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August 7, 2025

Consolidated Financial Results for the Three Months Ended June 30, 2025 (Under Japanese GAAP)

Company name: TOWA CORPORATION
 Listing: Prime Market of Tokyo Stock Exchange
 Securities code: 6315
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 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(1) Consolidated Operating Results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2025	8,080	-39.0	-581	—	-732	—	-528	—
June 30, 2024	13,253	39.3	2,212	140.3	2,420	112.5	1,690	115.9

[Note] Comprehensive income:

For the three months ended June 30, 2025: ¥351 million [-84.3%]

For the three months ended June 30, 2024: ¥2,240 million [-10.1%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2025	-7.05	—
June 30, 2024	22.54	—

[Note] Our company conducted a stock split at a ratio of three shares for every one common share, effective as of October 1, 2024. The 'Basic earnings per share' has been calculated under the assumption that this stock split was carried out at the beginning of the previous consolidated fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2025	86,616	60,239	69.5
March 31, 2025	83,228	61,386	73.8

[Reference] Equity: As of June 30, 2025: ¥60,239 million

As of March 31, 2025: ¥61,386 million

2. Cash Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	0.00	—	20.00	20.00
Fiscal year ending March 31, 2026	—				
Fiscal year ending March 31, 2026 (Forecast)		0.00	—	20.00	20.00

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

3. Forecast of Consolidated Financial Results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net Sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Interim	23,000	-16.1	1,710	-67.5	1,710	-67.3	1,197	-68.7	15.96
Year-end	56,000	4.7	9,800	10.4	9,800	4.3	6,860	-15.5	91.46

[Note] Revisions to the forecast of consolidated financial results most recently announced: None

※Notes

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

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

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

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(4) Number of issued shares (common shares)

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

As of June 30, 2025	75,140,556 shares
As of March 31, 2025	75,140,556 shares

2) Number of treasury shares at the end of the period

As of June 30, 2025	130,550 shares
As of March 31, 2025	134,055 shares

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

Three months ended June 30, 2025	75,008,396 shares
Three months ended June 30, 2024	74,997,125 shares

[Note] 1. Our company conducted a stock split at a ratio of three shares for every one common share, effective as of October 1, 2024. The 'Number of issued shares (common shares)' has been calculated under the assumption that this stock split was carried out at the beginning of the previous consolidated fiscal year.

2. The number of treasury shares, at the end of the period, includes our company's shares that are held by Custody Bank of Japan, Ltd. (trust account E) as the trust property under the J-ESOP system. Also, our company's shares that are held by Custody Bank of Japan, Ltd. (trust account E) as the trust property under the J-ESOP system, is included in the number of treasury shares deducted from calculation of the average number of shares.

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

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

1. The above forecasts reflect the Company's judgments and assumptions based on available information as of the announcement date, and therefore are not guarantees of future performance. Actual results may differ substantially from the forecasts for various reasons. For further details regarding the performance forecast, please refer to the attached document on page 3, 【1.Overview of Operating Results (3) Explanation on Forecast Information such as Consolidated Earnings Forecast】
2. The supplementary material on quarterly financial results is posted on our website.

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1. Overview of Operating Results

(1) Overview of Operating Results for the Current Quarter

Although the global economy maintained growth during the first quarter of the consolidated cumulative period, signs of deceleration were observed overall due to factors such as economic slowdowns in both the U.S. and China, the resurgence of trade friction, policy uncertainties, and rising geopolitical risks. These factors have heightened concerns over interest rate trends and instability in financial markets.

In the semiconductor industry, while demand for generative AI remains strong, demand and investment in other sectors—such as smartphones and automobiles—continue to stay at low levels due to the strengthening of U.S. tariff policies.

Under these business conditions, our group's performance saw a year-on-year decline in net sales. This was affected by several factors, including increased uncertainty surrounding U.S. tariff policies, which led our customers to adopt a cautious stance toward capital investment, and rescheduling of delivery schedules to customer factories in certain regions to the second quarter. Currently, the order environment is showing signs of recovery, particularly in China, where efforts toward in-house semiconductor manufacturing are progressing. Additionally, driven by rising demand in the generative AI sector, the customer base for our molding equipment "CPM1080," used for next-generation memory-related products, is expanding. This expansion is the result of a recent adoption by a major manufacturer that had no prior history with "CPM1080," reflecting a steady improvement in the order environment. Although sales in the first quarter fell short of initial expectations, capital investment and demand are projected to recover in the second quarter across China, South Korea, Taiwan, and the "Other Asia" region.

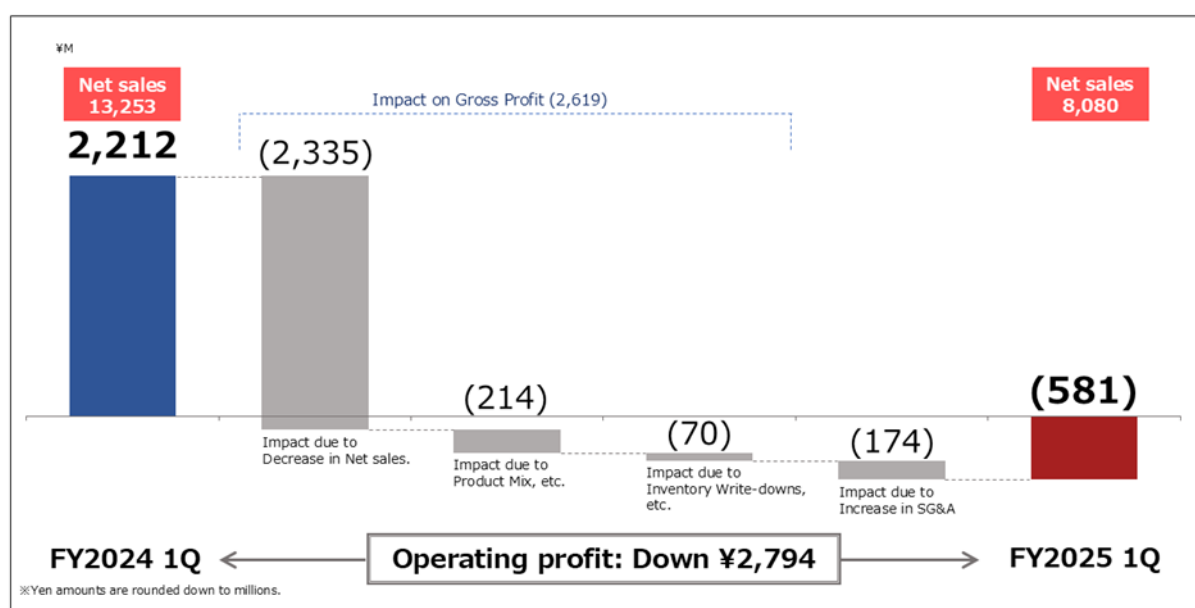
Regarding profit, due to net sales temporarily falling below the threshold required to secure earnings, all levels of profit recorded a loss. However, as mentioned above, net sales are expected to recover in the second quarter, and we anticipate a return to profitability for the consolidated cumulative period of the second quarter.

Management performance for the first quarter consolidated cumulative period as follows.

Net sales	8,080 million yen (year-on-year decrease of 5,172 million yen, 39.0%)
Operating loss	581 million yen (operating profit of 2,212 million yen in the same period last year)
Ordinary loss	732 million yen (ordinary profit of 2,420 million yen in the same period last year)
Loss attributable to owners of parent	528 million yen (profit attributable to owners of parent of 1,690 million yen in the same period last year)

Main factors of variation in operating loss for the first quarter consolidated cumulative period as follows.
(year-on-year comparison)

Impact due to Decrease in Net sales	2,335 million yen decrease
Impact due to Product Mix, etc.	214 million yen decrease
Impact due to Inventory Write-downs, etc.	70 million yen decrease
Impact due to Increase in SG&A	174 million yen decrease



Management performance by segment as follows.

[Semiconductor Manufacturing Equipment Business]

Regarding management performance of the semiconductor manufacturing equipment business, customers' investment interest declined, due to the impact of U.S. tariff policies particularly in China and the "Other Asia" region, and the number of equipment deliveries decreased.

As a result, net sales amounted to 7,202 million yen (year-on-year decrease of 5,056 million yen, 41.2%). Regarding profit, with the decrease in net sales, operating loss amounted to 607 million yen (operating profit of 2,164 million yen in the same period last year).

[Medical Device Business]

Regarding management performance of the medical device business, due to the steady demand in medical molded fine plastic and assembled products, net sales amounted to 594 million yen (year-on-year increase of 24 million yen, 4.3%). However, operating profit amounted to 102 million yen (year-on-year decrease of 23 million yen, 18.8%) due to an increase in personnel expenses associated with the strengthening of the production structure and other related factors.

[Laser Processing Machine business]

Regarding management performance of the laser processing machine business, due to factors such as the deferral of customer capital investment in our core product, laser trimmer, net sales amounted to 283 million yen (year-on-year decrease of 140 million yen, 33.2%) and operating loss amounted to 75 million yen (operating loss of 78 million yen in the same period last year).

(2) Overview of Financial Position for the Current Quarter

Total assets at the end of the first quarter of consolidated fiscal period were 86,616million yen, an increase of 3,387 million yen compared to the end of the previous consolidated fiscal year. This was mainly due to an increase in a cash and deposits as well as inventories, while trade receivables decreased.

Total liabilities were 26,376 million yen, an increase of 4,534 million yen compared to the end of the previous consolidated fiscal year. This was mainly due to an increase in borrowings and advances received, while Income taxes payable decreased as a result of income tax payments.

Net assets were 60,239 million yen, a decrease of 1,146 million yen compared to the end of the previous consolidated fiscal year. This was due to a decrease in retained earnings.

As a result, the equity ratio at the end of the first quarter of consolidated fiscal period was 69.5% (a decrease of 4.3 percentage points compared to the end of the previous consolidated fiscal year).

(3) Explanation on Forecast Information such as Consolidated Earnings Forecast

Sales in the first quarter fell short of expectations due to growing uncertainty over U.S. tariff policies, which led to a cautious stance on capital investment, and adjustments in customers' delivery schedules. On the other hand, the order environment is showing signs of improvement, and from the second quarter onward, capital investment is expected to resume, and demand is projected to recover. Taking the above into account, regarding consolidated performance forecast, there is no modification in the consolidated performance forecast for the second quarter cumulative period and the full fiscal year, as announced in the 'Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)' on May 9, 2025.

2. Quarterly Consolidated Financial Statements and Principal Notes
(1) Quarterly Consolidated Balance Sheet

Thousands of yen		
	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	21,338,921	23,605,451
Notes and accounts receivable - trade	11,391,221	9,725,205
Electronically recorded monetary claims—operating	351,247	67,660
Lease receivables and investments in leases	19,965	17,796
Merchandise and finished goods	3,828,829	5,468,836
Work in process	10,223,352	10,615,182
Raw materials and supplies	1,795,319	1,831,747
Other	1,709,806	1,298,739
Allowance for doubtful accounts	(6,364)	(7,596)
Total Current assets	50,652,299	52,623,024
Non-current assets		
Property, plant and equipment		
Buildings and structures	22,949,252	23,123,051
Accumulated depreciation	(13,670,130)	(13,833,223)
Buildings and structures, net	9,279,121	9,289,827
Machinery, equipment and vehicles	18,094,025	18,676,965
Accumulated depreciation	(12,434,302)	(12,638,155)
Machinery, equipment and vehicles, net	5,659,723	6,038,809
Land	6,566,490	6,678,424
Leased assets	1,685,684	1,709,228
Accumulated depreciation	(509,906)	(528,788)
Leased assets, net	1,175,777	1,180,440
Construction in progress	829,705	873,310
Other	5,248,194	5,355,341
Accumulated depreciation	(4,258,128)	(4,355,245)
Other, net	990,066	1,000,095
Total Property, plant and equipment	24,500,885	25,060,908
Intangible assets	1,421,284	1,427,552
Investments and other assets		
Retirement benefit asset	678,782	693,766
Other	5,975,234	6,811,184
Total Investments and other assets	6,654,017	7,504,951
Total Non-current assets	32,576,186	33,993,411
Total Assets	83,228,486	86,616,435

Thousands of yen		
	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable–trade	2,551,525	2,988,315
Electronically recorded obligations- operating	28,887	30,091
Short–term borrowings	7,000,000	11,000,000
Current portion of long–term borrowings	1,120,000	1,120,000
Income taxes payable	1,222,764	561,849
Provision for product warranties	313,722	298,374
Provision for bonuses	1,168,008	765,558
Provision for bonuses for directors(and other officers)	117,231	21,132
Other	4,487,804	6,222,722
Total Current liabilities	18,009,944	23,008,043
Non–current liabilities		
Long–term borrowings	1,370,000	1,090,000
Retirement benefit liability	1,014,238	1,022,709
Provision for share awards	82,967	101,711
Other	1,364,968	1,154,189
Total Non–current liabilities	3,832,173	3,368,609
Total Liabilities	21,842,118	26,376,652
Net assets		
Shareholders' equity		
Share capital	8,969,261	8,969,261
Capital surplus	464,571	464,571
Retained earnings	45,479,594	43,448,774
Treasury shares	(115,241)	(111,496)
Total Shareholders' equity	54,798,186	52,771,112
Accumulated other comprehensive income		
Valuation difference on available–for–sale securities	2,817,381	3,313,266
Foreign currency translation adjustment	3,716,815	4,111,142
Remeasurements of defined benefit plans	53,984	44,263
Total Accumulated other comprehensive income	6,588,181	7,468,671
Total Net assets	61,386,368	60,239,783
Total Liabilities and net assets	83,228,486	86,616,435

(2) Quarterly Consolidated Income Statements and Quarterly Consolidated Statement of Comprehensive Income
(Quarterly Consolidated Income Statements)

	Thousands of yen	
	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	13,253,020	8,080,222
Cost of sales	8,479,218	5,926,361
Gross profit	4,773,802	2,153,860
Selling, general and administrative expenses	2,561,157	2,735,247
Operating profit (loss)	2,212,644	(581,386)
Non-operating income		
Interest income	22,016	26,635
Dividend income	53,742	62,195
Foreign exchange gains	75,516	—
Miscellaneous income	88,963	94,755
Total Non-operating income	240,239	183,586
Non-operating expenses		
Interest expenses	20,322	27,381
Foreign exchange losses	—	288,478
Miscellaneous losses	11,894	18,601
Total Non-operating expenses	32,216	334,461
Ordinary profit (loss)	2,420,667	(732,262)
Extraordinary income		
Gain on sale of non-current assets	—	297
Total Extraordinary income	—	297
Extraordinary losses		
Loss on sale of non-current assets	98	1,933
Loss on retirement of non-current assets	2,913	398
Loss on valuation of investment securities	6,341	—
Total Extraordinary losses	9,353	2,331
Profit (loss) before income taxes	2,411,313	(734,296)
Income taxes	720,914	(205,422)
Profit (loss)	1,690,398	(528,874)
Profit (loss) attributable to owners of parent	1,690,398	(528,874)

(Quarterly Consolidated Statement of Comprehensive Income)

	Thousands of yen	
	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit (loss)	1,690,398	(528,874)
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,079,683)	495,884
Foreign currency translation adjustment	1,644,358	394,326
Remeasurements of defined benefit plans	(15,003)	(9,721)
Total Other comprehensive income	549,671	880,490
Comprehensive income	2,240,070	351,615
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,240,070	351,615

(3)Notes to Quarterly Consolidated Financial Statements

(Notes Related to Going Concern Assumption)

No applicable matters to report.

(Notes Related to Significant Changes in Shareholders' Equity)

No applicable matters to report.

(Notes Related to Changes in the Scope of Consolidation or Application of the Equity Method)

Since TOWA SEMICONDUCTOR INDIA PRIVATE LIMITED and TOWA MALAYSIA SALES & SERVICES SDN. BHD. were newly established during the first quarter of the consolidated fiscal period, they have been included in the scope of consolidation.

(Notes to Quarterly Statement of Cash Flows)

The Company has not prepared a quarterly statement of cash flows for the three months ended June 30,2025. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the three months ended June 30,2025 is as follows.

(Thousands of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Depreciation expense	631,369	689,605
Amortization of goodwill	38,438	35,650

(Notes to Segment Information)

【Segment Information】

I For the three months ended June 30,2024 (From April 1, 2024 to June 30, 2024)

1.Information on net sales, profit or loss by reportable segment

(Thousands of yen)

	Semiconductor Manufacturing Equipment Business	Medical Device Business	Laser Processing Machine Business	Total
Sales				
(1) Sales to external customers	12,258,969	569,358	424,692	13,253,020
(2) Inter-segment sales or transfers	—	—	—	—
Total	12,258,969	569,358	424,692	13,253,020
Segment profit (loss)	2,164,855	126,173	△78,384	2,212,644

(Note) The total amount of segment profit (loss) is consistent with operating income in the quarterly consolidated statement of income.

2.Information related to impairment losses of non-current assets, goodwill, etc. for each reportable segment

There were no significant impairment losses on non-current assets and changes goodwill in the reported segments for the three months ended June 30,2024.

II For the three months ended June 30,2025 (From April 1, 2025 to June 30, 2025)

1. Information on net sales, profit or loss by reportable segment

(Thousands of yen)

	Semiconductor Manufacturing Equipment Business	Medical Device Business	Laser Processing Machine Business	Total
Sales				
(1) Sales to external customers	7,202,441	594,088	283,692	8,080,222
(2) Inter-segment sales and transfers	—	—	—	—
Total	7,202,441	594,088	283,692	8,080,222
Segment profit(loss)	(607,908)	102,507	(75,985)	(581,386)

(Note) The total amount of segment profit (loss) is consistent with operating loss in the quarterly consolidated statement of income.

2.Information related to impairment losses of non-current assets, goodwill, etc. for each reportable segment

There were no significant impairment losses on non-current assets and changes goodwill in the reported segments for the three months ended June 30,2025.