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May 14, 2025

Financial Results for the Six Months Ended March 31, 2025 (Japanese GAAP, Consolidated)

Company name: TOYO Corporation
Listing: Tokyo Stock Exchange
Securities code: 8151
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Scheduled date to file quarterly securities report: May 14, 2025
Scheduled date to commence dividend payments: June 10, 2025
Preparation of supplementary material on quarterly financial results: Yes
Holding of quarterly financial results briefing: Yes (for institutional investors)

(Yen amounts are rounded down to millions)

1. Consolidated financial results for the six months ended March 31, 2025 (October 1, 2024 to March 31, 2025)

(1) Consolidated operating results (accumulated total)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	17,376	(14.7)	1,396	(58.0)	1,490	(55.6)	858	(65.2)
March 31, 2024	20,368	31.5	3,323	120.8	3,354	110.3	2,468	116.3

Note: Comprehensive income For the six months ended March 31, 2025: ¥1,054 million [(57.8%)]
For the six months ended March 31, 2024: ¥2,497 million [153.1%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
March 31, 2025	39.92	39.75
March 31, 2024	110.32	109.83

Note: As of the end of the fiscal year ended September 2024, the previously provisional accounting treatment for business combination has been finalized, and figures for the six months ended March 2024 reflect this finalization.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
March 31, 2025	41,689	28,233	67.4
September 30, 2024	39,134	28,127	71.6

Reference: Equity
As of March 31, 2025: ¥28,116 million
As of September 30, 2024: ¥28,002 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended September 30, 2024	–	25.00	–	43.00	68.00
Fiscal year ending September 30, 2025	–	30.00			
Fiscal year ending September 30, 2025 (Forecast)			–	39.00	69.00

(Note) Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated financial result forecasts for the fiscal year ending September 30, 2025 (October 1, 2024 to September 30, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	33,000	(5.8)	2,400	(28.7)	2,400	(28.9)	1,750	(30.6)	81.27

(Note) Revisions to the financial results forecast most recently announced: None

* Notes

(1) Significant changes in scope of subsidiaries during the six months ended March 31, 2025: None

(2) Adoption of specific accounting methods for consolidated interim financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of March 31, 2025	26,085,000 shares	As of September 30, 2024	26,085,000 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2025	4,545,355 shares	As of September 30, 2024	4,553,083 shares

(iii) Average number of shares outstanding during the period

Six months ended March 31, 2025	21,507,177 shares	Six months ended March 31, 2024	22,372,752 shares

* This financial results report is out of scope of review by certified public accountants or an audit firm.

* Explanation related to the appropriate use of financial result forecasts and other specific matters

The financial result forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable by the Company at the time of this document's disclosure. Actual results may differ materially from the forecast figures due to various factors. For matters related to the financial results forecast, please refer to "Consolidated financial results forecast and other forward-looking information" on page 4 of the consolidated financial results (attachments).

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1. Qualitative information on current second quarter financial results

(1) Operating results

From the current fiscal year ending September 30, 2025, until the final year ending September 30, 2027, TOYO Corporation ("the Company") is pursuing growth strategies to achieve its management targets set out in the medium-term management plan "TY2027", of net sales of ¥45 billion and operating profit of ¥4.5 billion as well as an ROE of 11.0%.

Previously provisional accounting treatment as of the end of the last fiscal year associated with business mergers has been finalized. Any year-on-year comparisons use restated figures to reflect this.

During the six months ended March 31, 2025, sales fell sharply year on year due to large evaluation system orders for AD/ADAS development both for Japan and overseas recorded in the previous year, but the ICT / Information Security and the Software Quality & Productivity businesses were supported by solid demand, and other core businesses were also generally in line with the initial plan. As a result, consolidated sales totaled ¥17,376 million (down 14.7% YoY). This broke down as domestic sales of ¥16,712 million (down 8.5%) and overseas sales (mainly to the U.S. and China) of ¥663 million (down 68.4%).

In terms of profit, OP was ¥1,396 million (down 58.0% YoY), due to the impact of lower sales as well as lower gross profit margins from multiple large projects with low profitability, increases in R&D expenses and an increase in other SG&A expenses. Ordinary profit was ¥1,490 million (down 55.6% YoY) due partly to forex gains and other nonoperating revenues, and net income attributable to owners of parent for the period was ¥858 million (down 65.2%).

Earnings progress is broadly in line with the initial plan. We expect to book several large evaluation system orders for AD/ADAS development in the second half of the year, and project higher sales and profit in the second half of the year than in a typical year. Therefore, no change was made to the consolidated financial results forecasts announced in November of last year. However, there are concerns that large orders to the U.S. may be delayed due to Trump administration policies, and we are closely monitoring the situation.

Orders rose sharply year on year to ¥24,135 million (up 37.0% YoY) owing to significant growth in the Ocean / Defense & Security business, which saw multiple large project orders, and orders were mostly higher across other business segments. The order backlog increased further in the Ocean / Defense & Security and Advanced Mobility businesses from the first quarter, and also rose sharply year on year to ¥23,791 million (up 51.3% YoY).

Following a review of management divisions and the organizational structure, and from the current cumulative second quarter consolidated period, the Mechatronics / Noise & Vibration / Sensors segment has become Advanced Mobility, Physics / Energies is now Sustainable Energy, while Life Science is now included under Others. Furthermore, we transferred a product line in the mobility domain from Physics / Energies to Advanced Mobility, which has a similar business scope and where synergies may be generated. Moreover, a product line in the Materials Science (materials testing) field was transferred from Physics / Energies to the Others. Segment information for the second quarter of the previous fiscal year has been prepared in accordance with the revised reportable segment classification method, and year-on-year comparisons below also use restated figures in accordance with the revised segment classification method.

The results by segment were as follows:

(Advanced Mobility)

In Advanced Mobility, although noise and vibration measurement and electrification-related products performed well, there were some large, low-margin projects, and sales and segment profit declined significantly compared to the previous year, which saw booking of international and domestic sales from large projects in ViLS (Vehicle in the Loop Simulation: an evaluation and testing method integrating real-world vehicles and simulated environments) for AD/ADAS development. As a result, sales were ¥4,036 million (down 34.8% YoY) and segment profit ¥482 million (down 74.4%). The company expects to be able to make up lost ground for the full year due to the expected booking of multiple similar AD/ADAS large projects in the second half.

(Sustainable Energy)

In the Sustainable energy businesses, sales of ultra low temperature sensors and magnetic field measuring systems were firm, and although falling short of the strong previous year, sales of electrochemical measuring systems were also above initial plan. Additionally, SG&A expenses increased due to factors such as an investment in new business related to secondary batteries. As a result, sales were ¥3,597 million (down 8.4% YoY) and segment profit ¥876 million (down 28.0%).

(ICT / Information Security)
In the ICT / Information Security segment, in the ICT business although sales of network performance testing products to major communication carriers declined, growth in areas such as proprietary high speed packet capture / analysis systems resulted in sales exceeding the initial plan. In the cybersecurity business, service provider projects remained firm. Furthermore, improvement in sales mix and optimization of human resources led to improved profit margins. As a result, sales were ¥4,376 million (down 0.1% YoY) and segment profit ¥658 million (up 47.0%).

(EMC & Antenna Systems)
In the EMC & Antenna Systems business, sales fell year on year as the order backlog had declined at the start of the year, and segment profits fell sharply due to the booking of new product development costs, in addition to the impact of lower sales. As a result, sales were ¥2,338 million (down 15.9% YoY) and segment profit ¥69 million (down 81.6%).

(Ocean / Defense & Security)
In the Ocean / Defense & Security business, sales increased due to growth in products such as infrared cameras and underwater communications devices driven by an increase in demand in line with Japan's defense budget. However, the segment posted a loss due to conservative upfront booking of some cost on large orders. As a result, sales were ¥964 million (up 23.2% YoY) and the segment loss was ¥194 million (a segment loss of ¥116 million in the same period last year).

(Software Quality & Productivity)
In the Software Quality & Productivity business, sales increased due to robust sales to gaming and automotive-related firms. However, due to a markedly weaker yen against the pound, and increased SG&A expenses from greater hiring for new business expansion weighed down segment profits. As a result, sales were ¥1,097 million (up 8.9% YoY) and segment profit was ¥184 million (down 9.1%).

(Others)
In the Others business, sales were down compared to last year, when several large electron microscope projects were booked. Furthermore, in addition to the impact of a sales decline, higher R&D expenses and valuation losses on long-term Life Sciences-related inventory led to a significant decline in segment profits. As a result, sales were ¥965 million (down 25.5% YoY) and segment profit ¥23 million (down 81.5%).

(2) Financial position

①Total assets, liabilities and net assets

Total assets as of March 31, 2025 were ¥41,689 million, an increase of ¥2,555 million compared to the end of the previous fiscal year. The main positive factors were an increase in notes and accounts receivable - trade, and contract assets of ¥1,381 million, an increase of ¥987 million in cash and deposits, and an increase of ¥285 million in investment securities. Meanwhile, the main negative factor was decrease of ¥355 million in securities.

Total liabilities increased by ¥2,449 million compared to the end of the previous fiscal year to ¥13,455 million. The main positive factors were an increase of ¥2,000 million in short-term borrowings, and an increase of ¥813 million in notes and accounts payable - trade. Meanwhile, the main negative factor was a ¥406 million decrease in other current liabilities.

Net assets increased by ¥106 million compared to the end of the previous fiscal year to ¥28,233 million. The main positive factors were an increase of ¥90 million in foreign currency translation adjustment, an increase of ¥78 million in deferred gains or losses on hedges, and an increase of ¥50 million in valuation difference on available-for-sale securities. Meanwhile, the main negative factor was a ¥22 million decrease in remeasurements of defined benefit plans.

②Cash flows

At the end of the second quarter (six months ended March 31, 2025), cash and cash equivalents increased by ¥987 million compared to the end of the previous fiscal year to ¥4,078 million.

Explanations regarding the various cash flows at the end of the second quarter (six months ended March 31, 2025) and the main factors are as follows:

(Cash flows from operating activities)

The main components of cash inflow were quarterly profit before income taxes of ¥1,446 million yen and an increase in trade payables of ¥812 million yen. The main components of cash outflow were an increase in accounts receivable - trade, and contract assets of ¥1,544 million and payments of corporate and other taxes of ¥497 million.

As a result, net cash flows provided by operating activities was ¥262 million.

(Cash flows from investing activities)

The main component of cash inflow was proceeds from sale of securities of ¥510 million and proceeds from the sale of property, plant and equipment of ¥124 million. The main components of cash outflow were expenditure of ¥466 million for the purchase of investment securities, and ¥265 million in expenditure for the purchase of property, plant and equipment.

As a result, net cash flows used in investing activities was ¥308 million.

(Cash flows from financing activities)

The main component of cash inflow was proceeds of ¥2,000 million from an increase in short-term borrowings. The main component of cash outflows was expenditure of ¥925 million for dividends paid.

As a result, net cash flows provided by financing activities was ¥974 million.

(3) Consolidated financial results forecast and other forward-looking information

The consolidated results forecast for the fiscal year ending September 30, 2025, announced on November 13, 2024, remains unchanged.

2. Consolidated interim financial statements and principal notes

(1) Consolidated interim balance sheet

(Thousands of yen)

	Prior fiscal year (As of September 30, 2024)	Current second quarter (As of March 31, 2025)
Assets		
Current assets		
Cash and deposits	3,091,691	4,078,716
Notes and accounts receivable - trade, and contract assets	6,228,715	7,609,747
Electronically recorded monetary claims - operating	341,262	503,634
Securities	1,941,892	1,586,236
Merchandise and finished goods	3,997,606	3,866,235
Prepaid expenses	1,966,625	1,926,950
Other	857,819	1,191,712
Allowance for doubtful accounts	(2,200)	(2,600)
Total current assets	18,423,413	20,760,633
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,340,026	2,397,328
Accumulated depreciation and impairment	(1,450,152)	(1,480,448)
Buildings and structures, net	889,874	916,879
Vehicles	9,562	9,562
Accumulated depreciation	(6,829)	(7,397)
Vehicles, net	2,733	2,165
Tools, furniture and fixtures	4,451,519	4,547,165
Accumulated depreciation and impairment	(3,497,098)	(3,681,665)
Tools, furniture and fixtures, net	954,420	865,499
Land	4,714,388	4,716,725
Construction in progress	6,529,178	6,537,199
Total property, plant and equipment	13,090,595	13,038,469
Intangible assets		
Goodwill	1,561,894	1,525,231
Software	858,458	768,314
Software in progress	22,777	125,482
Other	105,360	90,773
Total intangible assets	2,548,490	2,509,801
Investments and other assets		
Investment securities	2,414,795	2,700,487
Retirement benefit asset	720,998	730,599
Deferred tax assets	812,429	803,296
Long-term time deposits	700,141	700,149
Other	456,444	478,895
Allowance for doubtful accounts	(33,149)	(32,550)
Total investments and other assets	5,071,660	5,380,880
Total non-current assets	20,710,745	20,929,150
Total assets	39,134,159	41,689,783

(Thousands of yen)

	Prior fiscal year (As of September 30, 2024)	Current second quarter (As of March 31, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,683,336	2,496,836
Income taxes payable	591,671	746,716
Contract liabilities	3,020,506	3,166,554
Short-term borrowings	2,000,000	4,000,000
Provision for bonuses	1,091,071	947,035
Provision for bonuses for directors (and other officers)	110,000	28,500
Other	1,386,834	980,346
Total current liabilities	9,883,419	12,365,989
Non-current liabilities		
Retirement benefit liability	810,454	805,560
Other	312,677	284,267
Total non-current liabilities	1,123,131	1,089,827
Total liabilities	11,006,550	13,455,816
Net assets		
Shareholders' equity		
Share capital	4,158,000	4,158,000
Capital surplus	4,611,997	4,614,777
Retained earnings	25,242,691	25,163,488
Treasury shares	(5,830,415)	(5,837,592)
Total shareholders' equity	28,182,273	28,098,672
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	17,401	68,146
Deferred gains or losses on hedges	(94,863)	(16,514)
Foreign currency translation adjustment	(147,017)	(56,239)
Remeasurements of defined benefit plans	44,379	22,189
Total accumulated other comprehensive income	(180,099)	17,582
Share acquisition rights	77,998	71,786
Non-controlling interests	47,436	45,925
Total net assets	28,127,608	28,233,967
Total liabilities and net assets	39,134,159	41,689,783

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

Consolidated interim statement of income

Six months ended March 31, 2025

(Thousands of yen)

	Prior second quarter (October 1, 2023 to March 31, 2024)	Current second quarter (October 1, 2024 to March 31, 2025)
Net sales	20,368,996	17,376,469
Cost of sales	11,362,540	9,942,026
Gross profit	9,006,456	7,434,442
Selling, general and administrative expenses	5,683,257	6,038,003
Operating profit	3,323,198	1,396,438
Non-operating income		
Interest income	27,503	22,051
Dividend income	8,440	10,550
Foreign exchange gains	—	72,665
Gain on sale of securities	—	147
Surrender value of insurance policies	25,231	—
Other	34,071	55,929
Total non-operating income	95,247	161,345
Non-operating expenses		
Interest expenses	2,416	8,925
Commission for purchase of treasury shares	—	16,748
Loss on investments in investment partnerships	13,954	39,025
Share of loss of entities accounted for using equity method	8,084	—
Foreign exchange losses	39,130	—
Other	212	2,446
Total non-operating expenses	63,798	67,145
Ordinary profit	3,354,647	1,490,638
Extraordinary income		
Gain on sale of non-current assets	3,429,551	13,482
Gain on sale of investment securities	10,054	—
Total extraordinary income	3,439,606	13,482
Extraordinary losses		
Loss on disposal of non-current assets	20,439	75
Loss on tax purpose reduction entry of non-current assets	3,400,997	—
Loss on valuation of investment securities	—	57,974
Total extraordinary losses	3,421,437	58,049
Profit before income taxes	3,372,816	1,446,071
Income taxes – current	947,372	633,869
Income taxes - deferred	(42,799)	(42,625)
Total income taxes	904,573	591,244
Profit	2,468,243	854,827
Profit (loss) attributable to non-controlling interests	—	(3,819)
Profit (loss) attributable to owners of parent	2,468,243	858,646

Consolidated interim statement of comprehensive income
Six months ended March 31, 2025

(Thousands of yen)

	Prior second quarter (October 1, 2023 to March 31, 2024)	Current second quarter (October 1, 2024 to March 31, 2025)
Profit (loss)	2,468,243	854,827
Other comprehensive income		
Valuation difference on available-for-sale securities	106,562	50,744
Deferred gains or losses on hedges	(80,748)	78,349
Foreign currency translation adjustment	6,734	93,085
Remeasurements of defined benefit plans, net of tax	(4,247)	(22,189)
Share of other comprehensive income of entities accounted for using equity method	579	—
Total other comprehensive income	28,880	199,990
Comprehensive income	2,497,123	1,054,817
(Comprehensive income attributable to)		
Owners of parent	2,497,123	1,056,328
Non-controlling interests	—	(1,511)

(3) Consolidated interim statement of cash flows

(Thousands of yen)

	Prior second quarter (October 1, 2023 to March 31, 2024)	Current second quarter (October 1, 2024 to March 31, 2025)
Cash flows from operating activities		
Profit before income taxes	3,372,816	1,446,071
Depreciation	472,842	476,102
Goodwill amortization	60,521	98,262
Increase (decrease) in allowance for doubtful accounts	758	(123)
Increase (decrease) in provision for bonuses	354,462	(144,520)
Increase (decrease) in provision for bonuses for directors (and other officers)	(33,410)	(81,500)
Increase (decrease) in retirement benefit liabilities	9,454	(6,056)
Interest and dividend income	(35,944)	(32,602)
Surrender value of insurance policies	(25,231)	—
Interest expense	2,416	8,925
Share of loss (profit) of entities accounted for using equity method	8,084	—
Loss (gain) on investments in investment partnerships	13,954	39,025
Loss (gain) on sale of securities	—	(147)
Loss (gain) on sale of investment securities	(10,054)	—
Loss (gain) on valuation of investment securities	—	57,974
Loss (gain) on sale and retirement of non-current assets	(3,409,112)	(13,407)
Loss on tax purpose reduction entry of non-current assets	3,400,997	—
Increase (decrease) in accounts receivable - trade, and contract assets	(5,530,318)	(1,544,177)
Increase (decrease) in inventories	459,903	146,306
Increase (decrease) in trade payables	1,175,195	812,379
Increase (decrease) in contract liabilities	(456,120)	125,819
Other, net	190,057	(657,028)
Subtotal	21,272	731,303
Interest and dividends received	43,166	33,693
Surrender value of insurance policies received	25,231	—
Interest paid	(2,416)	(7,899)
Income taxes paid	(342,710)	(497,955)
Income taxes refunded	1,794	3,783
Net cash provided by (used in) operating activities	(253,661)	262,925
Cash flows from investing activities		
Purchase of securities	(368,026)	—
Proceeds from sale of securities	10,180	510,426
Purchase of property, plant and equipment	(1,374,390)	(265,396)
Proceeds from sale of property, plant and equipment	46,130	124,253
Purchase of intangible assets	(219,223)	(207,171)
Purchase of investment securities	(267,198)	(466,304)
Proceeds from sales of investment securities	1,168,544	6,707
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,722,966)	—
Other, net	30,946	(10,659)
Net cash provided by (used in) investing activities	(2,696,003)	(308,145)

(Thousands of yen)

	Prior second quarter (October 1, 2023 to March 31, 2024)	Current second quarter (October 1, 2024 to March 31, 2025)
Cash flows from financing activities		
Proceeds from short-term borrowings	5,000,000	—
Net increase (decrease) in short-term borrowings	—	2,000,000
Purchase of treasury shares	(1,334)	(100,065)
Dividends paid	(715,216)	(925,872)
Proceeds from exercise of employee share options	18	8
Net cash provided by (used in) financing activities	4,283,467	974,070
Effect of exchange rate change on cash and cash equivalents	10,099	58,173
Net increase (decrease) in cash and cash equivalents	1,343,902	987,024
Cash and cash equivalents at beginning of period	2,659,402	3,091,691
Cash and cash equivalents at end of period	4,003,304	4,078,716

(4) Notes to Consolidated interim financial statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Changes in accounting method)

(Application of accounting standards for corporate income tax, inhabitant tax, enterprise tax)

The Company has applied Accounting Standard for Taxes on Corporate income tax, residents tax and enterprise tax (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard 2022") effective from beginning of the first quarter of the fiscal year under review.

The amendment to categories in which corporate income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the "Revised Implementation Guidance 2022"). This change in accounting policies has no impact on the consolidated interim financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been adopted from the beginning of the first quarter of the fiscal year under review. This change in accounting policies is applied retrospectively, and consolidated interim financial statements and consolidated financial statements for the previous year are after retrospective application. This change in accounting policies has no impact on the consolidated interim financial statements for the same period of the previous fiscal year and the consolidated financial statements for the previous fiscal year.

(Segment information, etc.)
[Segment information]
I. For the six months ended March 31, 2024 (October 1, 2023 to March 31, 2024)
1. Information on net sales and profit (loss) by reportable segment and breakdown of revenues

(Thousands of yen)

	Reportable segments			
	Advanced Mobility	Sustainable Energy	ICT / Information Security	EMC & Antenna Systems
Net sales				
Goods or services transferred at a point in time	5,937,340	3,902,045	3,401,711	2,724,326
Goods or services that are transferred over a period of time	257,676	22,720	978,550	55,501
Revenue from contracts with customers	6,195,016	3,924,766	4,380,261	2,779,828
Other revenue*	—	3,067	—	—
Net sales	6,195,016	3,927,834	4,380,261	2,779,828
Segment profit (loss)	1,883,361	1,216,641	447,689	375,839

(Thousands of yen)

	Reportable segments			Total
	Ocean / Defense & Security	Software Quality & Productivity	Others	
Net sales				
Goods or services transferred at a point in time	677,092	424,902	1,186,243	18,253,661
Goods or services that are transferred over a period of time	106,109	582,550	89,720	2,092,830
Revenue from contracts with customers	783,202	1,007,452	1,275,963	20,346,491
Other revenue*	—	—	19,437	22,504
Net sales	783,202	1,007,452	1,295,400	20,368,996
Segment profit (loss)	116,509	202,913	126,885	4,369,840

* “Other revenue” includes revenue related to leases, etc.

2. Differences between the total amount of profit (loss) of reportable segments and the amount in the consolidated interim statement of income and major breakdown of such differences (reconciliation)

(Thousands of yen)

Profit (loss)	Amount
Total of reportable segments	4,369,840
Corporate expenses*	(1,046,641)
Operating profit in the consolidated interim statements of income	3,323,198

* "Corporate expenses" mainly include operating expenses that are not attributable to the reportable segments and differences due to the method of reporting provisions, etc.

3. Information related to impairment charge or goodwill of non-current assets in each reportable segment
(Significant changes in goodwill)

In the Advanced Mobility segment, the Company provisionally booked the business combination with Rototest International AB on November 30, 2023 (deemed acquisition date: December 31, 2023) as of the end of the previous first half consolidated accounting period, but finalized this at the end of the previous fiscal year. Following the finalization of this provisional accounting treatment, the Company has revised its initial allocation of acquisition costs; this provisionally calculates goodwill of ¥1,276,875 thousand, a decline of ¥56,594 thousand to ¥1,220,280 thousand. Note that segment information for the previous first half consolidated accounting period reflects the finalized accounting treatment.

II. For the six months ended March 31, 2024 (October 1, 2024 to March 31, 2025)

1. Information on net sales and profit (loss) by reportable segment and breakdown of revenues

(Thousands of yen)

	Reportable segments			
	Advanced Mobility	Sustainable Energy	ICT / Information Security	EMC / Antenna Systems
Net sales				
Goods or services transferred at a point in time	3,729,928	3,571,603	3,333,580	2,306,960
Goods or services that are transferred over a period of time	306,881	25,499	1,043,301	31,759
Revenue from contracts with customers	4,036,809	3,597,102	4,376,881	2,338,719
Other revenue (Note)	—	—	—	—
Net sales	4,036,809	3,597,102	4,376,881	2,338,719
Segment profit (loss)	482,771	876,004	658,171	69,285

(Thousands of yen)

	Reportable segments			Total
	Ocean / Defense & Security	Software Quality and Productivity	Others	
Net sales				
Goods or services transferred at a point in time	854,799	469,101	878,159	15,144,133
Goods or services that are transferred over a period of time	110,007	628,039	67,047	2,212,535
Revenue from contracts with customers	964,807	1,097,140	945,207	17,356,669
Other revenue *	—	—	19,800	19,800
Net sales	964,807	1,097,140	965,007	17,376,469
Segment profit (loss)	(194,211)	184,353	23,456	2,099,832

* “Other revenue” includes revenue related to leases, etc.

2. Differences between the total amount of profit (loss) of reportable segments and the amount in the consolidated interim statement of income and major breakdown of such differences (reconciliation)

(Thousands of yen)

Reconciliation of profit (loss)	Amount
Total of reportable segments	2,099,832
Corporate expenses *	(703,393)
Operating profit in the consolidated interim statements of income	1,396,438

* “Corporate expenses” mainly include operating expenses that are not attributable to the reportable segments and differences due to the method of reporting provisions, etc.

3. Changes to reported segments

Following a review of management divisions and the organizational structure, the Group renamed its business segments as follows: the Mechatronics / Noise & Vibration / Sensors has become the Advanced Mobility, Physics / Energies is now Sustainable Energy, while Life Science is now included under Others. Furthermore, we transferred a product line in the mobility domain from Physics / Energies to Advanced Mobility, which has a similar business scope and where synergies may be generated. Moreover, in order to clarify our business activities, a product line in the Materials Science (materials testing) field was transferred from Physics / Energies to Others. Segment information for the first half of the previous fiscal year has been prepared in accordance with the revised reportable segment classification method.

(Significant subsequent events)

Not applicable