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Member of the Financial Accounting Standards Foundation



May 12, 2025

Consolidated Financial Results for the Three Months Ended March 31, 2025 [Japanese GAAP]

Listed company name:	Toyo Tanso Co., Ltd.
Stock exchange listing:	Tokyo Stock Exchange
Securities code:	5310
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Scheduled date for dividend payment:	-
Preparation of supplementary material on financial results:	Yes
Holding of financial results briefing:	No

1. Consolidated financial results for the three months ended March 31, 2025

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

(1) Consolidated 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	
		%		%		%		%
Three months ended March 31, 2025	11,475	(8.7)	2,140	(15.9)	1,885	(38.0)	1,276	(46.4)
Three months ended March 31, 2024	12,573	11.2	2,546	19.1	3,040	34.1	2,380	29.8

Note: Comprehensive income:

Three months ended March 31, 2025	33 million yen (-99.0%)
Three months ended March 31, 2024	3,410 million yen (49.4%)

	Basic earnings per share		Diluted earnings per share	
		yen		yen
Three months ended March 31, 2025		60.88		-
Three months ended March 31, 2024		113.51		-

(2) Consolidated financial position

(Millions of yen, rounded down)

	Total assets		Net assets		Equity-to-asset ratio	
						%
As of March 31, 2025	109,804		91,198			83.0
As of December 31, 2024	113,190		94,205			83.2
Reference: Equity						
As of March 31, 2025			91,144 million yen			
As of December 31, 2024			94,147 million yen			

2. Cash dividends

	Annual dividends per share (yen)				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Year ended December 31, 2024	–	0.00	–	145.00	145.00
Year ending December 31, 2025 (Actual)	–				
Year ending December 31, 2025 (Forecast)		0.00	–	145.00	145.00

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

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

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

*** Notes**

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

Newly included: ___ (Company name)

Excluded: ___ (Company name)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

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

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

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

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

(iii) Changes in accounting estimates: None

(iv) Restatement: None

Note: For details, please refer to “Notes on changes in accounting policies” of (3) Notes on quarterly consolidated financial statements under 2. Quarterly Consolidated Financial Statements and Notes on page 8 of the Attached Documents.

(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 20,992,588 shares

As of December 31, 2024 20,992,588 shares

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

As of March 31, 2025 20,277 shares

As of December 31, 2024 20,277 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2025 20,972,311 shares

Three months ended March 31, 2024 20,972,421 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**

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.

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1. Overview of the Business Results

(1) Overview of the quarterly business results

During the first three months of the consolidated fiscal year under review, global business conditions continued to recover on the back of solid corporate earnings, despite a growing sense of uncertainty in the global economy due to factors such as the United States' trade policy.

Looking at the business environment surrounding the Group, in electronics applications, demand for silicon semiconductor and SiC semiconductor applications weakened due to a market correction. Demand was largely stable in mobility applications and general industries, against the backdrop of steady operations in the automotive industry and firm corporate capital investment.

In this environment, the Group worked to ensure that it captured demand by responding to changes in the external environment, while also controlling its balance of products and applications. In addition, the Group strived to provide high-value-added solutions integrating manufacturing, sales, and development to address increasingly sophisticated customer needs and achieve the management targets of the Medium-term Management Plan. This included strengthening and developing high-value-added products that can keep pace with technological innovations and improving cost competitiveness through increased productivity.

As a result, in the first three months of the consolidated fiscal year under review, net sales were 11,475 million yen (down 8.7% year on year). In terms of profits, operating profit was 2,140 million yen (down 15.9% year on year), ordinary profit was 1,885 million yen (down 38.0% year on year), and profit attributable to owners of parent was 1,276 million yen (down 46.4% 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 metallurgical applications, mainly for industrial furnaces, as well as bearings and other carbon products for mechanical applications, were firm, but sales of semiconductor applications decreased substantially amid a market correction. As a result, in Japan, net sales were 6,280 million yen (down 8.3% year on year), and operating profit was 1,602 million yen (down 38.9% year on year).

United States

Sales of products metallurgical applications including those for continuous casting were weak, but applications such as semiconductors performed strongly. As a result, in the United States, net sales were 1,028 million yen (down 1.2% year on year), and operating profit was 78 million yen (operating loss of 9 million yen in the previous year).

Europe

While sales of products for semiconductor applications remained strong, on par with the same period of the previous fiscal year, sales declined for mainstay metallurgical applications. As a result, in Europe, net sales were 1,294 million yen (down 10.2% year on year). Operating profit was 44 million yen (up 108.7% year on year).

Asia

Although sales for metallurgical applications such as industrial furnaces remained on a similar level to the same period of the previous fiscal year, sales of carbon brush products and products for semiconductor applications such as solar cells were weak. As a result, in Asia, net sales were 2,871 million yen (down 11.4% year on year) and operating profit was 44 million yen (down 81.1% year on year).

(2) Overview of the quarterly financial position

As of March 31, 2025, total assets decreased by 3,386 million yen from the end of the previous consolidated fiscal year. This was primarily because, although inventories increased by 1,432 million yen and property, plant and equipment increased by 1,354 million yen, there were decreases of 1,658 million yen in cash and deposits, 2,008 million yen in notes and accounts receivable – trade, and 2,499 million yen in securities.

Total liabilities decreased by 379 million yen from the end of the previous consolidated fiscal year. This was primarily because, although notes and accounts payable – trade increased by 324 million yen, short-term borrowings increased by 1,000 million yen, and provision for bonuses increased by 804 million yen, there were decreases of 716 million yen in accounts payable – other and 1,741 million yen in income taxes payable.

Total net assets decreased by 3,007 million yen from the end of the previous consolidated fiscal year. This was primarily because retained earnings decreased by 1,764 million yen and foreign currency translation adjustment decreased by 1,238 million yen.

(3) Explanation of Information Regarding Consolidated Earnings Forecasts and Other Projections

There are no changes to the consolidated earnings forecasts for the fiscal year ending December 31, 2025, released on February 14, 2025. While the Group believes that the tariffs implemented by the United States will not have a significant direct impact on the Group's businesses, many uncertainties remain, including the indirect impact of tariffs on the business environment, and they have therefore not been incorporated into the Group's forecasts. The Group will carefully monitor changes in the external environment and control its balance of products and applications to ensure that it captures demand, while also preparing to implement a range of measures depending on the situation. Going forward, the Group will make a prompt announcement if any potentially serious impact arises that should be disclosed.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly consolidated balance sheets

(Unit: millions of yen)

	As of December 31, 2024	As of March 31, 2025
	Amount	Amount
Assets		
Current assets		
Cash and deposits	16,000	14,342
Notes and accounts receivable – trade	17,609	15,600
Securities	2,499	–
Merchandise and finished goods	11,642	12,327
Work in process	9,597	9,949
Raw materials and supplies	5,577	5,973
Other	1,316	1,355
Allowance for doubtful accounts	(131)	(128)
Total current assets	64,112	59,420
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,229	12,443
Machinery, equipment and vehicles, net	14,550	15,388
Land	7,204	7,159
Leased assets, net	1,778	1,703
Construction in progress	6,897	6,201
Other, net	1,203	1,322
Total property, plant and equipment	42,863	44,218
Intangible assets	849	948
Investments and other assets	5,365	5,217
Total non-current assets	49,078	50,384
Total assets	113,190	109,804

(Unit: millions of yen)

	As of December 31, 2024	As of March 31, 2025
	Amount	Amount
Liabilities		
Current liabilities		
Notes and accounts payable – trade	2,202	2,527
Electronically recorded obligations – operating	1,024	939
Short-term borrowings	–	1,000
Accounts payable - other	4,065	3,348
Income taxes payable	2,274	532
Provision for bonuses	1,028	1,833
Provision for bonuses for directors (and other officers)	24	–
Other	6,740	6,844
Total current liabilities	17,359	17,026
Non-current liabilities		
Retirement benefit liability	192	185
Asset retirement obligations	605	606
Other	828	788
Total non-current liabilities	1,625	1,579
Total liabilities	18,985	18,606
Net assets		
Shareholders' equity		
Share capital	7,947	7,947
Capital surplus	9,609	9,609
Retained earnings	69,364	67,599
Treasury shares	(61)	(61)
Total shareholders' equity	86,859	85,095
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	243	251
Foreign currency translation adjustment	7,012	5,773
Remeasurements of defined benefit plans	32	24
Total accumulated other comprehensive income	7,288	6,049
Non-controlling interests	57	53
Total net assets	94,205	91,198
Total liabilities and net assets	113,190	109,804

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

(Quarterly consolidated statements of income)

Three months ended March 31, 2024 and 2025

	(Unit: millions of yen)	
	Three months ended March 31, 2024 Amount	Three months ended March 31, 2025 Amount
Net sales	12,573	11,475
Cost of sales	7,878	7,085
Gross profit	4,695	4,389
Selling, general and administrative expenses	2,148	2,248
Operating profit	2,546	2,140
Non-operating income		
Interest income	20	18
Dividend income	0	0
Foreign exchange gains	377	-
Share of profit of entities accounted for using equity method	92	93
Other	15	26
Total non-operating income	506	138
Non-operating expenses		
Interest expenses	7	8
Foreign exchange losses	-	377
Depreciation	4	3
Other	1	4
Total non-operating expenses	12	394
Ordinary profit	3,040	1,885
Extraordinary income		
Gain on sales of non-current assets	0	1
Subsidy income	429	23
Total extraordinary income	429	24
Extraordinary losses		
Loss on sale of non-current assets	0	-
Loss on retirement of non-current assets	31	33
Total extraordinary losses	31	33
Profit before income taxes	3,438	1,876
Income taxes	1,057	599
Profit	2,380	1,277
Profit (loss) attributable to non-controlling interests	(0)	0
Profit attributable to owners of parent	2,380	1,276

(Quarterly consolidated statement of comprehensive income)

Three months ended March 31, 2024 and 2025

(Unit: millions of yen)

	Three months ended March 31, 2024 Amount	Three months ended March 31, 2025 Amount
Profit	2,380	1,277
Other comprehensive income		
Valuation difference on available-for-sale securities	61	7
Foreign currency translation adjustment	905	(1,147)
Remeasurements of defined benefit plans, net of tax	2	(8)
Share of other comprehensive income of entities accounted for using equity method	61	(94)
Total other comprehensive income	1,030	(1,243)
Comprehensive income	3,410	33
Comprehensive income attributable to:		
Owners of parent	3,409	37
Non-controlling interests	1	(3)

(3) Notes on quarterly consolidated financial statements

(Notes on changes in accounting policies)

(Application of Accounting Standard for Current Income Taxes, etc.)

The Company has applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter the “2022 Revised Accounting Standard”) and other standards from the start of the first three months of the consolidated fiscal year under review.

The Company follows the transitional treatment for revisions to the classification of current income taxes (taxation of other comprehensive income) set forth in the proviso to paragraph 20-3 of the 2022 Revised Accounting Standard and the proviso to paragraph 65-2 (2) of “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter the “2022 Revised Guidance”). This change in accounting policy has had no impact on the quarterly consolidated financial statements.

The Company has also applied the 2022 Revised Guidance from the start of the first three months of the consolidated fiscal year under review regarding the revisions associated with the review of the treatment in the consolidated financial statements when deferring gains and losses on the sale of shares of a subsidiary between consolidated companies for taxation purposes. This change in accounting policy is applied retrospectively and has been reflected in the consolidated financial statements for the previous corresponding quarter and the previous fiscal year. This retroactive application has had no impact on the quarterly consolidated financial statements for the previous corresponding quarter and the consolidated financial statements for the previous fiscal year.

(Notes on 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 first quarter under review.

(Notes on segment information, etc.)

I. Three months ended March 31, 2024 (From January 1, 2024 to March 31, 2024)

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

(Unit: millions of yen)

	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	6,849	1,040	1,441	3,241	12,573	—	12,573
Goods transferred over time	—	—	—	—	—	—	—
Revenue from contracts with customers	6,849	1,040	1,441	3,241	12,573	—	12,573
Sales to unaffiliated customers	6,849	1,040	1,441	3,241	12,573	—	12,573
Intersegment sales or transfers	2,184	23	—	26	2,233	(2,233)	—
Total	9,033	1,064	1,441	3,268	14,807	(2,233)	12,573
Segment profit (loss)	2,623	(9)	21	237	2,872	(326)	2,546

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

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

2. Regional information

(Unit: millions of yen)

	Japan	North America	Europe	Asia		Rest of world	Total
				Asia (including China)	China only		
Net sales	5,785	1,057	1,454	4,215	3,052	60	12,573
Composition (%)	46.0	8.4	11.6	33.5	24.3	0.5	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 (except Japan) are listed below.

(1) North America: United States

(2) Europe: France, Germany, Italy

(3) Asia: China, Taiwan, South Korea

II. Three months under review (from January 1, 2025 to March 31, 2025)

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

(Unit: millions of yen)

	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	6,280	1,028	1,294	2,871	11,475	—	11,475
Goods transferred over time	—	—	—	—	—	—	—
Revenue from contracts with customers	6,280	1,028	1,294	2,871	11,475	—	11,475
Sales to unaffiliated customers	6,280	1,028	1,294	2,871	11,475	—	11,475
Intersegment sales or transfers	2,083	80	7	60	2,231	(2,231)	—
Total	8,364	1,109	1,301	2,932	13,707	(2,231)	11,475
Segment profit	1,602	78	44	44	1,770	370	2,140

(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

(Unit: millions of yen)

	Japan	North America	Europe	Asia		Rest of world	Total
				Asia (including China)	China only		
Net sales	5,185	1,090	1,373	3,776	2,588	49	11,475
Composition (%)	45.2	9.5	12.0	32.9	22.6	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 (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 quarterly statement of cash flows)

A quarterly statement of cash flows has not been prepared in relation to the first three months of fiscal year ending December 31, 2025. Amounts of depreciation (including amortization of intangible assets) associated with the first three months of fiscal year ending December 31, 2025, are as follows.

	Three months ended March 31, 2024	Three months ended March 31, 2025
Depreciation	883 million yen	1,030 million yen

3. Supplementary Information

(1) Orders and sales by product category

i. Orders

(Unit: millions of yen)

Products	Year ended December 31, 2024					Year ending December 31, 2025
	1Q	2Q	3Q	4Q	Fiscal year total	1Q
Special graphite products	5,726	5,148	5,194	5,736	21,806	3,484
Carbon products for general industries (for mechanical applications)	958	1,106	952	1,114	4,132	911
Carbon products for general industries (for electrical applications)	1,252	1,377	1,127	1,339	5,096	1,034
Compound materials and other products	4,070	5,245	3,136	3,748	16,199	4,986
Total	12,008	12,877	10,411	11,939	47,235	10,416

(Note) 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.

ii. Outstanding orders

(Unit: millions of yen)

Products	Year ended December 31, 2024				Year ending December 31, 2025
	1Q	2Q	3Q	4Q	1Q
Special graphite products	7,539	6,980	6,823	6,892	5,834
Carbon products for general industries (for mechanical applications)	928	994	979	1,015	973
Carbon products for general industries (for electrical applications)	892	976	826	872	779
Compound materials and other products	8,076	9,014	7,735	6,283	7,055
Total	17,437	17,966	16,364	15,063	14,644

(Note) 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.

iii. Sales performance by product category

(Unit: millions of yen)

Products	Year ended December 31, 2024					Year ending December 31, 2025
	1Q	2Q	3Q	4Q	Fiscal year total	1Q
Special graphite products	5,899	6,284	5,752	6,048	23,985	4,813
[Electronics applications]	2,735	2,905	2,263	2,490	10,394	1,761
[General industries applications]	2,625	2,775	2,940	2,857	11,198	2,461
[Others]	538	604	548	700	2,391	590
Carbon products for general industries (for mechanical applications)	865	1,089	1,013	1,123	4,092	937
Carbon products for general industries (for electrical applications)	1,199	1,256	1,268	1,283	5,008	1,063
Compound materials and other products	4,119	4,403	4,433	5,222	18,179	4,232
[3 major products]	3,607	3,920	3,866	4,488	15,883	3,632
[Other products]	512	483	567	733	2,296	599
Related goods	488	676	310	352	1,827	391
Total	12,573	13,710	12,778	14,030	53,093	11,475

(2) Overview

Special graphite products

In electronics applications, sales decreased by 35.6% year on year mainly due to a significant sales decrease of products for compound semiconductor manufacturing applications for SiC (silicon carbide) semiconductors and products for single-crystal silicon.

In general industrial applications, sales decreased by 6.2% year on year mainly due to a sales decrease of EDM electrode, despite solid performance of products for metallurgical applications including those for continuous casting and industrial furnaces.

Due to these factors, sales of special graphite products overall were down 18.4% over the previous year.

Carbon products for general industries

In carbon products for mechanical applications, products such as bearings, sealing rings, and contact strips for pantograph performed well, and sales increased by 12.4% year on year.

In carbon products for electrical applications, sales of products for compact motors for home appliances and power tools decreased, resulting in an 11.3% sales decrease year on year.

Due to these factors, sales of carbon products for general industries overall fell 1.3% over the previous fiscal year.

Compound materials and other products

Sales of SiC (silicon carbide)-coated graphite products increased year on year, mainly due to a sales increase of Si (silicon) semiconductors, despite a significant decrease in sales of SiC (silicon carbide) semiconductors. Sales of C/C composite products decreased slightly year on year due to sales decrease of products for industrial furnace applications. Sales of graphite sheet products decreased slightly year on year due to a decline for special applications, despite solid sales of products for automobile applications, semiconductor applications, and metallurgical applications.

Due to these factors, sales of the three major products rose 0.7% over the previous year, and sales of compound materials and other products increased 2.7% over the previous year.