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Member of the Financial Accounting Standards Foundation



February 14, 2025

## Consolidated Financial Results for the Fiscal Year Ended December 31, 2024 [Japanese GAAP]

Listed company name: **Toyo Tanso Co., Ltd.**  
 Stock exchange listing: Tokyo Stock Exchange  
 Stock code: 5310  
 Website: <https://www.toyotanso.co.jp>  
 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 annual general meeting of shareholders: March 28, 2025  
 Scheduled date to commence dividend payments: March 31, 2025  
 Scheduled date to file annual securities report: March 31, 2025  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes  
 (for securities analysts and institutional investors)

### 1. Consolidated financial results for the fiscal year ended December 31, 2024

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

#### (1) Consolidated operating results

(Millions of yen, rounded down)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
		%		%		%		%
Fiscal year ended December 31, 2024	53,093	7.8	12,238	31.8	13,480	32.4	9,960	32.7
Fiscal year ended December 31, 2023	49,251	12.5	9,283	39.2	10,182	38.2	7,506	44.9

Note: Comprehensive income For the fiscal year ended December 31, 2024: 11,989 million yen [36.3%]  
 For the fiscal year ended December 31, 2023: 8,796 million yen [41.7%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	yen	yen	%	%	%
Fiscal year ended December 31, 2024	474.95	—	11.2	12.9	23.1
Fiscal year ended December 31, 2023	357.91	—	9.3	10.9	18.8

Reference: Share of profit (loss) of entities accounted for using equity method  
 For the fiscal year ended December 31, 2024: 440 million yen  
 For the fiscal year ended December 31, 2023: 304 million yen

**(2) Consolidated financial position**

(Millions of yen, rounded down)

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
			%	yen
As of December 31, 2024	113,190	94,205	83.2	4,489.13
As of December 31, 2023	96,612	84,524	87.4	4,027.70

Reference: Equity As of December 31, 2024: 94,147 million yen  
As of December 31, 2023: 84,470 million yen

**(3) Consolidated cash flows**

(Millions of yen, rounded down)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended December 31, 2024	9,489	(6,312)	(2,563)	14,652
Fiscal year ended December 31, 2023	6,216	(2,693)	(1,970)	13,601

**2. Cash dividends**

(Millions of yen, rounded down)

	Dividends per share				Total	Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end				
	yen	yen	yen	yen				
Year ended December 31, 2023	-	0.00	-	110.00	110.00	2,306	30.7	2.9
Year ended December 31, 2024	-	0.00	-	145.00	145.00	3,040	30.5	3.4
Year ending December 31, 2025 (Forecast)	-	0.00	-	145.00	145.00-		43.4	

**3. Consolidated results forecast for the fiscal year ending December 31, 2025**

(From January 1, 2025 to December 31, 2025)

(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
Six months ending June 30, 2025	24,000	(8.7)	4,000	(31.1)	3,900	(44.2)	2,800	(45.7)	133.51
Fiscal year ending December 31, 2025	52,000	(2.1)	10,000	(18.3)	9,800	(27.3)	7,000	(29.7)	333.77

**\* Others**

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

Newly included: \_\_\_ (Company name)

Excluded: \_\_\_ (Company name)

**(2) 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

**(3) Number of issued shares (common shares)**

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

As of December 31, 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 December 31, 2024 20,277 shares

As of December 31, 2023 20,167 shares

3) Average number of shares during the period

Fiscal year ended December 31, 2024 20,972,367 shares

Fiscal year ended December 31, 2023 20,972,467 shares

**Reference: Overview of non-consolidated financial results**

**Non-consolidated financial results for the fiscal year ended December 31, 2024**

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

**(1) Non-consolidated operating results**

(Millions of yen, rounded down)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
		%		%		%		%
Fiscal year ended December 31, 2024	39,120	11.6	10,418	32.5	12,128	24.1	8,945	28.7
Fiscal year ended December 31, 2023	35,062	13.1	7,863	27.7	9,771	23.8	6,953	19.2

	Basic earnings per share	Diluted earnings per share
	yen	yen
Fiscal year ended December 31, 2024	426.54	-
Fiscal year ended December 31, 2023	331.54	-

**(2) Non-consolidated financial position**

(Millions of yen, rounded down)

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
			%	yen
As of December 31, 2024	88,822	72,054	81.1	3,435.68
As of December 31, 2023	75,130	65,394	87.0	3,118.12

Reference: Equity As of December 31, 2024: 72,054 million yen

As of December 31, 2023: 65,394 million yen

**\* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.**

**\* 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 “(4) Forecasts” under “1. Overview of Business Results” on page 3 of the Attached Documents.

(How to acquire supplementary materials for financial summaries and information disclosed at our financial results briefing)

We are scheduled to hold a financial results briefing for securities analysts and institutional investors on February 21, 2025. The materials distributed at the briefing are scheduled to be disclosed on TDnet and our website on that same day.

○ Attached Documents

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## 1. Overview of Business Results

### (1) Overview of Business Results in the Fiscal Year Ended December 31, 2024

During 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 steady demand for silicon semiconductor and 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. The 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 consolidated fiscal year under review, net sales were 53,093 million yen (up 7.8% 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 12,238 million yen (up 31.8% year on year), ordinary profit was 13,480 million yen (up 32.4% year on year), and profit attributable to owners of parent of 9,960 million yen (up 32.7% year on year).

The overall performance of each business segment was as follows. (Please refer to "4. Others" 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 29,545 million yen (up 14.8% year on year) and operating profit was 11,097 million yen (up 34.7% 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 4,971 million yen (up 18.7% year on year) and operating profit was 497 million yen (up 1,040.5% 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 5,276 million yen (up 8.1% year on year), and operating loss was 90 million yen (profit of 42 million yen in the previous fiscal 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 13,300 million yen (down 7.9% year on year) and operating profit was 849 million yen (down 12.1% year on year).

## **(2) Overview of Financial Position in the Fiscal Year Ended December 31, 2024**

### **Assets, Liabilities, and Net Assets**

Total assets as of the end of the consolidated fiscal year under review increased by 16,577 million yen from the end of the previous consolidated fiscal year. This was primarily because cash and deposits increased by 868 million yen, inventories increased by 5,011 million yen, and property, plant and equipment increased by 9,620 million yen.

Total liabilities increased by 6,897 million yen from the end of the previous consolidated fiscal year. This was primarily because accounts payable – other increased by 1,541 million yen, income taxes payable increased by 598 million yen, other current liabilities increased by 4,183 million yen, mainly due to an increase in electronically recorded obligations – operating, and asset retirement obligations in non-current liabilities increased by 326 million yen.

Total net assets increased by 9,680 million yen from the end of the previous consolidated fiscal year. This was primarily because retained earnings increased by 7,653 million yen and foreign currency translation adjustment increased by 1,958 million yen.

## **(3) Overview of Cash Flows in the Fiscal Year Ended December 31, 2024**

Cash and cash equivalents (hereinafter referred to as “funds”) as of December 31, 2024, increased by 1,051 million yen from the end of the previous consolidated fiscal year to 14,652 million yen.

### **(Cash Flows from Operating Activities)**

Funds acquired by operating activities totaled 9,489 million yen, a 52.7% year-on-year increase. This was primarily because the increase in funds due to profit before income taxes of 13,734 million yen (a 33.1% year-on-year increase) and depreciation of 3,725 million yen (a 10.4% year-on-year increase), and a decrease in trade receivables of 478 million yen (increase of 459 million yen in the previous fiscal year) were offset by the decrease in funds due to foreign exchange gains of 635 million yen (a 64.7% year-on-year increase), an increase in inventories of 4,205 million yen (a 45.8% year-on-year increase), a decrease in trade payables of 738 million yen (a 1,019.4% year-on-year increase), and income taxes paid of 3,025 million yen (a 5.1% year-on-year increase).

### **(Cash Flows from Investing Activities)**

Funds used in investing activities totaled 6,312 million yen, a 134.3% year-on-year increase. This was primarily because a decrease in funds from payments into time deposits of 5,910 million yen (a 3.3% year-on-year increase) and the purchase of property, plant and equipment of 6,708 million yen (a 42.8% year-on-year increase) were offset by the increase in funds from proceeds from withdrawals of time deposits of 6,827 million yen (a 14.9% year-on-year decrease).

### **(Cash Flows from Financing Activities)**

Funds used in financing activities amounted to 2,563 million yen, a 30.1% year-on-year increase. This was primarily due to a decrease in funds, including 2,305 million yen in cash dividends paid (a 57.1% year-on-year increase).

## **(4) Forecasts**

The outlook for business conditions in Japan and overseas is expected to remain unclear amid concern over the impact of factors such as policy moves in the United States, the persistence of high interest rate levels in Europe and the United States, and the slowdown in China’s real estate market.

In the business environment surrounding the Group, solid demand can be expected, particularly for the electronics, mobility, and energy industries due to the continuation of digital investment and efforts to achieve carbon neutrality. The Group anticipates that SiC semiconductor applications will enter an adjustment phase amid weakening demand for EVs, but demand for silicon semiconductor applications will begin a moderate recovery, while solid demand is also expected for metallurgical and other applications.

Against this backdrop, the Group will control its balance of products and applications as it responds to changes in the external environment based on its 2030 Management Vision: “‘Creating products with unprecedented potential’ – Becoming a leading company through earth-friendly products and technologies.” At the same time, the Group aims to create high added value, achieve medium- and long-term business growth, and enhance corporate value by addressing customer needs with sincerity, providing innovative solutions through the forward-looking development of products and technologies,

and accelerating its sustainability initiatives, including its contribution to reducing greenhouse gas emissions through its businesses.

Based on the above, we expect net sales of 52,000 million yen (a 2.1% year-on-year decrease), while operating profit is expected to be 10,000 million yen (a 18.3% year-on-year decrease) due mainly to the impact of foreign exchange rates and an increase in personnel expenses, depreciation, and other fixed costs. We anticipate 9,800 million yen in ordinary profit (a 27.3% year-on-year decrease), and 7,000 million yen in profit attributable to owners of parent (a 29.7% year-on-year decrease) in the fiscal year ending December 31, 2025.

Our earnings forecasts assume exchange rates of 145 yen/US\$, 154 yen/EUR, and 19.5 yen/CNY.

**(5) Basic Policy for Profit Allocation and Dividends for the Fiscal Year Ended December 31, 2024 and the Fiscal Year Ending December 31, 2025**

**(i) Basic Policy**

Our basic policy for profit allocation is to make strategic investments in order to strengthen our competitiveness and enhance our corporate value over the long term and return profits to shareholders in a continuous and stable fashion, maintaining a dividend payout ratio of at least 30%, with due consideration of business results for the fiscal year, funding needs for the future expansion of our business operations, and consolidation of our business foundation. We intend to use internal reserves for capital expenditures for production facilities, development of new products, and investment in research and development.

**(ii) Dividends for the Fiscal Year Ended December 31, 2024**

Based on the aforementioned policy and our business results in the fiscal year under review, we plan to increase dividends by 35 yen to pay a dividend of 145 yen per share for the fiscal year ended December 31, 2024.

**(iii) Dividends for the Fiscal Year Ending December 31, 2025**

For the fiscal year ending December 31, 2025, based on the basic policy, we plan to pay a dividend of 145 yen per share to continue to provide stable shareholder returns while also taking into account trends in business performance and our capital investment plans aimed at future growth.



## **2. Basic Approach to Selection of Accounting Standards**

The Group will prepare its consolidated financial statements in line with Japanese standards for the near term, given that these standards enable comparison of consolidated financial statements across fiscal periods and between companies.

We plan to respond appropriately to the adoption of international accounting standards, taking into account conditions in Japan and overseas.

### 3. Consolidated Financial Statements and Notes

#### (1) Consolidated Balance Sheets

(Millions of yen, rounded down)

	As of December 31, 2023	As of December 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	15,132	16,000
Notes and accounts receivable - trade	17,494	17,609
Securities	2,999	2,499
Merchandise and finished goods	9,440	11,642
Work in process	8,145	9,597
Raw materials and supplies	4,220	5,577
Other	726	1,316
Allowance for doubtful accounts	(61)	(131)
Total current assets	58,099	64,112
Non-current assets		
Property, plant and equipment		
Buildings and structures	24,553	25,904
Accumulated depreciation	(13,846)	(14,675)
Buildings and structures, net	10,706	11,229
Machinery, equipment and vehicles	58,196	63,822
Accumulated depreciation	(47,108)	(49,272)
Machinery, equipment and vehicles, net	11,087	14,550
Land	6,104	7,204
Leased assets	1,693	2,442
Accumulated depreciation	(544)	(663)
Leased assets, net	1,148	1,778
Construction in progress	3,104	6,897
Other	5,711	6,125
Accumulated depreciation	(4,619)	(4,921)
Other, net	1,091	1,203
Total property, plant and equipment	33,243	42,863
Intangible assets	488	849
Investments and other assets		
Investment securities	503	533
Deferred tax assets	1,491	1,334
Retirement benefit asset	685	848
Other	2,272	2,840
Allowance for doubtful accounts	(171)	(191)
Total investments and other assets	4,781	5,365
Total non-current assets	38,513	49,078
<b>Total assets</b>	96,612	113,190

(Millions of yen, rounded down)

	As of December 31, 2023	As of December 31, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	2,718	2,202
Electronically recorded obligations - operating	831	1,024
Accounts payable - other	2,523	4,065
Income taxes payable	1,675	2,274
Provision for bonuses	772	1,028
Provision for bonuses for directors (and other officers)	32	24
Other	2,557	6,740
Total current liabilities	11,111	17,359
Non-current liabilities		
Deferred tax liabilities	129	148
Retirement benefit liability	174	192
Asset retirement obligations	278	605
Other	394	679
Total non-current liabilities	976	1,625
<b>Total liabilities</b>	<b>12,088</b>	<b>18,985</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	7,947	7,947
Capital surplus	9,609	9,609
Retained earnings	61,710	69,364
Treasury shares	(61)	(61)
Total shareholders' equity	79,206	86,859
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	222	243
Foreign currency translation adjustment	5,053	7,012
Remeasurements of defined benefit plans	(11)	32
Total accumulated other comprehensive income	5,264	7,288
Non-controlling interests	53	57
<b>Total net assets</b>	<b>84,524</b>	<b>94,205</b>
<b>Total liabilities and net assets</b>	<b>96,612</b>	<b>113,190</b>

**(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income**  
**(Consolidated statement of income)**

(Millions of yen, rounded down)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Net sales	49,251	53,093
Cost of sales	31,528	31,603
Gross profit	17,722	21,489
Selling, general and administrative expenses	8,439	9,251
Operating profit	9,283	12,238
Non-operating income		
Interest income	90	85
Dividend income	69	54
Foreign exchange gains	361	555
Share of profit of entities accounted for using equity method	304	440
Revenue from sales of electric power	38	38
Other	86	141
Total non-operating income	952	1,315
Non-operating expenses		
Interest expenses	25	35
Depreciation	16	15
Other	10	22
Total non-operating expenses	52	73
Ordinary profit	10,182	13,480
Extraordinary income		
Gain on sales of non-current assets	87	6
Subsidy income	382	442
Total extraordinary income	470	449
Extraordinary losses		
Loss on sales of non-current assets	0	0
Loss on retirement of non-current assets	215	193
Impairment losses	120*	—
Total extraordinary losses	336	194
Profit before income taxes	10,317	13,734
Income taxes - current	2,849	3,546
Income taxes - deferred	(40)	224
Total income taxes	2,809	3,771
Profit	7,507	9,962
Profit attributable to non-controlling interests	0	2
Profit attributable to owners of parent	7,506	9,960

**(Consolidated statement of comprehensive income)**

(Millions of yen, rounded down)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Profit	7,507	9,962
Other comprehensive income		
Valuation difference on available-for-sale securities	104	21
Foreign currency translation adjustment	1,058	1,703
Remeasurements of defined benefit plans, net of tax	71	43
Share of other comprehensive income of entities accounted for using equity method	54	257
Total other comprehensive income	1,289	2,026
Comprehensive income	8,796	11,989
Comprehensive income attributable to		
Owners of parent	8,791	11,984
Non-controlling interests	4	4

### (3) Consolidated Statement of Changes in Equity

Previous consolidated fiscal year (From January 1, 2023 to December 31, 2023)

(Millions of yen, rounded down)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,947	9,609	55,672	(60)	73,168
Changes of items during period					
Dividends of surplus			(1,468)		(1,468)
Profit attributable to owners of parent			7,506		7,506
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	6,038	(0)	6,037
Balance at end of period	7,947	9,609	61,710	(61)	79,206

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	117	3,944	(83)	3,978	53	77,200
Changes of items during period						
Dividends of surplus						(1,468)
Profit attributable to owners of parent						7,506
Purchase of treasury shares						(0)
Net changes of items other than shareholders' equity	104	1,109	71	1,285	0	1,285
Total changes of items during period	104	1,109	71	1,285	0	7,323
Balance at end of period	222	5,053	(11)	5,264	53	84,524

Current consolidated fiscal year (From January 1, 2024 to December 31, 2024)

(Millions of yen, rounded down)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,947	9,609	61,710	(61)	79,206
Changes of items during period					
Dividends of surplus			(2,306)		(2,306)
Profit attributable to owners of parent			9,930		9,960
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	7,653	(0)	7,652
Balance at end of period	7,947	9,609	69,364	(61)	86,859

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	222	5,053	(11)	5,264	53	84,524
Changes of items during period						
Dividends of surplus						(2,306)
Profit attributable to owners of parent						9,960
Purchase of treasury shares						(0)
Net changes of items other than shareholders' equity	21	1,958	43	2,023	3	2,027
Total changes of items during period	21	1,958	43	2,023	3	9,680
Balance at end of period	243	7,012	32	7,288	57	94,205

#### (4) Consolidated Statement of Cash Flows

(Millions of yen, rounded down)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	10,317	13,734
Depreciation	3,375	3,725
Impairment losses	120	—
Share of loss (profit) of entities accounted for using equity method	(304)	(440)
Increase (decrease) in retirement benefit asset or liability	(0)	(93)
Increase (decrease) in provision for bonuses	(16)	227
Increase (decrease) in provision for bonuses for directors (and other officers)	(80)	(8)
Increase (decrease) in allowance for doubtful accounts	(45)	62
Interest and dividend income	(159)	(139)
Interest expenses	25	35
Foreign exchange losses (gains)	(385)	(635)
Loss (gain) on sale of non-current assets	(86)	(5)
Loss on retirement of non-current assets	215	193
Decrease (increase) in trade receivables	(459)	478
Decrease (increase) in inventories	(2,883)	(4,205)
Increase (decrease) in trade payables	(65)	(738)
Other, net	(692)	63
Subtotal	8,871	12,254
Interest and dividends received	249	304
Interest paid	(24)	(43)
Income taxes refund (paid)	(2,879)	(3,025)
Net cash provided by (used in) operating activities	6,216	9,489
<b>Cash flows from investing activities</b>		
Payments into time deposits	(5,722)	(5,910)
Proceeds from withdrawal of time deposits	8,018	6,827
Purchase of property, plant and equipment	(4,698)	(6,708)
Proceeds from sales of property, plant and equipment	108	15
Purchase of intangible assets	(276)	(449)
Other, net	(123)	(88)
Net cash provided by (used in) investing activities	(2,693)	(6,312)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(297)	—
Repayments of long-term borrowings	(9)	—
Repayments of finance lease liabilities	(191)	(256)
Purchase of treasury shares	(0)	(0)
Dividends paid	(1,467)	(2,305)
Dividends paid to non-controlling interests	(4)	(0)
Net cash provided by (used in) financing activities	(1,970)	(2,563)
Effect of exchange rate change on cash and cash equivalents	276	437
Net increase (decrease) in cash and cash equivalents	1,828	1,051
Cash and cash equivalents at beginning of period	11,773	13,601
Cash and cash equivalents at end of period	13,601	14,652



## **(5) Notes to the Consolidated Financial Statements**

(Notes regarding the premise of a going concern)

Not applicable.

(Significant items that form the basis of preparations for consolidated financial statements)

### 1. Items concerning the scope of consolidation

#### (1) Number of consolidated subsidiaries: 11

Names of consolidated subsidiaries

Totan Kako Co., Ltd.  
Ohwada Carbon Industrial Co., Ltd.  
Toyo Tanso USA, Inc.  
Toyo Tanso Europe S.p.A.  
Toyo Tanso France S.A.  
GTD Graphit Technologie GmbH  
Shanghai Toyo Tanso Co., Ltd.  
Shanghai Toyo Tanso Industrial Co., Ltd.  
Toyo Tanso (Zhejiang) Co., Ltd.  
Chengdu Toyo Tanso Industrial Co., Ltd.  
Toyo Tanso Taiwan Co., Ltd.

#### (2) Names of non-consolidated subsidiaries

Non-consolidated subsidiaries

Toyo Tanso Korea Co., Ltd.  
Toyo Tanso (Thailand) Co., Ltd.  
Toyo Tanso Singapore Pte. Ltd.  
Toyo Tanso Mexico, S.A. de C.V.  
PT. Toyo Tanso Indonesia

(Reason for exclusion from the scope of consolidation)

Non-consolidated subsidiaries were not included in the scope of consolidation because their total assets, net sales, net income (loss; amount corresponding to equity), and retained earnings (amount corresponding to equity) do not have a material impact on the consolidated financial statements.

### 2. Items concerning the application of the equity method

#### (1) Number of affiliated companies accounted for using the equity method: 2

Significant affiliated companies accounted for using the equity method

ATN Graphite Technology Co., Ltd.  
Shanghai Yongxin Toyo Tanso Co., Ltd.

#### (2) Because non-consolidated subsidiaries have very little impact on profit (loss; amount corresponding to equity) or retained earnings (amount corresponding to equity) and have no materiality overall, the equity method has not been applied to the investment account for these companies, and they have instead been valued at cost.

There are five non-consolidated subsidiaries to which the equity method has not been applied: Toyo Tanso Korea Co., Ltd., Toyo Tanso (Thailand) Co., Ltd., Toyo Tanso Singapore Pte. Ltd., Toyo Tanso Mexico, S.A. de C.V., and PT. Toyo Tanso Indonesia.

### 3. Items concerning the business years of subsidiaries

The closing date for all consolidated subsidiaries is in line with the consolidated closing date.

#### 4. Items concerning accounting policies

##### (1) Valuation standards and method for significant assets

###### a. Securities

###### (a) Shares of subsidiaries and affiliates

Stated at cost using the moving average method

###### (b) Other securities

Other securities except for shares, etc. without market prices

Stated at fair value (valuation differences are treated through the partial direct net asset adjustment method and sales costs are calculated with the moving average method)

Shares, etc. without market prices

Stated at cost using the moving average method

###### b. Derivatives

Stated at fair value

###### c. Inventories

###### (a) Merchandise and raw materials

Mainly stated at cost using the moving average method

(The carrying amount on the balance sheet is reduced for decreases in profitability.)

###### (b) Finished goods, work in process, and semi-finished goods

Mainly stated at individual cost

(The carrying amount on the balance sheet is reduced for decreases in profitability.)

###### (c) Supplies

Mainly stated at cost based on the last purchase price

(The carrying amount on the balance sheet is reduced for decreases in profitability.)

##### (2) Depreciation method for significant depreciable assets

###### a. Property, plant and equipment (excluding leased assets)

The straight-line method is used.

The main useful lives are as follows.

Buildings and structures: 3 to 50 years

Machinery, equipment and vehicles: 4 to 9 years

###### b. Intangible assets (excluding leased assets)

The straight-line method is used. However, the straight-line method is used for software (in-house use) based on the in-house use period (five years).

###### c. Leased assets

Leased assets in financial lease transactions with transfer of ownership

We use the same depreciation method for non-current assets owned by the Company.

Leased assets in financial lease transactions without transfer of ownership

The straight-line method is applied for useful lives for the lease period, with a residual value of zero.

##### (3) Criteria for posting significant reserves

###### a. Allowance for doubtful accounts

To make allowance for losses on uncollectible accounts, the expected uncollectible amount is posted based on the loss ratio for general receivables and by individually examining the collectability of specific doubtful accounts.

###### b. Provision for bonuses

The Toyo Tanso Group posts the liability amount of expected payments for the current consolidated fiscal year to provide for bonuses paid to employees.

###### c. Provision for bonuses for directors (and other officers)

The Toyo Tanso Group posts the expected payment amount to provide for bonuses paid to directors and other officers.

##### (4) Accounting policies for retirement benefits

###### a. Attribution method for projected retirement benefits

The benefit formula method is used to attribute projected retirement benefits to periods until the fiscal year-end.

###### b. Amortization of actuarial differences and unrecognized prior service costs

Actuarial differences are treated as a lump-sum expense in the following consolidated fiscal year.

c. Adoption of simplified methods for small-scale companies

Some consolidated companies adopt a simplified method in which the amount paid for voluntary termination is posted as retirement benefit obligations when calculating net defined benefit liabilities and retirement benefit expenses.

(5) Standards for the recognition of significant revenue and expenses

The Group is mainly engaged in the manufacture, processing and sale of carbon products based on isotropic graphite materials in high-performance fields, and assumes performance obligations to deliver products, etc. based on contracts with customers.

The Group considers these performance obligations to be satisfied at the point in time when control of the goods or services promised by the Group is transferred to the customer, and recognizes revenue from the sale of these products, etc. at a selling price based on the contract with the customer. For domestic sales, the Group applies Paragraph 98 of the “Implementation Guidance on Accounting Standard for Fair Value Measurement” and recognizes revenue at the time of shipment, as the period of time from shipment of products, etc. to the transfer of control to the customer is considered reasonable given the number of days required for shipment and delivery within Japan. For export sales, the Group considers that its performance obligations are satisfied at the time when risk is transferred to the customer in accordance with terms of trade based on the Incoterms or similar rules, and recognizes revenue at that time.

Consideration for transactions is generally received within one year from the time when the Group satisfies its performance obligations, and transactions do not include any material element of finance.

(6) Standards for converting significant foreign currency-denominated assets and liabilities to Japanese yen

Foreign currency-denominated receivables and payables are converted to yen at the spot exchange rate on the consolidated closing date and the translation adjustment is treated as a profit or loss. The assets and liabilities of overseas subsidiaries are converted to yen at the spot exchange rate on the consolidated closing date, and revenue and expenses are converted to yen at the average annual exchange rate. Translation differences are then posted as part of non-controlling interests and foreign currency translation adjustment in net assets.

(7) Scope of funds contained within the consolidated statement of cash flows

Cash on hand, deposits that can be withdrawn at any time, and short-term investments with high liquidity that can easily be converted to cash and have maturities within three months of acquisition that are exposed to only a minimal price fluctuation risk are posted.

(Notes on consolidated statement of income)

\* Impairment losses

Previous consolidated fiscal year (From January 1, 2023 to December 31, 2023)

The Group posted impairment losses on the following assets in the previous consolidated fiscal year.

(i) Assets for which impairment losses were recognized

(Millions of yen, rounded down)

Use	Type	Name of Company	Location	Impairment losses
Idle assets	Machinery, equipment and vehicles	Toyo Tanso Co., Ltd.	Hagiwara Plant (Kanonji, Kagawa)	71
Business-use assets	Machinery, equipment and vehicles Construction in progress Property, plant and equipment (other)	GTD Graphit Technologie GmbH	Langgöns, Germany	48

(ii) Reasons for recognition of impairment losses

Some of the equipment at the Toyo Tanso Co., Ltd. Hagiwara Plant has become idle due to changes in the market environment. Impairment losses have been recognized for this equipment as its recoverable amount has fallen below book value.

Impairment losses have been recognized for GTD Graphit Technologie GmbH as its recoverable amount has fallen below book value due to changes in the market environment.

(iii) Impairment loss amounts and amounts by type of primary non-current assets

Machinery, equipment and vehicles: 79 million yen

Construction in progress: 36 million yen

Property, plant and equipment (other): 4 million yen

(iv) Grouping method

Toyo Tanso Co., Ltd. groups its assets into the smallest unit that generates cash flow independently and for which income and expenditure can be continuously ascertained. Idle assets are grouped by individual assets.

For GTD Graphit Technologie GmbH, assets are grouped by the smallest units that generate largely independent cash flows.

(v) Method for calculating recoverable amount

The recoverable amount of business assets of Toyo Tanso Co., Ltd. and GTD Graphit Technologie GmbH is generally calculated using the value in use. However, as the value in use is negative based on future cash flows, the recoverable amount is calculated as zero.

Current consolidated fiscal year (From January 1, 2024 to December 31, 2024)

Not applicable.

(Notes on segment information)

**【Segment information】**

1. Reportable Segments

The reportable segments of the Toyo Tanso Group are business components for which separate financial information is available and whose operating results are regularly reviewed by the Board of Directors in order to decide on the allocation of management resources and evaluate performance.

The Company primarily engages in the manufacture and sale of carbon products, in Japan through Toyo Tanso and domestic subsidiaries, and abroad through overseas subsidiaries based in the United States, Europe, and Asia. All overseas subsidiaries are independently managed companies. They conduct business by formulating their own comprehensive regional strategies for the products they handle.

For this reason, our business is composed of segments that are based on region-based production and sales frameworks, and is categorized into the four reportable segments of Japan, United States, Europe, and Asia.

2. Calculation methods of net sales, profits, losses, assets, and other items by reportable segment

The accounting methods of reportable segments are by and large the same as those described in “Significant items that form the basis of preparations for consolidated financial statements.”

Profits of reportable segments are recorded on an operating profit basis.

Inter-segment sales are based on prices in arms-length transactions.

3. Information on net sales, profits, losses, assets, and other items by reportable segment  
**Previous consolidated fiscal year (From January 1, 2023 to December 31, 2023)**

(Millions of yen, rounded down)

	Reportable segments					Adjusted amount (Note) 1	Amount recorded in the consolidated income statement (Note) 2
	Japan	United States	Europe	Asia	Total		
Net sales							
Goods transferred at a point in time	25,736	4,187	4,881	14,446	49,251	-	49,251
Goods transferred over time	-	-	-	-	-	-	-
Revenue from contracts with customer:	25,736	4,187	4,881	14,446	49,251	-	49,251
Sales to unaffiliated customers	25,736	4,187	4,881	14,446	49,251	-	49,251
Inter-segment sales or transfers	9,339	87	-	176	9,603	(9,603)	-
Total	35,076	4,274	4,881	14,623	58,855	(9,603)	49,251
Segment profit	8,238	43	42	966	9,290	(7)	9,283
Segment assets	80,562	5,532	5,402	23,142	114,640	(18,027)	96,612
Other items							
Depreciation	2,590	152	180	452	3,375	-	3,375
Increases in tangible and intangible fixed assets	2,807	1,363	770	614	5,555	-	5,555

(Notes) 1. The adjusted amounts are as follows:

- (1) Adjusted segment profit mainly takes into account the elimination of inter-segment transactions and unrealized income.
  - (2) Adjusted segment assets mainly take into account the elimination of inter-segment transactions and unrealized income.
2. Segment profit has been adjusted to reflect the operating profit recorded in the consolidated statement of income.

**Current consolidated fiscal year (From January 1, 2024 to December 31, 2024)**

(Millions of yen, rounded down)

	Reportable segments					Adjusted amount (Note) 1	Amount recorded in the consolidated income statement (Note) 2
	Japan	United States	Europe	Asia	Total		
Net sales							
Goods transferred at a point in time	29,545	4,971	5,276	13,300	53,093	-	53,093
Goods transferred over time	-	-	-	-	-	-	-
Revenue from contracts with customer:	29,545	4,971	5,276	13,300	53,093	-	53,093
Sales to unaffiliated customers	29,545	4,971	5,276	13,300	53,093	-	53,093
Inter-segment sales or transfers	9,588	175	88	191	10,044	(10,044)	-
Total	39,134	5,147	5,364	13,491	63,137	(10,044)	53,093
Segment profit (loss)	11,097	497	(90)	849	12,354	(116)	12,238
Segment assets	95,148	6,363	6,808	24,861	133,181	(19,990)	113,190
Other items							
Depreciation	2,697	254	290	483	3,725	-	3,725
Increases in tangible and intangible fixed assets	10,680	463	1,255	786	13,186	-	13,186

(Notes) 1. The adjusted amounts are as follows:

- (1) Adjusted segment profit (loss) mainly takes into account the elimination of inter-segment transactions and unrealized income.
  - (2) Adjusted segment assets mainly take into account the elimination of inter-segment transactions and unrealized income.
2. Segment profit (loss) has been adjusted to reflect the operating profit recorded in the consolidated statement of income.

[Related information]

**Previous consolidated fiscal year (From January 1, 2023 to December 31, 2023)**

1. Information by product and service

This information has been omitted because the entire business of the Company and its subsidiaries falls under the single business category of carbon product-related business.

2. Information by region

(1) Net sales

(Millions of yen, rounded down)

	Japan	North America	Europe	Asia		Rest of world	Total
				Asia (including China)	China only		
Net sales	21,523	4,332	5,268	17,921	13,355	205	49,251
Composition (%)	43.7	8.8	10.7	36.4	27.1	0.4	100.0

- (Notes) 1. Net 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 are listed below.
- (1) North America: United States
  - (2) Europe: France, Germany, Italy
  - (3) Asia: China, Taiwan, South Korea

(2) Property, plant and equipment

(Millions of yen, rounded down)

	Japan	United States	Europe	Asia		Total
				Asia (including China)	China only	
	24,280	2,216	2,122	4,624	3,683	33,243

3. Information by major customer

This information has been omitted because we do not have any unaffiliated customers that have accounted for more than 10% of sales in the consolidated statement of income.

**Current consolidated fiscal year (From January 1, 2024 to December 31, 2024)**

1. Information by product and service

This information has been omitted because the entire business of the Company and its subsidiaries falls under the single business category of carbon product-related business.

2. Information by region

(1) Net sales

(Millions of yen, rounded down)

	Japan	North America	Europe	Asia		Rest of world	Total
				Asia (including China)	China only		
Sales	24,490	5,404	5,636	17,273	11,977	288	53,093
Composition (%)	46.1	10.2	10.6	32.5	22.6	0.6	100.0

- (Notes) 1. Net 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 are listed below.
- (1) North America: United States
  - (2) Europe: France, Germany, Italy
  - (3) Asia: China, Taiwan, South Korea

## (2) Property, plant and equipment

(Millions of yen, rounded down)

Japan	United States	Europe	Asia		Total
			Asia (including China)	China only	
31,989	2,687	3,184	5,002	4,042	42,863

### 3. Information by major customer

This information has been omitted because we do not have any unaffiliated customers that have accounted for more than 10% of sales in the consolidated statement of income.

[Information on impairment loss for non-current assets by reportable segment]

#### Previous consolidated fiscal year (From January 1, 2023 to December 31, 2023)

(Millions of yen, rounded down)

	Japan	United States	Europe	Asia	Total
Impairment losses	71	–	48	–	120

#### Current consolidated fiscal year (From January 1, 2024 to December 31, 2024)

Not applicable.

[Information on the amortization of goodwill and unamortized balance by reportable segment]

#### Previous consolidated fiscal year (From January 1, 2023 to December 31, 2023)

Not applicable.

#### Current consolidated fiscal year (From January 1, 2024 to December 31, 2024)

Not applicable.

[Information on gain on bargain purchase by reportable segment]

#### Previous consolidated fiscal year (From January 1, 2023 to December 31, 2023)

Not applicable.

#### Current consolidated fiscal year (From January 1, 2024 to December 31, 2024)

Not applicable.

(Per share information)

	From January 1, 2023 to December 31, 2023	From January 1, 2024 to December 31, 2024
Net assets per share	4,027.70 yen	4,489.13 yen
Basic earnings per share	357.91 yen	474.95 yen

(Notes) 1. Diluted earnings per share are not noted, as there are no residual shares outstanding.

2. The basis for calculating basic earnings per share is outlined below.

	From January 1, 2023 to December 31, 2023	From January 1, 2024 to December 31, 2024
Basic earnings per share		
Profit attributable to owners of parent (millions of yen)	7,506	9,960
Amount not attributed to common shareholders (millions of yen)	-	-
Profit attributable to owners of parent related to common shares (millions of yen)	7,506	9,960
Average number of common shares during the period (shares)	20,972,467	20,972,367

(Significant subsequent events)

Not applicable.

## 4. Others

### (1) Orders and Sales by Product Category

#### i. Orders

(Unit: millions of yen)

Products	Year ended December 31, 2023					Year ended December 31, 2024				
	1Q	2Q	3Q	4Q	Fiscal year total	1Q	2Q	3Q	4Q	Fiscal year total
Special graphite products	5,738	6,244	5,091	5,451	22,526	5,726	5,148	5,194	5,736	21,806
Carbon products for general industries*2 (for mechanical applications)	1,064	965	997	808	3,837	958	1,106	952	1,114	4,132
Carbon products for general industries (for electrical applications)	958	1,206	1,112	1,221	4,500	1,252	1,377	1,127	1,339	5,096
Compound materials and other products	3,393	3,848	3,834	4,063	15,140	4,070	5,245	3,136	3,748	16,199
Total	11,155	12,266	11,036	11,545	46,003	12,008	12,877	10,411	11,939	47,235

(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 year ended December 31, 2023 includes orders that have not been officially confirmed.

#### ii. Outstanding orders

(Unit: millions of yen)

Products	Year ended December 31, 2023				Year ended December 31, 2024			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Special graphite products	7,197	7,887	7,401	7,084	7,539	6,980	6,823	6,892
Carbon products for general industries*2 (for mechanical applications)	1,053	1,025	1,016	804	928	994	979	1,015
Carbon products for general industries (for electrical applications)	777	838	775	813	892	976	826	872
Compound materials and other products	6,949	7,260	7,908	7,926	8,076	9,014	7,735	6,283
Total	15,978	17,011	17,102	16,628	17,437	17,966	16,364	15,063

(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 year ended December 31, 2023 includes orders that have not been officially confirmed.



### iii. Sales performance by product category

(Unit: millions of yen)

Products	Year ended December 31, 2023					Year ended December 31, 2024				
	1Q	2Q	3Q	4Q	Fiscal year total	1Q	2Q	3Q	4Q	Fiscal year total
Special graphite products	5,648	6,048	6,133	6,221	24,052	5,899	6,284	5,752	6,048	23,985
[Electronics applications]	2,429	2,510	2,693	2,951	10,585	2,735	2,905	2,263	2,490	10,394
[General industries applications]	2,588	2,797	2,816	2,640	10,843	2,625	2,775	2,940	2,857	11,198
[Others]	630	740	623	629	2,624	538	604	548	700	2,391
Carbon products for general industries (for mechanical applications)	993	1,023	1,036	1,062	4,116	865	1,089	1,013	1,123	4,092
Carbon products for general industries (for electrical applications)	957	1,145	1,169	1,185	4,457	1,199	1,256	1,268	1,283	5,008
Compound materials and other products	3,137	3,608	3,263	4,121	14,129	4,119	4,403	4,433	5,222	18,179
[3 major products]	2,702	3,100	2,793	3,620	12,215	3,607	3,920	3,866	4,488	15,883
[Other products]	435	507	469	501	1,913	512	483	567	733	2,296
Related goods	567	581	685	659	2,494	488	676	310	352	1,827
Total	11,304	12,407	12,288	13,250	49,251	12,573	13,710	12,778	14,030	53,093

## (2) Overview

### Special graphite products

In electronics applications, sales of products for compound semiconductor manufacturing applications for SiC (silicon carbide) semiconductors grew strongly, while sales of products for single-crystal silicon manufacturing remained on a similar level to the previous fiscal year. However, sales of products for solar cell manufacturing applications declined steeply, and this was largely responsible for a year-on-year decrease of 1.8% in net sales in this field.

In general industrial applications, sales of products for continuous casting, products for industrial furnaces, and other products for metallurgical applications were solid, resulting in an increase of 3.3% year on year.

Due to these factors, sales of special graphite products overall were down 0.3% 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 0.6% 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 12.4% sales increase year on year.

Due to these factors, sales of carbon products for general industries overall rose 6.1% 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 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 30.0% over the previous year, and sales of compound materials and other products increased 28.7% over the previous year.