

August 1, 2024

Consolidated Financial Results for the First Three 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 file quarterly report: August 1, 2024
Scheduled date to commence dividend payments: –
Preparation of supplementary results briefing material on financial results: Yes
Holding of financial results presentation meeting: None

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

1. Consolidated financial results for the first three months of the fiscal year ended March 31, 2025 (from April 1, 2024 to June 30, 2024)

(1) Operating results (cumulative)

(Millions of yen, % year on year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
		%		%		%		%
Three months ended:								
June 30, 2024	30,854	29.3	6,358	83.2	6,183	91.1	4,605	79.8
June 30, 2023	23,861	(7.4)	3,470	(35.0)	3,235	(36.8)	2,561	(29.2)

Note: Comprehensive income
For the three months ended June 30, 2024: 7,199 millions of yen [53.1%]
For the three months ended June 30, 2023: 4,701 millions of yen [(21.0%)]

	Basic earnings per share	Diluted earnings per share
Three months ended:	Yen	Yen
June 30, 2024	82.35	—
June 30, 2023	45.94	—

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
June 30, 2024	217,164	105,244	48.5	1,881.77
March 31, 2024	212,751	100,398	47.2	1,795.14

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

As of June 30, 2024: 105,239 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	—				
Fiscal year ended March 31, 2025 (Forecast)		40.00	—	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
Six months ended September 30, 2024	59,400	16.2	11,700	28.7	11,400	31.8	8,000	28.4	143.05
Fiscal year ended March 31, 2025	116,100	10.8	20,600	13.2	20,000	15.5	13,800	59.5	246.76

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

*** Notes**

- (1) Significant change in scope of consolidation during the first three 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 June 30, 2024	58,291,559shares
As of March 31, 2024	58,291,559shares

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

As of June 30, 2024	2,365,858shares
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 June 30, 2024	55,925,586shares
As of June 30, 2023	55,756,377shares

Notes: 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 (August 1, 2024) 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 first three months of consolidated fiscal year ended March 31, 2025 (As of June 30, 2024)
Assets		
Current assets		
Cash and deposits	58,583	58,077
Notes and accounts receivable - trade, and contract assets	28,352	32,688
Merchandise and finished goods	8,571	9,286
Work in process	1,451	1,450
Raw materials and supplies	7,143	8,066
Other	5,582	3,754
Allowance for doubtful accounts	(30)	(46)
Total current assets	109,655	113,276
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	30,690	31,264
Other, net	38,161	38,810
Total property, plant and equipment	68,852	70,075
Intangible assets		
Goodwill	2,896	2,846
Sales rights	13,979	13,524
Customer-related assets	5,000	4,881
Other	3,927	3,856
Total intangible assets	25,804	25,108
Investments and other assets		
Other	8,666	8,972
Allowance for doubtful accounts	(227)	(269)
Total investments and other assets	8,439	8,703
Total non-current assets	103,096	103,887
Total assets	212,751	217,164
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,795	10,741
Short-term borrowings	9,821	11,946
Current portion of long-term borrowings	33,766	35,913
Income taxes payable	1,986	2,378
Provision for bonuses	1,152	1,817
Other provisions	118	260
Other	9,232	5,951
Total current liabilities	64,874	69,009
Non-current liabilities		
Long-term borrowings	43,134	38,542
Retirement benefit liability	292	298
Other provisions	48	163
Other	4,002	3,906
Total non-current liabilities	47,478	42,911
Total liabilities	112,353	111,920
Net assets		
Shareholders' equity		
Share capital	9,903	9,903
Capital surplus	15,025	15,025
Retained earnings	70,989	73,240
Treasury shares	(5,993)	(5,992)
Total shareholders' equity	89,925	92,176
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	709	930
Foreign currency translation adjustment	9,766	12,138
Remeasurements of defined benefit plans	(6)	(5)
Total accumulated other comprehensive income	10,469	13,062
Non-controlling interests	4	4
Total net assets	100,398	105,244
Total liabilities and net assets	212,751	217,164

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

(Millions of yen)

	The first three months of consolidated fiscal year ended March 31, 2024 (April 1, 2023 to June 30, 2023)	The first three months of consolidated fiscal year ended March 31, 2025 (April 1, 2024 to June 30, 2024)
Net sales	23,861	30,854
Cost of sales	13,596	16,193
Gross profit	10,265	14,660
Selling, general and administrative expenses	6,794	8,302
Operating income	3,470	6,358
Non-operating income		
Interest income	50	95
Gain on valuation of investment securities	—	48
Other	40	69
Total non-operating income	90	213
Non-operating expenses		
Interest expenses	138	216
Foreign exchange losses	64	104
Other	123	67
Total non-operating expenses	326	388
Ordinary income	3,235	6,183
Profit before income taxes	3,235	6,183
Income taxes - current	884	1,921
Income taxes - deferred	(210)	(344)
Total income taxes	674	1,577
Profit	2,561	4,605
Profit and loss attributable to non-controlling interests	(0)	0
Profit attributable to owners of parent	2,561	4,605

Consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	The first three months of consolidated fiscal year ended March 31, 2024 (April 1, 2023 to June 30, 2023)	The first three months of consolidated fiscal year ended March 31, 2025 (April 1, 2024 to June 30, 2024)
Profit	2,561	4,605
Other comprehensive income		
Valuation difference on available-for-sale securities	116	221
Foreign currency translation adjustment	2,025	2,372
Remeasurements of defined benefit plans, net of tax	(0)	0
Total other comprehensive income	2,140	2,593
Comprehensive income	4,701	7,199
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,701	7,199
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 first 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 first three 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 first 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 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 year.

(Segment information and related information)

[Segment information]

I. The first three months of consolidated fiscal year ended March 31, 2024 (April 1, 2023 to June 30, 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	15,703	7,335	23,039	822	23,861
Inter-segment sales or transfers	—	—	—	79	79
Total	15,703	7,335	23,039	901	23,941
Segment profit	2,642	751	3,393	18	3,411

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	3,393
“Other” segment profit	18
Inter-segment eliminations	(7)
Profit (Loss) not allocated to business segments (Note)	66
Operating income in the consolidated statement of income	3,470

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 first three months of consolidated fiscal year ended March 31, 2025 (April 1, 2024 to June 30, 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	21,451	8,261	29,712	1,141	30,854
Inter-segment sales or transfers	—	—	—	89	89
Total	21,451	8,261	29,712	1,231	30,943
Segment profit	6,088	579	6,668	69	6,737

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	6,668
“Other” segment profit	69
Inter-segment eliminations	(3)
Profit (Loss) not allocated to business segments (Note)	(374)
Operating income in the consolidated statement of income	6,358

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 first three 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 first three months of the consolidated fiscal year ended March 31, 2025 are as follows.

	(Millions of yen)	
	The first three months of consolidated fiscal year ended March 31, 2024 (April 1, 2023 to June 30, 2023)	The first three months of consolidated fiscal year ended March 31, 2025 (April 1, 2024 to June 30, 2024)
Depreciation	2,090	2,158
Amortization of goodwill	72	73