

Consolidated Financial Result Digest FY2025/3 2Q

(Fiscal Year Ended March 31, 2025)

Nov. 6, 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 2Q Overview

Electronics

- Net sales increased by 23% year on year and decreased by 2% quarter on quarter on a cumulative basis
<Reasons related to cumulative YoY>
 - The depreciation of the yen had a positive impact on our performance
Average exchange rate during the second quarter: <2025/3> 152.3 JPY/USD <2024/3> 141.3 JPY/USD
 - PKG products: Sales volume increased following a visible recovery in demand, particularly for memory products
 - Rigid products: Sales volume increased for display (white dry film), automotive and smartphone products<Reasons related to QoQ>
 - The appreciation of the yen had a negative impact on our performance
Average exchange rate during each quarter: <2025/3 2Q> 152.3 JPY/USD <2025/3 1Q> 156.5 JPY/USD
 - Rigid products: Sales volume decreased for display products (white dry film)
 - PKG products: Sales volume progressed at roughly the same level as the first quarter

Medical and Pharmaceuticals

- Net sales increased by 3% year on year and decreased by 17% quarter on quarter on a cumulative basis
<Reasons related to cumulative YoY>
 - Increase due to the conversion of Ricc Co., Ltd. into consolidated subsidiary
 - Increase due to the succession of approval for manufacturing and marketing of "REMINYL[®]," therapeutic agent for Alzheimer dementia
 - Increase in demand due to a shortage of drugs with the same indications from other companies and increase in demand for cough suppressants and expectorants<Reasons related to QoQ>
 - Decrease due to the shifts in the product mix in the contract manufacturing business

Company

- Revised the earnings forecasts for the fiscal year ended March 31, 2025 (FY 2025)
Electronics' results for the FY 2025 are expected to exceed the earnings forecasts announced on August 1, 2024. Therefore, we've revised our forecasts by replacing Electronics' first half forecasts with the actual results and remaining the second half forecasts announced on August 1, 2024 unchanged.

Consolidated Financial Results Summary

| | ① | ② | ②-① | (②-①)/① | ③ | ②/③ | ④ | ②/④ |
|-----------------------------|--|--|-------|-----------------|--|------------------|---|------------------|
| Unit : JPY Million | 2024/3 1 st Half Result | 2025/3 1 st Half Result | YoY | % of Changes | 2025/3 1 st Half Forecast (Announced on Aug. 1) | % of Progress | 2025/3 Full Year Forecast (Announced on Aug. 1) | % of Progress |
| Net Sales | 51,107 | 59,899 | 8,792 | 17% | 59,400 | 101% | 116,100 | 52% |
| Operating Income | 9,089 | 12,430 | 3,341 | 37% | 11,700 | 106% | 20,600 | 60% |
| Ordinary Income | 8,651 | 12,418 | 3,767 | 44% | 11,400 | 109% | 20,000 | 62% |
| Net Income | 6,232 | 9,209 | 2,977 | 48% | 8,000 | 115% | 13,800 | 67% |
| Exchange rate of JPY/USD | 141.3 | 152.3 | 11.0 | | *1 | | *2 | |
| EBITDA | 13,464 | 16,986 | 3,521 | 26% | 16,200 | 105% | 30,100 | 56% |
| Operating Income Margin | 18% | 21% | | | 20% | | 18% | |
| EBITDA Margin | 26% | 28% | | | 27% | | 26% | |

*1 1Q (actual results) : 156.5 JPY/USD 2Q forecast (announced at the beginning of 2025/3) : 145.0 JPY/USD

*2 1Q (actual results) : 156.5 JPY/USD 2Q to 4Q forecast (announced at the beginning of 2025/3) : 145.0 JPY/USD

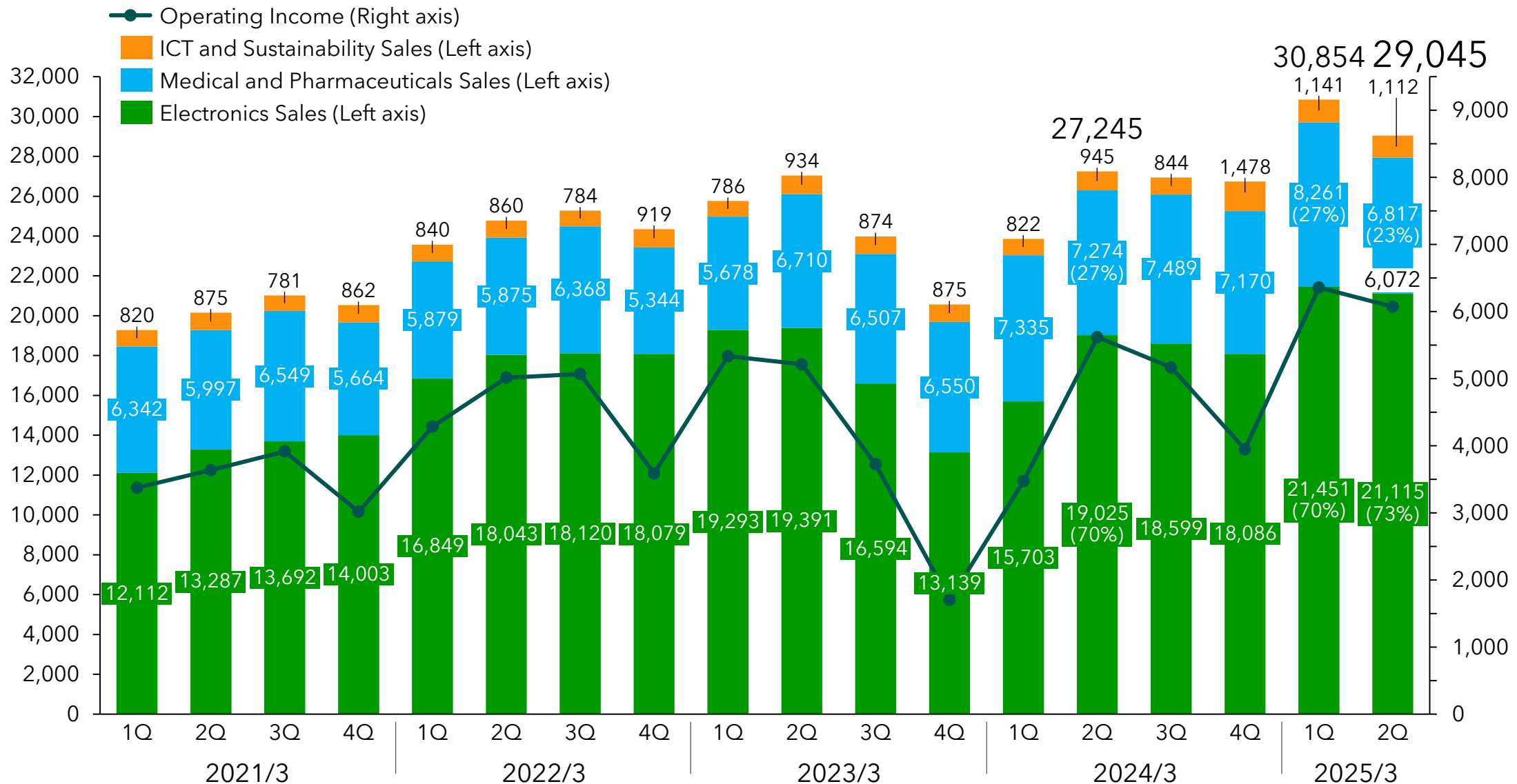
Performance by Segment

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 1 st Half Result | 2025/3 1 st Half Result | YoY | % of Changes | 2025/3 1 st Half Forecast (Announced on Aug. 1) | % of Progress | 2025/3 Full Year Forecast (Announced on Aug. 1) | % of Progress |
| Electronics | Net Sales | 34,729 | 42,567 | 7,837 | 23% | 41,000 | 104% | 78,700 | 54% |
| | Operating Income | 7,702 | 12,045 | 4,343 | 56% | 11,000 | 110% | 19,700 | 61% |
| | Operating Income Margin | 22% | 28% | | | 27% | | 25% | |
| | EBITDA | 9,011 | 13,772 | 4,760 | 53% | 12,700 | 108% | 23,300 | 59% |
| | EBITDA Margin | 26% | 32% | | | 31% | | 30% | |
| Medical and Pharmaceuticals | Net Sales | 14,609 | 15,078 | 469 | 3% | 16,000 | 94% | 32,500 | 46% |
| | Operating Income | 1,701 | 931 | (770) | (45%) | 1,400 | 67% | 2,200 | 42% |
| | Operating Income margin | 12% | 6% | | | 9% | | 7% | |
| | EBITDA | 4,343 | 3,296 | (1,046) | (24%) | 3,900 | 85% | 7,300 | 45% |
| | EBITDA Margin | 30% | 22% | | | 24% | | 22% | |
| ICT and Sustainability | Net Sales | 1,768 | 2,254 | 485 | 28% | - | - | - | - |
| | Operating Income | 74 | 138 | 64 | 86% | - | - | - | - |
| | Operating Income Margin | 4% | 6% | | | - | - | - | - |
| Company Expense | Operating Income / Loss | (389) | (685) | (296) | | - | - | - | - |

Trend of Quarterly Performance Net Sales and Operating Income

Unit : JPY Million



BS- Comparison with the Previous Term

Unit : JPY Million

| | 2024/3 | 2024/9 | Changes | | 2024/3 | 2024/9 | Changes |
|------------------------------------|----------------|----------------|---------|---|----------------|----------------|----------|
| Cash and Deposits | 58,583 | 53,344 | (5,238) | Notes and Account Payable | 8,795 | 9,428 | 632 |
| Accounts Receivables* ¹ | 28,352 | 28,458 | 106 | Short Term Borrowings* ³ | 43,588 | 25,018 | (18,569) |
| Inventory* ² | 17,166 | 20,319 | 3,152 | Long Term Borrowings | 43,134 | 52,458 | 9,324 |
| Others | 5,552 | 2,921 | (2,630) | Others | 16,835 | 13,852 | (2,982) |
| Total Current Assets | 109,655 | 105,044 | (4,610) | Total Liabilities | 112,353 | 100,758 | (11,595) |
| Tangible Fixed Assets | 68,852 | 68,681 | (171) | Shareholders Equity | 89,925 | 97,050 | 7,125 |
| Intangible Fixed Assets | 25,804 | 24,325 | (1,478) | Accumulated Other Comprehensive Income | 10,469 | 9,010 | (1,458) |
| Investments and Other Assets | 8,439 | 8,771 | 331 | Non-Controlling Interest | 4 | 4 | 0 |
| Total Fixed Assets | 103,096 | 101,778 | (1,317) | Total Net Assets | 100,398 | 106,065 | 5,666 |
| Total Assets | 212,751 | 206,823 | (5,928) | Total Liabilities and Net Assets | 212,751 | 206,823 | (5,928) |
| | | | | Equity to Asset Ratio | 47.2% | 51.3% | 4.1% |

*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 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 August 1, 2024.
- ✓ The full-year forecast has been revised by replacing Electronics' first-half forecasts with the actual results and remaining the forecast announced on August 1, 2024 unchanged from the third quarter onward.

| Unit : JPY Million | 2025/3 Full-Year Forecast (Announced on Aug. 1) *1 | | 2025/3 Full-Year Forecast (Announced on Nov. 6)*2 | | Change Ratio | |
|--------------------------------|--|---------------|---|----------------|---------------|---------------|
| | Amount | Profit Ratio | Amount | Profit Ratio | Amount | Ratio |
| | Consolidated | Net Sales | 116,100 | 117,700 | | +1,600 |
| Operating Income | | 20,600 | 21,700 | 18% | +1,100 | +5% |
| Ordinary Income | | 20,000 | 21,100 | 18% | +1,100 | +6% |
| Net Income | | 13,800 | 14,500 | 12% | +700 | +5% |
| EBITDA | | 30,100 | 31,200 | 27% | +1,100 | +4% |
| Electronics | Net Sales | 78,700 | 80,300 | | +1,600 | +2% |
| | Operating Income | 19,700 | 20,800 | 26% | +1,100 | +6% |
| | EBITDA | 23,300 | 24,400 | 30% | +1,100 | +5% |
| Medical and Pharmaceuticals | Net Sales | 32,500 | 32,500 | | - | - |
| | Operating Income | 2,200 | 2,200 | 7% | - | - |
| | EBITDA | 7,300 | 7,300 | 22% | - | - |

*1 1Q (actual results) : 156.5 JPY/USD 2Q to 4Q forecast (announced at the beginning of 2025/3) : 145.0 JPY/USD

*2 1st half (actual results) : 152.3 JPY/USD 2nd half forecast (announced at the beginning of 2025/3) : 145.0 JPY/USD

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Electronics

Electronics Terminology

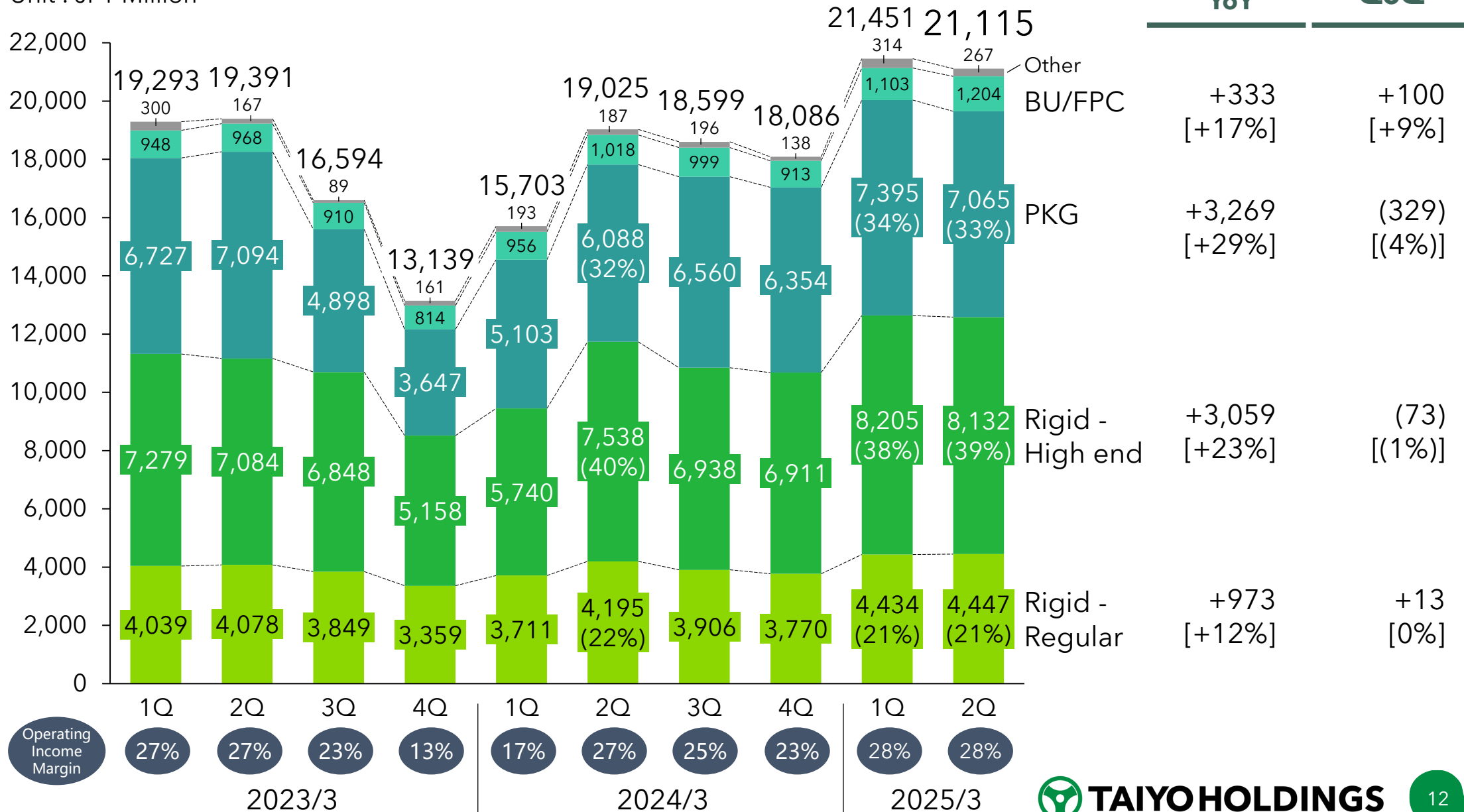
| Term | Definition |
|------|--|
| PCB | <u>P</u> rinted <u>C</u> ircuit <u>B</u> oard |
| SR | <u>S</u> older <u>R</u> esist, also known as Solder Mask |
| PKG | Semiconductor <u>P</u> ack <u>a</u> ge |
| DF | <u>D</u> ry <u>F</u> ilm |
| BU | <u>B</u> uild- <u>u</u> p |

Electronics Product Classification

| Group | Category | | Type | Remarks |
|--------------------------|--------------------------------------|----------|-----------|---|
| PCB insulating materials | Rigid | Regular | Liquid | <ul style="list-style-type: none"> ▪ 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

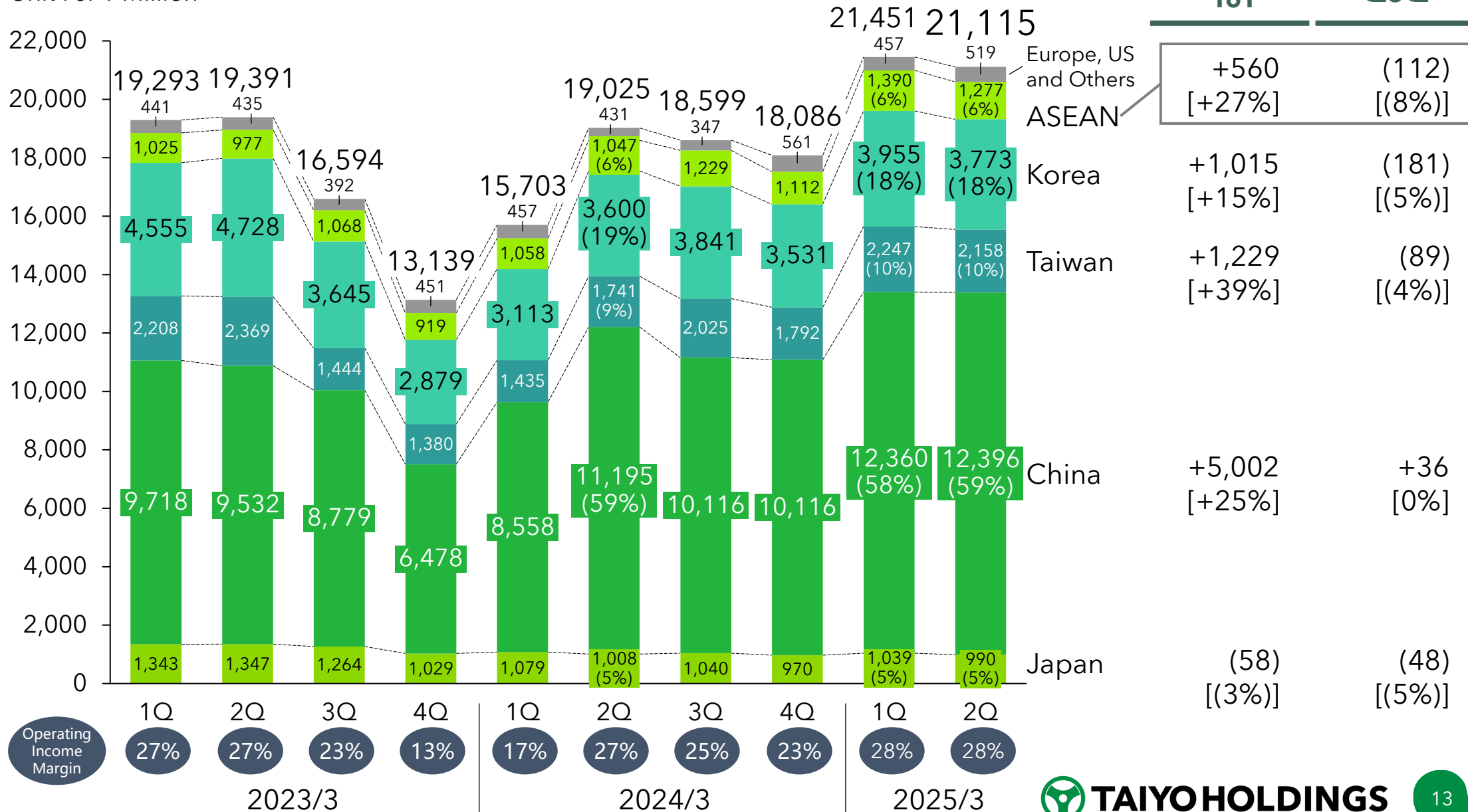
Unit : JPY Million




Operating
Income
Margin

Electronics Net Sales by Sales Area

Unit : JPY Million





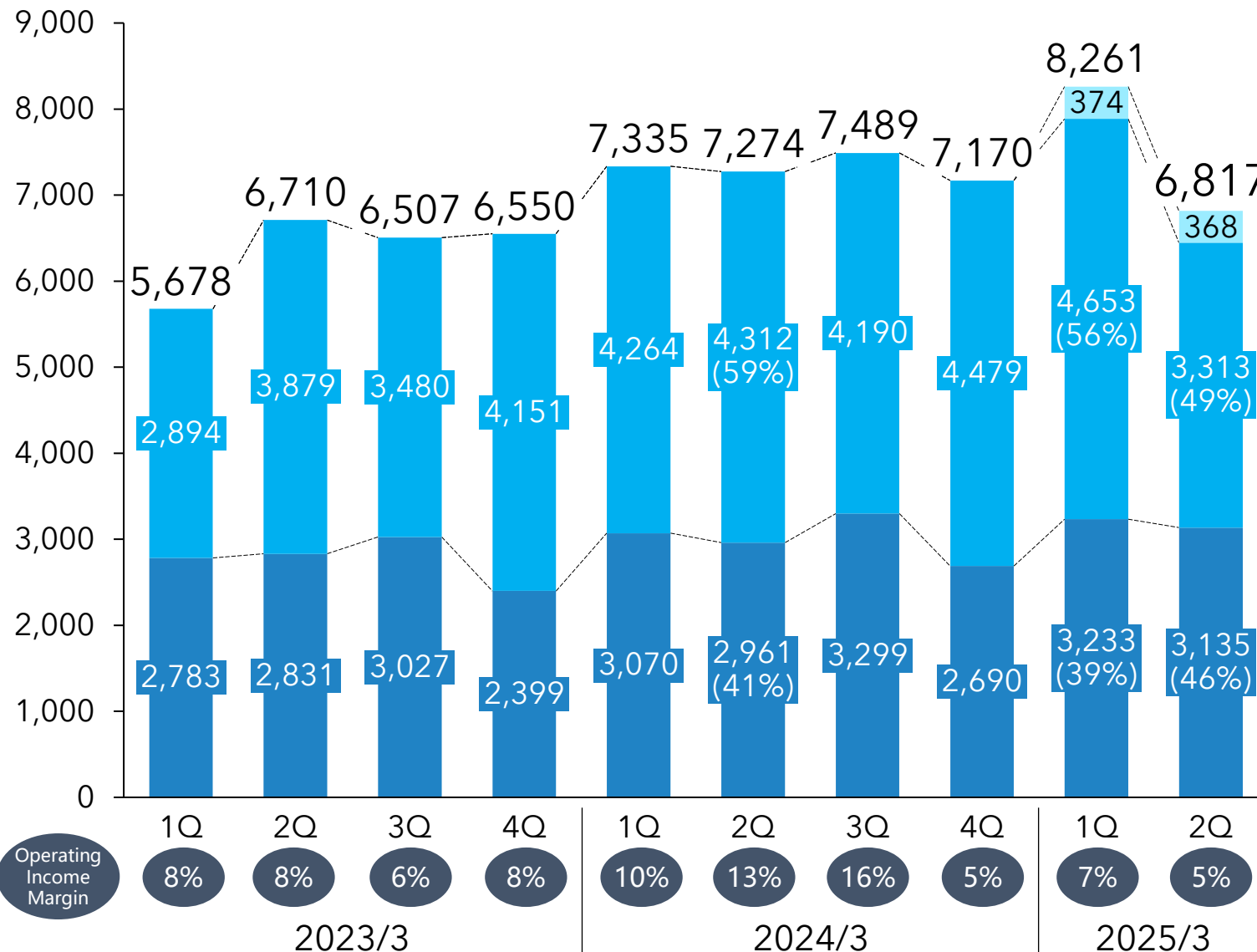
Medical and Pharmaceuticals

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



2Q Cumulative YoY **QoQ**

| | | |
|--|--------------|-----------------|
| Ricc* (Dental Business) | +742 | (6) [(2%)] |
| Taiyo Pharma Tech (CDMO) | (609) [(7%)] | (1,339) [(29%)] |
| Taiyo Pharma (Manufacturing and Marketing) | +335 [+6%] | (98) [(3%)] |

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

