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February 6, 2025

Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Under Japanese GAAP)

Company name: TOWA CORPORATION
 Listing: Prime Market of Tokyo Stock Exchange
 Securities code: 6315
 URL: <https://www.towajapan.co.jp/en/>
 Representative: Hirokazu Okada, President and CEO
 Inquiries: Kazuhiko Nakanishi, Executive Officer and Corporate Planning Div. Manager
 Telephone: +81 75-692-0251
 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 nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(1) Consolidated Operating Results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	39,259	22.6	6,521	60.0	7,082	64.0	5,152	65.5
December 31, 2023	32,032	-20.3	4,075	-45.8	4,318	-43.6	3,112	-44.7

[Note] Comprehensive income:

For the nine months ended December 31, 2024: ¥3,828 million [-33.8%]

For the nine months ended December 31, 2023: ¥5,787 million [5.3%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2024	68.70	—
December 31, 2023	41.49	—

[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	%
December 31, 2024	86,464	61,290	70.9
March 31, 2024	87,861	58,435	66.5

[Reference] Equity: As of December 31, 2024: ¥61,290 million

As of March 31, 2024: ¥58,435 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, 2024	—	0.00	—	40.00	40.00
Fiscal year ending March 31, 2025	—	0.00	—		
Fiscal year ending March 31, 2025 (Forecast)				20.00	20.00

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

Our company conducted a stock split at a ratio of three shares for every one common share, effective as of October 1, 2024. For the fiscal year ending March 2024, the dividend amounts prior to the stock split are listed. Meanwhile, for the fiscal year ending March 2025 (forecast), the dividend amounts after the stock split are listed.

3. Forecast of Consolidated Financial Results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(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
Year-end	54,000	7.0	9,200	6.2	9,760	7.5	7,870	22.1	104.93

[Note] Revisions to the forecast of consolidated financial results most recently announced: Yes

- Regarding earnings forecast revision, please refer to the “Notice Regarding Earnings Forecast Revision for FY2024” disclosed today (February 6, 2025).
- Our company conducted a stock split at a ratio of three shares for every one common share, effective as of October 1, 2024. The forecasted 'Basic earnings per share' for the fiscal year ending March 2025 in the consolidated financial performance reflects the impact of this stock split.

※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

- Changes in accounting policies due to revisions to accounting standards and other regulations: None
- Changes in accounting policies due to other reasons: None
- Changes in accounting estimates: None
- 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 December 31, 2024	75,140,556 shares
As of March 31, 2024	75,131,664 shares

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

As of December 31, 2024	133,959 shares
As of March 31, 2024	135,237 shares

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

Nine months ended December 31, 2024	75,001,774 shares
Nine months ended December 31, 2023	75,029,240 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 'Total number of issued shares at the end of the period', 'Number of treasury shares at the end of the period' and 'Average number of shares outstanding during the period' have 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 judgements 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. Supplementary material on financial results are posted on our website.

Contents

1. Overview of Operating Results	2
(1) Overview of Operating Results for the Current Quarter	2
(2) Overview of Financial Position	3
(3) Explanation on Forecast Information such as Consolidated Earnings Forecast	3
2. Quarterly Consolidated Financial Statements and Principal Notes	4
(1) Quarterly Consolidated Balance Sheets	4
(2) Quarterly Consolidated Income Statements and Quarterly Consolidated Statement of Comprehensive Income	6
Quarterly Consolidated Income Statements	6
Quarterly Consolidated Statement of Comprehensive Income	7
(3) Notes to Quarterly Consolidated Financial Statements	8
(Notes Related to Going Concern Assumption)	8
(Notes Related to Significant Changes in Shareholders' Equity)	8
(Notes to Quarterly statement of cash flows)	8
(Segment and Other Information)	9

1. Overview of Operating Results

(1) Overview of Operating Results for the Current Quarter

Although the global economy is on recovery trend during the third quarter of the consolidated cumulative period, it continued to face uncertainties such as monetary policy of each country and the future policy trend of the United States.

In the semiconductor industry, investment in generative AI remained active. However, stagnate investment has continued because the slowdown in the growth of the EV market led to reduced investment in automotive semiconductors, and recovery in demand for consumer goods such as smartphones and PCs has delayed.

Under these conditions, our group's performance for the third quarter of the consolidated cumulative period saw an increase in net sales compared to the same period last year, because shipments of equipment and molds to China for in-house manufacturing of semiconductor have been continued and net sales of our original compression equipment and molds increased. Regarding to profit, with the increase in net sales, profit of each stage saw a significant increase compared to the same period last year.

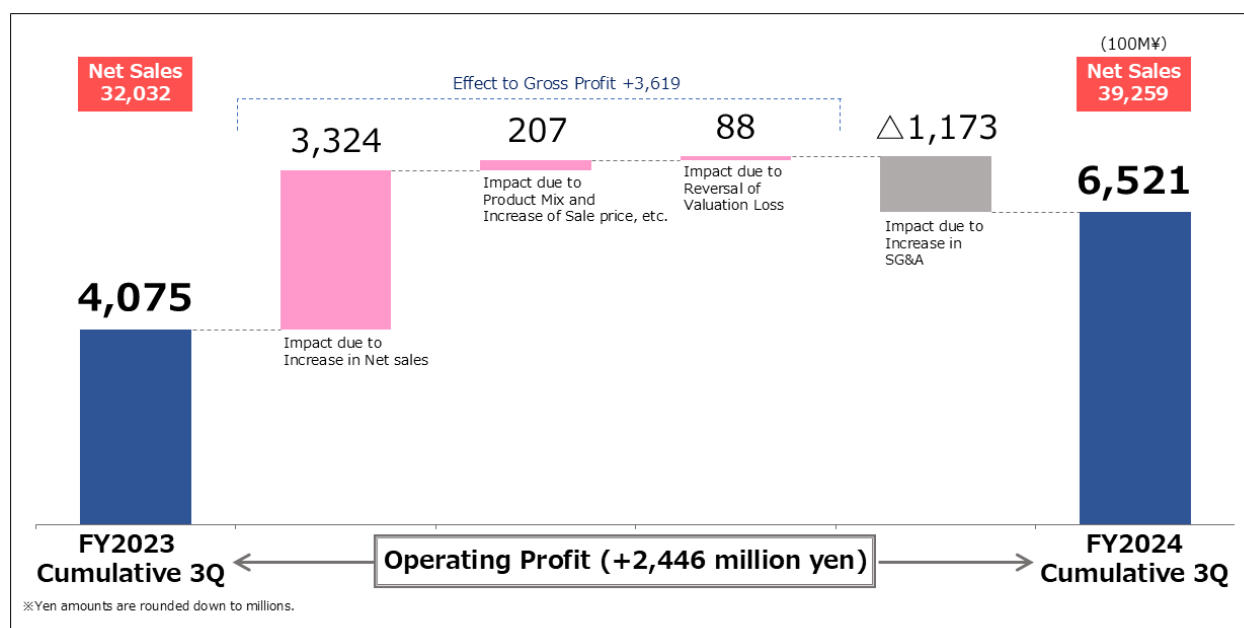
On the other hand, regarding to orders, due to weak investment for consumer goods and memory, orders for the third quarter of the consolidated cumulative period amounted to 37,185 million yen (year-on-year decrease of 3,061 million yen, 7.6%), and backlog at the end of the same period amounted to 29,374 million yen.

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

Net sales	39,259 million yen (year-on-year increase of 7,226 million yen, 22.6%)
Operating profit	6,521 million yen (year-on-year increase of 2,446 million yen, 60.0%)
Ordinary profit	7,082 million yen (year-on-year increase of 2,764 million yen, 64.0%)
Profit attributable to owners of parent	5,152 million yen (year-on-year increase of 2,040 million yen, 65.5%)

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

Impact due to Increase in Net sales	3,324 million yen increase
Impact due to Product Mix and Increase of Sale price, etc.	207 million yen increase
Impact due to Reversal of Valuation Loss	88 million yen increase
Impact due to Increase in SG&A	1,173 million yen decrease



Management performance by segment as follows.

[Semiconductor Manufacturing Equipment Business]

Regarding management performance of semiconductor manufacturing equipment business, because net sales of compression equipment and molds and net sales of TSS (Total Solution Service) increased mostly in Taiwan, China and Korea, total net sales amounted to 36,122 million yen (year-on-year increase of 7,470 million yen, 26.1%). Regarding to profit, with the increase of net sales and improved product mix in molding equipment, operating profit amounted to 6,202 million yen (year-on-year increase of 2,572 million yen, 70.9 %).

[Fine Plastic Molded Products Business]

Regarding management performance of fine plastic molded products business, due to the steady demand for medical molded fine plastic and assembled product, net sales amounted to 1,730 million yen (year-on-year increase of 105 million yen, 6.5%) and operating profit amounted to 369 million yen (year-on-year increase of 15 million yen, 4.4%).

[Laser Processing Machine business]

Regarding management performance of laser processing machine business, due to stagnate investment owing to weak utilization rates of customers of laser trimmer our main product, net sales amounted to 1,406 million yen (year-on-year decrease of 349 million yen, 19.9%) and operating loss amounted to 50 million yen (compared to operating profit of 91 million yen in the same period last year).

(2) Overview of Financial Position

Total assets at the end of the third quarter of the consolidated fiscal period were 86,464million yen, a decrease of 1,397 million yen compared to the end of the previous consolidated fiscal year. This was mainly due to a decrease in current assets, such as accounts receivable, and a decrease in the market valuation of investment securities.

Total liabilities were 25,173 million yen, a decrease of 4,252 million yen compared to the end of the previous consolidated fiscal year, due to the repayment of loan payable and the payment of income taxes.

Net assets were 61,290 million yen, an increase of 2,854 million yen compared to the end of the previous consolidated fiscal year, this was due to an increase in retained earnings and foreign currency translation adjustment, although there was a decrease in valuation difference on available-for-sale securities due to market valuation in investment securities.

As a result, the equity ratio at the end of the third quarter of the consolidated fiscal period was 70.9% (an increase of 4.4 percentage points compared to the end of the previous consolidated fiscal year).

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

The stagnate demand for end-use such as smartphones and PCs has been prolonged and recovery of investment for consumer goods and memory semiconductor is delayed more than we anticipated. Besides, desire of customers to invest weakened because there are uncertainties in trend of future policy of the United States and in economic outlook of China. Under these conditions, net sales are anticipated to decrease than previous forecast.

Regarding to profit of each stage, due to increasing expenses of upfront investment, such as personnel expenses and R&D expenses, and decrease of net sales, it is anticipated to decrease than previous forecast.

Although sales and profits are expected to decrease than previous forecast, we anticipate an increase in both revenue and profit on a consolidated performance compared to previous fiscal year's performance, with net sales expected to reach a record high.

Additionally, we plan to sell some of our investment securities in the fourth quarter of FY2024. This is to secure funds for capital and R&D investment for our growth strategy and revision of cross-shareholdings based on Corporate Governance Code. The consolidated and nonconsolidated earnings forecasts include the gains from these sales.

For further details, please refer to the "Notice Regarding Earnings Forecast Revision for the FY2024" disclosed today (February 6, 2025).

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheet

	Thousands of yen	
	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	20,830,999	22,182,266
Notes and accounts receivable–trade	15,135,664	10,674,821
Electronically recorded monetary claims–operating	345,054	244,753
Merchandise and finished goods	4,110,721	4,652,680
Work in process	10,041,146	11,309,425
Raw materials and supplies	1,699,212	1,794,664
Other	1,550,660	1,858,374
Allowance for doubtful accounts	(2,363)	(2,427)
Total Current assets	53,711,096	52,714,560
Non–current assets		
Property, plant and equipment		
Buildings and structures	22,106,434	23,242,491
Accumulated depreciation	(13,065,298)	(13,688,696)
Buildings and structures, net	9,041,135	9,553,794
Machinery, equipment and vehicles	17,554,193	18,346,475
Accumulated depreciation	(11,954,563)	(12,696,720)
Machinery, equipment and vehicles, net	5,599,630	5,649,754
Land	5,289,066	6,698,572
Leased assets	1,594,823	1,757,824
Accumulated depreciation	(440,008)	(485,347)
Leased assets, net	1,154,815	1,272,476
Construction in progress	232,675	441,529
Other	4,852,823	5,192,534
Accumulated depreciation	(4,002,437)	(4,207,297)
Other, net	850,385	985,237
Total Property, plant and equipment	22,167,709	24,601,363
Intangible assets	1,329,271	1,354,142
Investments and other assets		
Retirement benefit asset	641,147	686,454
Other	10,012,608	7,107,664
Total Investments and other assets	10,653,756	7,794,119
Total Non–current assets	34,150,736	33,749,625
Total Assets	87,861,833	86,464,185

Thousands of yen		
	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable–trade	3,834,249	3,423,750
Electronically recorded obligations- operating	36,252	27,175
Short–term borrowings	9,400,000	9,000,000
Current portion of long–term borrowings	1,560,000	1,120,000
Income taxes payable	1,827,856	841,853
Provision for product warranties	307,882	324,839
Provision for bonuses	986,299	671,510
Provision for bonuses for directors(and other officers)	98,443	35,745
Other	5,146,816	5,171,479
Total Current liabilities	23,197,801	20,616,354
Non–current liabilities		
Long–term borrowings	2,490,000	1,650,000
Retirement benefit liability	933,297	1,016,104
Provision for share awards	40,497	72,825
Other	2,764,332	1,818,356
Total Non–current liabilities	6,228,128	4,557,286
Total Liabilities	29,425,930	25,173,641
Net assets		
Shareholders' equity		
Share capital	8,955,671	8,969,261
Capital surplus	450,981	464,571
Retained earnings	38,359,732	42,511,478
Treasury shares	(115,191)	(115,069)
Total Shareholders' equity	47,651,194	51,830,242
Accumulated other comprehensive income		
Valuation difference on available–for–sale securities	6,013,298	3,835,595
Foreign currency translation adjustment	4,642,014	5,534,286
Remeasurements of defined benefit plans	129,394	90,419
Total Accumulated other comprehensive income	10,784,708	9,460,301
Total Net assets	58,435,903	61,290,543
Total Liabilities and net assets	87,861,833	86,464,185

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

	Thousands of yen	
	For the nine months ended December 31,2023	For the nine months ended December 31,2024
Net sales	32,032,987	39,259,405
Cost of sales	21,082,084	24,688,529
Gross profit	10,950,903	14,570,875
Selling, general and administrative expenses	6,875,304	8,048,953
Operating profit	4,075,598	6,521,922
Non-operating income		
Interest income	82,422	126,568
Dividend income	258,614	110,375
Foreign exchange gains	—	135,189
Miscellaneous income	173,925	299,513
Total Non-operating income	514,962	671,646
Non-operating expenses		
Interest expenses	53,858	63,922
Depreciation of assets for rent	22,695	24,761
Foreign exchange losses	182,994	—
Miscellaneous losses	12,873	22,671
Total Non-operating expenses	272,422	111,355
Ordinary profit	4,318,138	7,082,213
Extraordinary income		
Gain on sale of non-current assets	32,401	2,679
Gain on sale of investment securities	—	6,818
Total Extraordinary income	32,401	9,497
Extraordinary losses		
Loss on sale of non-current assets	—	222
Loss on retirement of non-current assets	5,383	11,187
Loss on valuation of investment securities	—	12,056
Total Extraordinary losses	5,383	23,467
Profit before income taxes	4,345,155	7,068,243
Income taxes	1,232,441	1,915,309
Profit	3,112,714	5,152,934
Profit attributable to owners of parent	3,112,714	5,152,934

Quarterly Consolidated Statement of Comprehensive Income

	Thousands of yen	
	For the nine months ended December 31,2023	For the nine months ended December 30,2024
Profit	3,112,714	5,152,934
Other comprehensive income		
Valuation difference on available-for-sale securities	1,650,789	(2,177,703)
Foreign currency translation adjustment	1,034,725	892,271
Remeasurements of defined benefit plans	(10,648)	(38,974)
Total Other comprehensive income	2,674,867	(1,324,407)
Comprehensive income	5,787,581	3,828,527
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,787,581	3,828,527

(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 to Quarterly statement of cash flows)

The Company has not prepared a quarterly statement of cash flows for the nine months ended December 31,2024.

Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the nine months ended December 31,2024 is as follows.

(Thousands of yen)

	For the nine months ended December 31,2023	For the nine months ended December 31,2024
Depreciation expense	1,875,475	1,973,407
Amortization of goodwill	109,225	113,423

(Segment and Other Information)

I For the nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)

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

(Thousands of yen)

	Semiconductor Manufacturing Equipment Business	Fine Plastic Molded Products Business	Laser Processing Equipment Business	Total
Sales				
(1) Sales to external customers	28,651,879	1,624,756	1,756,351	32,032,987
(2) Inter-segment sales or transfers	—	—	—	—
Total	28,651,879	1,624,756	1,756,351	32,032,987
Segment profit	3,629,860	353,992	91,744	4,075,598

(Note) The total amount of segment profit is consistent with operating income in the 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 nine months ended December 31, 2023.

II For the nine months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)

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

(Thousands of yen)

	Semiconductor Manufacturing Equipment Business	Fine Plastic Molded Products Business	Laser Processing Equipment Business	Total
Sales				
(1) Sales to external customers	36,122,813	1,730,232	1,406,359	39,259,405
(2) Inter-segment sales and transfers	—	—	—	—
Total	36,122,813	1,730,232	1,406,359	39,259,405
Segment profit(loss)	6,202,747	369,414	(50,239)	6,521,922

(Note) The total amount of segment profit (loss) is consistent with operating income in the 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 nine months ended December 31, 2024.