

Consolidated Financial Results for the first quarter of Fiscal Year ending December 31, 2025

May 13, 2025

Listed Company Name **UNION TOOL CO.**
 Shares Listed Tokyo Stock Exchange Code No. 6278
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1. Financial results for the first quarter of FY2025 (January 1, 2025– March 31, 2025)

(1) Consolidated performance Amounts less than one million yen have been omitted.

	Net sales YonY				Operating profit YonY				Ordinary profit YonY			
1st quarter of FY 2025	¥m	8,802	18.6	%	¥m	2,210	55.3	%	¥m	2,149	31.8	%
1st quarter of FY 2024		7,423	28.2	%		1,422	49.2	%		1,630	61.5	%

	Profit attributable to owners of parent YonY				Earnings per share		Earnings per share after dilution	
1st quarter of FY 2025	¥m	1,591	32.9	%	¥	92.15		-
1st quarter of FY 2024		1,198	56.9	%		69.35		-

(2) Consolidated financial position Amounts less than one million yen have been omitted.

	Total assets		Net assets		Net assets to total assets	
1st quarter of FY 2025	¥m	78,218	¥m	72,574		92.8 %
FY 12/2024		78,863		73,136		92.7

2. Cash dividends

		Per share		
		Interim cash dividends	Year-end cash dividends	Annual cash dividends
FY 12/2024	actual	¥ 45.00	¥ 60.00	¥ 105.00
FY 12/2025	actual	-	-	-
	forecast	¥ 55.00	¥ 55.00	¥ 110.00

Note: Revision of forecast for dividends since the previous announcement ... None

3. Forecasts for the year ending December 31, 2025 (January 1, 2025 – December 31, 2025)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	EPS
Half year	¥m 16,500	¥m 3,400	¥m 3,400	¥m 2,450	¥ 141.82
YonY change	4.5 %	9.4 %	1.1 %	-3.1 %	-
Full year	¥m 34,000	¥m 7,000	¥m 7,200	¥m 5,100	¥ 295.22
YonY change	4.3 %	1.8 %	0.9 %	-3.5 %	-

Note: Revision of forecasted consolidated financial results since the previous announcement ... None

4. Others

- (1) Significant change in the scope of consolidation during the period None
- (2) Application of accounting methods specific in the preparation of quarterly consolidated financial statements None
- (3) Changes in the principles, procedures and presentation method for accounting treatment
 - 1. Changes associated with revisions in accounting standardsNone
 - 2. Changes other than above None
 - 3. Changes in accounting estimates None
 - 4. Retrospective restatement None
- (4) Shares outstanding
 - 1. Number of shares outstanding (including treasury stocks):
3/31/2025 ... 19,780,000 12/31/2024 ... 19,780,000
 - 2. Number of treasury stocks:
3/31/2025 ... 2,505,172 12/31/2024 ... 2,505,172
 - 3. Number of average shares outstanding (cumulative, consolidated at the end of the first quarter):
3/31/2025 ... 17,274,828 3/31/2024 ... 17,275,156

*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

Request for appropriate use of the business outlook and other special remarks

The forecasts are based on information available to the management at the time of this announcement. Due to variable factors, actual results may be different from the forecast figures.

Financial Performance

(1) Consolidated Financial Results for the First Quarter of Fiscal Year Ending December 31, 2025

During the first quarter of the fiscal year ending December 2025, the global economy faced heightened uncertainty. While inflation showed signs of slowing, several factors contributed to this uncertainty, including the sluggish recovery of the Chinese economy, geopolitical risks such as the invasion of Ukraine and escalating tensions in the Middle East, and policies and economic trends of individual countries. Additionally, concerns over the impact of strict tariff policies introduced by the new U.S. administration—affecting trade with various countries, specific markets, and currency fluctuations—have further deepened the unpredictability of the economic outlook. In the electronics industry, the rapid adoption of generative AI has significantly increased demand for semiconductors, driving strong market growth. This trend has fueled demand for package boards and high multilayer boards designed for data center servers, which led to a sharp rise in demand for our high-value-added tools.

Amid these business conditions, we have prioritized expanding our supply capacity by strengthening production capabilities for high-value-added tools and enhancing collaboration through global production management. The increased sales and higher sales ratio of high-value-added tools—our high-margin products—along with improved operational efficiency at each production site, have enabled us to achieve cost reduction benefits. As a result, we have achieved substantial growth in both revenue and profit compared to the same period last year.

Our net sales for the first quarter of FY12/2025 were ¥8,802 million (YoY +18.6%). Operating profit was ¥2,210 million (YoY +55.3%), ordinary profit ¥2,149 million (YoY +31.8%), and profit attributable to owners of parent ¥1,591 million (YoY +32.9%).

In Japan, we have continued to capture strong demand in the generative AI-related market, which has led to increased revenue. Net sales (including intersegment transaction amount) were ¥5,946 million (YoY +15.9%). Operating profit was ¥1,228 million (YoY -5.5%).

Similar trends have been observed across Asia, excluding Japan. In particular, demand in China is rapidly expanding for package boards and high-multilayer boards used in data center servers. Strengthened local production efforts have contributed to ongoing improvements in operational efficiency. Net sales in this segment were ¥5,183 million (YoY +35.3%), and the operating profit was ¥608 million (YoY +161.7%).

In North America, net sales were ¥481 million (YoY -1.1%), and operating profit amounted to ¥42 million (YoY -29.2%). In Europe, net sales and operating profit were ¥656 million (YoY +14.7%) and ¥35 million (YoY -58.1%), respectively.

(2) Consolidated Financial Forecast and Other Forward-Looking Statements

Regarding the earnings forecast for the fiscal year ending December 2025, we are maintaining the forecast announced on February 14, 2025, based on the performance of the first quarter and other relevant factors.

Meanwhile, the potential impact of U.S. tariff policies on our performance, as well as the measures to address them, is currently under detailed examination. As of now, these effects have not been incorporated into the consolidated earnings forecast for the fiscal year ending December 2025.

Financial Statements
Consolidated balance sheet

	millions of yen	
	FY12/2024	FY12/2025 Q1
	as of December 31, 2024	as of March 31, 2025
Assets		
Current assets		
Cash and deposits	17,976	17,528
Notes and accounts receivable - trade	11,428	11,741
Securities	157	724
Merchandise and finished goods	6,124	6,009
Work in process	1,327	1,280
Raw materials and supplies	3,408	3,396
Other	824	448
Allowance for doubtful accounts	-42	-41
Total current assets	41,205	41,088
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,043	9,080
Machinery, equipment and vehicles, net	9,106	8,923
Tools, furniture and fixtures, net	566	580
Land	6,053	5,995
Construction in progress	1,062	1,207
Other, net	425	503
Total property, plant and equipment	26,258	26,291
Intangible assets	74	109
Investments and other assets		
Investment securities	10,788	10,170
Retirement benefit asset	50	146
Other	485	411
Total investments and other assets	11,324	10,728
Total non-current assets	37,658	37,130
Total assets	78,863	78,218
Liabilities		
Current liabilities		
Accounts payable - trade	997	1,201
Accounts payable - other	281	174
Accrued expenses	1,136	1,079
Income taxes payable	1,331	760
Contract liabilities	39	42
Provision for bonuses	822	1,209
Provision for bonuses for directors (and other officers)	—	13
Other	424	298
Total current liabilities	5,032	4,780
Non-current liabilities		
Long-term accounts payable - other	219	219
Retirement benefit liability	24	111
Other	450	532
Total non-current liabilities	694	863
Total liabilities	5,726	5,644
Net assets		
Shareholders' equity		
Share capital	2,998	2,998
Capital surplus	3,020	3,020
Retained earnings	65,553	66,109
Treasury shares	-6,737	-6,737
Total shareholders' equity	64,834	65,390
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,071	2,099
Foreign currency translation adjustment	5,986	4,842
Remeasurements of defined benefit plans	244	242
Total accumulated other comprehensive income	8,301	7,184
Total net assets	73,136	72,574
Total liabilities and net assets	78,863	78,218

Financial Statements

Consolidated statement of income

	millions of yen	
	FY12/2024 Q1	FY12/2025 Q1
	January 1, 2024 - March 31, 2024	January 1, 2025 - March 31, 2025
Net sales	7,423	8,802
Cost of sales	4,618	5,011
Gross profit	2,804	3,791
Selling, general and administrative expenses	1,381	1,580
Operating profit	1,422	2,210
Non-operating income		
Interest income	22	20
Dividend income	0	4
Foreign exchange gains	207	—
Rental income from non-current assets	12	12
Subsidy income	0	0
Subsidy income	19	24
Other	7	13
Total non-operating income	271	74
Non-operating expenses		
Interest expenses	3	4
Depreciation	9	8
Foreign exchange losses	—	74
Commission expenses	38	30
Taxes and dues	4	4
Other	8	12
Total non-operating expenses	64	135
Ordinary profit	1,630	2,149
Extraordinary income		
Gain on sale of investment securities	22	—
Total extraordinary income	22	—
Profit before income taxes	1,652	2,149
Income taxes - current	676	569
Income taxes - deferred	-221	-12
Total income taxes	454	557
Profit	1,198	1,591
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	1,198	1,591

Consolidated statement of comprehensive income

	millions of yen	
	FY12/2024 Q1	FY12/2025 Q1
	January 1, 2024 - March 31, 2024	January 1, 2025 - March 31, 2025
Profit	1,198	1,591
Other comprehensive income		
Valuation difference on available-for-sale securities	539	28
Foreign currency translation adjustment	830	-1,143
Remeasurements of defined benefit plans, net of tax	-29	-1
Total other comprehensive income	1,341	-1,117
Comprehensive income	2,539	474
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,539	474
Comprehensive income attributable to non-controlling interests	—	—

Segment Information

(1) Business segment information

millions of yen

	FY2025 first quarter (from January 1, 2025 to March 31, 2025)				
	Cutting tools	Others	Total	Elimination and corporate assets or expenses	Consolidated
Net sales					
(1) Unaffiliated customers	8,159	642	8,802	-	8,802
(2) Intersegment	-	10	10	-10	-
T o t a l	8,159	653	8,813	-10	8,802
Operating profit	2,207	39	2,246	-35	2,210

(2) Segment information by geographic area

millions of yen

	FY2025 first quarter (from January 1, 2025 to March 31, 2025)						
	Japan	Asia	North America	Europe	Total	Elimination and corporate assets or expenses	Consolidated
Net sales							
(1) Unaffiliated customers	2,812	4,918	481	589	8,802	-	8,802
(2) Intersegment	3,134	265	-	66	3,466	-3,466	-
T o t a l	5,946	5,183	481	656	12,268	-3,466	8,802
Operating profit or loss	1,228	608	42	35	1,913	296	2,210

(3) Overseas sales by geographic area

millions of yen

	FY2025 first quarter (from January 1, 2025 to March 31, 2025)				
	Asia	North America	Europe	Other	Total
Overseas net sales	5,581	475	570	25	6,653
Consolidated net sales	8,802				
Percentage of overseas net sales to consolidated net sales	63.4%	5.4%	6.5%	0.3%	75.6 %

Others

(1) Foreign Exchange rates applied to our financial statements and forecasts

Applied to	vs 1 US \$	vs 1 Euro	vs 1 NT \$	vs 1 RMB
FY12/2024 Q1	¥ 151.41	¥ 163.24	¥ 4.74	¥ 20.83
FY12/2025 Q1	¥ 149.52	¥ 162.08	¥ 4.51	¥ 20.59
FY12/2024 annual actual	¥ 158.18	¥ 164.92	¥ 4.84	¥ 21.67
FY12/2025 annual forecasts	¥ 140.00	¥ 155.00	¥ 4.60	¥ 20.00

(2) Amount of investments, depreciations and R&D expenses

millions of yen

	Investments	Depreciation	R&D expenses
FY12/2024 Q1	396	671	433
FY12/2025 Q1	793	726	507
FY12/2024 annual actual	5,623	2,906	1,968
FY12/2025 annual forecasts	4,406	3,327	2,190