

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Member of the Financial Accounting Standards Foundation



November 7, 2024

## Consolidated Financial Results for the Nine Months Ended September 30, 2024 [Japanese GAAP]

Listed company name:	<b>Toyo Tanso Co., Ltd.</b>
Stock exchange listing:	Tokyo Stock Exchange
Stock code:	5310
Website:	<a href="https://www.toyotanso.co.jp">https://www.toyotanso.co.jp</a>
Representative:	Naotaka Kondo Representative Director, Chairman & President, CEO
Contact:	Masaki Kuno, General Manager, Finance and Accounting Department
TEL:	81-50-3097-4950 (from overseas)
Scheduled date for commence dividend payments:	–
Preparation of supplementary materials for financial summaries:	Yes
Holding of financial results briefing:	None

### 1. Consolidated financial results for the nine months ended September 30, 2024

(From January 1, 2024 to September 30, 2024)

#### (1) Operating results (cumulative total)

(Millions of yen, rounded down)

(Percentages indicate changes from the same period in the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
		%		%		%		%
Nine months ended September 30, 2024	39,062	8.5	9,266	38.5	9,737	26.4	7,189	23.7
Nine months ended September 30, 2023	36,001	12.4	6,690	34.7	7,700	29.8	5,810	39.9

(Note) Comprehensive income:

Nine months ended September 30, 2024	7,633 million yen (-0.1%)
Nine months ended September 30, 2023	7,638 million yen (15.3%)

	Basic earnings per share	Diluted earnings per share
	yen	yen
Nine months ended September 30, 2024	342.80	–
Nine months ended September 30, 2023	277.05	–

## (2) Financial position

(Millions of yen, rounded down)

	Total assets		Net assets		Equity ratio	
						%
As of September 30, 2024		106,165		89,849		84.6
As of December 31, 2023		96,612		84,524		87.4
(Reference) Shareholders' equity:						
September 30, 2024		89,797 million yen				
December 31, 2023		84,470 million yen				

## 2. Dividends

	Dividends per share (yen)				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total (Full year)
Year ended December 31, 2023	–	0.00	–	110.00	110.00
Year ending December 31, 2024 (Actual)	–	0.00	–		
Year ending December 31, 2024 (Forecast)				120.00	120.00

(Note) Revisions of projected dividends most recently announced: None

## 3. Consolidated results forecast for the fiscal year ending December 31, 2024

(From January 1, 2024 to December 31, 2024)

(Millions of yen, rounded down)  
(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit attributable to owners of parent per share	
		%		%		%		%		yen
Fiscal year ending December 31, 2024	54,000	9.6	10,900	17.4	10,500	3.1	7,600	1.2		362.38

(Note) Revisions of consolidated forecasts most recently announced: None

**\* Others**

**(1) Significant changes in the scope of consolidation during the period:** None

New subsidiaries: \_\_\_ (name of company(ies))

Excluded subsidiaries: \_\_\_ (name of company(ies))

**(2) Adoption of specific accounting methods for the preparation of quarterly consolidated financial statements:** Yes

(Note) For details, please refer to “Adoption of specific accounting methods for the preparation of quarterly consolidated financial statements” on page 8 of the Attached Documents.

**(3) Changes in accounting policies and accounting estimates and restatements**

1) Changes in accounting policies due to revisions of accounting standards, etc.: None

2) Changes in accounting policies other than 1): None

3) Changes in accounting estimates: None

4) Restatements: None

**(4) Number of shares outstanding (common shares)**

1) Number of shares outstanding and issued at the end of period (including treasury shares)

As of September 30, 2024 20,992,588 shares

As of December 31, 2023 20,992,588 shares

2) Number of treasury shares at the end of period

As of September 30, 2024 20,277 shares

As of December 31, 2023 20,167 shares

3) Average number of shares during the period (quarterly cumulative total)

Nine months ended September 30, 2024 20,972,386 shares

Nine months ended September 30, 2023 20,972,480 shares

**\* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm:** None

**\* Proper use of earnings forecasts, and other special matters**

(We urge you to be cautious in relying on forward-looking statements.)

Forward-looking statements such as the earnings forecasts in this material are based on currently available information and certain assumptions deemed rational, and are not intended as a guarantee that these forecasts will be achieved. Accordingly, actual results may differ significantly from these forecasts due to various factors. For more information on the preconditions of the forecasts and on precautionary notes concerning the usage of these forecasts, please refer to “Explanation of information regarding consolidated earnings forecasts and other projections” on page 3 of the Attached Documents.

○Attached Documents

<b>1. Overview of the Business Results</b> .....	<b>2</b>
(1) Overview of the quarterly business results .....	2
(2) Overview of the quarterly financial position .....	2
(3) Explanation of information regarding consolidated earnings forecasts and other projections.....	3
<b>2. Quarterly Consolidated Financial Statements and Important Notes</b> .....	<b>4</b>
(1) Quarterly consolidated balance sheets .....	4
(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income .....	6
(Quarterly consolidated statements of income) .....	6
(Quarterly consolidated statement of comprehensive income).....	7
(3) Notes on quarterly consolidated financial statements .....	8
(Adoption of specific accounting methods for the preparation of quarterly consolidated financial statements) .....	8
(Notes on segment information, etc.) .....	8
(Notes if the amount of shareholders' equity has changed significantly) .....	9
(Notes regarding the premise of a going concern) .....	9
(Notes to the statement of quarterly cash flows) .....	9
<b>3. Supplementary Information</b> .....	<b>10</b>
(1) Orders and sales by product category .....	10
(2) Overview .....	11

## 1. Overview of the Business Results

### (1) Overview of the quarterly business results

During the first three quarters of the consolidated fiscal year under review, the global economy continued to recover, despite little indication of progress in some regions. However, the outlook remained uncertain amid factors such as rising geopolitical risks around the Middle East in addition to concerns over economic trends in Europe and the United States and the impact of export restrictions imposed by the United States and China.

Looking at the business environment surrounding the Group, in electronics applications, performance remained strong, supported by high demand for SiC semiconductor applications. Demand was solid in mobility applications, against the backdrop of steady operations in the automotive industry. Demand remained stable in general industries, supported by customers' steady capital investment.

In this environment, the Group worked to strengthen and develop high value-added products that can keep pace with technological innovations and to improve cost competitiveness through increased productivity, in order to achieve the management targets of the Medium-term Management Plan. Manufacturing, sales, and development departments worked together to accelerate the shift to high value-added products, responding to increasingly sophisticated customer needs and steadily capturing business opportunities. In addition, we advanced initiatives aimed at improving profitability through price pass-throughs and other measures to mitigate the impact of soaring costs for raw fuels and labor.

As a result, in the first three quarters of the consolidated fiscal year under review, net sales were 39,062 million yen (up 8.5% year on year). In terms of profits, due mainly to the exchange rate factor and increased marginal profit through such measures as price pass-ons and sales mix differences, operating profit was 9,266 million yen (up 38.5% year on year), ordinary profit was 9,737 million yen (up 26.4% year on year), and profit attributable to owners of parent of 7,189 million yen (up 23.7% year on year).

The overall performance of each business segment was as follows. (Please refer to “3. Supplementary Information” for an overview of each product category.)

#### Japan

Sales of products for semiconductor applications increased considerably year on year, supported mainly by strong demand for SiC semiconductor applications and reflecting solid sales of products for industrial furnace applications, EDM electrodes, and other products. As a result, in Japan, net sales were 21,261 million yen (up 14.5% year on year) and operating profit was 8,228 million yen (up 37.3% year on year).

#### United States

Sales of products for semiconductor applications and products for metallurgical applications including those for continuous casting and industrial furnaces were strong. As a result, in the United States, net sales were 3,901 million yen (up 25.8% year on year) and operating profit was 553 million yen (up 384.1% year on year).

#### Europe

Sales of mainstay metallurgical applications were strong, while sales of semiconductor applications grew, and sales of carbon brush products exceeded the level of the same period of the previous year. As a result, in Europe, net sales were 4,075 million yen (up 10.8% year on year), and operating profit was 26 million yen (down 80.7% year on year), mainly due to labor costs.

#### Asia

Sales of carbon brush products recovered moderately, mainly for compact motors for home appliances, but sales of metallurgical application products mainly for industrial furnaces and semiconductor application products mainly for solar cells were sluggish. As a result, in Asia, net sales were 9,823 million yen (down 7.8% year on year) and operating profit was 619 million yen (up 10.7% year on year).

### (2) Overview of the quarterly financial position

As of September 30, 2024, total assets increased by 9,552 million yen from the end of the previous consolidated fiscal year.

This was primarily because, although notes and accounts receivable - trade decreased by 1,351 million yen and securities decreased by 500 million yen, there was an increase of 377 million yen in cash and deposits, an increase of 3,540 million yen in inventories, an increase of 489 million yen in other current assets due to factors

including an increase in consumption taxes refund receivable, an increase of 6,337 million yen in property, plant and equipment, and an increase of 353 million yen in investments and other assets due to factors including an increase in investments in capital of subsidiaries and associates.

Total liabilities increased by 4,227 million yen from the end of the previous consolidated fiscal year.

This was primarily because accounts payable - other increased by 1,933 million yen, provision for bonuses increased by 873 million yen, and other current liabilities increased by 1,257 million yen due to factors including an increase in electronically recorded obligations - non-operating.

Total net assets increased by 5,325 million yen from the end of the previous consolidated fiscal year.

This was primarily because retained earnings increased by 4,882 million yen and foreign currency translation adjustment increased by 434 million yen.

### **(3) Explanation of information regarding consolidated earnings forecasts and other projections**

Consolidated forecasts for the year ending December 31, 2024 are unchanged from the figures announced on February 14, 2024.

## 2. Quarterly Consolidated Financial Statements and Important Notes

### (1) Quarterly consolidated balance sheets

(Millions of yen, rounded down)

	As of December 31, 2023	As of September 30, 2024
	Amount	Amount
<b>Assets</b>		
Current assets		
Cash and deposits	15,132	15,510
Notes and accounts receivable – trade	17,494	16,143
Securities	2,999	2,499
Merchandise and finished goods	9,440	11,121
Work in process	8,145	9,146
Raw materials and supplies	4,220	5,078
Other	726	1,216
Allowance for doubtful accounts	(61)	(31)
Total current assets	58,099	60,685
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,706	10,553
Machinery, equipment and vehicles, net	11,087	11,890
Land	6,104	7,154
Leased assets, net	1,148	1,716
Construction in progress	3,104	7,071
Other, net	1,091	1,195
Total property, plant and equipment	33,243	39,581
Intangible assets	488	763
Investments and other assets	4,781	5,135
Total non-current assets	38,513	45,479
<b>Total assets</b>	<b>96,612</b>	<b>106,165</b>

(Millions of yen, rounded down)

	As of December 31, 2023	As of September 30, 2024
	Amount	Amount
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable – trade	2,718	2,524
Electronically recorded obligations – operating	831	934
Accounts payable – other	2,523	4,456
Income taxes payable	1,675	1,421
Provision for bonuses	772	1,646
Provision for bonuses for directors (and other officers)	32	–
Other	2,557	3,815
Total current liabilities	11,111	14,798
Non-current liabilities		
Retirement benefit liability	174	188
Asset retirement obligations	278	635
Other	523	693
Total non-current liabilities	976	1,517
<b>Total liabilities</b>	12,088	16,315
<b>Net assets</b>		
Shareholders' equity		
Share capital	7,947	7,947
Capital surplus	9,609	9,609
Retained earnings	61,710	66,592
Treasury shares	(61)	(61)
Total shareholders' equity	79,206	84,087
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	222	224
Foreign currency translation adjustment	5,053	5,487
Remeasurements of defined benefit plans	(11)	(2)
Total accumulated other comprehensive income	5,264	5,709
Non-controlling interests	53	52
<b>Total net assets</b>	84,524	89,849
<b>Total liabilities and net assets</b>	96,612	106,165



**(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income**

(Quarterly consolidated statements of income)

Nine months ended September 30, 2023 and 2024

	(Millions of yen, rounded down)	
	Nine months ended September 30, 2023 Amount	Nine months ended September 30, 2024 Amount
Net sales	36,001	39,062
Cost of sales	23,261	23,156
Gross profit	12,739	15,905
Selling, general and administrative expenses	6,049	6,639
Operating profit	6,690	9,266
Non-operating income		
Interest income	66	64
Dividend income	62	44
Foreign exchange gains	676	–
Share of profit of entities accounted for using equity method	156	356
Other	87	116
Total non-operating income	1,048	581
Non-operating expenses		
Interest expenses	18	18
Depreciation	12	12
Foreign exchange loss	–	67
Other	7	12
Total non-operating expenses	38	110
Ordinary profit	7,700	9,737
Extraordinary income		
Gain on sales of non-current assets	81	4
Subsidy income	377	439
Total extraordinary income	458	443
Extraordinary losses		
Loss on sales of non-current assets	0	1
Loss on retirement of non-current assets	176	152
Total extraordinary losses	176	154
Profit before income taxes	7,983	10,026
Income taxes	2,172	2,836
Profit	5,810	7,189
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	5,810	7,189

(Quarterly consolidated statement of comprehensive income)

Nine months ended September 30, 2023 and 2024

(Millions of yen, rounded down)

	Nine months ended September 30, 2023 Amount	Nine months ended September 30, 2024 Amount
<b>Profit</b>	5,810	7,189
Other comprehensive income		
Valuation difference on available-for-sale securities	108	2
Foreign currency translation adjustment	1,569	405
Remeasurements of defined benefit plans, net of tax	62	8
Share of other comprehensive income of entities accounted for using equity method	87	27
Total other comprehensive income	1,827	443
Comprehensive income	7,638	7,633
Comprehensive income attributable to:		
Owners of parent	7,634	7,634
Non-controlling interests	4	(0)

### (3) Notes on quarterly consolidated financial statements

(Adoption of specific accounting methods for the preparation of quarterly consolidated financial statements)

(Tax expense calculations)

Tax expenses are calculated by multiplying profit before income taxes by an effective tax rate, which is reasonably estimated by applying tax effect accounting to estimated profit before income taxes for the fiscal year, including the third quarter of the consolidated fiscal year under review.

(Notes on segment information, etc.)

#### I. Nine months ended September 30, 2023 (From January 1, 2023 to September 30, 2023)

1 Information on net sales and the amount of profits (losses) by reportable segment and disaggregated information on revenue

(Millions of yen, rounded down)

	Reportable segments					Adjusted amount (Note) 1	Amount recorded in the consolidated quarterly income statement (Note) 2
	Japan	United States	Europe	Asia	Total		
Net sales							
Goods transferred at a point in time	18,571	3,100	3,678	10,650	36,001	—	36,001
Goods transferred over time	—	—	—	—	—	—	—
Revenue from contracts with customers	18,571	3,100	3,678	10,650	36,001	—	36,001
Sales to unaffiliated customers	18,571	3,100	3,678	10,650	36,001	—	36,001
Intersegment sales or transfers	6,845	56	—	147	7,049	(7,049)	—
Total	25,416	3,157	3,678	10,797	43,050	(7,049)	36,001
Segment profit	5,992	114	136	559	6,802	(111)	6,690

(Notes) 1. Adjusted segment profit mainly takes into account the elimination of intersegment transactions and unrealized income.

2. Segment profit has been adjusted to reflect the operating profit recorded in the consolidated quarterly statement of income.

#### 2. Regional information

(Millions of yen, rounded down)

	Japan	North America		Europe	Asia		Rest of world	Total
		North America (including U.S.)	U.S. only		Asia (including China)	China only		
Net sales	15,652	3,213	3,075	3,976	13,013	9,909	145	36,001
Composition (%)	43.5	8.9	8.5	11.0	36.2	27.5	0.4	100.0

(Notes) 1. Sales are based on the locations of our customers, and are categorized into the relevant country or region segment according to geographical proximity.

2. The major countries or regions included in each geographic segment (except Japan) are listed below.

(1) North America: United States

(2) Europe: France, Germany, Italy

(3) Asia: China, Taiwan, South Korea

## II. Nine months ended September 30, 2024 (From January 1, 2024 to September 30, 2024)

### 1. Information on net sales and the amount of profits (losses) by reportable segment and disaggregated information on revenue

(Millions of yen, rounded down)

	Reportable segments					Adjusted amount (Note) 1	Amount recorded in the consolidated quarterly income statement (Note) 2
	Japan	United States	Europe	Asia	Total		
Net sales							
Goods transferred at a point in time	21,261	3,901	4,075	9,823	39,062	—	39,062
Goods transferred over time	—	—	—	—	—	—	—
Revenue from contracts with customers	21,261	3,901	4,075	9,823	39,062	—	39,062
Sales to unaffiliated customers	21,261	3,901	4,075	9,823	39,062	—	39,062
Intersegment sales or transfers	7,036	98	48	154	7,338	(7,338)	—
Total	28,297	4,000	4,124	9,977	46,400	(7,338)	39,062
Segment profit	8,228	553	26	619	9,427	(161)	9,266

(Notes) 1. Adjusted segment profit mainly takes into account the elimination of intersegment transactions and unrealized income.

2. Segment profit has been adjusted to reflect the operating profit recorded in the consolidated quarterly statement of income.

### 2. Regional information

(Millions of yen, rounded down)

	Japan	North America		Europe	Asia		Rest of world	Total
		North America (including U.S.)	U.S. only		Asia (including China)	China only		
Net sales	17,488	4,166	4,070	4,320	12,873	8,909	211	39,062
Composition (%)	44.8	10.7	10.4	11.1	32.9	22.8	0.5	100.0

(Notes) 1. Sales are based on the locations of our customers, and are categorized into the relevant country or region segment according to geographical proximity.

2. The major countries or regions included in each geographic segment (except Japan) are listed below.

(1) North America: United States

(2) Europe: France, Germany, Italy

(3) Asia: China, Taiwan, South Korea

(Notes if the amount of shareholders' equity has changed significantly)

Not applicable.

(Notes regarding the premise of a going concern)

Not applicable.

(Notes to the statement of quarterly cash flows)

A statement of cash flows has not been prepared in relation to the first nine months under review. Amount of depreciation (including amortization of intangible assets) associated with the first nine months is as follows.

	Nine months ended September 30, 2023	Nine months ended September 30, 2024
Depreciation	2,500 million yen	2,729 million yen

### 3. Supplementary Information

#### (1) Orders and sales by product category

##### i. Orders

(Millions of yen, rounded down)

Products	Year ended December 31, 2023						Year ending December 31, 2024			
	1Q	2Q	3Q	1Q-3Q	4Q	Fiscal year total	1Q	2Q	3Q	1Q-3Q
Special graphite products	5,738	6,244	5,091	17,075	5,451	22,526	5,726	5,148	5,194	16,069
Carbon products for general industries* <sup>2</sup> (for mechanical applications)	1,064	965	997	3,028	808	3,837	958	1,106	952	3,017
Carbon products for general industries (for electrical applications)	958	1,206	1,112	3,278	1,221	4,500	1,252	1,377	1,127	3,757
Compound materials and other products	3,393	3,848	3,834	11,076	4,063	15,140	4,070	5,245	3,136	12,451
Total	11,155	12,266	11,036	34,458	11,545	46,003	12,008	12,877	10,411	35,296

(Notes) 1. These orders were denominated in foreign currency prior to the previous quarter; discrepancies resulting from fluctuations in foreign exchange rates during the quarter under review are included in the figure for orders placed in this quarter.

\*2. Data for general carbon products (carbon for mechanical applications) in the fiscal year ended December 2023 includes orders that have not been officially confirmed.

##### ii. Outstanding orders

(Millions of yen, rounded down)

Products	Year ended December 31, 2023				Year ending December 31, 2024		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Special graphite products	7,197	7,887	7,401	7,084	7,539	6,980	6,823
Carbon products for general industries* <sup>2</sup> (for mechanical applications)	1,053	1,025	1,016	804	928	994	979
Carbon products for general industries (for electrical applications)	777	838	775	813	892	976	826
Compound materials and other products	6,949	7,260	7,908	7,926	8,076	9,014	7,735
Total	15,978	17,011	17,102	16,628	17,437	17,966	16,364

(Notes) 1. These orders were denominated in foreign currency prior to the previous quarter; discrepancies resulting from fluctuations in foreign exchange rates during the quarter under review are included in the figure for orders placed in this quarter.

\*2. Data for general carbon products (carbon for mechanical applications) in the fiscal year ended December 2023 includes orders that have not been officially confirmed.

### iii. Sales performance by product category

(Millions of yen, rounded down)

Products	Year ended December 31, 2023						Year ending December 31, 2024			
	1Q	2Q	3Q	1Q-3Q	4Q	Fiscal year total	1Q	2Q	3Q	1Q-3Q
Special graphite products	5,648	6,048	6,133	17,830	6,221	24,052	5,899	6,284	5,752	17,936
[Electronics applications]	2,429	2,510	2,693	7,633	2,951	10,585	2,735	2,905	2,263	7,904
[General industries applications]	2,588	2,797	2,816	8,202	2,640	10,843	2,625	2,775	2,940	8,341
[Others]	630	740	623	1,994	629	2,624	538	604	548	1,691
Carbon products for general industries (for mechanical applications)	993	1,023	1,036	3,054	1,062	4,116	865	1,089	1,013	2,968
Carbon products for general industries (for electrical applications)	957	1,145	1,169	3,272	1,185	4,457	1,199	1,256	1,268	3,724
Compound materials and other products	3,137	3,608	3,263	10,008	4,121	14,129	4,119	4,403	4,433	12,956
[3 major products]	2,702	3,100	2,793	8,595	3,620	12,215	3,607	3,920	3,866	11,394
[Other products]	435	507	469	1,412	501	1,913	512	483	567	1,562
Related goods	567	581	685	1,835	659	2,494	488	676	310	1,475
Total	11,304	12,407	12,288	36,001	13,250	49,251	12,573	13,710	12,778	39,062

## (2) Overview

### Special graphite products

In electronics applications, sales of products for single-crystal silicon manufacturing declined slightly and sales of products for solar cell manufacturing fell substantially, but net sales increased by 3.6% year on year thanks to the substantial increase in sales of products for compound semiconductor manufacturing applications for SiC semiconductors.

In general industries applications, sales of EDM electrodes and products for metallurgical applications including those for continuous casting and industrial furnaces remained solid, resulting in an increase of 1.7% year on year.

Due to these factors, sales of special graphite products overall were up 0.6% over the previous year.

### Carbon products for general industries

In carbon products for mechanical applications, despite a fall-off in sales due to the completion of specific projects in the previous fiscal year, factors such as a strong performance from sealing rings and contact strips for pantographs kept the overall decline in sales to only 2.8% year on year.

In carbon products for electrical applications, as customer operations gradually returned to normal, sales of products for compact motors for home appliances and other products recovered moderately, resulting in a 13.8% sales increase year on year.

Due to these factors, sales of carbon products for general industries overall rose 5.8% over the previous fiscal year.

### Compound materials and other products

Sales of SiC (silicon carbide)-coated graphite products increased significantly year on year, mainly due to solid demand for products for Si (silicon) semiconductor applications, in addition to considerable growth in sales of products for SiC (silicon carbide) semiconductor applications. Sales of C/C composite products increased year

on year due to strong sales of products for industrial furnace applications. Sales of graphite sheet products increased year on year due to solid sales of products for automobile applications, semiconductor applications, and metallurgical applications.

Due to these factors, sales of the three major products rose 32.6% over the previous year, and sales of compound materials and other products increased 29.5% over the previous year.

Orders received for the third quarter decreased year on year, due to the concentration of orders in the second quarter.