected due to the rise in contract manufacturing from customers.
  - Manufacturing and marketing business: A decrease in amortization expenses for sales rights due to impairment losses recorded in FY2025/3.

## ICT and Sustainability

- Net sales and operating income are both expected to increase from FY2025/3 results.

# FY2026/3 Full-year Earnings Forecasts

## Full-year Earnings Forecasts

Unit : JPY Million

	① FY2025/3*1 Full-year Result			② FY2026/3*2 Full-year Forecast			②-①/① % of Changes		
	Consolidated	Electronics	Medical and Pharmaceuticals	Consolidated	Electronics	Medical and Pharmaceuticals	Consolidated	Electronics	Medical and Pharmaceuticals
<b>Net Sales</b>	119,010	81,703	31,558	123,400	81,500	35,400	4%	(0%)	12%
<b>Operating Income</b>	22,067	21,458	2,049	23,300	20,100	4,600	6%	(6%)	124%
<b>Ordinary Income</b>	21,577	-	-	22,500	-	-	4%	-	-
<b>Net Income</b>	10,780	-	-	16,000	-	-	48%	-	-
<b>EBITDA</b>	31,709	25,139	7,061	31,900	23,800	8,600	1%	(5%)	22%
<b>Operating Income Margin</b>	19%	26%	6%	19%	25%	13%			
<b>EBITDA Margin</b>	27%	31%	22%	26%	29%	24%			

\*1 JPY/USD exchange rate : Actual results for FY2025/3 152.5 JPY

\*2 JPY/USD exchange rate : Assumed value for FY2026/3 145.0 JPY

# FY2026/3 1<sup>st</sup> half & 2<sup>nd</sup> half Earnings Forecasts

## 1<sup>st</sup> half Earnings Forecasts FY2026/3

Unit : JPY Million

## 2<sup>nd</sup> half Earnings Forecasts FY2026/3

Unit : JPY Million

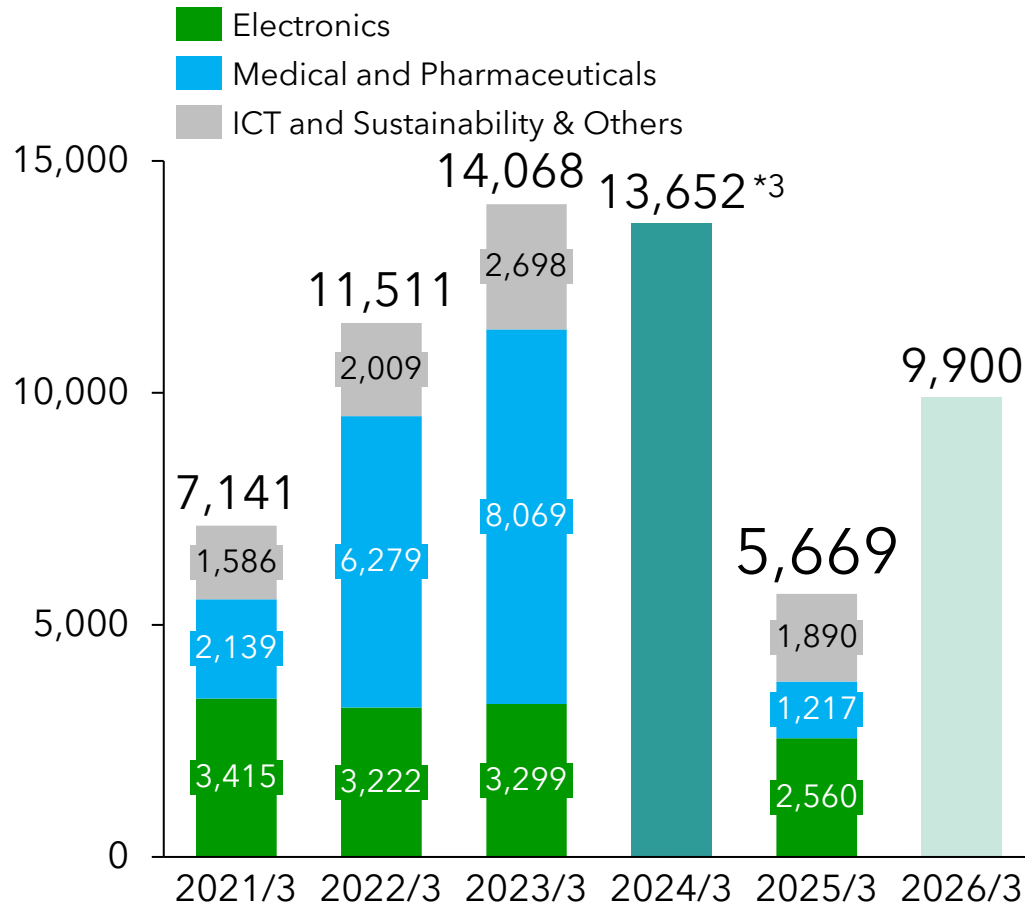
	FY2025/3*1			FY2026/3*2			FY2025/3*1			FY2026/3*2		
	1 <sup>st</sup> half Result			1 <sup>st</sup> half Forecast			2 <sup>nd</sup> half Result			2 <sup>nd</sup> half Forecast		
	Consolidated	Electronics	Medical and Pharmaceuticals	Consolidated	Electronics	Medical and Pharmaceuticals	Consolidated	Electronics	Medical and Pharmaceuticals	Consolidated	Electronics	Medical and Pharmaceuticals
<b>Net Sales</b>	59,899	42,567	15,078	62,500	40,900	18,500	59,110	39,135	16,479	60,900	40,600	16,900
<b>Operating Income</b>	12,430	12,045	931	11,800	10,100	2,700	9,637	9,412	1,118	11,500	10,000	1,900
<b>Ordinary Income</b>	12,418	-	-	11,500	-	-	9,159	-	-	11,000	-	-
<b>Net Income</b>	9,209	-	-	8,500	-	-	1,570	-	-	7,500	-	-
<b>EBITDA</b>	16,986	13,771	3,296	16,000	11,800	4,600	14,722	11,367	3,765	15,900	12,000	4,000
<b>Operating Income Margin</b>	21%	28%	6%	19%	25%	15%	16%	24%	7%	19%	25%	11%
<b>EBITDA Margin</b>	28%	32%	22%	26%	29%	25%	25%	29%	23%	26%	30%	24%

\*1 JPY/USD exchange rate : Actual results for FY2025/3 152.5 JPY

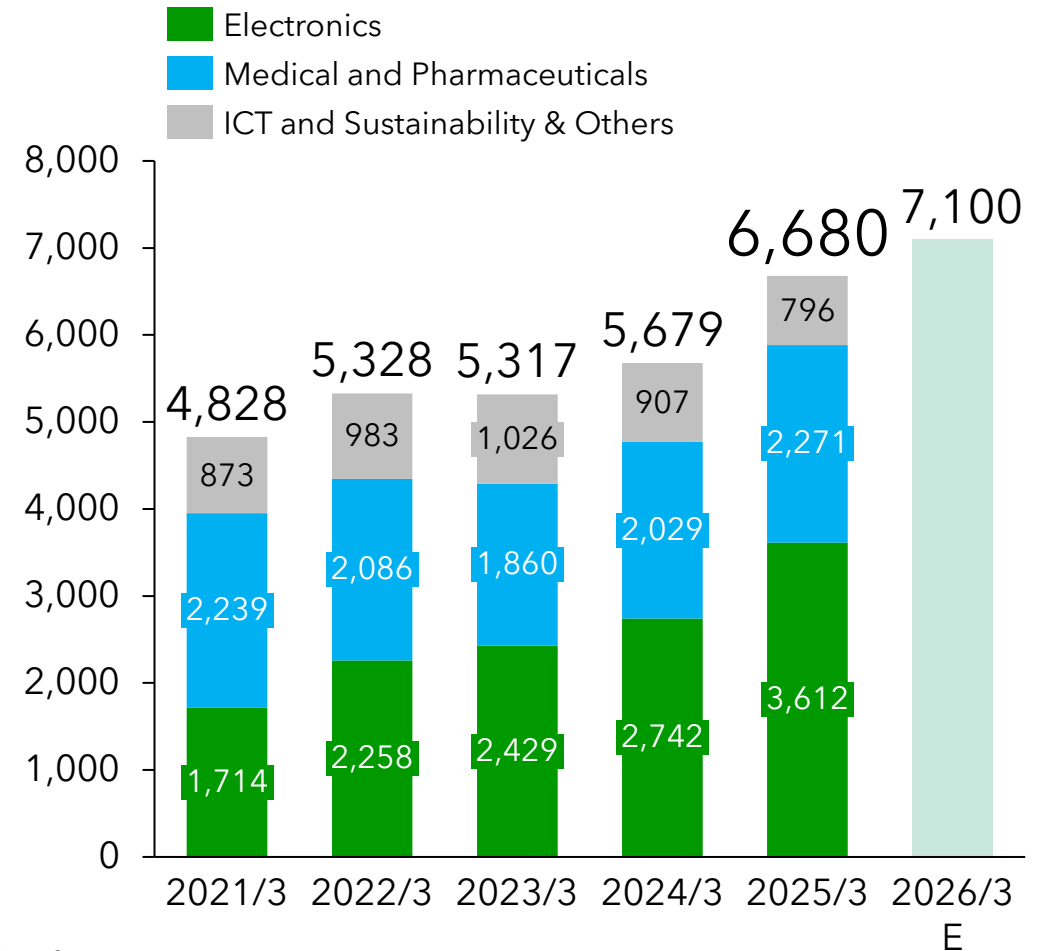
\*2 JPY/USD exchange rate : Assumed value for FY2026/3 145.0 JPY

# Trend of Yearly Capital Investment and Depreciation

## Capital Investment\*1 Unit : JPY Million



## Depreciation\*2 Unit : JPY Million



\*1 Capital investment: Investment in property, plant and equipment and software

\*2 Depreciation: Depreciation of property, plant and equipment and software

\*3 Breakdown: <Electronics> 12,190M <Medical and Pharmaceuticals> 1,882M <ICT and Sustainability> 556M <HD> (977M)

The amount is displayed as a negative value due to HD's construction in progress having been transferred to a subsidiary in Electronics Business.

