This Annual Securities Report ("Yukashouken Houkokusho") has been translated from the Japanese original for the convenience of overseas stakeholders and for reference purposes only. In the event of any discrepancy between this translation and the Japanese original, the Japanese original shall prevail.
The Japanese original Annual Securities Report was submitted to Kanto Finance Bureau on June 26, 2025, with an audit report by PricewaterhouseCoopers Japan LLC.

Annual Securities Report

From April 1, 2024 to March 31, 2025

(The 47th term)

TOWA CORPORATION

5 Kamichoshi-cho, Kamitoba, Minami-ku, Kyoto-shi, Kyoto Japan

(E01708）

Contents

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【Document title】	Annual Securities Report (“Yukashoken Hokokusho”)
【Document title】	Article 24, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
【Place of filing】	Director-General of the Kanto Local Finance Bureau
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【Fiscal year】	The 47th Fiscal Year (from April 1, 2024 to March 31, 2025)
【Company name】	TOWA Kabushiki Kaisha
【Company name in English】	TOWA CORPORATION
【Title and name of representative】	Muneo Miura, Director, President Executive Officer
【Address of registered head office】	5 Kamichoshi-cho, Kamitoba, Minami-ku, Kyoto-shi, Kyoto Japan
【Telephone number】	+81 (0)75-692-0250(main number (of one's company))
【Name of contact person】	Kazuhiko Nakanishi, Executive Officer Corporate Planning Division Manager
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【Name of contact person】	Kazuhiko Nakanishi, Executive Officer Corporate Planning Division Manager
【Place for public inspection】	Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo, Japan)

Part I Company Information

Item1 Overview of the Company

1. Trends in Main Management Indicators, etc.

(1) Consolidated Management Indicators, etc.

Business Term		43rd	44th	45th	46th	47th
Fiscal year ended		March 31,2021	March 31,2022	March 31,2023	March 31,2024	March 31,2025
Net sales	(Thousands of yen)	29,706,793	50,666,728	53,822,668	50,471,799	53,479,205
Ordinary profit	(Thousands of yen)	3,818,909	11,724,303	10,206,054	9,079,734	9,400,384
Profit attributable to owners of parent	(Thousands of yen)	2,663,201	8,129,827	7,346,676	6,444,193	8,121,050
Comprehensive income	(Thousands of yen)	4,684,784	10,018,780	7,732,418	12,325,668	3,924,523
Net assets	(Thousands of yen)	31,503,757	41,121,326	47,623,254	58,435,903	61,386,368
Total assets	(Thousands of yen)	51,790,516	71,333,064	73,468,553	87,861,833	83,228,486
Net assets per share	(Yen)	415.60	542.86	629.13	779.18	818.41
Net income per share	(Yen)	35.50	108.36	97.90	85.90	108.28
Diluted net income per share	(Yen)	—	—	—	—	—
Equity-to-asset ratio	(%)	60.2	57.1	64.3	66.5	73.8
Return on equity	(%)	9.17	22.61	16.71	12.20	13.56
Price earnings ratio	(Times)	20.07	7.56	7.13	41.41	13.72
Cash flow from operating activities	(Thousands of yen)	5,311,846	6,403,884	2,831,227	9,665,880	10,372,805
Cash flow from investing activities	(Thousands of yen)	-2,768,283	-6,600,269	-2,746,012	-2,773,764	-4,758,217
Cash flow from financing activities	(Thousands of yen)	-2,240,677	1,925,312	3,962,214	-3,524,364	-5,126,263
Cash and cash equivalents at end of period	(Thousands of yen)	10,268,427	12,250,459	16,430,497	20,517,272	20,390,386
Number of employees [Separately, average number of temporary employees]	(Persons)	1,633 [120]	1,817 [188]	1,876 [165]	1,985 [167]	2,099 [185]

(Notes)

1. Diluted net income per share is not presented since there is no residual stock.
2. The Company has introduced an "Employee Stock Ownership Plan (J-ESOP)" since the 46th term. The Company's shares remaining in the "J-ESOP," which are recorded as treasury shares in shareholders' equity, are included in treasury shares which are deducted from the total number of shares outstanding at the end of the period to calculate "net assets per share," and are also included in treasury shares which are deducted from the average number of shares outstanding during the period calculate "net income per share".
3. Our company conducted a stock split at a ratio of three shares for every one common share, effective as of October 1, 2024. Assuming the stock split was conducted at the beginning of the 43rd fiscal year, we have calculated the net assets per share and the net income per share.

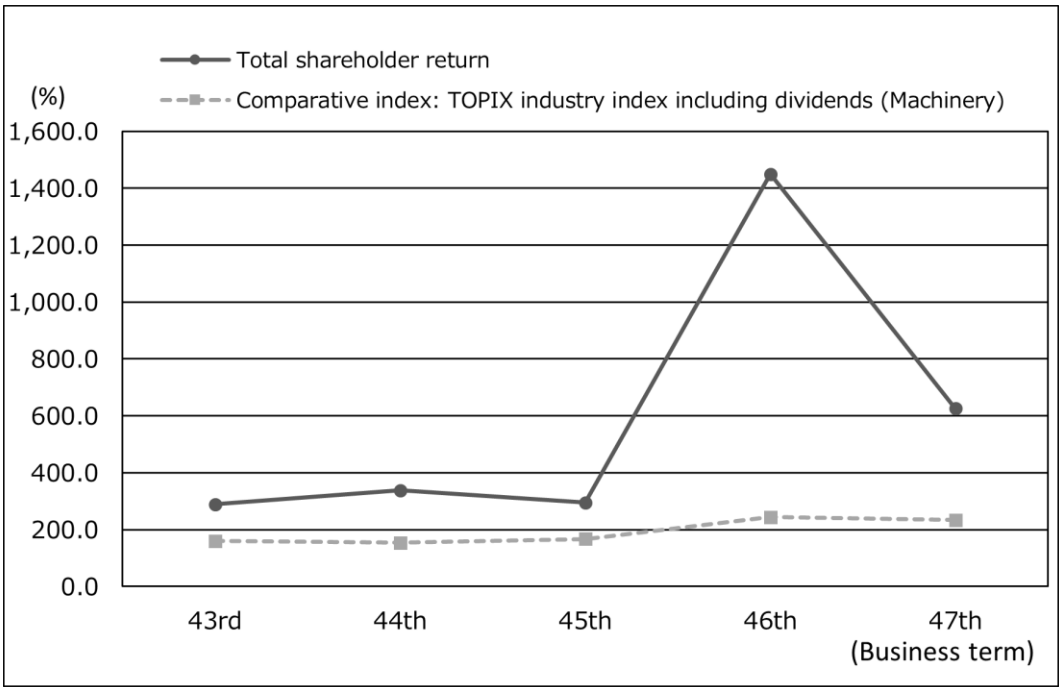
(2) Management Indicators of the Submitting Company

Business Term		43rd	44th	45th	46th	47th
Fiscal year ended		March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025
Net sales	(Thousands yen)	24,132,641	42,527,204	42,401,275	41,715,354	41,938,812
Ordinary profit	(Thousands of yen)	1,559,414	6,610,098	4,641,106	5,010,350	3,130,308
Profit	(Thousands of yen)	1,100,874	4,871,702	3,355,424	3,689,608	3,654,874
Share Capital	(Thousands of yen)	8,932,627	8,932,627	8,942,950	8,955,671	8,969,261
Total number of issued shares	(Shares)	25,021,832	25,021,832	25,033,238	25,043,888	75,140,556
Net assets	(Thousands of yen)	22,488,216	27,025,286	29,201,165	35,514,384	34,999,284
Total assets	(Thousands of yen)	38,646,289	50,953,201	50,617,042	60,044,060	52,595,442
Net assets per share	(Yen)	299.73	360.21	389.04	473.55	466.62
Cash dividend per share [Of the above interim dividend per share]	(Yen)	16.00 (—)	50.00 (—)	40.00 (—)	40.00 (—)	20.00 (—)
Net income per share	(Yen)	14.67	64.93	44.71	49.18	48.73
Diluted net income per share	(Yen)	—	—	—	—	—
Equity-to-asset ratio	(%)	58.2	53.0	57.7	59.1	66.5
Return on equity	(%)	5.07	19.68	11.94	11.40	10.37
Price earnings ratio	(Times)	48.55	12.62	15.61	72.32	30.49
Dividend payout ratio	(%)	36.35	25.67	29.82	27.11	41.04
Number of employees [Separately, average number of temporary employees]	(Persons)	549 [14]	573 [34]	597 [56]	623 [64]	681 [76]
Total shareholder return	(%)	288.6	338.5	294.9	1,449.9	625.2
(Comparative index: TOPIX industry index including dividends (Machinery))	(%)	(159.9)	(153.9)	(167.1)	(244.3)	(233.7)
Highest share price	(Yen)	2,341	3,740	2,409	11,200	2,435 (14,560)
Lowest share price	(Yen)	700	1,752	1,576	1,923	1,390 (5,570)

(Notes)

1. The dividend per share for the 44th term includes a commemorative dividend of 10 yen.
2. Diluted net income per share is not presented since there is no residual stock.

3. The Company has introduced an “Employee Stock Ownership Plan (J-ESOP)” since the 46th term. The Company’s shares remaining in the “J-ESOP,” which are recorded as treasury shares in shareholders’ equity, are included in treasury shares which are deducted from the total number of shares outstanding at the end of the period to calculate “net assets per share,” and are also included in treasury shares which are deducted from the average number of shares outstanding during the period to calculate “net income per share.”
4. Our company conducted a stock split at a ratio of three shares for every one common share, effective as of October 1, 2024. Assuming stock split was conducted at the beginning of the 43rd fiscal year, we have calculated the net assets per share and the net income per share. With respect to the amount of cash dividend per share [of the above interim dividend per share], the amounts prior to the stock split are listed for the 43rd, 44th, 45th, and 46th fiscal years, whereas the amount after the stock split is listed for the 47th fiscal year.
5. The number of employees of the Company does not include employees seconded to affiliates (44 in the 43rd term, 50 in the 44th term, 57 in the 45th term, 53 in the 46th term, and 49 in the 47th term).
6. Highest share price and Lowest share price in the table are quoted from the Tokyo Stock Exchange Prime Market from April 4, 2022, and for the period before that, they are based on those in the Tokyo Stock Exchange First Section.
Our company conducted a stock split at a ratio of three shares for every one common share, effective as of October 1, 2024. With respect to the share price for the 47th fiscal year, the highest and lowest share prices after the stock split are listed, while those prior to the stock split are listed in parentheses.
7. Changes in total shareholder return and comparative indices for the last five years are as follows.



2. History

Month	Year	Details
April	1979	With an initial group of 30 employees, Kazuhiko Bandoh established TOWA Precision Industries Limited with the main business objectives of manufacturing and marketing “precision molds” and “semiconductor manufacturing equipment”. The company commenced production at a temporary factory in Yawata-shi, Kyoto, and opened the Tokyo Office at the same time.
February	1980	The company succeeded in the trial production of the world's first fully automatic mold packaging system based on the multi-plunger mold design, which opened the way for the mass production of high-quality semiconductor devices.
May	1986	The company established the TOWA Research & Development Center.
February	1987	Our founder Kazuhiko Bandoh received the "Invention Grand Award" (Shirai Invention Prize) from the Japan Society for the Advancement of Inventions and the Nikkankogyo Shimbun for his invention of the multi-plunger molding system.
July	1988	The company established the TOWA Singapore Mfg. Pte. Ltd
December	1988	The company relocated its headquarters facility to 122-2 Megawa, Makishima-cho, Uji-shi, Kyoto, and changed its corporate name from TOWA Precision Industries Limited to TOWA Corporation.
December	1989	The company registered its corporate symbol as a Japan trademark.
March	1990	The company acquired ownership of Meiwa Seiko Corporation (now TOWATEC Co., Ltd.), making it a subsidiary.
March	1991	The company established the Kyoto East Plant in Ujitawara Industrial Park in Kyoto. (All work completed in June 1992.) The company acquired ownership of BANDICK Corporation, making it a subsidiary.
April	1991	Micro Component Technology Malaysia Sdn. Bhd. (now TOWAM Sdn. Bhd.) was made a subsidiary.
January	1993	Manufacturing of fine plastic molded products business (currently Medical Device Business) was spun off and transferred to BANDIC Corporation.
November	1993	The company established TOWA Korea (which was renamed SECRON Co., Ltd. in November 2002) as a joint venture with Samsung Electronics and Hanyang Technology.
November	1994	The company participated in the capitalization of the Korean subsidiary, Tongjin.
July	1995	The company established TOWA AMERICA,Inc.
September	1995	The company established STK Foundry Limited in Suzhou (currently STK Technology (Jiangsu) Co.,Ltd.), China, as a joint venture. TOWA AMERICA, Inc. made Intercon Tools, Inc. its subsidiary.
February	1996	The company established TOWA Asia-Pacific Pte.Ltd. in Singapore.
September	1996	TOWA Corporation was listed on the Kyoto Stock Exchange and the Second Section of the Osaka Securities Exchange.
December	1997	Established the TOWA Asia-Pacific Centre in Singapore.
March	1998	Construction of new Headquarters/Factory at 5 Kamichoshi-cho, Kamitoba, Minami-ku, Kyoto-shi was completed, and the company relocated its operations to the new facility.
April	1998	Our founder Kazuhiko Bandoh received the Science and Technology Agency Director-General Award, for the invention of the multi-plunger mold design.
October	1998	The company established TOWA-Jipal Technologies Co., Ltd. in Taiwan as a joint venture with Jipal Corporation (Taiwan).
December	1998	TOWA acquires ISO 9001 certification for its Headquarters/Factory, Kyoto East Plant, and Uji Makishima Plant. The company established the Kyushu Factory (now Kyushu Work) at North Tosu Kyuryo Shintoshi (a new urban area on the hill to the north of Tosu), Tosu-shi, Saga.
April	1999	Dainippon Screen Mfg. Ltd. (currently Screen Holdings Co., Ltd.) established Sserc Co., Ltd. (currently Screen Spe Tech Co., Ltd.) through joint investment with HORIBA, Ltd.
May	1999	Founder Kazuhiko Bandoh was awarded Medal with Yellow Ribbon in recognition of the “Invention of a mold using a multi-plunger system.”
March	2000	Kyusyu Factory (now Kyushu Work) obtained ISO 9001 certification.
September	2000	The company was listed on the First Section of the Osaka Securities Exchange.
November	2000	The company was listed on the First Section of the Tokyo Stock Exchange.

Month	Year	Details
March	2001	The Headquarters/Factory obtained ISO 14001 certification.
June	2001	The new headquarters factory of Intercon Technology, Inc. was completed.
October	2001	The company established TOWA (Shanghai) Co., Ltd. in Shanghai, China.
March	2002	Kyoto East Plant, Kyushu Work and Tokyo Office obtained ISO 14001 certification.
June	2002	The company established TOWA (Suzhou) Co., Ltd. in Suzhou, China.
September	2002	The company took a stake in Shanghai Sodick Software Co., Ltd., a joint venture established in Shanghai, China.
January	2004	The company established TOWA Taiwan Co., Ltd. in Hsinchu, Taiwan.
March	2004	TOWA Asia-Pacific Pte. Ltd. was established in Singapore as a new company.
April	2004	The company established TOWA Semiconductor Equipment Philippines Corporation in Laguna, the Philippines.
April	2006	The company established TOWA Services Corporation.
July	2011	All shares of SECRON Co., Ltd. held by the Company were transferred to Samsung Electronics Co., Ltd. and the joint venture relationship was dissolved.
January	2013	The company established TOWA USA Corporation in California, U.S.A.
April	2013	The company established TOWA Korea Co., Ltd. in Seoul, Korea.
October	2013	The company established TOWA Europe B.V. in Duiven, the Netherlands.
June	2014	Founder Kazuhiko Bandoh passed away.
July	2014	Our founder Kazuhiko Bandoh received The Order of the Rising Sun, Gold Rays with Rosette for his invention of the multi-plunger mold design and the module method, which made a significant contribution to the development of the semiconductor industry.
October	2015	TOWA Korea Co., Ltd. acquired the molding business of SEMES Co., Ltd.
August	2018	The company acquired ownership of OMRON LASERFRONT INC.(now TOWA LASERFRONT CORPORATION), making it a subsidiary.
October	2018	The company established TOWA (Nantong) Co., Ltd. in Nantong, China and it acquired the molds manufacturing business of Kinergy EMS (Nantong) Co., Ltd..(same year in November)
January	2019	The company established TOWA Europe Gmbh in Duesseldorf, Germany.
March	2019	The company established TOWA THAI COMPANY LIMITED in Bangkok, Thailand.
September	2021	The company established TOWA R&D Suzhou Co., Ltd. in Suzhou, China.
January	2022	The company acquired ownership of Fine International Co., Ltd.(now TOWA FINE CO., LTD.), making it a subsidiary.
April	2022	Following the revision of the market classification of the Tokyo Stock Exchange, the company moved from the First Section to the Prime Market of the Tokyo Stock Exchange.
March	2023	The company established TOWA TOOL SDN. BHD. in Penang, Malaysia and it acquired the molds manufacturing business of K-TOOL ENGINEERING SDN. BHD..(same year in April)

3. Description of Business

The TOWA Group (the Company and its affiliates) consists of 19 companies, including TOWA Corporation (the Company) and its 18 subsidiaries. The Group's principal businesses include the manufacture and sale of precision molds for semiconductor manufacturing, semiconductor manufacturing equipment, medical device, and laser processing machines, as well as after-sales services for these products.

From this consolidated fiscal year, the name of the reporting segment previously known as the "Fine Plastic Molded Products Business" has been changed to the "Medical Device Business". This change is limited to the name of the segment and does not affect the segment information.

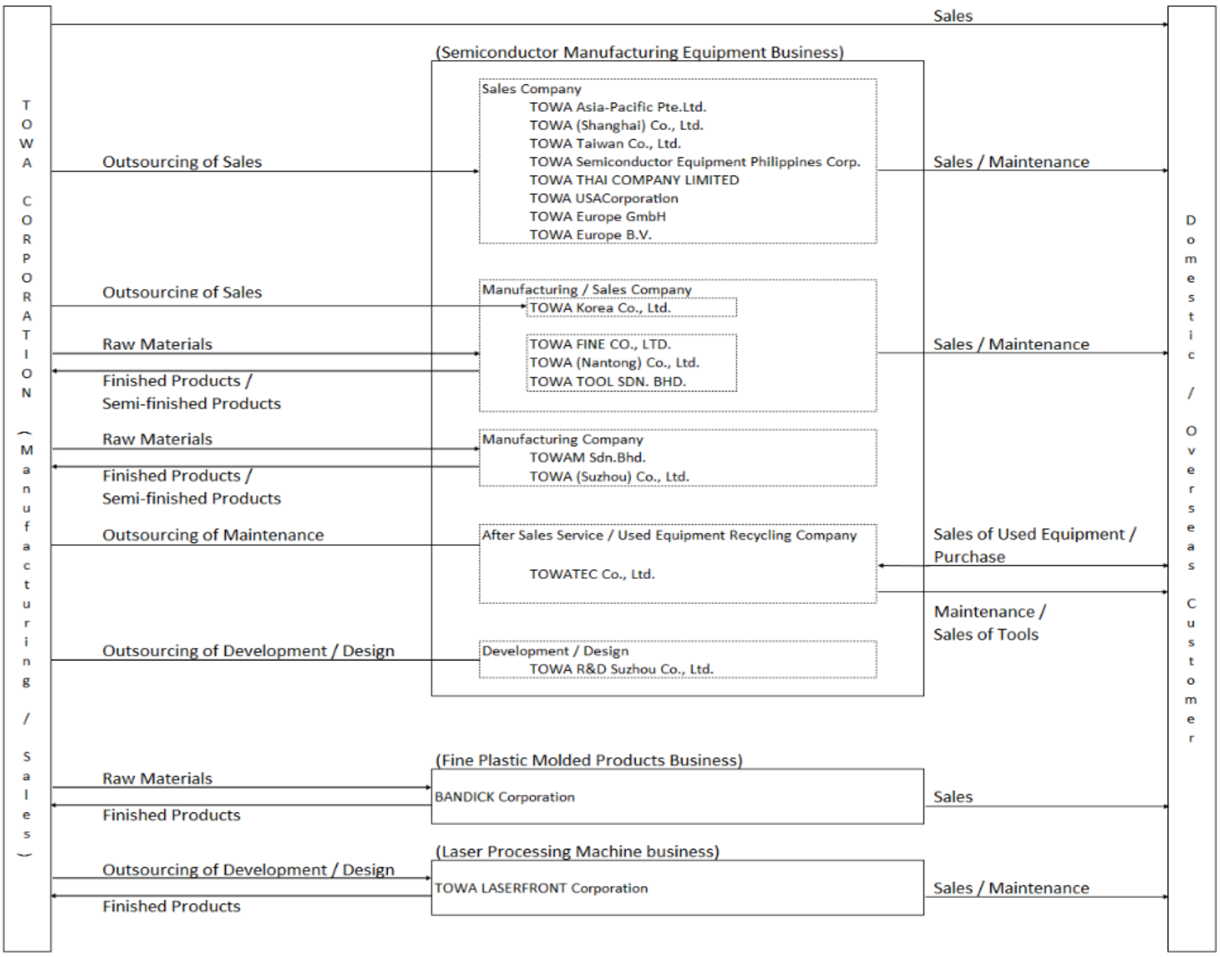
Shown below are the Group's description of business and the positioning of the Company and its subsidiaries and affiliates concerning these businesses.

The following three businesses are the same as the segment classifications listed in "Item5 Financial Information1. Consolidated financial statements, etc. (1) Notes to Consolidated Financial Statements."

Business segment	Main products	Major companies
Semiconductor Manufacturing Equipment Business	Precision molds Molding equipment Singulation equipment etc.	Our company TOWAM Sdn.Bhd. 15 other consolidated subsidiaries
Medical Device Business	Medical devices and etc.	Our company BANDICK Corporation
Laser Processing Machine business	Laser processing machine	TOWA LASERFRONT Corporation

[Business Organizational Chart]

The business organizational chart is as follows.



4. Overview of Subsidiaries and Affiliates

Company name	Location	Share capital	Principal business	Ownership of voting rights (%)	Relationship: Interlocking directors: The Company's directors (Persons)	Relationship: Interlocking directors: The Company's employees (Persons)	Relationship: Financial assistance	Relationship: Business Transaction
Consolidated subsidiaries								
BANDICK Corporation	Minami-ku, Kyoto-shi	96 Millions of Yen	Medical Device Business	100	2	3	—	Outsourcing of manufacturing
TOWATEC Co., Ltd.	Minami-ku, Kyoto-shi	30 Millions of Yen	Semiconductor Manufacturing Equipment Business	100	3	5	—	Outsourcing of maintenance
TOWA LASERFRONT Corporation	Sagamihara-shi, Kanagawa	100 Millions of Yen	Laser Processing Machine business	100	2	4	Loan of funds	Outsourcing of development and design・Outsourcing of manufacturing
TOWA Asia-Pacific Pte.Ltd.	International Business Park, Singapore	500 Thousands of S$	Semiconductor Manufacturing Equipment Business	100	1	3	—	Outsourcing of sales
TOWAM Sdn.Bhd. (Notes) 2	Penang, Malaysia	8,000 Thousands of MYR	Semiconductor Manufacturing Equipment Business	100	2	3	Loan of funds	Outsourcing of manufacturing
TOWA TOOL SDN. BHD. (Notes) 2	Penang, Malaysia	40,000 Thousands of MYR	Semiconductor Manufacturing Equipment Business	100	1	3	Loan of funds	Outsourcing of manufacturing
TOWA Semiconductor Equipment Philippines Corp.	Laguna, Philippines	11,000 Thousands of PHP	Semiconductor Manufacturing Equipment Business	100	1	2	—	Outsourcing of sales
TOWA THAI COMPANY LIMITED	Bangkok, Thailand	10,000 Thousands of THB	Semiconductor Manufacturing Equipment Business	100	2	4	—	Outsourcing of sales
TOWA USA Corporation	California, U.S.A.	1,000 Thousands of US$	Semiconductor Manufacturing Equipment Business	100	1	2	—	Outsourcing of sales
TOWA Europe B.V.	Gelderland, The Netherlands	800 Thousands of €	Semiconductor Manufacturing Equipment Business	100	2	2	—	Outsourcing of sales
TOWA Europe GmbH	Stuttgart, Germany	25 Thousands of €	Semiconductor Manufacturing Equipment Business	100	2	2	—	Outsourcing of sales
TOWA (Shanghai) Co., Ltd.	Shanghai, China	1,000 Thousands of US$	Semiconductor Manufacturing Equipment Business	100	1	5	—	Outsourcing of sales
TOWA (Suzhou) Co., Ltd. (Notes) 2	Jiangsu Province, China	12,000 Thousands of US$	Semiconductor Manufacturing Equipment Business	100	2	3	—	Outsourcing of manufacturing
TOWA (Nantong) Co., Ltd. (Notes) 2	Jiangsu Province, China	30,000 Thousands of US$	Semiconductor Manufacturing Equipment Business	100	3	4	—	Outsourcing of manufacturing

Company name	Location	Share capital	Principal business	Ownership of voting rights (%)	Relationship			
					Interlocking directors		Financial assistance	Business Transaction
					The Company’s directors (Persons)	The Company’s employees (Persons)		
TOWA R&D Suzhou Co., Ltd.	Jiangsu Province, China	1,000 Thousands of US$	Semiconductor Manufacturing Equipment Business	100	1	6	―	Outsourcing of development and design
TOWA Taiwan Co., Ltd.	Hsinchu, Taiwan, R.O.C.	28,000 Thousands of NT$	Semiconductor Manufacturing Equipment Business	100	2	4	―	Outsourcing of sales
TOWA Korea Co., Ltd. (Notes) 2	Seoul, Korea	3,350 Millions of Won	Semiconductor Manufacturing Equipment Business	100	2	3	―	Outsourcing of sales Outsourcing of manufacturing
TOWA FINE CO., LTD.	Ansan- shi, Gyeonggi-do, Korea	1,300 Millions of Won	Semiconductor Manufacturing Equipment Business	100	1	3	―	Outsourcing of manufacturing

(Notes)

1. The segment names are listed in the “Principal business” column. From this consolidated fiscal year, the name of the reporting segment previously known as the "Fine Plastic Molded Products Business" has been changed to the "Medical Device Business". This change is limited to the name of the segment and does not affect the segment information.
2. The company falls under the category of specified subsidiaries.

5. Status of Employees

(1) Status of Consolidated Companies

(As of March 31,2025)

Name of segment	Number of employees (Persons)	
Semiconductor Manufacturing Equipment Business	1,906	(115)
Medical Device Business	87	(67)
Laser Processing Machine business	106	(3)
Total	2,099	(185)

(Notes)

1. The number of employees represents the number of workers (excluding those seconded from the Group to outside the Group but including those seconded from outside the Group to the Group), and the annual average number of temporary employees (including part-timers and employees dispatched from staffing agencies) is shown in parentheses and not included in the total.
2. From this consolidated fiscal year, the name of the reporting segment previously known as the "Fine Plastic Molded Products Business" has been changed to the "Medical Device Business". This change is limited to the name of the segment and does not affect the segment information.

(2) Status of the Submitting Company

(As of March 31,2025)

Number of employees (Persons)		Average age (Years old)	Average length of service (Years)	Average annual salary (Yen)
681	(76)	39.5	11.3	7,260,031

(Notes)

1. The number of employees represents all those engaged in the semiconductor manufacturing equipment business.
2. The number of employees represents the number of workers (excluding those seconded from the Company to outside the Company but including those seconded from outside the Company to the Company), and the annual average number of temporary employees (including part-timers and employees dispatched from staffing agencies) is shown in parentheses and not included in the total.
3.Average annual salary includes non-standard wages and bonuses.

(3) Status of Labor Union

The labor union of the Group is called the TOWA Labor Union, and there is no upper organization to which it belongs. Labor-management relations are stable.

(4) Percentage of female employees in management positions, percentages of male employees who took childcare leave, and wage differences between male and female employees

The submitting company

The fiscal year ended March 31, 2025					Supplementary explanation
Percentage of female employees in management positions (%) (Notes) 1	Percentage of male employees who took childcare leave (%) (Notes) 2	Wage differences between male and female employees (%) (Notes) 1			
		All employees	Of which, Full-time workers	Of which, part-time/ fixed-term workers	
3.4	100.0	72.3	77.4	28.7	(Notes) 5

(Notes)

1. Calculated in accordance with the provisions of the “Act on the Promotion of Women’s Active Engagement in Professional Life” (Act No. 64, 2015).

2. In accordance with the provisions of the “Act on the Welfare of Workers Who Take Care of Children or Other Family Members Including Child Care and Family Care Leave” (Act No. 76, 1991), the percentage of childcare leave, childcare purpose leave, etc. taken under Article 71-6, item (ii) of the “Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Ordinance of the Ministry of Labor No. 25, 1991) is calculated.
3. The status of the submitting company is described.
4. Information on consolidated subsidiaries is omitted because they do not make public announcements under the provisions of the “Act on the Promotion of Women’s Active Engagement in Professional Life” (Act No. 64, 2015) and the “Act on the Welfare of Workers Who Take Care of Children or Other Family Members Including Child Care and Family Care Leave” (Act No. 76, 1991).
5. Regarding gender wage gap, which is one of the indicators of women’s empowerment, the difference in wages for the Company’s full-time workers stand at 77.4%; this is considered to be affected by higher salaries for employees with longer service years in Japanese companies and the high percentage of male workers in that age group. The Company’s wage system does not differentiate men and women of the same roles and abilities. The table below shows the difference in base salary (fixed salary excluding overtime and commuting allowances) by age group for our full-time workers. The wage difference for part-time/fixed-term workers is 28.7%, and the number of part-time/fixed-term workers is shown in the breakdown of part-time/fixed-term workers in the table below. As for the treatment of rehired fixed-term workers, as announced in “Establishment of New Rehiring System” on February 28, 2022, we believe that the difference is largely affected due to the establishment of the system that allows workers to continue working at the same wage level even after retirement, substantially improving their treatment.

<Differences in base salary (fixed salary excluding overtime and commuting allowances) by age group for full-time workers>

Items	The fiscal year ended March 31, 2025
Full-time workers	84.3%
50 and over	80.6%
40 to 49 years old	88.8%
30 to 39 years old	94.3%
29 years and under	99.1%

<Breakdown of part-time/fixed-term workers> (As of March 31, 2025)

Items	Number of female employees (Persons)	Number of male employees (Persons)
Non-regular employees	1 (0)	47 (32)
Contract employees	12 (0)	5 (0)
Total	13 (0)	52 (32)

(Note)
Figures in parentheses indicate the number of rehired fixed-term workers.

Item2 Status of Business

1. Management Policy, Business Environment, and Issues to be Addressed, etc.

The management policy, business environment, and Issues to be Addressed for the Group are as follows.

With a longstanding commitment to continual technical progress, the Group has ever since its founding upheld its Corporate Mission to “contribute to the growth of the world’s industries by boldly devoting all our energy to producing results for the purpose of developing and providing key enabling technologies for each successive generation of products, while maintaining a ‘quarter-lead’ over the competition.”

With this Corporate Mission as the foundation for all our activities, we aim to create the world’s most advanced solutions in anticipation of market needs and to improve our corporate value, by thoroughly optimizing QCDS (Quality, Cost, Delivery and Service), pursuing safety, complying with laws and untiringly pursuing CS (Customer Satisfaction), which means to satisfy customer needs.

We also recognize that ‘’protection of the global environment’’ is an important issue shared by the entire human race. Through all our business activities, we provide the market with ‘’new products, new merchandise and services’’ by means of environmentally friendly ‘’technological development’’ and contribute to reducing the global environmental impact.

In March 2022, the Group announced its new long–term vision ‘’TOWA Vision 2032’’. Under this vision, we aim to achieve further growth and increase corporate value and to become a unique company globally unrivaled by other companies.

TOWA Vision 2032

1. Theme

To the Top of the World through Change

2. Ideal state

[1] To become a world–leading company that continues to create customer value through packaging process proposals.

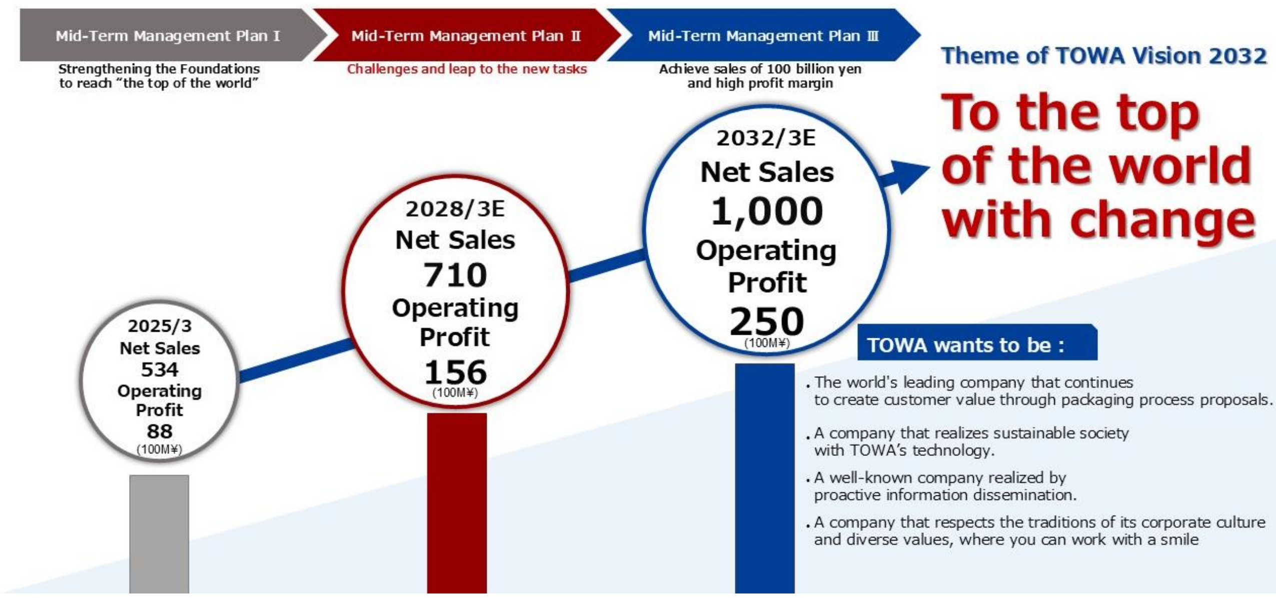
[2] To become a company that realizes a sustainable society using TOWA Corporation technology.

[3] To become a company well known for its active dissemination of information.

[4] To become a company where employees can work with a smile, where the traditions of corporate culture and diverse values are respected.

3. Business Target (long–term vision)

We have set the target for the Group as follows. Recognizing these as important indicators, we will strive to increase our corporate value.



《Second Mid-Term Management Plan》

The positioning of the second mid-term management plan is "Challenges and leap to the new tasks". Leveraging the foundation strengthened during the first mid-term management plan, we will tackle new challenges towards our targets for 2032. The theme of the second mid-term management plan is "Enabling the Next Generation of Leadership with TOWA-ism". The source of our competitiveness lies in our human resources, and to remain at the top of the industry for the next 10, 20 years, and beyond, we will actively invest in human resources to become a unique company that does not allow others to follow.

1. Theme

Enabling the Next Generation of Leadership with TOWA-ism

2. Basic Policies

[1] Enhancing the added value of products and services through paradigm shifts to improve profitability.

[2] Achieving speed management and strengthening market competitiveness through the utilization of DX and AI.

[3] Creating new markets by leveraging core competencies*.

[4] Develop human resources who will lead the next generation with abundant diversity and a spirit of challenge.

[5] Enhancing social contribution and corporate value through proactive efforts toward sustainability.

*Core competencies: Unique strengths or expertise that cannot be easily imitated by other companies.

3. Business Strategies

[Semiconductor Manufacturing Equipment Business]

[1] Responding to customer needs through process innovation.

[2] Becoming the global cost leader through utilization of DX and AI.

[3] Delivering unique products to the world through a global development system.

[Medical Device Business *]

[1] Utilizing advanced molding technology for the creation of sophisticated medical devices.

[2] Achieving a high-profit structure through integrated production.

[3] Creating value-creating business through the refinement of skills.

* The name of the "Fine Plastic Molded Products Business" will be changed to the "Medical Device Business".

[New Business]

[1] Expanding the business through high value-added products leveraging core competencies.

[2] Becoming a major brand in the tool manufacturing industry.

[3] Generating new revenue through a subscription-based business model.

[4] Achieving sustainability through a renewal business model.

[Laser Processing Equipment Business]

[1] Securing stable revenue and expanding business with competitive products.

[2] In-house production of oscillation units and transition to subscription business.

[3] Making waves on semiconductor processes with laser technology.

4. Human Resource Strategy

[1] Succession of corporate philosophy and transmission of technical knowledge through the TOWA academy

[2] Creating future leaders who will bear the future

[3] Strengthening human capital with DX and AI

[4] Building an environment for the active participation of diverse talent

5. Financial Strategy

Set new financial KPI and shareholder return targets (Targets until the fiscal year ending March 2028):

[1] Financial KPI: ROE of 13% or more.

[2] Shareholder returns: Dividend payout ratio of 20% or more.

6. Business Target (the Second medium–term management plan)
We have set the target for the Group as follows.
Recognizing these as important indicators, we will strive to increase our corporate value.

(100M¥)

		FY2028 (Plan)
Net Sales		710
Sales by Business Segment	Semiconductor Manufacturing Equipment Business	521
	Medical Device Business	28
	New Business	133
	Laser Processing Machine business	28
Operating profit		156
Operating margin		22.0%
Ordinary profit		156
Profit attributable to owners of parent		109
ROE		over 13%
Shareholder Returns		Achieving a dividend payout ratio of over 20%

(Note) We changed the name of the Fine Plastic Molded Products Business to Medical Device Business.

The above future matters are based on judgments made by the Group at the end of the current consolidated fiscal year.

2. Sustainability Approach and Initiatives

The Group's approach to sustainability and its initiatives are as follows.
In addition, forward-looking statements are based on the Group's judgment as of the end of the current consolidated fiscal year.

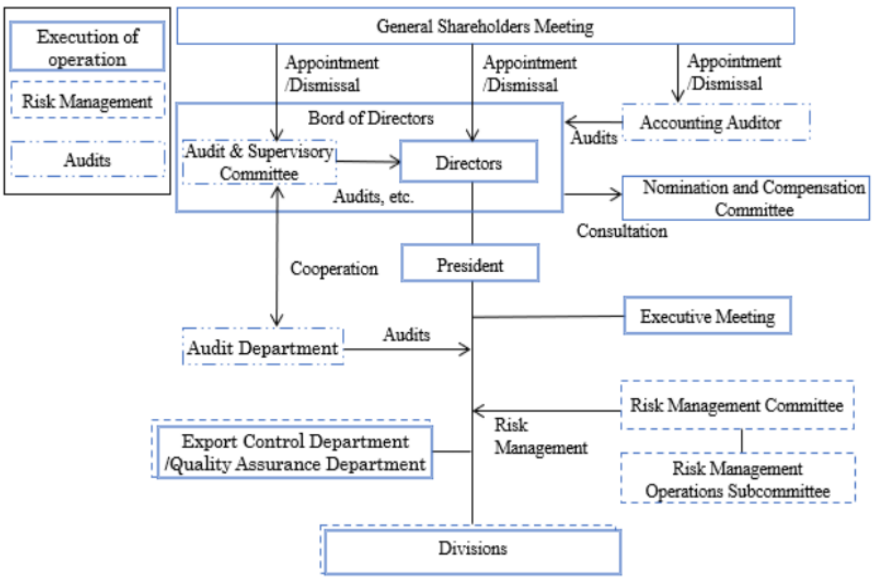
[Basic Policy of Sustainability]
To enhance our corporate value and realize sustainable society, we (TOWA Group) contribute to the development of industries through our management philosophy "Quarter Lead" and our Corporate Mission, Code of Conduct and Environmental Policy, and we also build firm relationships of trust with all of our stakeholders including customers, shareholders, investors, suppliers, employees and their families, and communities.

(1) Governance and Risk management of overall Sustainability
[1] Governance
To oversee and promote sustainability-related activities from a company-wide perspective, we have assigned specialized personnel to the Corporate Planning Department and established an SDGs/ESG Subcommittee, which regularly reports to the Board of Directors on the progress and performance of various measures.
The Board of Directors deliberates and supervises the contents discussed by the subcommittee.

[2] Risk management
The Company has established a Risk Management Committee chaired by the Director, President in accordance with the Risk Management Committee Regulations.
The Committee evaluates various risks in the Company's business each year and determines risk countermeasures such as avoidance, transfer, reduction, and retention, and risk countermeasures are implemented by the Risk Management Subcommittee, a subordinate body of the Committee.
For sustainability-related risks, the SDGs/ESG Subcommittee implements countermeasures and reports regularly to the Board of Directors on the status of their implementation.

(2) Climate Change
Climate change has a significant impact on society and is recognized as one of the important management issues for our Group, and we are disclosing climate change-related information (governance, strategy, risk management, and metrics and targets) in line with TCFD recommendations.

[1] Governance
Board of Directors Oversight and Management Role
Under the corporate governance system, the Board of Directors confirms and discusses quarterly reports on risk management and other matters from the subcommittee established under the Risk Management Committee that deals with climate change issues, and also deliberates and decides on climate change-related policies and other matters as appropriate.



Corporate Governance System Chart

[2] Strategy

We strive to understand the various risks and opportunities that may arise from climate change. We organized the risks and opportunities that future climate change will bring to our business and evaluated the impact of those risks and opportunities by conducting qualitative and quantitative scenario analysis including the 1.5°C scenario.

(Risks and Opportunities)

a. Possible Risks

In the TCFD Recommendations, climate change–related risks are classified into two categories: Transition Risks and Physical Risks, and we identified risk items based on the recommendations. Among them, we have identified the major risk items that are expected to be highly related to our business and organized the impacts (Table 1).

Table 1 Possible Risks

<table>
<tr><th colspan="3">Items</th><th>Time Frames*1</th><th>Details</th></tr>
<tr><td rowspan="7">Risks</td><td rowspan="2">Policy and Legal</td><td>Emissions trading / carbon taxes</td><td>Medium</td><td>・Increase of procurement costs (carbon tax, etc.) for materials that emit large amounts of CO2
・Increase of costs due to carbon tax related to own business activities</td></tr>
<tr><td>Tightening of environment–related regulations such as energy saving</td><td>Short</td><td>・Increase of costs by introducing renewable energy and updating equipment to save energy</td></tr>
<tr><td rowspan="2">Technology</td><td>Loss of sales opportunities due to delays in technology development to save energy and reduce CO2 emissions</td><td>Medium</td><td>・Energy–inefficient products are eliminated, shifting demand for higher performance products.
・Loss of business opportunities due to failure to meet customers' energy–saving and decarbonization needs</td></tr>
<tr><td>R & D costs for new technologies or risk of research failure</td><td>Medium</td><td>・Risk of failure to recover technology development costs when inferiority due to competition for technology development (improvement of energy–saving performance, etc.)</td></tr>
<tr><td rowspan="2">Reputation</td><td>Decline in corporate evaluation due to non–achievement of reduction targets</td><td>Medium</td><td>・Customer attrition due to reputational risk when environmental initiatives are inadequate
・It becomes difficult to secure funds from the market.</td></tr>
<tr><td>Changes in consumer preferences</td><td>Medium</td><td>・As end customer preferences change, customers require low carbon when procuring.</td></tr>
<tr><td>Physical</td><td>Severe disasters such as typhoons and floods</td><td>Short</td><td>・Suspension of business activities at our own plants and bases due to damage from typhoons and floods
・Delays in parts delivery due to damage to suppliers and distribution warehouses
・Decrease in production efficiency due to increased power outages caused by lightning strikes</td></tr>
</table>

*1 Short: within 3 years　Medium: in 3–5 years　Long: more than 5 years ahead

b. Possible Opportunities

As society as a whole is required to further promote energy conservation activities and energy efficiency, we anticipate expanding demand for equipment that contributes to Greenhouse Gas emissions and waste reduction, and expanding demand for products that accompany demand for semiconductors such as EVs as our business opportunities (Table 2).

Table 2 Possible Opportunities

Items		Time Frames *1	Details
Opportunities	Use of efficient means of transportation (Modal shift)	Short	・EV will account for 60% *2 of new car sales in 2030, and demand for semiconductor manufacturing equipment will increase due to the expansion of autonomous driving.
	Use of low emission energy sources	Medium	・Increase in demand for manufacturing equipment because of demand for semiconductors for power conditioners, etc. due to the introduction of new technologies and the conversion to distributed energy
	Development and expansion of low–emission products and services	Short	・Expanding demand for semiconductor manufacturing equipment (compression molding equipment) that reduces waste emissions
	Acquiring new market opportunities through climate change measures	Medium	・Increase in orders from customers who are members of RE100, etc. due to the realization of decarbonization of our company
	Utilization of recycling	Short	・Expanding demand for used machine sales business for semiconductor manufacturing equipment from the perspective of the circular economy

*1 Short: within 3 years Medium: in 3–5 years Long: more than 5 years ahead

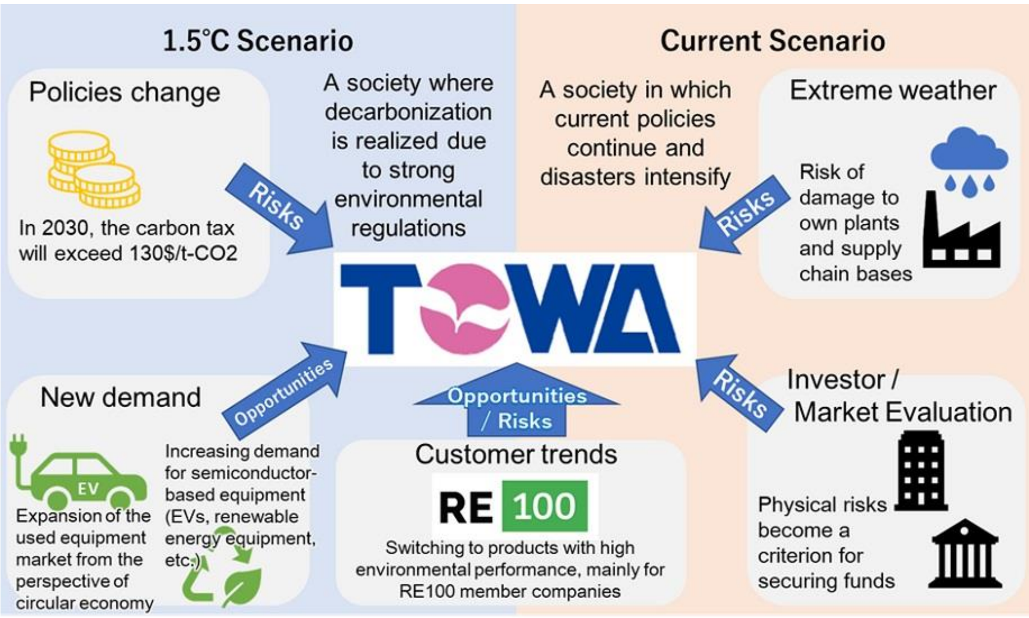
*2 Global EV Outlook 2021 (Sustainable Development Scenario)

c. Scenario Analysis

In order to verify the impact of climate change on our group, we set multiple scenarios including the 1.5°C scenario by referring to the scenarios such as IEA "World Energy Outlook 2021" and IPCC 6th Report, and in each scenario, we analyzed the impact of our business on it (Table 3).

Table 3 Overview of the set scenario

Set Scenario	1.5°C Scenario	Current Scenario
Forecast business environment	Risks	Risks
	・Toward the realization of a world of 1.5°C, the introduction of carbon tax is progressing all over the world, and in 2030, the carbon tax will exceed 130$/t–CO2 in developed countries. ・Customers' environmental awareness will increase, and energy saving and CO2 saving of manufacturing equipment will be strictly required. However, the development of energy–saving technology will make great progress.	・As the frequency of severe disasters such as increased typhoon damage and increased flood frequency increases, the risk of damage to our own plants and supply chain bases increases.
	Opportunities	Opportunities
	・Demand for semiconductor manufacturing equipment will expand significantly from the current level due to the growth in EV sales, the spread of renewable energy equipment, and the growing needs of customers to achieve international initiatives (RE100, SBT, etc.). ・With the spread of the concept of circular economy in addition to economic efficiency, the used market for manufacturing equipment will expand significantly from the current level.	・With the growth of EV sales, the spread of renewable energy equipment, and the growing needs of customers to achieve international initiatives (RE100, SBT, etc.), the demand for semiconductor manufacturing equipment is increasing, but the growth will be slower than in the 1.5°C scenario. ・From an economic point of view, the used market for manufacturing equipment is expanding, but the growth will be slower than in the 1.5°C scenario.
Reference scenario	・IEA: WEO2021 NZE and SDS ・IPCC Sixth Assessment Report / Working Group I Report: SSP1-1.9, SSP1-2.6	・IEA: WEO2021 STEPS ・IPCC Sixth Assessment Report / Working Group I Report: SSP3–7.0, SSP5–8.5



World View of Each Scenario drawn by TOWA

Based on the above view of the world, we evaluate the financial impact of risk items that can be evaluated quantitatively as follows.

d. Transition Risks

When we estimated the impact of the introduction and rise in carbon prices on our business, we confirmed that the impact such as cost increase was limited. We believe that this is a result of our efforts to transition our energy use to renewable sources, and going forward, we will continue to carry out business activities that are not affected by transition risks by further converting to renewable energy.

e. Physical Risks from Natural Disasters

With reference to the IPCC Sixth Assessment Report, the probability of flood occurrence in the world of the current scenario (up 4 degrees) is assumed to be 2.7 times that of 1850–1900. When we estimated the damage in the event of a disaster, we confirmed that the impact was limited.

On the other hand, in case of a disaster, we will promote the development of a BCP system such as the construction of an alternative production system at other offices and group companies, aiming for business activities that are not affected by physical risks.

[3] Risk Management

We have set up a “Risk Management Committee” chaired by the Director, President to regularly identify and evaluate risks that should be dealt with. Under this committee, multiple risk management subcommittees have been set up (Figure 3) to monitor risks in internal control, export control, quality assurance, disaster countermeasures, etc. for each theme every month. The activities of these subcommittees are reported to the Board of Directors every quarter, and the contents are confirmed by Outside Directors.

In the future, we will identify and evaluate climate–change related risks as important risks that should be managed.

[4] Metrics and Targets

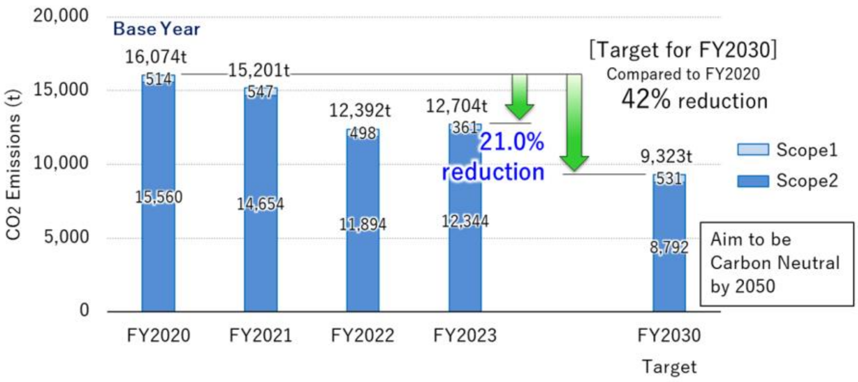
The Group uses “CO2 emissions” as an indicator for its environmental targets and has set Scope 1 and 2 target values and strives to reduce emissions.

・In FY2030, we will reduce CO2 emissions(Scope 1+2) from our group by 42% from FY2020.

・We aim to achieve net–zero emissions(Carbon Neutrality)by 2050.

In addition, we are measuring and disclosing CO2 emissions related to Scope 1 and 2, and will announce the activity results. At our company Group, CO2 is the only GHG related to our business.

Regarding the CO2 emission reduction target for FY2030, we will work to reduce the total amount after incorporating a large sales growth plan.



CO_2 Emissions Performance and Targets

(3) Human Capital

TOWA group consider all of the employees same as our assets. As part of this idea, we are trying to develop human resources and promote health management.

[1] Strategy

[Basic Policy on Human Resource Development]

TOWA believes that the source of corporate development is to pass on to the next generation a corporate culture of "bringing about innovation " through "continuous challenge" actions. TOWA believes that the support for a variety of challenges of each employee will be led to corporate growth, fostered a culture in which employees learn by themselves, and achieved an organization capable of autonomous growth.

In this way, TOWA aims to produce "talent" to inherit the founder ideology, to keep challenging themselves, and to try to bring about innovation.

[Internal Environmental Policy]

TOWA is committed to maintaining and improving the health of all employees and creating a workplace environment that is full of smiles, based on the belief that when people are healthy, full of energy, both physically and mentally, and the company's business will flourish.

TOWA also believes that creating an environment, in which TOWA employees can work in good mental and physical health, will bring wellbeing and happiness to them and their families, and brighter society.

Functional strategies for the second medium-term management plan

●Succession of corporate philosophy and transmission of technical knowledge through the TOWA academy.

Mainly through TOWA Academy, we will pass our corporate mission that forms the backbone of TOWA and the technology that we have cultivated on to the next generation.

●Creating future leaders who will bear the future.

In order to develop leaders who will drive TOWA’s growth even further in 10 or 20 years, we will focus on all aspects, including human resource development, recruitment/promotion, and education/training.

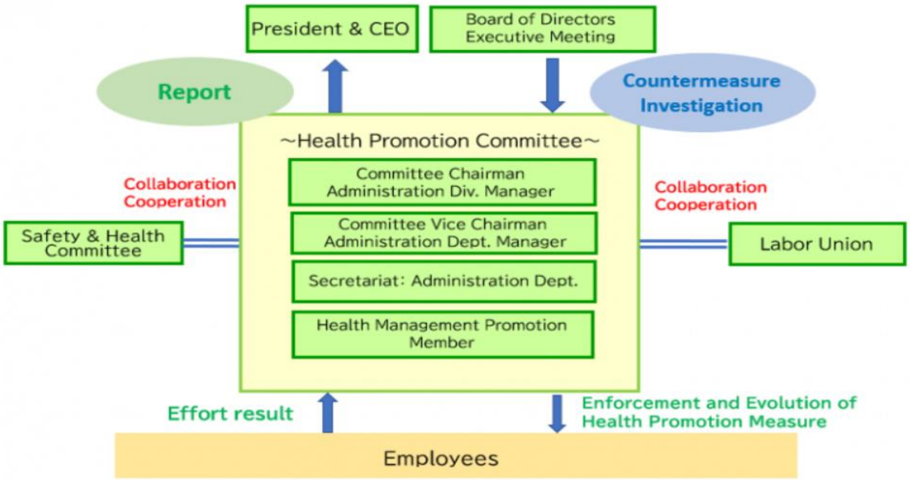
●Strengthening human capital with DX and AI.

Harnessing DX and AI to reinforce our production and development capabilities, sales, service, and management structures, we will increase sales and profits per employee.

●Building an environment for the active participation of diverse talent.

Aiming to drive innovation for further growth, we will work to create an environment in which diverse human resources can fully demonstrate their respective abilities.

Health Management Promotion Organization
Under the slogan "~Let's grow our healthy tree~" , we are promoting our health promotion activities based on the image of "the tree of health" that is gradually bearing fruit and growing up.



[2] Metrics and Targets
The indicators and targets related to the above basic policy and the main efforts to achieve them are as follows.

Items	Indicators	Targets	Results (FY2024)
Developing human resources and promoting participation involving diverse talent	Mid-career management staff ratio	35.0% by the year 2032	36.0%
	Foreigner management staff ratio	10.0% by the year 2032	4.5%
	Female management staff ratio	10.0% by the year 2032	3.4%
Promoting health and productivity management, as well as occupational safety and health	Health checkup rate	Keep 100.0%	100.0%
	BMI (18.5 to under 25)	80.0%	64.0%
	Smoking rate	10.0%	19.6%
	Mental Health checkup rate	Keep 100.0%	100.0%
	Overall Health Risk (Notes)1	90	89
	Subjective Vitality Scale (Notes)2	110	106

(Notes)
1. It is a score that indicates the impact of workplace stress on individual health, and is based on survey data conducted by the Ministry of Health, Labor and Welfare of Japan, with the “National average = 100” and the lower the deviation the better.
2. It is a score that indicates the level of activity of individuals and workplaces, and is based on survey data conducted by the Ministry of Health, Labor and Welfare of Japan, with the "National average = 100" and the higher the deviation the better.
3. The Group is promoting initiatives based on the “Basic Policy on Human Resource Development” and “Internal Environmental Policy,” but it is difficult to obtain information on the indicators and performance data in the above table for all the consolidated group companies. For this reason, targets and results are presented only for the submitting company.

3. Risk Factors

Matters related to the overview of business, financial information, etc. described in the Annual Securities Report that may have a significant influence on the decisions of investors include the following. Please note that these do not cover all risks related to the Group; there are unforeseeable risks other than those listed, and the Group's business, operating results, and financial position could be affected by any of these risks.

The statements regarding future matters within this document reflect the judgments made by our group as of the end of the current consolidated fiscal year.

(1) Risks associated with Sales

[1] Risks associated with Economic and Semiconductor Market Trends

The semiconductor manufacturing equipment business in which our group operates is considerably affected by capital investments made by semiconductor manufacturers based on the demand for end products such as smartphones, servers, and automobiles, economic trends in consumption areas thereof, and semiconductor prices that fluctuate in tandem with the supply-demand balance for semiconductors.

The Group is striving to secure stable earnings in the rapidly changing semiconductor market by expanding its Total Solution Service (TSS), which encompasses modifications, repairs, and sale of parts and used equipment, and by applying its core technologies developed in the semiconductor manufacturing equipment business to other fields, where stable earnings can be expected without being greatly affected by market ups and downs.

However, in the event of a global financial crisis or economic turmoil, semiconductor manufacturers may cut capital investment sharply, which could result in a sharp drop in order receipts and sales for the Group as well.

[2] Risks associated with Price Competition

The semiconductor manufacturing equipment business in which the Group operates, both in Japan and overseas, is severely competitive, and prices of products that compete with other companies are expected to further decline in the future. To maintain and expand our market share, we will respond to price declines by reducing product costs and other costs. We will also expand the range that can take advantage of TOWA's unique compression technology and establish a new de facto standard as a leading semiconductor molding equipment company, thereby raising the added value of our products to provide customers with value beyond price. However, extreme competition or a sudden drop in the market price of our products could affect the Group's ability to secure profits.

[3] Risks associated with Concentration of Sales Destinations and Regions

The Group operates business with semiconductor manufacturers around the world. Depending on the capital investment trends of each semiconductor manufacturer, the amount of transactions with a specific semiconductor manufacturer may increase, and the amount of trade receivables, etc. from such semiconductor manufacturers may entail a considerable temporary rise. In addition, when a specific semiconductor manufacturer makes a large capital investment in a short period, or when only a limited number of semiconductor manufacturers make capital investments, an extremely competitive situation may arise, and lower product prices and higher costs due to shorter delivery time could reduce the profitability of the business. In addition, the Group's sales composition inevitably tends to be higher in the regions of Taiwan, where major OSAT companies are concentrated, and China, where domestic production of semiconductors is being promoted. For this reason, changes in economic and political conditions in these regions , as well as changes in foreign economic policies of national governments, could affect the Group's order receipts and sales.

(2) Risks associated with production

[1] Risks associated with Overseas Expansion

In addition to its domestic factories, the Group performs global production activities in South Korea (Cheonan City, Chungcheongnam-do; Ansan City, Gyeonggi-do), China (Suzhou City, Jiangsu Province; Nantong City, Jiangsu Province), and Malaysia (Penang State). Therefore, there is a risk of economic/political turmoil due to war, terrorism, etc., or a risk arising from unforeseeable changes in laws, regulations, taxation systems, etc., at each of the Group's bases and in the markets in which it operates. Furthermore, differences in culture and business practices may elicit labor problems, social disapproval, etc. If such risks materialize, the Group's production and supply capacity could be affected.

[2] Risk of Natural Disasters, etc.
In the event of an earthquake or other natural disaster or epidemic that causes catastrophic damage to the Group's main production bases or offices, or to many of its employees, which will severely affect the Group's production activities, there is a risk of incurring substantial costs to restore or replace these facilities. Considering this, from a BCP perspective, the Group has established a system that allows for alternative production at other production bases in case natural disasters, etc. make operations at our major production bases difficult.
However, if multiple production bases were to shut down simultaneously due to a large-scale disaster or a pandemic outbreak, the Group's production and supply capacity could be affected.

[3] Risks associated with Procurement of Raw Materials, etc.
The Group purchases parts, materials, etc. that make up various products of the Group from many outside suppliers. Therefore, if a supplier is forced to suspend the supply of parts, materials, etc. to the Group due to such factors as accidents, natural disasters, or quality defects, or in the event of a supply shortage due to a sharp increase in product demand, the Group may be compelled to restrict or halt its production activities. In addition, in the event of an extreme supply-demand imbalance in the market for necessary parts and materials, a surge in the price of such parts and materials and other situations can be anticipated.
Besides securing an appropriate amount of inventory in response to order-receiving trends, the Group is taking measures such as purchasing from multiple suppliers to avoid purchasing from a single supplier, changing designs to alternative parts, and switching to in-house production. Notwithstanding these efforts, if a large-scale disaster, pandemic outbreak, war, or terrorist attack were to disrupt the supply chain on a global scale, the Group's production and supply capacity could be affected.

(3) Risks associated with development
[1] Risks associated with New Product Development
The Group has continuously conducted R&D activities to reflect the needs of the market and customers in its products: semiconductor manufacturing equipment such as ultra-precision molds, molding equipment, and singulation equipment, as well as laser processing machines; and has launched new products in a timely manner, thereby gaining market share. However, in the rapidly changing semiconductor industry, it is not easy to predict future needs and continue to develop new technologies and products that satisfy them. If technological innovation makes progress faster than expected and results in sudden obsolescence of existing technologies, or there is a significant delay in the development of new products, the Group may see a decline in profitability and lose its market share, leading to lower order receipts and sales and affecting its future outlook.

[2] Risks associated with Intellectual Property
The Group utilizes many intellectual property rights in the course of its business operations. Therefore, failure to obtain and maintain licenses as planned could affect the Group's business activities. In addition, there is a possibility that the Group may become a party in a lawsuit concerning intellectual property rights related to our business, which may result in incurring huge expenses and other costs, and affect our ability to secure profits.

(4) Risks associated with Recruitment and Training in Human Resources
To ensure continuous business operation and sustainable growth in the highly competitive semiconductor industry, the Group believes that it is essential to secure and nurture human resources such as engineers with highly specialized skills and people with excellent management skills in business strategy and organizational operation. However, there is no guarantee that we will always be able to secure talented engineers, key personnel, and other human resources. If recruitment or training of human resources does not proceed as planned, it could affect the Group's ability to secure earnings as well as growth prospects through a future decline in the Group's competitiveness, restricted business activities, and other possible factors.

(5) Financial risks

[1] Foreign Exchange Risks

As the Group's semiconductor manufacturing equipment business accounts for a high ratio of overseas sales, we conduct transactions in yen as much as possible to avoid foreign exchange risks. However, there are cases where transactions are unavoidably denominated in foreign currencies, and the ratio of such transactions may increase. In addition, even if the transaction itself is denominated in yen, if negotiated at a price after being translated into a foreign currency, it could pose a foreign exchange risk in the form of an actual decrease in the selling price.

In addition, from the viewpoint of efficient fund management, the Group procures funds through group financing for loans among overseas subsidiaries, and for the Company to collectively procure funds and lend working capital and capital investment funds to its subsidiaries. When overseas subsidiaries make capital investments, priority is given to loans between overseas subsidiaries using the same currency for transactions to avoid foreign exchange risks. However, in the case of constructing a plant or making a large-scale facility expansion, the amount of yen-denominated loans (inter-company loans) from the Company to an overseas subsidiary may temporarily become large. Therefore, in the event of sudden exchange rate fluctuations, foreign exchange losses may be incurred on the yen-denominated inter-company loans, which could affect the Group's ability to secure earnings.

[2] Risks associated with Interest-Bearing Debt

Interest-bearing debt accounts for approximately 12.1% of the Group's total assets at the end of the current consolidated fiscal year. With thorough emphasis on cash flow in our management, we will continue to strengthen our financial position by reducing interest-bearing debt. However, a significant change in interest rates could increase the Group's interest expenses and affect its operating results. The Group has also entered overdraft and commitment line agreements totaling 18.5 billion yen with six banks for efficient and stable fund procurement. These agreements contain financial covenants, and in the event of a breach of such covenants, the Group may be required to make early repayment of borrowings, which could affect its cash management and financial position.

[3] Risks associated with Impairment of Fixed Assets

With the application of impairment accounting to fixed assets, impairment loss may need to be recorded depending on fluctuations in real estate prices and the earnings situation of the business or base to which each production equipment, etc. belongs, which could affect the Group's ability to secure earnings.

(6) Risks associated with information security

The Group manages confidential information such as technical information related to our products and personal information in the form of electronic data, which may be leaked outside the Group due to unauthorized access by cyber-attacks or intrusion of computer viruses.

To address this situation, in addition to countermeasures such as responding to external attacks through communication network monitoring and malware detection with anti-virus software when receiving e-mails, the Group has been stepping up information security by establishing rules for information handling, training all directors and employees, and recording information equipment operation logs, and by other means.

Notwithstanding these efforts, in the event of a cyber-attack of a level exceeding expectations or unexpected unauthorized use, electronic data could be leaked outside the Group, and depending on the scale of the damage, this could affect the Group's future outlook and ability to secure earnings.

(7) Risks associated with climate change

Recognizing that climate change is one of the key management issues for the Group in operating business on a global scale, we are analyzing and implementing measures in line with the TCFD framework.

With climate change-related risks classified into two categories: transition risks and physical risks, identifying major risk items deemed to be highly relevant to our business, organizing their impacts, and setting environmental targets (reduction of CO2 emissions), we implement various measures to achieve them. In addition, as society as a whole is required to further promote energy-saving activities and increase energy efficiency, we expect business opportunities to arise from the growing demand for equipment that contributes to reducing greenhouse gas emissions and waste, as well as from the growing demand for semiconductor manufacturing equipment in conjunction with the expansion of demand for electric vehicles (EVs).

Details of disclosure items based on TCFD recommendations are described in "Item2 Status of Business, 2. Sustainability Approach and Initiatives"

4. Analyses of Financial Position, Operating Results and Cash Flows from the Management's Perspective

The following description contains forward-looking statements which the Company judged as of the end of the current consolidated fiscal year.

(1) Operating Results and Analysis

During this consolidated fiscal year, the global economy maintained steady growth, supported by a recovery in real income due to easing inflation. However, uncertainties persisted, including a slowdown in China's economy amid the prolonged real estate downturn, persistently declining consumption, and the trade policies of the United States.

As for the semiconductor industry, investments in high-performance semiconductors, particularly those related to generative AI, remained steady. On the other hand, investments in semiconductors for consumer goods such as PCs and smartphones, as well as for industrial equipment, continued to stagnate due to prolonged inventory adjustments and sluggish end demand.

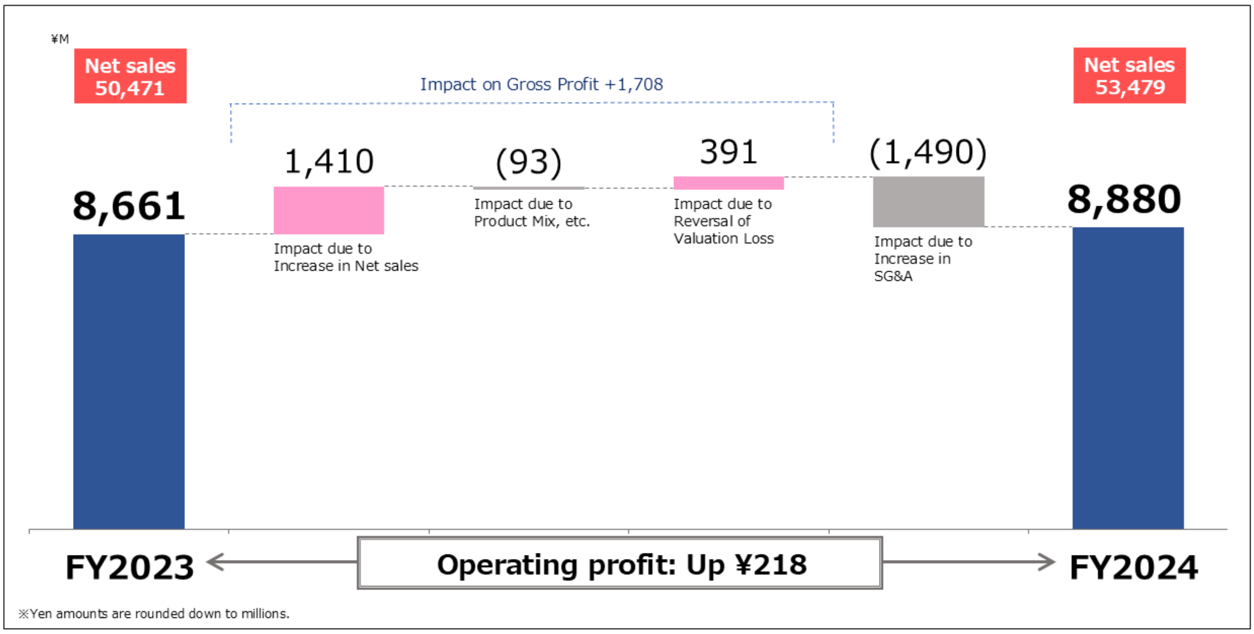
Under these circumstances, our group's performance benefited from demand in China promoting in-house manufacturing of semiconductors, and in Southeast Asia spurred by active investments amidst geopolitical risks. As a result, net sales increased compared to last fiscal year. Regarding profit, although SG&A expenses rose due to factors such as increases in personnel and R&D costs, profit at each stage saw an increase with an increase in net sales. Additionally, the profit attributable to owners of parent includes gains from the sale of certain investment securities.

Management performance for this consolidated fiscal year is as follows.

Net sales	53,479 million yen (year-on-year increase of 3,007 million yen, 6.0%)
Operating profit	8,880 million yen (year-on-year increase of 218 million yen, 2.5%)
Ordinary profit	9,400 million yen (year-on-year increase of 320 million yen, 3.5%)
Profit attributable to owners of parent	8,121 million yen (year-on-year increase of 1,676 million yen, 26.0%)

Main factors of variation in operating profit for this consolidated fiscal year are as follows.
(year-on-year comparison)

Impact due to Increase in Net sales	1,410 million yen increase
Impact due to Product Mix, etc.	93 million yen decrease
Impact due to Reversal of Valuation Loss	391 million yen increase
Impact due to Increase in SG&A	1,490 million yen decrease



Management performance by segment is as follows.
From this consolidated fiscal year, the name of the reporting segment previously known as the "Fine Plastic Molded Products Business" has been changed to the "Medical Device Business". This change is limited to the name of the segment and does not affect the segment information.

[Semiconductor Manufacturing Equipment Business]
Regarding management performance of semiconductor manufacturing equipment business, investments in China and "Other Asia" region was steady and sales of precision molds for semiconductor manufacturing and TSS (Total Solution Service) increased due to an increase in shipments of equipment and improved customer utilization rates.
As a result, total net sales amounted to 48,959 million yen (year-on-year increase of 3,055 million yen, 6.7%). Regarding profits, operating profit amounted to 8,353 million yen (year-on-year increase of 255 million yen, 3.2%) following the increase in sales.

[Medical Device Business]
Regarding management performance of medical device business, due to steady demand for molded and assembled products for medical devices, net sales amounted to 2,263 million yen (year-on-year increase of 113 million yen, 5.3%), and operating profit amounted to 453 million yen (year-on-year decrease of 4 million yen, 1.1%).

[Laser Processing Machine business]
Regarding management performance of laser processing machine business, in addition to the sluggish sales of the main product, laser trimmers, due to low customer utilization rates, there was an increase in personnel expenses associated with strengthening human resources aimed at business expansion and enhancing development capabilities. As a result, net sales amounted to 2,256 million yen (year-on-year decrease of 160 million yen, 6.7%), and operating profit amounted to 73 million yen (year-on-year decrease of 31 million yen, 30.1%).

(2) Analysis of financial position
Total assets at the end of the current consolidated fiscal year decreased by 4,633 million yen from the end of the previous consolidated fiscal year to 83,228 million yen. This is attributable to a 3,058 million yen decrease in current assets, such as accounts receivable, and a 1,574 million yen decrease in non-current assets, mainly due to the market valuation of investment securities. Total liabilities decreased by 7,583 million yen from the end of the previous consolidated fiscal year to 21,842 million yen. This was due to the repayment of loan payable and a decrease of deferred tax liabilities and the payment obligations, such as accounts payable–trade. Net assets increased by 2,950 million yen from the end of the previous consolidated fiscal year to 61,386 million yen. This was due to an increase in retained earnings, although there was a decrease in foreign currency translation adjustment and valuation difference on available-for-sale securities. As a result, the equity ratio at the end of the consolidated fiscal period was 73.8% (an increase of 7.3 percentage points compared to the end of the previous consolidated fiscal year).

(3) Capital resources and liquidity of funds
[1] Cash flows
Cash and cash equivalents (hereinafter, “cash”) on a consolidated basis at the end of the current consolidated fiscal year decreased by 126 million yen from the end of the previous consolidated fiscal year to 20,390 million yen.

The respective cash flow positions and their main factors during the current consolidated fiscal year are as follows.

(Cash flow from operating activities)
Cash flow from operating activities resulted in a total cash inflow of 10,372 million yen (a 9,665 million yen cash inflow in the same period of the previous fiscal year). This is mainly attributable to a cash inflow due to a decrease of accounts receivable of 2,844 million yen (a 1,476 million yen cash outflow in the same period of the previous fiscal year)and profit before income taxes of 11,208 million yen (a 9,115 million yen in the same period of the previous fiscal year) , although there was a decrease of 1,300 million yen in trade payables (a 1,193 million yen cash inflow in the same period of the previous fiscal year) and income tax payments of 3,646 million yen (a 1,906 million yen in the same period of the previous fiscal year) in cash outflow.

(Cash flow from investing activities)
Cash flow from investing activities resulted in a total cash outflow of 4,758 million yen (a 2,773 million yen cash outflow in the same period of the previous fiscal year). This is mainly an expenditure of 4,781 million yen(expenditures of 1,516 million yen in the same period of the previous fiscal year) on the property, plant and equipment due to the construction of a new factory by consolidated subsidiaries and introduction of production equipment.

(Cash flow from financing activities)
Cash flow from financing activities resulted in a total cash outflow of 5,126 million yen (a 3,524 million yen cash outflow in the same period of the previous fiscal year). This is mainly due to repayments of borrowings of 3,960 million yen (a 1,930 million yen cash outflow in the same period of the previous fiscal year) and dividends paid of 1,001 million yen (1,000 million yen in the same period of the previous fiscal year).

[2] Financial policy
The Group raises funds for working capital and equipment through internal funds or borrowings. As for borrowings, working capital is financed by short-term borrowings, and long-term funds for production equipment, etc. are financed by long-term borrowings with fixed interest rates. As of March 31, 2025, the balance of long-term borrowings stood at 2,490 million yen. Furthermore, as of the end of the current consolidated fiscal year, the Company had overdraft and commitment line agreements totaling 18,500 million yen with six banks (balance of executed loans: 7,000 million yen; total balance of unexecuted loans: 11,500 million yen).

(4) Significant Accounting Estimates and Assumptions used in such Estimates
The consolidated financial statements of the Group have been prepared in accordance with accounting principles generally accepted in Japan. In the preparation of the consolidated financial statements, we make accounting estimates for items that require estimation, based on reasonable standards. Although these estimates are continually evaluated and reviewed as necessary, actual results may differ from these estimates as there exists uncertainty in estimation. Of accounting estimates used for preparing consolidated financial statements and assumptions used in such estimates, significant ones are described in “Significant accounting estimates” under “Item 5. Financial Information, 1. Consolidated Financial Statements etc., 1 Consolidated Financial Statements Notes.”

(5) Production, Orders, and Sales Results
[1] Production results
The table below shows actual production by segment in the current consolidated fiscal year.

(Thousands of yen)

Name of segment	Fiscal year ended March 31, 2025	Year on Year (%)
Semiconductor Manufacturing Equipment Business	41,486,163	95.9
Medical Device Business	2,263,915	105.3
Laser Processing Machine Business	2,141,757	88.8
Total	45,891,836	95.9

(Notes) 1.The amounts are based on selling prices.
2.From the current consolidated fiscal year, the name of the reporting segment previously referred to as the "Fine Plastic Molded Products Business" has been changed to the "Medical Devices Business". This change is a change to the segment name and does not have any impact on segment information.

[2] Orders results
The table below shows actual orders by segment in the current consolidated fiscal year.

(Thousands of yen)

Name of segment	Order Volume	Year on Year (%)	Order Backlog	Year on Year (%)
Semiconductor Manufacturing Equipment Business	43,521,509	90.1	24,191,332	81.6
Medical Device Business	2,256,381	104.6	201,617	96.4
Laser Processing Machine Business	1,651,573	72.9	859,751	58.7
Total	47,429,464	90.0	25,252,700	80.6

(Notes) 1. The amounts are based on selling prices.
2. All of the Group’s products are made-to-order.
3. From the current consolidated fiscal year, the name of the reporting segment previously referred to as the "Fine Plastic Molded Products Business" has been changed to the "Medical Devices Business". This change is a change to the segment name and does not have any impact on segment information.

[3] Sales results

The table below shows actual sales by segment in the current consolidated fiscal year.

(Thousands of yen)

Name of segment	Fiscal year ended March 31, 2025	Year on Year (%)
Semiconductor Manufacturing Equipment Business	48,959,043	106.7
Medical Device Business	2,263,915	105.3
Laser Processing Machine Business	2,256,247	93.3
Total	53,479,205	106.0

(Note) From the current consolidated fiscal year, the name of the reporting segment previously referred to as the "Fine Plastic Molded Products Business" has been changed to the "Medical Devices Business". This change is a change to the segment name and does not have any impact on segment information.

5. Agreements, etc.

Not applicable.

6. Research and Development Activities

To keep pace with increasingly sophisticated semiconductor manufacturing and laser processing technologies, the Group is conducting research and development in various advanced technology fields as well as products that will be the focus of the Group's business in the future. Led by technology divisions and the INNOMS Promotion Dept., the Group's research and development activities expenses for the current consolidated fiscal year have totaled 1,393 million yen.

[1] Semiconductor Manufacturing Equipment Business

Research and development expenses for the semiconductor manufacturing equipment business amounted to 1,270 million yen.

[2] Laser Processing Machine business

Research and development expenses for the laser processing machine business amounted to 123 million yen.

Item3 Status of Facilities

1. Overview of Capital Investment, etc.

The Group made capital investments of 5,391,075 thousand yen in the current consolidated fiscal year. In the semiconductor manufacturing equipment business, the Group made capital investments of 5,098,291 thousand yen (including 408,608 thousand yen for software acquisition), mainly in production plant buildings and machine tools, and acquisition of land.

2. Major Facilities

Major equipment of the Group is as follows.

(1) The submitting company

(As of March 31, 2025)

Name of the business site (Location)	Name of segment	Description of facilities	Book value (Thousands of yen)					Number of employees (Persons)
			Buildings and structures	Machinery, equipment and vehicles	Land (㎡)	Other	Total	
Factory of headquarters (Minami-ku, Kyoto-shi)	Semiconductor Manufacturing Equipment Business	Facilities for group-wide supervisory and sales operations Manufacturing/ technical research facilities for semiconductor manufacturing equipment	1,297,603	126,218	2,209,657 (8,069)	450,129	4,083,608	466 [39]
Kyoto East Plant (Ujitawara-cho, Tsuzuki-gun, Kyoto)	Semiconductor Manufacturing Equipment Business	Manufacturing facilities for precision molds for semiconductor manufacturing, etc. and technical research facilities for semiconductor manufacturing equipment	1,367,721	2,018,430	1,116,550 (32,999)	715,511	5,218,214	145 [28]
Kyushu Work (Tosu-shi, Saga)	Semiconductor Manufacturing Equipment Business	Manufacturing facilities for precision molds for semiconductor manufacturing, etc.	260,160	295,600	401,570 (10,938)	37,611	994,943	63 [9]

(2) Domestic Subsidiaries

(As of March 31, 2025)

Company name	Name of the business site (Location)	Name of segment	Description of facilities	Book value (Thousands of yen)					Number of employees (Persons)
				Buildings and structures	Machinery, equipment and vehicles	Land (㎡)	Other	Total	
BANDICK Corporation	Yamanashi Work (Nirasaki-shi, Yamanashi)	Medical Device Business	Manufacturing facilities for Medical Device	800,108	217,979	261,573 (16,866)	20,644	1,300,306	86 [67]

(3) Overseas Subsidiaries

(As of March 31, 2025)

Company name	Name of the business site (Location)	Name of segment	Description of facilities	Book value (Thousands of yen)					Number of employees (Persons)
				Buildings and structures	Machinery, equipment and vehicles	Land (㎡)	Other	Total	
TOWAM Sdn.Bhd.	Factory of headquarters, one other plant (Penang, Malaysia)	Semiconductor Manufacturing Equipment Business	Manufacturing facilities for semiconductor manufacturing equipment	2,297,443	551,537	— (48,600)	739,002	3,587,982	220 ［0］
TOWA TOOL Sdn. Bhd.	Factory of headquarters (Penang, Malaysia)	Semiconductor Manufacturing Equipment Business	Manufacturing facilities for precision molds for semiconductor manufacturing, etc.	230,359	358,481	— (4,196)	360,986	949,827	76 ［2］
TOWA (Suzhou) Co., Ltd.	Factory of headquarters （Jiangsu Province, China）	Semiconductor Manufacturing Equipment Business	Manufacturing facilities for semiconductor manufacturing equipment and precision molds for semiconductor manufacturing, etc.	347,606	737,677	— (50,007)	234,335	1,319,619	221 [23]
TOWA (Nantong) Co., Ltd.	Factory of headquarters (Jiangsu Province, China)	Semiconductor Manufacturing Equipment Business	Manufacturing facilities for semiconductor manufacturing equipment and precision molds for semiconductor manufacturing, etc.	1,574,860	974,967	— (36,526)	574,995	3,124,823	203 [0]

Company name	Name of the business site (Location)	Name of segment	Description of facilities	Book value (Thousands of yen)					Number of employees (Persons)
				Buildings and structures	Machinery, equipment and vehicles	Land (㎡)	Other	Total	
TOWA FINE CO., LTD.	Factory of headquarters (Gyeonggi-do, South Korea)	Semiconductor Manufacturing Equipment Business	Manufacturing facilities for semiconductor related components	362,706	40,578	610,845 (3,355)	9,883	1,024,013	37 [0]
TOWA Korea Co., Ltd	Cheon An Plant and another plant （Chung Cheong Nam Do, South Korea）	Semiconductor Manufacturing Equipment Business	Manufacturing facilities for semiconductor manufacturing equipment and precision molds for semiconductor manufacturing, etc.	710,804	83,654	1,665,877 (22,710)	192,461	2,652,797	119 [1]

(Notes) 1. “Other” in the book value includes tools, furniture and fixtures, leased assets, leasehold interest in land, and software, as well as construction in progress.
2. The annual average number of temporary employees is shown in brackets and not included in the total number of employees.
3. The amounts above include 372,624 thousand yen of buildings and structures and 188,019 thousand yen of others leased to parties other than consolidated companies of the Group.
4. In addition to the above, major leased and rented facilities include the following.

Domestic Subsidiaries

Company name	Name of the business site (Location)	Name of segment	Description of facilities	Number of employees (Persons)	Land (㎡)	Annual rent and lease payments (Thousands of yen)
TOWA LASERFRONT Corporation	Factory of headquarters (Sagamihara-shi, Kanagawa)	Laser Processing Machine business	Laser Processing Machine Manufacturing facilities	105 [3]	—	92,471

3. Plans for Capital Investment in New Facilities and Disposal, etc.

The Group’s capital investment plans are formulated after comprehensively taking into consideration economic forecasts, industry trends, investment efficiency, and other factors. In principle, each consolidated subsidiary formulates its capital investment plans, and the final decision is then made at Group meetings and other meetings led by the Company.

There are no plans for new construction or disposal of important facilities as of the end of the current consolidated fiscal year.

Item4 Status of the Submitting Company

1. Status of Shares

(1) Total Number of Shares, etc.

[1] Total Number of Shares

Classification	Total number of shares authorized to be issued (Shares)
Common shares	240,000,000
Total	240,000,000

[2] Total Number of Issued Shares

Classification	Number of issued shares as of the end of the current fiscal year (Shares) (March 31, 2025)	Number of issued shares as of the filing date (Shares) (June 26, 2025)	Stock exchange on which the Company is listed	Description
Common shares	75,140,556	75,140,556	Tokyo Stock Exchange Prime Market	One unit of shares constitutes 100 shares
Total	75,140,556	75,140,556	―	―

(Notes) By resolution of the Board of Directors held on August 29, 2024, the company conducted a stock split into three shares for each ordinary share on October 1, 2024. In addition, as a result of the issuance of new shares under the restricted stock compensation plan, the number of issued shares increased by 8,892 shares (2,964 shares prior to the stock split). As a result, the total number of issued shares increased by 50,093,704 shares, bringing the total to 75,140,556 shares.

(2) Status of Stock Acquisition Rights, etc.

[1] Stock Acquisition Rights
Not applicable.

[2] Rights Plans
Not applicable.

[3] Other Status of Share Options
Not applicable.

(3) Status in the Exercise of Bonds with Share Options with Exercise Price Amendment, etc.
Not applicable.

(4) Changes in the Total Number of Issued Shares and Share Capital, etc.

Date	Changes in the total number of issued shares (Shares)	Balance of the total number of issued shares (Shares)	Changes in share capital (Thousands of yen)	Balance of share capital (Thousands of yen)	Changes in legal capital reserve (Thousands of yen)	Balance of legal capital reserve (Thousands of yen)
August 23, 2022 (Notes 1)	11,406	25,033,238	10,322	8,942,950	10,322	472,558
August 22, 2023 (Notes 2)	10,650	25,043,888	12,721	8,955,671	12,721	485,279
August 20, 2024 (Notes 3)	2,964	25,046,852	13,589	8,969,261	13,589	498,869
October 1, 2024 (Notes 4)	50,093,704	75,140,556	―	8,969,261	―	498,869

(Notes)

1. The increase in total number of shares issued is due to issuance of new shares based on the restricted stock compensation plan.

Issue price: 1,810.00 yen per share

Capital incorporation: 905.00 yen per share

Allottees: Five Directors of the Company (excluding Directors and Outside Directors who are members of the Audit and Supervisory Committee) and four Executive Officers of the Company

2. The increase in total number of shares issued is due to issuance of new shares based on the restricted stock compensation plan.
Issue price: 2,389.00 yen per share
Capital incorporation: 1,194.50 yen per share
Allottees: Five Directors of the Company (excluding Directors and Outside Directors who are members of the Audit and Supervisory Committee) and five Executive Officers of the Company.

3. This is due to the issuance of new shares under the restricted stock compensation plan.
Issue price ： 9,170.00 yen per share
Amount incorporated into capital ： 4,585.00 yen per share
Allottees ： Five Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) and six Executive Officers of the Company

4. This is due to a 1-for-3 stock split.

(5) Shareholding by Shareholder Category

As of March 31, 2025

Classification	Status of Shares (the number of one unit is 100 shares)								Status of shares less than one unit (shares)
	Government and local municipalities	Financial institutions	Financial instruments business operators	Other corporations	Foreign corporations and others		Individuals and others	Total	
					Other than individuals	Individuals			
Number of shareholders (Persons)	—	27	50	491	199	290	54,017	55,074	—
Number of shares held (Units)	—	107,779	57,942	126,115	64,765	2,768	390,269	749,638	176,756
Percentage of shares held (%)	—	14.38	7.73	16.82	8.64	0.37	52.06	100.00	—

(Notes)
1. As for treasury stock of 43,275 shares, 432 units are included in “Individuals and others,” and 75 shares are included in “Shares less than one unit.”
2. “Other Japanese corporations” and “Shares less than one unit” above include 356 units and 28 shares, respectively, of shares under the name of Japan Securities Depository Center, Inc.

(6) Major Shareholders

As of March 31, 2025

Name	Address	Number of shares held (1000 shares)	Percentage of shares held to the total number of issued shares, less treasury shares (%)
The Master Trust Bank of Japan , Ltd.	1-8-1 Akasaka, Minato-ku, Tokyo, Japan	5,753	7.66
K.B. Kousan Co., Ltd.	343-1 Yamazaki-cho, Fushimi-ku, Kyoto City, Kyoto, Japan	5,700	7.59
N.regalo Co., Ltd.	1-3-6 Matsugaoka, Otsu City, Shiga Prefecture, Japan	3,780	5.03
The Bank of Kyoto, Ltd.	700 Yakushimae-cho, Karasuma-dori, Shimogyo-ku, Kyoto City, Kyoto, Japan	2,099	2.80
The Custody Bank of Japan, Ltd.	1-8-12 Harumi, Chuo-ku, Tokyo, Japan	1,798	2.39
JPMorgan Securities Japan Co., Ltd.	2-7-3 Marunouchi, Chiyoda-ku, Tokyo, Japan	1,623	2.16
Hideyuki Hamada	Chuo-ku, Chiba-shi, Chiba Japan	1,286	1.71
Rakuten Securities, Inc.	2-6-21 Minami-Aoyama, Minato-ku, Tokyo, Japan	1,127	1.50
TOWA Employee Shareholding Association	5 Kamichoshi-cho, Kamitoba, Minami-ku, Kyoto-shi, Kyoto Japan	934	1.24
JP MORGAN CHASE BANK 385781 (Standing proxy: Mizuho Bank, Ltd. Settlement & Clearing Services Department)	25 Bank Street, Canary Wharf, London, E14 5JP, United Kingdom (2-15-1 Konan, Minato-ku, Tokyo, Japan)	849	1.13
Total	-	24,953	33.23

(Notes)

1. The number of shares held by The Master Trust Bank of Japan, Ltd. and The Custody Bank of Japan, Ltd. are related to trust services.
2. Although JPMorgan Securities Japan Co., Ltd., Inc. and its joint holders are listed as holding the following shares, respectively, as of December 31, 2024, in the report on changes in large volume holdings that is available for public inspection as of January 7, 2025, the Company has confirmed no beneficial ownerships of the number of shares held by them as of March 31, 2025. The above list of major shareholders is based on the shareholder registry.

Name	Address	Number of shares held (Shares)	Shareholding ratio (%)
JPMorgan Securities Japan Co., Ltd.	2-7-3 Marunouchi, Chiyoda-ku, Tokyo, Japan	Shares -118,200	-0.16
J.P. Morgan Securities plc	25 Bank Street, Canary Wharf, London E14 5JP, United Kingdom	Shares 2,297,581	3.06
J.P. Morgan Securities LLC	383 Madison Avenue, New York, NY 10179, United States	Shares 927,526	1.23
Total	-	Shares 3,106,907	4.13

3. Although Morgan Stanley MUFG Securities Co., Ltd. and its joint holders are listed as holding the following shares, as of February 14, 2025, in the report on changes in large volume holdings that are available for public inspection as of February 21, 2025, the Company has confirmed no beneficial ownership of the number of shares held by them as of March 31, 2025. The above list of major shareholders is based on the shareholder registry.

Name	Address	Number of shares held (Shares)	Shareholding ratio (%)
Morgan Stanley MUFG Securities Co., Ltd.	1-9-7 Otemachi, Chiyoda-ku, Tokyo, Japan	Shares 1,188,554	1.58
Morgan Stanley & Co. International plc	25 Cabot Square, Canary Wharf, London E14 4QA, United Kingdom	Shares 2,346,431	3.12
MORGAN STANLEY & CO.LLC	c/o The Corporation Trust Company (DE) Corporation Trust Center, 1209 Orange Street Wilmington, DE 19801 United States	Shares 616,550	0.82
Total	—	Shares 4,151,535	5.53

4. Although Morgan Stanley MUFG Securities Co., Ltd. and its joint holders are listed as holding the following shares, respectively, as of February 28, 2025, in the report on changes in large volume holdings that are available for public inspection as of March 6, 2025, the Company has confirmed no beneficial ownership of the number of shares held by them as of March 31, 2025. The above list of major shareholders is based on the shareholder registry.

Name	Address	Number of shares held (Shares)	Shareholding ratio (%)
Morgan Stanley & Co. International plc	25 Cabot Square, Canary Wharf, London E14 4QA, United Kingdom	Shares 2,208,015	2.94
MORGAN STANLEY & CO.LLC	c/o The Corporation Trust Company (DE) Corporation Trust Center, 1209 Orange Street Wilmington, DE 19801 United States	Shares 250,650	0.33
Total	—	Shares 2,458,665	3.27

5. Although Nomura Securities Co., Ltd. and its joint holders are listed as holding the following shares, respectively, as of March 14, 2025, in the report on changes in large volume holdings that are available for public inspection as of March 21, 2025, the Company has confirmed no beneficial ownership of the number of shares held by them as of March 31, 2025. The above list of major shareholders is based on the shareholder registry.

Name	Address	Number of shares held (Shares)	Shareholding ratio (%)
Nomura Securities Co., Ltd.	1-13-1 Nihonbashi, Chuo-ku, Tokyo, Japan	Shares 61,343	0.08
NOMURA INTERNATIONAL PLC	1 Angel Lane, London EC4R 3AB, United Kingdom	Shares 597,166	0.79
Nomura Asset Management Co., Ltd.	2-2-1 Toyosu, Koto-ku, Tokyo, Japan	Shares 2,232,800	2.97
Total	—	Shares 2,891,309	3.85

(7) Status of Voting Rights

[1] Issued Shares

As of March 31, 2025

Classification	Number of shares (Shares)	Number of voting rights (Units)	Description
Shares without voting rights	―	―	―
Shares with restricted voting rights (Treasury shares and etc.)	―	―	―
Shares with restricted voting rights (Others)	―	―	―
Shares with full voting rights (Treasury shares)	Common shares 43,200	―	―
Shares with full voting rights (Others)	Common shares 74,920,600	749,206	―
Less than one unit shares	Common shares 176,756	―	―
Total number of issued shares	75,140,556	―	―
Total voting rights held by all shareholders	―	749,206	―

(Note)

"Shares with full voting rights (Other)" include 35,600 shares (356 voting rights) held under the name of Japan Securities Depository Center, Inc. and 90,700 shares (907 voting rights) of the Company held by The Custody Bank of Japan, Ltd. (Trust Account E) as trust assets under the "Employee Stock Ownership Plan (J-ESOP)."

[2] Treasury Shares, etc.

As of March 31, 2025

Shareholder	Address of shareholder	Number of shares held under own name (shares)	Number of shares held under the names of others (shares)	Total number of shares held (shares)	Percentage of shares held to the total number of issued shares (%)
TOWA CORPORATION	5 Kamichoshi-cho, Kamitoba, Minami-ku, Kyoto-shi, Kyoto, Japan	43,200	―	43,200	0.06
Total	-	43,200	―	43,200	0.06

(Note)

"Number of shares held under own name" does not include 90,700 shares of the Company held by The Custody Bank of Japan, Ltd. (Trust Account E) as trust assets under the "Employee Stock Ownership Plan (J-ESOP).

(8) Details of Director and Employee Stock Ownership Programs

[1] Introduction of the Employee Stock Ownership Plan (J-ESOP)

By resolution of the Board of Directors' meeting held on August 8, 2023, the Company has introduced the "Employee Stock Ownership Plan (J-ESOP)" (hereinafter, the "Plan"), an incentive plan in which shares of the Company are granted to employees, to further link the Company's stock price and business performance with the treatment of its employees, and to share the economic benefits with shareholders, thereby boosting employees' motivation and morale to improve the Company's stock price and business performance.

[2] Outline of the Plan

This is a plan in which shares of the Company are granted to employees who meet certain requirements under the Stock Benefit Regulations established in advance. The Company grants points to employees according to their grade, etc., and when they acquire the right to receive benefits under certain conditions, the Company will grant them shares of the Company equivalent to the points granted. The shares to be granted to employees, including those granted in the future, shall be acquired with money in a trust set up in advance, segregated, and managed as trust assets.

[3] Total number of shares to be granted to employees
66,000 shares
Please note that the Company conducted a stock split at a ratio of three shares for each common share on October 1, 2024. The number of shares held as stated above is based on the number of shares before the stock split.

[4] Scope of people who may receive beneficiary rights or other rights under the Plan
Of employees, people who meet the beneficiary requirements set out in the Stock Benefit Regulations

2. Status of Acquisition of Treasury Shares
[Class of shares] Acquisition of common shares falling under Article 155, Item 7 of the Companies Act.

(1) Status of Acquisition by Resolution of the General Meeting of Shareholders
Not applicable.

(2) Status of Acquisition by Resolution of the Board of Directors' Meeting
Not applicable.

(3) Acquisitions Not Based on Resolution of the General Meeting of Shareholders or the Board of Directors' Meeting

Classification	Number of shares (Shares)	Total price (Yen)
Treasury shares acquired during the fiscal year ended March 31, 2025	738	2,111,008
Treasury shares acquired during the current period	—	—

(Note) Treasury stock acquired during the period does not include shares acquired through the purchase of shares less than one unit from June 1, 2025 to the filing date of this Annual Securities Report.

(4) Disposals or Holding of Acquired Treasury Shares

Classification	Fiscal year ended March 31, 2025		Current Period	
	Number of shares (Shares)	Total disposal price (Yen)	Number of shares (Shares)	Total disposal price (Yen)
Acquired treasury shares for which persons to subscribe are solicited	—	—	—	—
Acquired treasury shares cancelled	—	—	—	—
Acquired treasury shares transferred in association with a merger, equity swap, or company split	—	—	—	—
Others	—	—	—	—
Treasury shares held	43,275	—	43,275	—

(Note) Treasury shares held during the period does not include shares acquired through the purchase of shares less than one unit from June 1, 2025 to the filing date of this Annual Securities Report.

3. Dividend Policy

The Company sees the return of profits to shareholders as one of the most important management policies. In line with our basic policy of distributing stable dividends on an ongoing basis, we will distribute profits based on each fiscal year's business performance while securing internal reserves necessary for R&D investments to develop competitive products, capital investments aimed at raising productivity, investments for business expansion into new markets, and improvement of our financial position.

The Company follows a basic policy of paying dividends of surplus twice a year as interim dividend and year-end dividend. The Articles of Incorporation stipulate that "Pursuant to Article 459, Paragraph 1 of the Companies Act, the Company may pay dividends of surplus, etc. by resolution of the Board of Directors, and "the Company may, by resolution of the Board of Directors, pay interim dividends with a record date of September 30 each year."

In accordance with the Company's Articles of Incorporation, the Board of Directors resolved at its meeting held on May 9, 2025, to pay a year-end dividend of 20 yen per share for the current fiscal year. Since the Company has decided not to pay the interim dividend, the annual dividend totals 20 yen per share.

Divides of surplus for the current fiscal year are as follows.

Resolution date	Total dividend (Millions of Yen)	Dividend per share (Yen)
Board of Directors' meeting held on May 9, 2025	1,501	20

4. Corporate Governance

(1) Overview of Corporate Governance

[1] Basic views on Corporate Governance

We are making continuous efforts to enhance our corporate governance system, aiming for the sustainable growth of the TOWA Group and the medium- and long-term improvement of our corporate value.

We are striving to further strengthen and practice our corporate governance, based on the following fundamentals:

・Ensuring that the actions of the TOWA Group are legal and socially responsible

・Ensuring and maintaining the transparency and objectivity of our business management

・Building an organization and system that is able to respond rapidly to changes in the environment

・Ensuring fair business administration with importance attached to shareholders, by protecting the rights of our shareholders and being open and candid with them, for example

・Creating corporate value and employment by building strong relationships with our stakeholders

Corporate Mission

Our corporate mission is to contribute to the growth of the world's industries by developing and providing key enabling technologies for each successive generation of products. Simultaneously, TOWA strives to maintain a "quarter-lead" over the competition to ensure that our innovative products are always the first to market.

Company Motto

TOWA established on April 17, 1979, as TOWA Precision Industries Limited, and set "Five Strengths" as our Company Motto at the time of establishment.

With our passion for "Monozukuri" and our company motto "Five Strengths" in mind, we will strive to enhance our corporate value so that we can earn the trust and satisfaction of our stakeholders and customers.

Five Strengths

・Foster Creative Momentum

・Nurture Technological Leadership

・Transform Ability Into Practice

・Fortify Your Convictions

・Focus the Corporate Energy

[2] Overview of corporate governance system and reasons for adopting the system

a. Overview of corporate governance system

[Board of Directors, Audit & Supervisory Committee, Nomination and Compensation Committee, Executive Meeting, etc.]

The Company has established the Board of Directors, the Audit & Supervisory Committee, the Nomination and Compensation Committee, the Executive Committee, and others that function as the bodies responsible for major discussion and decision-making.

As of the filing date of the Annual Securities Report(June 26,2025), the Board of Directors consists of five Directors (excluding Directors who are members of the Audit & Supervisory Committee): Mr. Hirokazu Okada; Mr. Muneo Miura; Mr. Koichi Ishida; Mr. Nobutaka Shibahara; and Mr. Kazuhiro Nishimura, and four Directors who are members of the Audit & Supervisory Committee: Mr. Hiroshi Hattori; Mr. Daisuke Wake; Ms. Miho Goto; and Ms. Motoko Tanaka (three of whom, Mr. Daisuke Wake, Ms. Miho Goto, and Ms. Motoko Tanaka are Independent Outside Directors). Chaired by Mr. Muneo Miura, Director, President, the Board of Directors holds regular meetings of the Board of Directors once a month, as well as extraordinary meetings as necessary to make decisions on matters required by laws and regulations and important management matters.

As for the filing date of the Annual Securities Report (June 26,2025), the Audit & Supervisory Committee consists of one Director, Mr. Hiroshi Hattori, and three Outside Directors: Mr. Daisuke Wake; Ms. Miho Goto; and Ms. Motoko Tanaka. Chaired by Director Mr. Hiroshi Hattori, the Audit & Supervisory Committee conducts audits of the execution of duties by Directors (excluding Directors who are members of the Audit & Supervisory Committee) by attending Board of Directors meetings and examining the status of operations and assets in line with the audit policy and audit plans established by the Audit & Supervisory Committee. To strengthen the auditing and supervisory functions by thoroughly gathering information through attendance at important meetings, etc., and by enhancing the effectiveness of audits through sufficient cooperation with the Audit Department, Mr. Hiroshi Hattori has been appointed as a full-time Audit & Supervisory Committee Member.

Chaired by Mr. Daisuke Wake, Outside Director, the Nomination and Compensation Committee consists of two Directors (excluding Directors who are members of the Audit & Supervisory Committee): Mr. Hirokazu Okada and Mr. Muneo Miura, and three Outside Directors: Mr. Daisuke Wake; Ms. Miho Goto; and Ms. Motoko Tanaka. The Committee has established as an advisory body to the Board of Directors to improve fairness, transparency, and objectivity of the deliberation procedures in the personnel and

compensation systems for Directors and hence to enhance corporate governance.
Executive Meeting consists of five Directors (excluding Directors who are members of the Audit & Supervisory Committee): Mr. Hirokazu Okada; Mr. Muneo Miura; Mr. Koichi Ishida; Mr. Nobutaka Shibahara; and Mr. Kazuhiro Nishimura, Mr. Hiroshi Hattori, Director and Full-time Audit & Supervisory Committee Member; and Members (Executive Officers, etc.) appointed by the Director, President according to the agenda. The Meeting, chaired by Mr. Muneo Miura, Director, President, receives reports on the medium-term and annual business plans formulated based on the management policy and the status of execution of other important business operations and makes discussions on issues and other matters to determine the course of action. As for matters to be discussed at the Board of Directors meetings, a system has been established for prompt and efficient management decision-making through prior discussions at the Executive Meeting.
Risk Management Committee consists of five Directors (excluding Directors who are members of the Audit & Supervisory Committee): Mr. Hirokazu Okada; Mr. Muneo Miura; Mr. Koichi Ishida; Mr. Nobutaka Shibahara; and Mr. Kazuhiro Nishimura; Mr. Hiroshi Hattori, Director and Full-time Audit & Supervisory Committee Member, and Division Managers. The Committee is chaired by Mr. Muneo Miura, Director, President. As the body responsible for risk management for the entire Group, the Committee annually assesses various risks related to the Company's business and determines risk countermeasures, such as avoidance, transfer, reduction, and retention.
Note: The Company has proposed "Appointment of seven Directors (excluding Directors who are members of the Audit & Supervisory Committee)" as one of the proposals (matters to be resolved) for the Ordinary General Meeting of Shareholders scheduled for June 27, 2025. If this proposal is approved as originally proposed, the Board of Directors will consist of seven Directors: Mr. Hirokazu Okada; Mr. Muneo Miura; Mr. Koichi Ishida; Mr. Nobutaka Shibahara; Mr. Kazuhiro Nishimura; Mr. Kazuhiko Nakanishi; and Mr. Akihiro Yano (one of whom, Mr. Akihiro Yano is Independent Outside Director); and four members of the Audit & Supervisory Committee: Mr. Hiroshi Hattori; Mr. Daisuke Wake; Ms. Miho Goto; and Ms. Motoko Tanaka (Mr. Hiroshi Hattori is Director, and other three of whom, Mr. Daisuke Wake; Ms. Miho Goto; and Ms. Motoko Tanaka are Independent Outside Directors).
The Nomination and Compensation Committee will consist of three Directors (excluding directors who are members of the Audit & Supervisory Committee): Mr. Hirokazu Okada; Mr. Muneo Miura; and Mr. Nobutaka Shibahara; and four Outside Directors: Mr. Akihiro Yano; Mr. Daisuke Wake; Ms. Miho Goto; and Ms. Motoko Tanaka.
The Executive Meeting will consist of six Directors (excluding Directors who are members of the Audit & Supervisory Committee): Mr. Hirokazu Okada; Mr. Muneo Miura; Mr. Koichi Ishida; Mr. Nobutaka Shibahara; Mr. Kazuhiro Nishimura; and Mr. Kazuhiko Nakanishi; Full-time Audit and Supervisory Committee Member Director Mr. Hiroshi Hattori; and other members designated by the Director, President Executive Officer (Executive Officers and others) depending on the agenda.
The Risk Management Committee will consist of six Directors (excluding Directors who are members of the Audit & Supervisory Committee): Mr. Hirokazu Okada; Mr. Muneo Miura; Mr. Koichi Ishida; Mr. Nobutaka Shibahara; Mr. Kazuhiro Nishimura; Mr. Kazuhiko Nakanishi; Full-time Audit and Supervisory Committee Member Director Mr. Hiroshi Hattori; and Division Managers.

[Number of Directors]
The Company's Articles of Incorporation stipulate that the Company shall have no more than 15 Directors; of which, at least 3 shall be members of the Audit & Supervisory Committee and a majority shall be Outside Directors.

[Requirements for resolution for the appointment of Directors]
The Company's Articles of Incorporation stipulate that resolution for the appointment of Directors, distinguishing between Directors who are members of the Audit & Supervisory Committee and who are not, shall require the attendance of shareholders who hold at least one-third of the total voting rights of shareholders who are entitled to exercise their voting rights and a majority vote in favor by said shareholders at the meeting.
The Company's Articles of Incorporation also stipulate that cumulative voting shall not be used for the resolution for the appointment of Directors.
Furthermore, the Articles of Incorporation stipulate that the term of office of Directors (excluding Directors who are members of the Audit & Supervisory Committee) shall expire at the conclusion of the Ordinary General Meeting of Shareholders relating to the last fiscal year ending within one year after their appointment.

[Exemption of Directors from Liability]
The Company's Articles of Incorporation stipulate that, pursuant to Article 426, Paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Directors (including former Directors) from the liabilities as provided in Article 423, Paragraph 1 of the said Act, to the extent permitted by law. The purpose of this provision is to create an environment in which Directors can fully demonstrate their abilities to fulfill their roles in the execution of their duties.

[Activities of the Board of Directors]
The Company held 17 meetings of the Board of Directors during the fiscal year under review, and the attendance of individual Directors and the details of deliberations are as follows.

Number of Meetings and Attendance Status

Name	Number of Meetings	Number of Attendances	Attendance Rate
Hirokazu Okada	17 times	17 times	100%
Muneo Miura	17 times	17 times	100%
Koichi Ishida	17 times	17 times	100%
Nobutaka Shibahara	17 times	17 times	100%
Kazuhiro Nishimura	17 times	17 times	100%
Hiroshi Hattori	17 times	17 times	100%
Daisuke Wake	17 times	17 times	100%
Miho Goto	17 times	17 times	100%
Motoko Tanaka	17 times	17 times	100%

Specific Considerations

	Main Contents
Resolutions	Matters related to the General Meeting of Shareholders, settlement of accounts, remuneration for Directors, budget and business plans, personnel and organizations, finance, subsidiaries, and sustainability, revision or abolition of important internal rules, etc.
Report Items	Reports on the evaluation of the effectiveness of the Board of Directors, status of business execution, monthly business performance, audits, cross-shareholdings, etc.

Skills matrix

Name	Position/title	Outside	Independent	Nomination and Compensation Committee	Corporate management	Production, engineering development	Expatriate experience	Sales and marketing	Accounting	Legal and compliance
Hirokazu Okada	Representative Director, Chairman & CEO			○	●	●	●	●		
Muneo Miura	Director, President Executive Officer			○			●	●		
Koichi Ishida	Director, Managing Executive Officer					●		●		
Nobutaka Shibahara	Director, Senior Executive Officer				●		●			●
Kazuhiro Nishimura	Director, Executive Officer				●	●	●			
Hiroshi Hattori	Director, Full-time Audit and Supervisory Committee Member								●	
Daisuke Wake	Director, Audit and Supervisory Committee Member	○	○	◎					●	
Miho Goto	Director, Audit and Supervisory Committee Member	○	○	○						●
Motoko Tanaka	Director, Audit and Supervisory Committee Member	○	○	○					●	

◎Chairman

As for the status of the effectiveness of the Board of Directors, the Audit & Supervisory Committee members, who have voting rights on the Board of Directors, conduct audits to gain a correct understanding of the current status of the Board of Directors for its even more effective operation. Once each year, the Board of Directors conducts a questionnaire (self-evaluation) survey targeting all Directors to analyze and evaluate the effectiveness of the Board of Directors.

The questionnaire results confirmed that members of the Board of Directors engage freely in fulfilling discussions, including opinions and questions from Outside Directors, and that the frequency and time of Board of Directors' meetings as well as the number and details of deliberation items are appropriate and sufficient, and hence the effectiveness of the Board of Directors has been secured.

The results and opinions of the questionnaire are discussed at the Board of Directors' meetings to further improve the effectiveness of the Board of Directors.

The composition of the Board of Directors is designed considering diversity, etc. after identifying the experience, knowledge, and abilities required of Directors to ensure an appropriate balance between important management decisions and supervision of business execution.

[Main areas of experience/expertise of Directors]

As of the filing date of the Annual Securities Report (June 26,2025)

(Note) As of the end of the current fiscal year, the Nomination and Compensation Committee consists of two Directors (excluding Directors who are members of the Audit & Supervisory Committee), Mr. Hirokazu Okada and Mr. Nobutaka Shibahara; and three Outside Directors, Mr. Daisuke Wake (Chairperson), Ms. Miho Goto, and Ms. Motoko Tanaka.

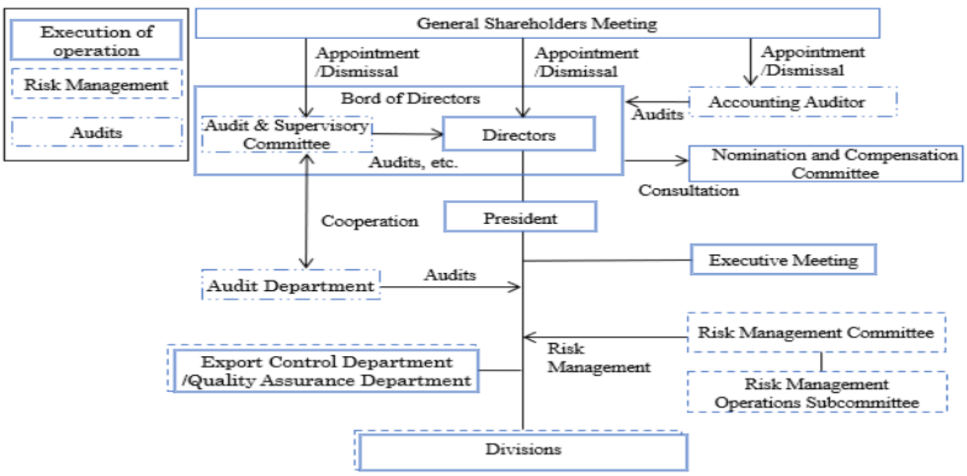
[Activities of the Nomination and Compensation Committee]
The Company held three meetings of the Nomination and Compensation Committee during the fiscal year under review, and the attendance of individual members is as follows.

Name	Number of Meetings	Number of Attendances	Attendance Rate
Daisuke Wake	3 times	3 times	100%
Hirokazu Okada	3 times	3 times	100%
Nobutaka Shibahara	3 times	3 times	100%
Miho Goto	3 times	3 times	100%
Motoko Tanaka	3 times	3 times	100%

Details of deliberations conducted by the Nomination and Compensation Committee include deliberations on the personnel and compensation systems for Directors in response to inquiries from the Board of Directors.

b. Reasons for adopting a corporate governance system
The Company believes that adopting the above corporate governance system will clarify the management and supervisory functions and business execution functions, enabling prompt decision-making and reinforcing the business execution function. We also believe that the objectivity and transparency of the management monitoring function will be ensured through the auditing and supervision of the Board of Directors by Audit & Supervisory Committee Members, who can exercise voting rights at Board of Directors' meetings as Directors.

c. Organizational Structure and Internal Control System Chart



[3] Other matters concerning corporate governance

a. Status of development of internal control systems

The Company has resolved the "Basic Policy for Establishment of Internal Control Systems" regarding systems for ensuring that the execution of duties by Directors complies with laws, regulations, and Articles of Incorporation and other systems for ensuring compliance of operations performed by a corporation and by its subsidiaries (hereinafter, "internal control systems"). The development status of the internal control systems based on said basic policy is summarized below.

(i) The Compliance Regulations clearly describe universal matters to be observed by Directors and employees of the Company and its subsidiaries in performing their business activities, as well as standards of conduct to implement them in their daily operations.
In addition, with the Insider Trading Control Regulations, the Personal Information Protection Regulations, the Whistleblower (Internal Reporting) Handling Regulations, and other established regulations, the Company has built and developed a compliance system. Furthermore, to promote the spread of the system throughout the Company, we provide all employees with training and education and post articles on the company newsletter. In addition, an adequate whistleblower (internal reporting) system has been put in place, with multiple contact points established within the Company to handle whistleblowing from employees and subsidiaries.

(ii) We clearly state in our Compliance Regulations and Corporate Governance Report submitted to stock exchanges that we will take a firm stand against antisocial forces and groups that threaten the order and safety of civil society, and we will never be associated with any such forces or groups.

(iii) The Company has established a system to ensure that internal control functions properly as a corporate group by, for example, requiring the final decision of the parent company on the subsidiaries' execution of business of particular importance.

(iv) Based on the Rules on Organization and Segregation of Duties and the Rules on Management of Affiliated Companies, departments responsible for overseeing group companies as well as each division of the Company give, through business operations under their respective jurisdiction, guidance and manage subsidiaries' establishing, developing, and operating internal control systems in their business operations. Periodical reporting to the Company is required for subsidiaries on their financial statements and other important information. In addition, the Audit Department audits the establishment and operation of internal control systems, such as compliance with laws and regulations and risk management systems, at subsidiaries in line with the Internal Audit Regulations for Domestic and Overseas Operating Companies.

b. Status of development of risk management system

As a risk management system, the Company has established a Risk Management Committee chaired by the Director, President based on the Risk Management Committee Regulations. Every year, the Committee assesses various risks related to the Company's business and determines risk countermeasures, such as avoidance, transfer, reduction, and retention. Risk countermeasures are implemented by the Risk Countermeasures Subcommittee, a subordinate body of the Risk Management Committee, and the implementation status is reported to the Board of Directors on a regular basis.
To comply with the Financial Instruments and Exchange Law, the Company has established an internal control subcommittee aimed at building an internal control system to ensure the reliability and accuracy of financial reporting.

[4] Overview of the liability limitation agreement

The Company has concluded an agreement with each of the Outside Directors who are Audit & Supervisory Committee Members as per Article 427, Paragraph 1 of the Companies Act, limiting their liability for compensation for damage under Article 423, Paragraph 1 of the same Act. These agreements limit the amount of their liability for compensation for damage to the minimum legally stipulated amounts. However, such limitation of liability shall be applicable only when the performance of the Outside Director's duties giving rise to such responsibilities is recognized to have been carried out in good faith and without gross negligence.

[5] Overview of the Director's and other's liability insurance contract

The Company has entered a Directors' and officers' liability insurance contract, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company. If a claim for damages is filed by a shareholder, third party, or others, the insurance policy will cover damages, dispute expenses, and other losses that the insured person would otherwise have to pay. However, damages arising from acts knowingly committed that such acts violate laws and regulations, or from illegal provision of personal benefits or favors, shall not be covered since there is no ground to apply exemption from liability for such acts. The insured persons under this insurance contract are Directors, Executive Officers, and the Audit & Supervisory Committee members of the Company and its subsidiaries. Premiums are borne in full amount by the Company.

[6]Organization that determines dividends from surplus, etc.

The Company stipulates in its Articles of Incorporation that "with regard to matters stipulated in the provisions of Article 459, Paragraph 1 of the Companies Act, including distribution of surplus in the form of dividends, the Company may determine by a resolution of the Board of Directors, instead of a resolution of the General Meeting of Shareholders, unless otherwise provided by laws and regulations." This is aimed at the agile return of profits to shareholders by authorizing the Board of Directors to pay dividends from surplus, etc. The Company also stipulates in its Articles of Incorporation that "the Company may pay an interim dividend, setting September 30 every year as the record date by a resolution of the Board of Directors in accordance with Article 454, Paragraph 5 of the Companies Act.

[7]Requirements for special resolutions at the General Meeting of Shareholders

The Company has stipulated in its Articles of Incorporation that special resolutions at the General Meeting of Shareholders set forth in Article 309, Paragraph 2 of the Companies Act shall be adopted by two-thirds or more of the voting rights of shareholders present at the meeting where shareholders holding one-third or more of the voting rights of shareholders entitled to exercise voting rights are present. This is aimed to smooth run general meetings of shareholders by reducing the quorum for special resolution at the meeting.

(2) Status of Directors

[1] List of Directors

(1) The status of the Company's Directors as of June 26, 2025 (the filing date of the Annual Securities Report) is as follows:

Seven men and two women (Percentage of women: 22.2%

Title	Name	Date of Birth	Brief biography	Term of office	Share ownership (Shares)
Representative Director, Chairman & CEO	Hirokazu Okada	August 11, 1951	April 1979 Joined the Company September 1985 Department Manager of Marketing and Sales Div. March 1988 Director June 2000 Senior Director August 2003 Director November 2005 Director, Department Manager of PM Market Development Dept. June 2006 Director, Managing Executive Officer, Department Manager of PM Market Development Dept. June 2008 Director, Managing Executive Officer, Division Manager of Development Div. April 2010 Executive Director, Chief Operating Officer of Development Div., Marketing and Sales Div. and Bandoh Memorial Research Laboratory April 2012 President & CEO April 2025 Representative Director, Chairman & CEO (to present)	(Notes) 3	624,383
Director, President Executive Officer Marketing and Sales Division Manager	Muneo Miura	August 1, 1969	October 1990 Joined the Company December 1997 External assignment to TOWA Asia-Pacific Pte.Ltd. April 2015 Department Manager of Sales Engineering Dept., Marketing and Sales Div. April 2016 Department Manager of Global Sales Dept., Marketing and Sales Div. April 2018 Division Manager of Marketing and Sales Div. April 2020 Executive Officer, Division Manager of Marketing and Sales Div. June 2022 Director, Executive Officer, Chief Operating Officer of Marketing and Sales Div., Division Manager of Marketing and Sales Div. January 2024 Director, Executive Officer, Chief Operating Officer of Marketing and Sales Div. and Singulation Business Div., Division Manager of Marketing and Sales Div. April 2025 Director, President Executive Officer, Division Manager of Marketing and Sales Div. (to present)	(Notes) 3	24,031

Title	Name	Date of Birth	Brief biography	Term of office	Share ownership (Shares)
Director, Managing Executive Officer Core Technology Business Division Manager	Koichi Ishida	October 6, 1962	March 1985 Joined the Company April 2010 Executive Officer, Division Manager of Mold Products Div. April 2014 Executive Officer, Division Manager of Marketing and Sales Div. April 2016 Senior Executive Officer, Division Manager of Marketing and Sales Div. and New Business Promotion Div. June 2017 Director, Senior Executive Officer, Division Manager of Marketing and Sales Div. and New Business Promotion Div. April 2018 Director, Senior Executive Officer, Chief Operating Officer of Marketing and Sales Div. and New Business Promotion Div., Division Manager of New Business Promotion Div. April 2021 Director, Managing Executive Officer, Chief Operating Officer of Marketing and Sales Div. and New Business Promotion Div., Division Manager of New Business Promotion Div. June 2022 Director, Managing Executive Officer, Chief Operating Officer of Core Technology Business Div., Development Div. and Singulation Development Div., Division Manager of Core Technology Business Div. January 2024 Director, Managing Executive Officer, Chief Operating Officer of Core Technology Business Div. and Development Div., Division Manager of Core Technology Business Div. April 2025 Director, Managing Executive Officer, Division Manager of Core Technology Business Div. (to present)	(Notes) 3	63,661
Director, Senior Executive Officer Administration Division Manager	Nobutaka Shibahara	August 16, 1964	April 1987 Joined the Company April 2008 Department Manager of Production Control Dept., Production Div. April 2010 Department Manager of Planning Dept. and Administration Div. April 2014 CEO of TOWA (Suzhou) Co., Ltd. October 2017 Division Manager of Corporate Planning Div. April 2019 Executive Officer, Division Manager of Corporate Planning Div. April 2021 Executive Officer, Division Manager of Administration Div. June 2021 Director, Executive officer, Chief Operating Officer of Corporate Planning Div. and Administration Div., Division Manager of Administration Div. June 2022 Director, Senior Executive officer, Chief Operating Officer of Corporate Planning Div. and Administration Div., Division Manager of Administration Div. April 2025 Director, Senior Executive Officer, Division Manager of Administration Div. (to present)	(Notes) 3	44,537

Title	Name	Date of Birth	Brief biography	Term of office	Share ownership (Shares)
Director, Executive Officer Production Division Manager	Kazuhiro Nishimura	November 3, 1965	June 1984 Joined the Company October 2010 CEO of TOWA (Suzhou) Co., Ltd. April 2014 Department Manager of System Manufacturing Dept., System Products Div. October 2017 Assistant Division Manager of Mold Products Div. October 2018 Division Manager of Mold Products Div. April 2020 Executive Officer, Division Manager of Production Div. June 2022 Director, Executive Officer, Chief Operating Officer of Production Div., Division Manager of Production Div. April 2025 Director, Executive Officer, Division Manager of Production Div. (to present)	(Notes) 3	23,329
Director (Full-time Audit and Supervisory Committee Member)	Hiroshi Hattori	December 10, 1965	April 1988 Joined The Bank of Kyoto, Ltd. June 2015 Manager of Uji Branch of The Bank of Kyoto, Ltd. August 2021 Joined the Company as Counsellor of Finance Dept., Corporate Planning Div. April 2022 Department Manager of Finance Dept., Corporate Planning Div. (to present) June 2024 Director, Full-time Audit and Supervisory Committee Member (Designated).	(Notes) 4	700
Director (Audit and Supervisory Committee Member)	Daisuke Wake	August 2, 1968	October 1998 Joined Chuo Audit Corporation January 2005 Established Wake Certified Public Accountant Office, Representative of the office (to present) June 2012 Auditor June 2016 Director, Audit and Supervisory Committee Member (to present) March 2022 Outside Director and Member of the Audit and Supervisory Committee of Shirai Electronics Industrial Co., Ltd. (to present)	(Notes) 4	21,200
Director (Audit and Supervisory Committee Member)	Miho Goto	December 10, 1969	April 1997 Registered as lawyer October 2005 Established Goto Law Office (to present) June 2020 Director, Audit and Supervisory Committee Member (to present)	(Notes) 4	3,200
Director (Audit and Supervisory Committee Member)	Motoko Tanaka	December 13, 1959	October 1989 Joined Tohmatsu Awoki & Sanwa (Now Deloitte Touche Tohmatsu LLC) July 2003 Partner of Deloitte Touche Tohmatsu LLC July 2020 Established Tanaka Certified Public Accountant Office, Representative of the office (to present) June 2022 Director, Audit and Supervisory Committee Member (to present) June 2023 External Audit and Supervisory Board Member of Wacoal Holdings Corp. (to present)	(Notes) 4	1,400
Total					806,441

(Notes)

1. Directors (Audit & Supervisory Committee Members) Mr. Daisuke Wake, Ms. Miho Goto, and Ms. Motoko Tanaka are Outside Directors.
2. The structure of the Company's Audit & Supervisory Committee is as follows:
Chairman Mr. Hiroshi Hattori, Member Mr. Daisuke Wake, Member Ms. Miho Goto, Member Ms. Motoko Tanaka
3. From the closing of the Ordinary General Meeting of Shareholders for the fiscal year ending March 31, 2024 to the closing of the Ordinary General Meeting of Shareholders for the fiscal year ending March 31, 2025

4. From the closing of the Ordinary General Meeting of Shareholders for the fiscal year ending March 31, 2024 to the closing of the Ordinary General Meeting of Shareholders for the fiscal year ending March 31, 2026.

5. The Company has introduced an Executive Officer system to clarify the management and supervisory functions and the business execution functions, and the total number of Executive Officers is ten (10).

6. The number of shares of the Company held by each Director represents the status as of March 31, 2025.

(2) Proposals (matters to be resolved) for the Ordinary General Meeting of Shareholders to be held on June 27, 2025:
"Appointment of Seven (7) Directors (excluding Directors who are members of the Audit & Supervisory Committee)" were submitted. If these proposals are approved as originally proposed, the status of the Company's Directors and officers will be as follows: Details of the resolutions to be adopted at the Board of Directors meeting scheduled to be held immediately after said Ordinary General Meeting of Shareholders (positions, etc.) are also included.
Nine men and two women (Percentage of women: 18.2%)

Title	Name	Date of Birth	Brief biography	Term of office	Share ownership (Shares)
Representative Director, Chairman & CEO	Hirokazu Okada	August 11, 1951	April 1979 Joined the Company September 1985 Department Manager of Marketing and Sales Div. March 1988 Director June 2000 Senior Director August 2003 Director November 2005 Director, Department Manager of PM Market Development Dept. June 2006 Director, Managing Executive Officer, Department Manager of PM Market Development Dept. June 2008 Director, Managing Executive Officer, Division Manager of Development Div. April 2010 Executive Director, Chief Operating Officer of Development Div., Marketing and Sales Div. and Bandoh Memorial Research Laboratory April 2012 President & CEO April 2025 Representative Director, Chairman & CEO (to present)	(Notes) 4	624,383
Director, President Executive Officer Marketing and Sales Division Manager	Muneo Miura	August 1, 1969	October 1990 Joined the Company December 1997 External assignment to TOWA Asia-Pacific Pte.Ltd April 2015 Department Manager of Sales Engineering Dept., Marketing and Sales Div. April 2016 Department Manager of Global Sales Dept., Marketing and Sales Div. April 2018 Division Manager of Marketing and Sales Div. April 2020 Executive Officer, Division Manager of Marketing and Sales Div. June 2022 Director, Executive Officer, Chief Operating Officer of Marketing and Sales Div., Division Manager of Marketing and Sales Div. January 2024 Director, Executive Officer, Chief Operating Officer of Marketing and Sales Div. and Singulation Business Div., Division Manager of Marketing and Sales Div. April 2025 Director, President Executive Officer, Division Manager of Marketing and Sales Div. (to present)	(Notes) 4	24,031

Title	Name	Date of Birth	Brief biography	Term of office	Share ownership (Shares)
Director, Managing Executive Officer Core Technology Business Division Manager	Koichi Ishida	October 6, 1962	March 1985 Joined the Company April 2010 Executive Officer, Division Manager of Mold Products Div. April 2014 Executive Officer, Division Manager of Marketing and Sales Div. April 2016 Senior Executive Officer, Division Manager of Marketing and Sales Div. and New Business Promotion Div. June 2017 Director, Senior Executive Officer, Division Manager of Marketing and Sales Div. and New Business Promotion Div. April 2018 Director, Senior Executive Officer, Chief Operating Officer of Marketing and Sales Div. and New Business Promotion Div., Division Manager of New Business Promotion Div. April 2021 Director, Managing Executive Officer, Chief Operating Officer of Marketing and Sales Div. and New Business Promotion Div., Division Manager of New Business Promotion Div. June 2022 Director, Managing Executive Officer, Chief Operating Officer of Core Technology Business Div., Development Div. and Singulation Development Div., Division Manager of Core Technology Business Div. January 2024 Director, Managing Executive Officer, Chief Operating Officer of Core Technology Business Div. and Development Div., Division Manager of Core Technology Business Div. (to present) April 2025 Director, Managing Executive Officer, Division Manager of Core Technology Business Div. (to present)	(Notes) 4	63,661
Director, Senior Executive Officer Administration Division Manager	Nobutaka Shibahara	August 16, 1964	April 1987 Joined the Company April 2008 Department Manager of Production Control Dept., Production Div. April 2010 Department Manager of Planning Dept. and Administration Div. April 2014 CEO of TOWA (Suzhou) Co., Ltd. October 2017 Division Manager of Corporate Planning Div. April 2019 Executive Officer, Division Manager of Corporate Planning Div. April 2021 Executive Officer, Division Manager of Administration Div. June 2021 Director, Executive officer, Chief Operating Officer of Corporate Planning Div. and Administration Div., Division Manager of Administration Div. June 2022 Director, Senior Executive officer, Chief Operating Officer of Corporate Planning Div. and Administration Div., Division Manager of Administration Div. April 2025 Director, Senior Executive Officer, Division Manager of Administration Div. (to present))	(Notes) 4	44,537

Title	Name	Date of Birth	Brief biography	Term of office	Share ownership (Shares)
Director, Executive Officer Production Division Manager	Kazuhiro Nishimura	November 3, 1965	June 1984 Joined the Company October 2010 CEO of TOWA (Suzhou) Co., Ltd. April 2014 Department Manager of System Manufacturing Dept., System Products Div. October 2017 Assistant Division Manager of Mold Products Div. October 2018 Division Manager of Mold Products Div. April 2020 Executive Officer, Division Manager of Production Div. June 2022 Director, Executive Officer, Chief Operating Officer of Production Div., Division Manager of Production Div. April 2025 Director, Executive Officer, Division Manager of Production Div. (to present)	(Notes) 4	23,329
Director, Executive Officer Corporate Planning Division Manager, Concurrent Director of Secretary Department, Concurrent Director of INNOMS Promotion Department	Kazuhiko Nakanishi	July 22, 1963	April 1986 Joined The Bank of Kyoto, Ltd. June 2016 Manager of Nishijin Branch of the Bank of Kyoto,Ltd. August 2018 Joined the Company as Department Manager of Corporate Planning Dept., Corporate Planning Div. April 2020 Executive Officer, Department Manager of Corporate Planning Dept., Corporate Planning Div., Concurrent Director of Secretary Dept. April 2021 Executive Officer, Division Manager of Corporate Planning Div., Concurrent Director of Secretary Dept., Concurrent Director of INNOMS Promotion Dept. June 2024 Executive Officer, Division Manager of Corporate Planning Div., Concurrent Department Manager of Finance Dept., Corporate Planning Div., Concurrent Director of Secretary Dept., Concurrent Director of INNOMS Promotion Dept. April 2025 Executive Officer, Division Manager of Corporate Planning Div., Concurrent Director of Secretary Dept., Concurrent Director of INNOMS Promotion Dept. (to present) June 2025 Director, Executive Officer Division Manager of Corporate Planning Div., Concurrent Director of Secretary Dept., Concurrent Director of INNOMS Promotion Dept.(planned)	(Notes) 4	9,777
Director,	Akihiro Yano	December 6, 1968	December 1990 Joined the Chunichi Dragons January 1998 Joined the Hanshin Tigers November 2010 Baseball Commentator, Public Speaker October 2018 Appointed as manager of the Hanshin Tigers' first team January 2023 Baseball Commentator, Public Speaker June 2025 Director (planned)	(Notes) 4	3,000
Director (Full-time Audit and Supervisory Committee Member)	Hiroshi Hattori	December 10, 1965	April 1988 Joined The Bank of Kyoto, Ltd. June 2015 Manager of Uji Branch of The Bank of Kyoto, Ltd. August 2021 Joined the Company as Counsellor of Finance Dept., Corporate Planning Div. April 2022 Department Manager of Finance Dept., Corporate Planning Div. (to present) June 2024 Director, Full-time Audit and Supervisory Committee Member (Designated).	(Notes) 5	700

Title	Name	Date of Birth	Brief biography	Term of office	Share ownership (Shares)
Director (Audit and Supervisory Committee Member)	Daisuke Wake	August 2, 1968	October 1998 Joined Chuo Audit Corporation January 2005 Established Wake Certified Public Accountant Office, Representative of the office (to present) June 2012 Auditor June 2016 Director, Audit and Supervisory Committee Member (to present) March 2022 Outside Director and Member of the Audit and Supervisory Committee of Shirai Electronics Industrial Co., Ltd. (to present)	(Notes) 5	21,200
Director (Audit and Supervisory Committee Member)	Miho Goto	December 10, 1969	April 1997 Registered as lawyer October 2005 Established Goto Law Office (to present) June 2020 Director, Audit and Supervisory Committee Member (to present)	(Notes) 5	3,200
Director (Audit and Supervisory Committee Member)	Motoko Tanaka	December 13, 1959	October 1989 Joined Tohmatsu Awoki & Sanwa (Now Deloitte Touche Tohmatsu LLC) July 2003 Partner of Deloitte Touche Tohmatsu LLC July 2020 Established Tanaka Certified Public Accountant Office, Representative of the office (to present) June 2022 Director, Audit and Supervisory Committee Member (to present) June 2023 External Audit and Supervisory Board Member of Wacoal Holdings Corp. (to present)	(Notes) 5	1,400
Total					819,218

(Notes)

1. Directors Mr. Akihiro Yano is Outside Directors.
2. Directors (Audit & Supervisory Committee Members) Mr. Daisuke Wake, Ms. Miho Goto, and Ms. Motoko Tanaka are Outside Directors.
3. The structure of the Company’s Audit & Supervisory Committee is as follows:
Chairman Mr. Hiroshi Hattori, Member Mr. Daisuke Wake, Member Ms. Miho Goto, Member Ms. Motoko Tanaka
4. From the closing of the Ordinary General Meeting of Shareholders for the fiscal year ending March 31, 2025 to the closing of the Ordinary General Meeting of Shareholders for the fiscal year ending March 31, 2026
5. From the closing of the Ordinary General Meeting of Shareholders for the fiscal year ending March 31, 2024 to the closing of the Ordinary General Meeting of Shareholders for the fiscal year ending March 31, 2026.
6. The Company has introduced an Executive Officer system to clarify the management and supervisory functions and the business execution functions, and the total number of Executive Officers is ten (10).
7. The number of shares of the Company held by each Director represents the status as of March 31, 2025. The number of shares held by Mr. Kazuhiko Nakanishi represents his share in the TOWA Employee Shareholding Association.

[2] Outside Directors and Audit & Supervisory Committee Members

As of the filing date of the Annual Securities Report (June 26,2025), all three Outside Directors of the Company (Mr. Daisuke Wake, Ms. Miho Goto, and Ms. Motoko Tanaka) are members of the Audit & Supervisory Committee and have no special interest in the Company. The Company's stock ownership by Outside Directors and Audit & Supervisory Committee Members is as stated in [1] List of Directors and Audit & Supervisory Committee Members.

Outside Director Mr. Daisuke Wake is the Representative of Wake Certified Public Accountant Office and Outside Director and Audit & Supervisory Committee of Shirai Electronics Industrial Co., Ltd., but there is no significant business relationship and no special interest between the Company and any of these corporations, etc.

Outside Director Ms. Miho Goto is Lawyer of Goto Law Office, but there is no special interest between the Company and this Office.

Outside Director Ms. Motoko Tanaka is Representative of Tanaka Certified Public Accountant Office and Outside Audit & Supervisory Board Member of Wacoal Holdings Corp., but there is no special interest between the Company and any of these corporations, etc.

Pursuant to the provisions of Article 2, Item 15 of the Companies Act, the Company appoints Outside Directors who have a wealth of experience and insight in corporate management and areas of expertise, and are also clearly independent of the Company, its Board of Directors, and its executive persons. Although we do not have clearly quantified criteria for independence, we make a comprehensive judgment of independence based on current and past attributes, the presence or absence of personal, capital, or business relationships, the presence or absence of potential conflicts of interest with other shareholders, and other factors. In addition, the Company has designated all of its Outside Directors as Independent Directors as stipulated under the Tokyo Stock Exchange guidelines and registered them as such at the Exchange.

The Company has submitted a proposal entitled "Election of Seven (7) Directors who are not Audit and Supervisory Committee Members" as an agenda item (matter for resolution) for the Ordinary General Meeting of Shareholders scheduled to be held on June 27, 2025. If this proposal is approved as originally submitted, Mr. Akihiro Yano will be newly elected as an Outside Director, and the Company will have four Outside Directors in total: Mr. Akihiro Yano, Mr. Daisuke Wake, Ms. Miho Goto, and Ms. Motoko Tanaka.

Mr. Akihiro Yano is the Representative Director of the specified non-profit organization THANKYOU FUND. The Company donates a portion of the sales from its vending machines to the organization's "39 Yano Fund," a fund for supporting muscular dystrophy patients and children in orphanages, but has no special interests with the organization. In addition, the Company has designated Mr. Yano as an Independent Director as stipulated under the provisions of the Tokyo Stock Exchange guideline and registered him as such at the Exchange.

[3] Mutual coordination among supervision or audit by Outside Directors, internal audit, audit by the Audit & Supervisory Committee, and accounting audit, and relationship with the internal control department

Outside Directors of the Company attend meetings of the Board of Directors, participate in deliberations and decisions on matters to be resolved, receive reports on the status of business execution and the accounting audit results, and make suggestions and exchange opinions as necessary. In addition to attending meetings of the Board of Directors, the Company's Outside Directors share information with the accounting auditors and the Audit Department through the Audit & Supervisory Committee.

(3) Status of Audit

[1] Status of Audit & Supervisory Committee Member's Audit

1. Organization and personnel for Audit & Supervisory Committee

The Audit & Supervisory Committee comprises one Director, Mr. Hiroshi Hattori, and three Outside Directors: Mr. Daisuke Wake, Ms. Miho Goto, and Ms. Motoko Tanaka as of the filing date of the Annual Securities Report.

Full-time Audit and Supervisory Committee Member Mr. Hiroshi Hattori, as the head of accounting since joining the Company, has been responsible for overseeing the division and has a high level of expertise and a broad range of knowledge in finance and accounting. Outside Director and Audit and Supervisory Committee Member Mr. Daisuke Wake is qualified as a certified public accountant and tax accountant; Ms. Miho Goto is qualified as a lawyer; and Ms. Motoko Tanaka is qualified as a certified public accountant. They each possess a considerable level of knowledge in finance, accounting, and legal affairs.

In addition, one staff member of the Audit Department concurrently supports the execution of duties by the Audit & Supervisory Committee.

2. Activities of the Audit & Supervisory Committee and its Members

The Audit & Supervisory Committee meetings were held 17 times during the fiscal year under review, and the attendance status of each member is shown below:

Name	Number of Meetings	Number of Attendances	Attendance Rate
Hiroshi Hattori	17 times	17 times	100%
Daisuke Wake	17 times	17 times	100%
Miho Goto	17 times	17 times	100%
Motoko Tanaka	17 times	17 times	100%

At the meetings, the Audit & Supervisory Committee mainly discusses audit policies, audit plans, division of duties, preparation of audit reports; evaluation of the accounting auditor, formation of opinions on personnel matters and compensation for Directors other than those who are Audit & Supervisory Committee Members and verification of disclosures of non-financial information (sustainability-related) relevant to medium- to long-term corporate value, and reporting on the status of execution of duties by Full-time Audit & Supervisory Committee Members. For efficient audits, the Audit & Supervisory Committee receives reports from the Audit Department on the results of internal audits and requests the Audit Department to conduct deeper investigations as necessary. The Audit & Supervisory Committee also regularly receives reports on the status of accounting audits from the accounting auditor and exchanges information necessary for auditing.

The Full-time Audit & Supervisory Committee Members conducted on-site audits of each department of the Company and its consolidated subsidiaries based on the annual audit plan, and interviewed Directors and Executive Officers. In addition, the Members attend important meetings of the Board of Directors, Executive Meeting, etc., review important approval documents, and exchange information with the internal audit department, internal control department, and accounting auditor.

The Outside Directors who are Audit & Supervisory Committee Members, conducted on-site audits of some consolidated subsidiaries together with Full-time Audit & Supervisory Committee Members, making use of their respective professional knowledge and backgrounds. The Outside Directors also regularly exchange opinions with the Director, President, receive detailed explanations of management policies and growth strategies, and express their opinions from the standpoint of Independent Directors.

[2] Status of internal Audit

The Company's internal audits are conducted by the Audit Department (one staff member as of the filing date of the Annual Securities Report), an independent department under the direct control of the Director, President. Internal audits are conducted in line with the basic plan for internal audits which is finalized after gaining approval from the Director, President on audit policy and key audit items at the beginning of each fiscal year.

The internal audit results are reported to the Board of Directors and the Audit & Supervisory Committee; the majority of whose members are Outside Directors. The types of internal audits are classified into (1) operational audits, (2) organizational, system and regulation audits, (3) accounting audits, (4) special audits, and (5) monitoring of the development and operation of internal controls. The Audit Department periodically checks the status of business execution and compliance with laws, regulations, and internal regulations of each department and subsidiary, and provides opinions and advice for more appropriate business management. In addition, the Audit Department regularly shares information on internal audit results with the Audit & Supervisory Committee to achieve efficient and effective audits. The Audit Department also serves as the Company's internal control department, and works together with the Internal Control Subcommittee, which is under the Risk Management Committee, to develop and evaluate the internal controls of the Company and the Group.

[3] Status of Accounting Audit

a. Name of the auditing firm

PwC Japan LLC

b. Continuous audit period

1994 or later

(Note) The continuous audit period above is the result of an investigation into the period since the Company was listed on the stock exchange. The actual continuous audit period may be longer than this period.

c. Name of the certified public accountants that performed the duties

Gen Nakamura (in charge of the Company since the fiscal year ending March 31, 2024), Teruaki Arioka (in charge of the Company since the fiscal year ending March 31, 2021)

d. Composition of assistants for audit operations

There are three certified public accountants and twenty others (including those who have passed the CPA examination).

e. Policies and reasons for choosing the auditing firm

The Company selects an accounting auditor who has the expertise required as an accounting auditor and hence is deemed suitable, based on the evaluation criteria for accounting auditors established by the Audit & Supervisory Committee.

If the accounting auditor falls under any of the items of Article 340, Paragraph 1 of the Companies Act and dismissal is deemed appropriate, our Audit & Supervisory Committee will dismiss the accounting auditor with the consent of all members of the Committee. In addition, if it is deemed difficult to carry out a proper audit due to the occurrence of a cause that impairs the accounting auditor's qualifications and independence, or if it is deemed appropriate to change the accounting auditor to further improve the appropriateness of the audit, we will decide the content of the proposal for the General Meeting of Shareholders regarding the appointment, dismissal, and non-reappointment of the accounting auditor.

f. Assessment of the accounting auditor

The Audit & Supervisory Committee evaluated the quality, effectiveness, efficiency, and other elements of the accounting auditor's audit based on the accounting auditor evaluation criteria established by the Committee. As a result of the evaluation, the Audit & Supervisory Committee of the Company resolved that the reappointment of the accounting auditor is appropriate.

g. Changes in the auditing firm

The Company's auditing firm has changed as follows:

the consolidated fiscal year two years prior and the business year two years prior: PwC Kyoto

Previous consolidated fiscal year and previous business year: PwC Japan LLC

The items stated in the extraordinary report are as follows:
(1) Name of the auditing certified public accountant, etc. related to the change
[1] Name of the surviving auditing certified public accountant, etc.
PwC Japan LLC
[2] Name of the dissolving auditing certified public accountant, etc.
PwC Kyoto
(2) Date of the change
December 1, 2023
(3) Most recent date of appointment of the dissolving auditing certified public accountant, etc.
1994 or later
(Note) The period stated above is the result of an investigation into the period after the Company was listed as a public company, as the investigation was extremely difficult. The continuous audit period may be longer than this period.
(4) Matters concerning opinions in audit reports, etc. or internal control audit reports prepared by the dissolving auditing certified public accountant, etc. in the past three years
Not applicable.

(5) Reasons/backgrounds for the decision to make the change
PwC Kyoto (dissolving auditing firm), the accounting auditor of the Company, merged with PwC Arata LLC (surviving auditing firm) as of December 1, 2023, and was dissolved. PwC Arata LLC changed its name to PwC Japan LLC on the same day. As a result, the certified public accountant who performs audit attestation of the Company will be PwC Japan LLC.
(6) Opinions of the dissolving auditing certified public accountant, etc. on the matters described in the audit reports, etc. or internal control audit reports regarding the reasons and backgrounds for (5) above.
We have been informed that they have no opinions in particular.

[4] Audit Fee and Others

a. Details of fee paid to the independent auditor involved in the audit

Classification	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025	
	Fee for audit services (Thousands of yen)	Fee for non-audit services (Thousands of yen)	Fee for audit services (Thousands of yen)	Fee for non-audit services (Thousands of yen)
The Company	34,000	—	35,000	380
The Company's consolidated subsidiaries	—	—	—	—
Total	34,000	—	35,000	380

(The current consolidated fiscal year)

Details of the non-audit services provided to the Company are agreed procedural work.

b. Compensation to the same network as the Audit Certified Public Accountants (PricewaterhouseCoopers), Excluding a.

Classification	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025	
	Fees for audit services (Thousands of yen)	Fees for non-audit services (Thousands of yen)	Fees for audit services (Thousands of yen)	Fees for non-audit services (Thousands of yen)
The Company	—	1,200	—	18,492
The Company's consolidated subsidiaries	13,659	1,676	14,343	1,017
Total	13,659	2,876	14,343	19,509

(Fiscal year ended March 31, 2024)

The non-audit services provided to our company include advisory services related to tax and other matters.

Non-audit services of consolidated subsidiaries mainly consisted of advisory and other services concerning accounting, tax, etc.

(Fiscal year ended March 31, 2025)

The non-audit services provided to our company include advisory services related to tax and other matters.

The non-audit services provided to our consolidated subsidiaries include advisory services related to accounting, tax, and other matters.

c. Remuneration based on other important audit and attestation services

Not applicable

d. Policy for determining the audit fees

While there are no specific matters to report, the fees are determined by considering factors such as the size, characteristics, and the number of audit days.

e. Reason that the Audit and Supervisory Committee gave consent to the amount of audit fees

The Audit & Supervisory Committee obtained necessary materials and reports from Directors (excluding those who are members of the Audit & Supervisory Committee), relevant internal departments, and the accounting auditor, confirmed and examined the analysis and evaluation of audit results of the previous period, audit time and staffing plan in the audit plan, the status of performance of duties by the accounting auditor, and the appropriateness of remuneration estimate, etc. As a result, the Audit & Supervisory Committee gave the consent specified in accordance with Article 399, Paragraph 1 of the Companies Act, regarding the amount of remuneration for the accounting auditor.

(4) Compensation of Directors, etc.

[1] Matters regarding the policy on the decision of the amount of remuneration, etc., for Directors or the method used to calculate the amount

1. At a meeting of the Board of Directors held on February 25, 2021, the Company resolved to adopt a policy for determining the remuneration, etc., for individual Directors (excluding those who are members of the Audit & Supervisory Committee).

The content of the policy for determining the remuneration, etc. (including any subsequent revisions) is as follows.

The Board of Directors has confirmed that the content of the remuneration, etc. for individual Directors for the current fiscal year is consistent with said policy.

Basic Policy

It is our basic policy for the compensation system for Directors that it adequately functions as an incentive for sustainable enhancement of our corporate value, and remuneration for each Director is determined at an appropriate level according to their respective responsibilities.

a. Policy on basic compensation

Basic compensation is a monthly fixed compensation. It is determined based on a fixed compensation table approved in advance by the Board of Directors, taking into comprehensive consideration position, responsibilities, years of service, other companies' standards, the Company's business performance, and employee salary levels.

b. Policy on performance-linked compensation

Performance-linked compensation is a monetary compensation that reflects key performance indicators (KPIs) to raise awareness of improving business performance for each fiscal year, and is paid as a bonus at a certain time each year. Performance-linked compensation is composed of a portion that varies according to the overall performance of the Company and a portion that varies according to individual performance. The portion that varies according to the Company's overall performance is calculated based on a table approved in advance by the Board of Directors according to the degree of achievement of the sales and operating profit targets announced at the beginning of each fiscal year.

The portion that varies according to individual performance is calculated based on a table approved in advance by the Board of Directors according to the performance (degree of achievement of targets) of the division of which individual Directors are in charge, business performance of the consolidated subsidiary of which they are in charge, as well as the economic situation of various countries and regions, industrial trends, the performance of peer companies, and other factors.

c. Policy on non-monetary compensation

For the purpose of providing Directors (excluding those who are members of the Audit & Supervisory Committee and Outside Directors) with an incentive to sustainably enhance the corporate value of the Company and further promoting value sharing with shareholders, the Company's common stock with a certain period during which its transfer is restricted will be allocated at a certain time each year as restricted stock compensation. The amount of compensation will be determined based on position, responsibilities, and other elements.

d. Policy on the ratio of remuneration, etc.

The ratio of remuneration (annual amount) by type for Directors is roughly set as below.

Basic compensation (excluding employee salaries for Directors who also serve as employees): Performance-linked compensation: Non-monetary compensation = 7:2:1 for all Directors

e. Matters concerning determination of the amount of remuneration, etc.

The Representative Director, Chairman & CEO will make an assessment based on the policies a. to d. above when determining the amount of basic compensation, performance-linked compensation, and non-monetary compensation for each Director, and will consult with the voluntary Nomination and Compensation Committee, the majority of whose members are Independent Outside Directors and whose chairperson is also an Independent Outside Director.

When received consultation, the voluntary Nomination and Compensation Committee will provide advice and recommendations to the Board of Directors, and the Board of Directors will make decisions after due consideration of said advice and recommendations.

2. The amount of remuneration for Directors of the Company (excluding Directors who are members of the Audit & Supervisory Committee) was approved at the 38th Ordinary General Meeting of Shareholders held on June 29, 2016, to be 300 million yen or less per year (excluding salaries to receive as employees). In addition, the amount of restricted stock remuneration for Directors (excluding Directors who are members of the Audit & Supervisory Committee) was approved at the 44th Ordinary General Meeting of Shareholders held on June 29, 2022, to be 90 million yen or less per year and with an upper limit of 135,000 shares per year, separate from monetary compensation. (On October 1, 2024, a stock split was conducted at a ratio of three shares for each common share. Accordingly, the annual limit on the number of shares of the Company's common stock to be issued as restricted stock has been revised from 45,000 shares to 135,000 shares.)
Remuneration for Directors who are members of the Audit & Supervisory Committee consists only of fixed remuneration from the perspective of ensuring their independence and is determined through discussion among Directors who are members of the Audit & Supervisory Committee within the limit of total amount resolved at the Ordinary General Meeting of Shareholders.
The amount of remuneration for our Directors who are members of the Audit & Supervisory Committee was approved at the 38th Ordinary General Meeting of Shareholders held on June 29, 2016, to be no more than 30 million yen per year.
The Company has submitted a proposal entitled "Revision of Remuneration for Directors who are Audit and Supervisory Committee Members" as an agenda item (matter for resolution) for the Ordinary General Meeting of Shareholders scheduled to be held on June 27, 2025. If this proposal is approved as originally submitted, the remuneration for Directors (excluding Directors who are members of the Audit & Supervisory Committee) is scheduled to be within 500 million yen per year (excluding salaries as employees). In addition, the remuneration for Directors who are members of the Audit & Supervisory Committee is scheduled to be within 50 million yen per year.

[2] Total Amount of Compensation by Director Category, the Total Amount of Compensation by Compensation Category and the Number of Eligible Directors are as Follows:

Director category	Total compensation (Thousands of yen)	Total compensation by category (Thousands of yen)			Number of eligible Directors (Persons)
		Fixed compensation	Performance based compensation	Non-cash compensation	
Directors (excluding Audit and Supervisory Committee members)	224,972	139,800	64,800	20,372	5
Directors (Audit and Supervisory Committee members) (excluding Outside Directors)	11,340	11,340	—	—	2
Outside Directors	17,820	17,820	—	—	3

(Notes)
1. The retirement benefit system for Directors was abolished in March 2006.
2. Of performance-linked compensation for our Directors (excluding those who are members of the Audit & Supervisory Committee), indicators of the portion that varies according to the Company's overall performance are net sales and operating profit; actual results are 53,479 million yen and 8,880 million yen, respectively. These indicators were selected because we have set net sales and operating profit targets for each fiscal year in our medium-term management plan (April 2022 to March 2025) and therefore judged that it would be appropriate to link them to these targets.
Of performance-linked compensation for our Directors (excluding those who are members of the Audit & Supervisory Committee), indicators of the portion that varies according to individual performance are the performance (degree of achievement of targets) of the division of which they are in charge, business performance of the consolidated subsidiary of which they are in charge, as well as the economic situation of various countries and regions, industrial trends, the performance of peer companies, and other factors. These indicators were selected because we judged that they are appropriate for proper evaluations of the performance of individual Directors (excluding those who are members of the Audit & Supervisory Committee) and reflecting them in their compensation, etc. However, since these indicators are diverse and require comprehensive judgment that includes qualitative factors, we believe it is difficult to express the results in numerical form.
Performance-linked compensation of the Company is calculated by multiplying the base amount for each position by a coefficient determined in a table pre-approved by the Board of Directors for both companywide and individual performance.

As a result of the calculation using the above calculation method, the performance-linked compensation for the current fiscal year came to 64,800,000 yen (59,100,000 yen in the previous fiscal year), as shown under the "Performance-linked compensation (bonus)" in the table above.
3. Non-monetary compensation for the current fiscal year consisted of restricted stock compensation amounted to 20,372,000 yen, as shown under the "Non-monetary compensation" in the table above.
4. The policy for determining the amount of remuneration, etc. is drafted by the Representative Director, Chairman & CEO together with the Director, Administration Div. Manager, and after consultation with the voluntary Nomination and Compensation Committee, is decided at a meeting of the Board of Directors with the attendance of Outside Directors.

(5) Status of Shareholdings

[1] Standard and Approach for the Classification of Investment Shares
The Company has classified investment shares into those held for a pure investment purpose, which are aimed to gain profits solely through fluctuations in the value of the shares or dividends on the shares, and those held for purposes other than a pure investment purpose.

[2] Investment Shares held for Purposes other than Pure Investment Purposes
a. Holding policy and method of verifying the rationality of shareholding, and details of verification of appropriateness of holding of individual issues at a meeting of the Board of Directors, etc.
To achieve sustainable growth and mid- to long-term growth, we may hold shares in companies that we deem necessary as part of our management strategies, such as business tie-ups, fundraising, and business expansion. Regarding the shares we hold, we verify whether the purpose of holding them is appropriate, whether the benefits and risks arising from holding them are commensurate with capital costs, etc., and based on the results of the verification, the Board of Directors decides whether to continue holding them or not. After the above verification for individual issues and deliberation at a meeting of the Board of Directors, we will consider selling stocks that are deemed not meaningful enough to hold.

b. Number of stocks and total amount recorded on the balance sheet

	Number of companies (Stock)	Total carrying amount (Thousands of yen)
Unlisted shares	1	3,402
Shares other than unlisted shares	6	4,442,978

(Stocks with Increased Number of Shares During the Fiscal Year)
Not applicable.

(Stocks with Decreased Number of Shares During the Fiscal Year)

	Number of companies (Stock)	The total sale value related to the decrease in the number of shares (Thousands of yen)
Unlisted shares	1	6,818
Shares other than unlisted shares	1	1,533,628

[3] Shares with Purposes of Pure Investment
Not applicable

[4] Investment Stocks Whose Purpose Was Changed from Pure Investment to Non-Pure Investment During the Fiscal Year
Not applicable.

c. Information on the Number of Shares and Balance Sheet Amounts for Specific Investment Stocks by Stock Type

Stock	Fiscal year ended March 31, 2025 Number of Shares (Shares) Balance Sheet Amount (Thousands of yen)	Fiscal year ended March 31, 2024 Number of Shares (Shares) Balance Sheet Amount (Thousands of yen)	Purpose of Holding, Overview of Business Alliances, Quantitative Holding Effect, and Reasons for the Increase in Number of Shares	Existence of Holding Our Company's Shares
SCREEN Holdings Co., Ltd.	264,400 2,536,918	264,400 5,278,746	(Purpose of Holding) The shares are held with the purpose of maintaining relationships as a local company. (Quantitative Holding Effect) (Notes1)	Yes
HORIBA, Ltd.	99,000 984,753	99,000 1,586,970	(Purpose of Holding) The shares are held with the purpose of maintaining relationships as a local company. (Quantitative Holding Effect) (Notes1)	Yes
SHOFU INC.	240,000 506,640	120,000 352,560	(Purpose of Holding) The shares are held with the purpose of maintaining relationships as a local company. (Quantitative Holding Effect) (Notes1) As of the record date of September 30, 2024, common stock has been split at a ratio of 2 shares for every 1 share.	No
Kyoto Financial Group, Inc.	95,680 217,719	95,680 264,172	(Purpose of Holding) To facilitate fundraising, etc., since this is our main financial institution with whom we carry out banking transactions including borrowing of funds. (Quantitative Holding Effect) (Notes1)	Yes
TAKEBISHI CORPORATION	66,000 119,988	66,000 134,640	(Purpose of Holding) The shares are held with the purpose of maintaining relationships as a local company. (Quantitative Holding Effect) (Notes1)	Yes
SEIWA ELECTRIC MFG. CO.,LTD.	148,000 76,960	148,000 83,916	(Purpose of Holding) The shares are held with the purpose of maintaining relationships as a local company. (Quantitative Holding Effect) (Notes1)	Yes
Terumo Corporation	— —	560,000 1,528,240	The shares had been held as part of our key customer relationship in the medical device business, with the aim of facilitating and deepening business transactions; however, all of these shares were sold during the current fiscal year.	No

(Notes)

1. Since it is difficult for us to describe the quantitative effect of holding special investment shares, we describe the method by which we verified the rationality of holding. We verify the rationality of holding by comprehensively judging whether the holding purpose of individual issues is appropriate, whether the benefits and risks arising from holding are commensurate with capital costs, etc., with the fiscal year-end as the basis. Based on the results of the verification, the Board of Directors reviewed the above and confirmed with all stocks that the holding is rational.
2. "—" indicates that we do not hold any shares of the relevant security.

Item5. Financial Information

1. Method of Preparation of Consolidated and Non-Consolidated Financial Statements

(1) The Company prepares its consolidated financial statements in accordance with the "Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements" (Ministry of Finance Order No. 28 of 1976).

(2) The Company prepares its non-consolidated financial statements in accordance with the "Regulation on Terminology, Forms, and Preparation Methods of Financial Statements, etc." (Ministry of Finance Order No. 59 of 1963; hereinafter the "Regulation on Financial Statements").

Additionally, as a special company submitting financial statements, the Company prepares its non-consolidated financial statements based on Article 127 of the Regulation on Financial Statements.

2. Audit Certification

Pursuant to the provisions set forth in Article 193-2 (1) of the Financial Instruments and Exchange Act, the Company's consolidated financial statements in Japanese for the fiscal year (from April 1, 2024 to March 31, 2025) and non-consolidated financial statements in Japanese for the fiscal year (from April 1, 2024 to March 31, 2025) have been audited by PricewaterhouseCoopers Japan LLC.

3. Special Measures to Ensure the Appropriateness of Consolidated Financial Statements, etc.

The Company undertakes special measures to ensure the appropriateness of consolidated financial statements, etc. Specifically, in order to appropriately understand the details of accounting standards and other relevant information, while also ensuring a framework for accurately responding to changes in the standards, the Company is a member of the Financial Accounting Standards Foundation (FASF) and participates in its seminars. In addition, the Company actively gathers information from professional publications such as the "Accounting and Auditing Journal" issued by the Japanese Institute of Certified Public Accountants (JICPA).

1. Consolidated Financial Statements etc.

(1) Consolidated Financial Statements

[1] Consolidated Balance Sheet

	Thousands of yen	
	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	20,830,999	21,338,921
Notes receivable – trade	86,464	58,972
Electronically recorded monetary claims–operating	345,054	351,247
Accounts receivable - trade	15,049,199	11,332,248
Lease receivables and investments in leases	—	19,965
Merchandise and finished goods	4,110,721	3,828,829
Work in process	10,041,146	10,223,352
Raw materials and supplies	1,699,212	1,795,319
Other	1,550,660	1,709,806
Allowance for doubtful accounts	(2,363)	(6,364)
Total Current assets	53,711,096	50,652,299
Non–current assets		
Property, plant and equipment		
Buildings and structures	22,106,434	22,949,252
Accumulated depreciation	(13,065,298)	(13,670,130)
Buildings and structures, net	9,041,135	9,279,121
Machinery, equipment and vehicles	17,554,193	18,094,025
Accumulated depreciation	(11,954,563)	(12,434,302)
Machinery, equipment and vehicles, net	5,599,630	5,659,723
Land	5,289,066	6,566,490
Leased assets	1,594,823	1,685,684
Accumulated depreciation	(440,008)	(509,906)
Leased assets, net	1,154,815	1,175,777
Construction in progress	232,675	829,705
Other	4,852,823	5,248,194
Accumulated depreciation	(4,002,437)	(4,258,128)
Other, net	850,385	990,066
Total Property, plant and equipment	22,167,709	24,500,885
Intangible assets		
Other	1,329,271	1,421,284
Total intangible assets	1,329,271	1,421,284
Investments and other assets		
Investment securities	9,244,703	4,446,381
Deferred tax assets	445,334	517,376
Retirement benefit asset	641,147	678,782
Other	322,569	*1 1,011,477
Total Investments and other assets	10,653,756	6,654,017
Total Non–current assets	34,150,736	32,576,186
Total Assets	87,861,833	83,228,486

	Thousands of yen	
	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable–trade	3,834,249	2,551,525
Electronically recorded obligations- operating	36,252	28,887
Short–term borrowings	*2 9,400,000	*2 7,000,000
Current portion of long–term borrowings	1,560,000	1,120,000
Lease liabilities	149,506	166,833
Income taxes payable	1,827,856	1,222,764
Advances received	2,598,098	1,819,014
Provision for bonuses	986,299	1,168,008
Provision for bonuses for directors(and other officers)	98,443	117,231
Provision for product warranties	307,882	313,722
Other	2,399,211	2,501,956
Total Current liabilities	23,197,801	18,009,944
Non–current liabilities		
Long–term borrowings	2,490,000	1,370,000
Lease liabilities	419,819	407,950
Deferred tax liabilities	2,330,034	957,017
Retirement benefit liability	933,297	1,014,238
Provision for share awards	40,497	82,967
Other	14,479	—
Total Non–current liabilities	6,228,128	3,832,173
Total Liabilities	29,425,930	21,842,118
Net assets		
Shareholders' equity		
Share capital	8,955,671	8,969,261
Capital surplus	450,981	464,571
Retained earnings	38,359,732	45,479,594
Treasury shares	(115,191)	(115,241)
Total Shareholders' equity	47,651,194	54,798,186
Accumulated other comprehensive income		
Valuation difference on available–for–sale securities	6,013,298	2,817,381
Foreign currency translation adjustment	4,642,014	3,716,815
Remeasurements of defined benefit plans	129,394	53,984
Total Accumulated other comprehensive income	10,784,708	6,588,181
Total Net assets	58,435,903	61,386,368
Total Liabilities and net assets	87,861,833	83,228,486

[2] Consolidated Income Statements and Consolidated Statement of Comprehensive Income

(Consolidated Income Statements)

	Thousands of yen	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	50,471,799	53,479,205
Cost of sales	*1 32,273,620	*1 33,572,197
Gross profit	18,198,179	19,907,008
Selling, general and administrative expenses	*2, *3 9,536,350	*2, *3 11,026,604
Operating profit	8,661,829	8,880,404
Non–operating income		
Interest income	145,619	191,313
Dividend income	282,068	131,849
Rental income from non-current assets	57,982	71,243
Miscellaneous income	170,083	307,345
Total Non–operating income	655,754	701,751
Non–operating expenses		
Interest expenses	71,787	91,336
Depreciation of assets for rent	30,397	33,083
Foreign exchange losses	120,986	31,466
Miscellaneous losses	14,677	25,884
Total Non–operating expenses	237,849	181,771
Ordinary profit	9,079,734	9,400,384
Extraordinary income		
Gain on sale of non–current assets	*4 35,135	*4 6,559
Gain on receipt of donated non-current asset	*5 23,200	—
Gain on sale of investment securities	—	1,306,284
Compensation for damage income	—	524,175
Total Extraordinary income	58,335	1,837,020
Extraordinary losses		
Loss on sale of non–current assets	—	*6 2,734
Loss on retirement of non–current assets	*7 10,209	*7 14,292
Loss on valuation of investment securities	12,786	12,056
Total Extraordinary losses	22,995	29,083
Profit before income taxes	9,115,073	11,208,320
Income taxes - current	2,942,089	3,149,194
Income taxes - deferred	(271,208)	(61,924)
Total income taxes	2,670,880	3,087,270
Profit	6,444,193	8,121,050
Profit attributable to owners of parent	6,444,193	8,121,050

(Consolidated Statement of Comprehensive Income)

	Thousands of yen	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	6,444,193	8,121,050
Other comprehensive income		
Valuation difference on available–for–sale securities	3,700,708	(3,195,917)
Foreign currency translation adjustment	2,071,376	(925,199)
Remeasurements of defined benefit plans	109,390	(75,410)
Total Other comprehensive income	*1 5,881,475	*1 (4,196,527)
Comprehensive income	12,325,668	3,924,523
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,325,668	3,924,523

[3] Consolidated Statement of Shareholders' Equity
Previous Consolidated Fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of the period	8,942,950	472,558	32,916,324	(13,436)	42,318,396
Changes during period					
Issuance of new shares	12,721	12,721			25,442
Dividends of surplus			(1,000,785)		(1,000,785)
Profit attributable to owners of parent			6,444,193		6,444,193
Purchase of treasury shares				(101,754)	(101,754)
Change in ownership interest of parent arising from transactions with non-controlling shareholders		(34,297)			(34,297)
Net changes in items other than shareholders' equity					
Total changes during period	12,721	(21,576)	5,443,407	(101,754)	5,332,797
Balance at end of the period	8,955,671	450,981	38,359,732	(115,191)	47,651,194

	Accumulated other comprehensive income				Non–controlling interests	Total Net assets
	Valuation difference on available–for–sale securities	Foreign currency translation adjustment	Accumulated remeasurements of defined benefit plans	Total of accumulated other comprehensive income		
Balance at beginning of the period	2,312,590	2,570,638	20,003	4,903,232	401,624	47,623,254
Changes during period						
Issuance of new shares						25,442
Dividends of surplus						(1,000,785)
Profit attributable to owners of parent						6,444,193
Purchase of treasury shares						(101,754)
Change in ownership interest of parent arising from transactions with non-controlling shareholders						(34,297)
Net changes in items other than shareholders' equity	3,700,708	2,071,376	109,390	5,881,475	(401,624)	5,479,851
Total changes during period	3,700,708	2,071,376	109,390	5,881,475	(401,624)	10,812,649
Balance at end of the period	6,013,298	4,642,014	129,394	10,784,708	—	58,435,903

Current consolidated fiscal year ended March 31, 2025

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total Shareholders' equity
Balance at beginning of the period	8,955,671	450,981	38,359,732	(115,191)	47,651,194
Changes during period					
Issuance of new shares	13,589	13,589			27,179
Dividends of surplus			(1,001,188)		(1,001,188)
Profit attributable to owners of parent			8,121,050		8,121,050
Purchase of treasury shares				(2,111)	(2,111)
Disposal of treasury shares				2,061	2,061
Net changes in items other than shareholders' equity					
Total changes during period	13,589	13,589	7,119,862	(49)	7,146,992
Balance at end of the period	8,969,261	464,571	45,479,594	(115,241)	54,798,186

	Accumulated other comprehensive income				Non–controlling interests	Total Net assets
	Valuation difference on available–for–sale securities	Foreign currency translation adjustment	Accumulated Remeasurements of defined benefit plans	Total of accumulated other comprehensive income		
Balance at beginning of the period	6,013,298	4,642,014	129,394	10,784,708	—	58,435,903
Changes during period						
Issuance of new shares						27,179
Dividends of surplus						(1,001,188)
Profit attributable to owners of parent						8,121,050
Purchase of treasury shares						(2,111)
Disposal of treasury shares						2,061
Net changes in items other than shareholders' equity	(3,195,917)	(925,199)	(75,410)	(4,196,527)		(4,196,527)
Total changes during period	(3,195,917)	(925,199)	(75,410)	(4,196,527)		2,950,465
Balance at end of the period	2,817,381	3,716,815	53,984	6,588,181	—	61,386,368

[4] Consolidated Statement of Cash Flows

	Thousands of yen	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	9,115,073	11,208,320
Depreciation	2,540,701	2,673,130
Amortization of goodwill	146,567	149,445
Increase (decrease) in allowance for doubtful accounts	(641)	4,156
Increase (decrease) in provision for bonuses	(17,175)	186,197
Increase (decrease) in provision for bonuses for directors (and other officers)	(1,688)	19,680
Increase (decrease) in retirement benefit liability	6,952	(77,837)
Increase (decrease) in provision for share awards	40,497	44,209
Increase (decrease) in provision for product warranties	(9,671)	7,903
Interest and dividend income	(427,687)	(323,162)
Interest expenses	71,787	91,336
Foreign exchange losses (gains)	66,833	(21,873)
Loss (gain) on sale of investment securities	—	(1,306,284)
Decrease (increase) in trade receivables	(1,476,948)	2,844,772
Decrease (increase) in inventories	96,607	21,205
Decrease (increase) in other current assets	(43,896)	(475,440)
Increase (decrease) in trade payables	1,193,242	(1,300,121)
Increase (decrease) in other current liabilities	348,150	(148,798)
Other, net	(339,832)	175,611
Subtotal	11,308,874	13,772,451
Interest and dividends received	258,150	325,446
Interest paid	(73,066)	(92,933)
Income taxes paid	(1,906,869)	(3,646,478)
Income taxes refund	78,790	14,319
Net cash provided by (used in) operating activities	9,665,880	10,372,805
Cash flows from investing activities		
Payments into time deposits	(505,352)	(1,772,258)
Proceeds from withdrawal of time deposits	322,857	1,122,975
Proceeds from sale of investment securities	—	1,540,447
Payments of other investments	(4,589)	(513,930)
Purchase of property, plant and equipment and intangible assets	(1,668,564)	(5,044,564)
Proceeds from sale of property, plant and equipment and intangible assets	35,612	11,454
Payments for acquisition of businesses	(933,600)	—
Other, net	(20,128)	(102,342)
Net cash provided by (used in) investing activities	(2,773,764)	(4,758,217)
Cash flows from financing activities		
Net increase (decrease) in short–term borrowings	—	(2,400,000)
Proceeds from long–term borrowings	100,000	—
Repayments of long–term borrowings	(1,930,000)	(1,560,000)
Purchase of treasury shares	(101,754)	(2,111)
Dividends paid	(1,000,785)	(1,001,188)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(435,922)	—
Other, net	(155,902)	(162,963)
Net cash provided by (used in) financing activities	(3,524,364)	(5,126,263)
Effect of exchange rate change on cash and cash equivalents	719,024	(615,211)
Net increase (decrease) in cash and cash equivalents	4,086,775	(126,886)
Cash and cash equivalents at beginning of period	16,430,497	20,517,272
Cash and cash equivalents at end of period	*1 20,517,272	*1 20,390,386

(Notes)

(Significant Matters Constituting the Basis of Preparation of Consolidated Financial Statements)

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 18

Names of consolidated subsidiaries

・BANDICK Corporation
・TOWA LASERFRONT Corporation
・TOWATEC Co., Ltd.
・TOWAM Sdn. Bhd.
・TOWA (Suzhou) Co., Ltd.
・TOWA (Nantong) Co., Ltd.
・TOWA TOOL SDN. BHD.
・TOWA Fine CO., Ltd.
・TOWA R&D Suzhou Co., Ltd.
・TOWA Korea Co., Ltd.
・TOWA Asia–Pacific Pte. Ltd.
・TOWA (Shanghai) Co., Ltd.
・TOWA Taiwan Co., Ltd.
・TOWA Semiconductor Equipment Philippines Corp.
・TOWA THAI COMPANY LIMITED
・TOWA USA Corporation
・TOWA Europe GmbH
・TOWA Europe B.V.

(2) There are no non–consolidated subsidiaries.

2. Application of the equity method

(1) There are no affiliated companies accounted for by the equity method.

(2) There are no companies not accounted for by the equity method.

3. Fiscal year, etc. of consolidated subsidiaries

Among the consolidated subsidiaries, TOWA (Suzhou) Co., Ltd., TOWA (Nantong) Co., Ltd., TOWA R&D Suzhou Co., Ltd., and TOWA (Shanghai) Co., Ltd. have a fiscal year end of December 31.

In preparing the consolidated financial statements, the financial statements of these companies are based on the provisional settlement of accounts as of the consolidated closing date.

4. Accounting Policies

(1) Valuation standards and methods for significant assets

1) Securities

Other securities

Securities excluding stocks without market price

Market value method (valuation differences are recorded as a component of shareholders' equity. Cost of securities sold is determined by the moving–average method.)

Stocks without market price

Cost method based on the moving–average method

2) Inventory

(i) Finished Goods

Mainly stated at cost determined by the specific identification method (balance sheet value is calculated by writing down the book value of assets based on decreased profitability).

(ii) Work in process

Mainly stated at cost determined by the specific identification method (balance sheet value is calculated by writing down the book value of assets based on decreased profitability).

(iii) Raw materials

Mainly stated at cost determined by the moving–average method (balance sheet value is calculated by writing down the book value of assets based on decreased profitability).

(iv) Supplies
Mainly stated at last purchase cost (balance sheet value is calculated by writing down the book value of assets based on decreased profitability)

(2) Depreciation method for significant depreciable assets
1) Property, plant and equipment (excluding leased assets)
The Company and its domestic consolidated subsidiaries use the declining–balance method, while overseas consolidated subsidiaries use the straight–line method.
However, for assets held by these domestic entities, buildings (excluding building fixtures) acquired on or after April 1, 1998 and building fixtures and structures acquired on or after April 1, 2016 are depreciated using the straight–line method.

The estimated useful lives are as follows.

Buildings and structures	2–50 years
Machinery, equipment and vehicles	2–10 years

2) Intangible fixed assets (excluding leased assets)
The Company and its consolidated subsidiaries adopt the straight–line method.
Software for internal use is based on the period during which it can be used internally (5 years).

3) Leased assets
The Company adopts the straight–line method with the lease period as the useful life and residual value as 0.

(3) Accounting standards for significant allowances
1) Allowance for doubtful accounts
To prepare for losses due to bad debt, the allowance for doubtful accounts is provided at an estimated uncollectible amount based on the past credit loss ratio and other relevant indicators for general receivables and considering the collectability of specific receivables.

2) Provision for bonuses
The Company and some of its consolidated subsidiaries provide for the payment of bonuses to employees based on the estimated amount to be paid.

3) Provision for bonuses for directors(and other officers)
The Company and some of its consolidated subsidiaries provide for directors' bonuses based on the estimated amount to be paid.

4) Provision for product warranties
The Company and some of its consolidated subsidiaries provide for repair costs related to products during the warranty period based on estimated repair costs corresponding to sales based on past performance. In addition, the estimated expense is recorded for specific cases that can be estimated individually.

5) Provision for share awards
To prepare for the provision of the Company's shares, etc. to employees of the Company in line with the Stock Benefit Regulations, the Company recorded the provision based on the estimated share benefit obligation as of the end of the current consolidated fiscal year.

(4) Accounting treatment for retirement benefits
1) Period attribution of projected retirement benefits
In calculating retirement benefit obligations, the projected retirement benefits are attributed to the period up to the end of the current consolidated fiscal year based on the benefit formula basis.

2) Accounting method for actuarial gains and losses and past service costs
Past service cost is amortized by the straight–line method over a fixed period (mainly 10 years) within the average remaining service period of employees at the time of occurrence.
Actuarial gains and losses are amortized in the year following the year in which they arise using the declining–balance method over a fixed period (mainly 10 years) within the average remaining service period of employees at the time of occurrence.

3) Accounting method for unrecognized actuarial gains and losses and unrecognized past service cost
Unrecognized actuarial gains or losses and unrecognized past service cost are recorded as remeasurements of defined benefit plans in accumulated other comprehensive income under net assets, after adjusting for tax effects.

4) Adoption of simplified method in small companies, etc.
Certain consolidated subsidiaries apply the simplified method to the calculation of net defined benefit liability and net defined benefit expense by setting the retirement benefit obligation at the amount required for voluntary retirement at the end of the fiscal year.

(5) Accounting standards for recording significant revenues and expenses
The details of major performance obligations in major businesses related to revenue arising from contracts with customers of the Company and its consolidated subsidiaries and the normal point in time when such performance obligations are satisfied (normal point in time when revenue is recognized) are as follows.

1) Semiconductor Manufacturing Equipment Business
For sale revenue of products that require installation at the time of delivery to the customer, revenue is recognized mainly at the time of completion of installation for products, and for products that do not require installation, revenue is recognized at the time of delivery or acceptance because it is determined that the customer will gain control over the products and the performance obligations are deemed to be fulfilled.
Revenue from services such as warranty, repair, maintenance and relocation related to products is recognized when the performance obligations are deemed to be satisfied at the completion of the services.
Revenue is recognized at the time of shipment if it meets the requirements of Paragraph 98 of the "Guidance on Accounting Standards for Revenue Recognition."

2) Medical Device Business
With respect to sales of products, since the period from the time of shipment to the time when control of the product is transferred to the customer is reasonably short, revenue is recognized at the time of shipment by applying the alternative treatment prescribed in Paragraph 98 of the "Guidance on Accounting Standard for Revenue Recognition. In order to express the business content more clearly, we changed the name of the Fine Plastic Molded Products Business to Medical Device Business.

3) Laser Processing Machine Business
Revenue from the sale of products is recognized at the time of delivery or acceptance because it is determined that the customer has gained control over the products and the performance obligations are satisfied.
Revenue from services such as warranty, repair, maintenance and relocation related to products is recognized at the completion of the services when the performance obligations are deemed to be satisfied.
Revenue is recognized at the time of shipment if it meets the requirements of Paragraph 98 of the "Guidance on Accounting Standards for Revenue Recognition."

4) Accounting standards for recording revenues for finance lease transactions
The method is attributed to recording sales and cost of sales on the commencement date of the lease transaction.

(6) Standards for translating significant assets or liabilities denominated in foreign currencies into Japanese currency
Monetary claims and liabilities denominated in foreign currencies are translated into Japanese yen at the spot exchange rates prevailing at the balance sheet date, and any translation differences are recorded as gain or loss. Assets and liabilities of foreign subsidiaries are translated into Japanese yen at the spot exchange rate as of the consolidated balance sheet date, while revenues and expenses are translated into Japanese yen at the average exchange rate during the period. Translation differences are included in foreign currency translation adjustments under net assets.

(7) Amortization method and amortization period of goodwill
Goodwill is amortized by the straight–line method over 5-8 years.

(8) Cash and cash equivalent on the consolidated statements of cash flows
Cash and cash equivalents in the consolidated statements of cash flows consist of cash on hand, deposits that can be withdrawn at any time and short–term investments that are readily convertible into cash and that are subject to insignificant risk of changes in value and mature or become due within 3 months of the date of acquisition.

(9) Other significant matters for preparing the consolidated financial statements
Accounting treatment of consumption tax, etc.
Accounting for consumption taxes and local consumption taxes is based on the tax exclusion method. Non–deductible consumption taxes and local consumption taxes are charged to income for the current consolidated fiscal year.

(Significant Accounting Estimates)

Previous consolidated fiscal year ended March 31, 2024

(Recoverability of deferred tax assets)

(1) Amount recorded in the consolidated financial statements for the previous fiscal year: 445,334 thousand yen

(2) Information on significant accounting estimates for identified items

The Group reviews the recoverability of deferred tax assets every fiscal year. The recoverable amount of the Group's deferred tax assets is highly dependent on projections of future taxable income, which may vary depending on the future business environment, changes in the Group's business activities and other factors. In assessing the recoverability of deferred tax assets at the end of the previous consolidated fiscal year, the Company comprehensively takes into account its business performance for the past and the consolidated fiscal year ended March 31, 2024 as well as the future business plans, and the Company and its consolidated subsidiaries are classified according to the requirements set forth in Accounting Standards Board of Japan Guidance No. 26, "Implementation Guidance on Recoverability of Deferred Tax Assets." Based on past results and future business plans, the Company estimates taxable income over a period of 5 years or less in the future and schedules the timing of the reversal of temporary differences to determine the recoverability of deferred tax assets.

Estimates of future taxable income are considered to be significant assumptions used in estimating the recoverability of deferred tax assets. The future business plan used in estimating taxable income is based on an operating income margin that takes into account historical results and estimates of future sales that take into account sales strategies.

If such estimates need to be reviewed due to changes in uncertain economic conditions in the future, the amount of deferred tax assets and Income taxes - deferred to be recognized in the consolidated financial statements for the following fiscal year and thereafter may be affected.

(Valuation of inventories)

(1) Amounts recorded in the consolidated financial statements for the previous fiscal year: 15,851,080 thousand yen

(2) Information on significant accounting estimates for identified items

The values of the Group's inventories are calculated by writing down the book value of assets that decreased in profitability. To reflect the fact that profitability has declined, the Group values inventories with acquisition cost or net selling value at the end of the consolidated fiscal year, whichever is lower. Inventories that have fallen out of the normal operating cycle process, with those that have passed a certain period or exceeded a certain turnover period as of the end of the fiscal year defined as slow-moving inventory, are valued by regularly writing down their book value, except for those determined to have the potential for sale after individually examining future sales forecasts based on past years' results and other factors. If the market environment in which the Group operates deteriorates more than expected and factors such as demand forecasts that affect the valuation of inventories fluctuate, additional inventory write-downs may be required, and this could have a significant impact on consolidated financial statements after the following consolidated fiscal year.

Current fiscal year ended March 31, 2025

(Recoverability of deferred tax assets)

(1) Amount recorded in the consolidated financial statements for the current fiscal year: 517,376 thousand yen

(2) Information on significant accounting estimates for identified items

The Group reviews the recoverability of deferred tax assets every fiscal year. The recoverable amount of the Group's deferred tax assets is highly dependent on projections of future taxable income, which may vary depending on the future business environment, changes in the Group's business activities and other factors. In assessing the recoverability of deferred tax assets at the end of the current consolidated fiscal year, the Company comprehensively takes into account its business performance for the past and current consolidated fiscal year as well as the future business plans, and the Company and its consolidated subsidiaries are classified according to the requirements set forth in Accounting Standards Board of Japan Guidance No. 26, "Implementation Guidance on Recoverability of Deferred Tax Assets." Based on past results and future business plans, the Company estimates taxable income over a period of 5 years or less in the future and schedules the timing of the reversal of temporary differences to determine the recoverability of deferred tax assets.

Estimates of future taxable income are considered to be significant assumptions used in estimating the recoverability of deferred tax assets. The future business plan used in estimating taxable income is based on an operating income margin that takes into account historical results and estimates of future sales that take into account sales strategies.

If such estimates need to be reviewed due to changes in uncertain economic conditions in the future, the amount of deferred tax assets and Income taxes - deferred to be recognized in the consolidated financial statements for the following fiscal year and thereafter may be affected.

(Valuation of inventories)

(1) Amounts recorded in the consolidated financial statements for the current fiscal year: 15,847,502 thousand yen

(2) Information on significant accounting estimates for identified items

The values of the Group's inventories are calculated by writing down the book value of assets that decreased in profitability. To reflect the fact that profitability has declined, the Group values inventories with acquisition cost or net selling value at the end of the consolidated fiscal year, whichever is lower. Inventories that have fallen out of the normal operating cycle process, with those that have passed a certain period or exceeded a certain turnover period as of the end of the fiscal year defined as slow-moving inventory, are valued by regularly writing down their book value, except for those determined to have the potential for sale after individually examining future sales forecasts based on past years' results and other factors. If the market environment in which the Group operates deteriorates more than expected and factors such as demand forecasts that affect the valuation of inventories fluctuate, additional inventory write-downs may be required, and this could have a significant impact on consolidated financial statements after the following consolidated fiscal year.

(Unapplied accounting standards)

Accounting Standards for Leases (ASBJ Statement No. 34, September 13, 2024)

Implementation Guidance on Accounting Standards for Leases (ASBJ Guidance No. 33, September 13, 2024), etc.

(1) Overview

As part of efforts to make Japanese standards internationally consistent, the Accounting Standards Board of Japan (ASBJ) conducted a review based on international accounting standards with a view to developing lease accounting standards that require lessees to recognize assets and liabilities for all leases. The lease accounting standards announced by ASBJ are, as a basic policy, based on the single accounting treatment model of IFRS 16 and have adopted only main provisions, instead of adopting all of its provisions, aiming to be simple and convenient that do not require any major modifications when applied to individual financial statements.

As for the lessee’s accounting treatment, the method of allocating lease expenses is the same as in IFRS 16: a single accounting treatment model is applied to all leases. Lessees are required to recognize depreciation expense related to right-of-use assets and the amount equivalent to interest related to lease liabilities for all assets, regardless of finance leases or operating leases.

(2) Scheduled date of application

Scheduled to be applied from the beginning of the fiscal year ending March 31, 2028.

(3) Impact of applying the above accounting standards, etc.

The amount of impact on the consolidated financial statements of applying the “Accounting Standards for Leases” is currently being evaluated.

(Change in Presentation Method)

(Consolidated Statements of Income)

“Rental income from non-current assets” which was included in “Miscellaneous income” under Non-operating income in the previous consolidated fiscal year is separately presented for the current consolidated fiscal year because it exceeded 10% of the total Non-operating income. To reflect this change of the presentation method, Notes for the previous consolidated fiscal year have been reclassified.

Consequently, 228,066 thousand yen presented as “Miscellaneous income” under Non-operating income in the consolidated income statement of previous consolidated fiscal year have been reclassified as 57,982 thousand yen under “Rental income from non-current assets” and 170,083 thousand yen under “Miscellaneous income.”

(Additional information)
Restricted stock compensation
Following a resolution passed at the 44th Ordinary General Meeting of Shareholders held on June 29, 2022, the Company has adopted a restricted stock plan for its directors (excluding directors who are members of the Audit & Supervisory Committee and outside directors) to further promote value-sharing with shareholders.
The Company has also adopted a restricted stock plan for its executive officers.
Additionally, at a meeting held on July 25, 2024, the Board of Directors resolved to issue new shares to directors and executive officers at the Company as restricted stock compensation, and payment was completed on August 20, 2024.

Stock Benefit Trust Plan (J-ESOP) Plan
By resolution of the Board of Directors' meeting held on August 8, 2023, the Company has introduced the "Stock Benefit Trust Plan (J-ESOP)" (hereinafter, the "Plan"), an incentive plan in which shares of the Company are granted to employees, to further link the Company's stock price and business performance with the treatment of its employees, and to share the economic benefits with shareholders, thereby boosting employees' motivation and morale to improve the Company's stock price and business performance.

(1) Outline of transaction
This is a plan in which shares of the Company are granted to employees who meet certain requirements under the Stock Benefit Regulations established in advance.
The Company grants points to employees according to their grade, etc., and when they acquire the right to receive benefits under certain conditions, the Company will grant them shares of the Company equivalent to the points granted. The shares to be granted to employees, including those granted in the future, shall be acquired with money in a trust set up in advance, segregated, and managed as trust assets.
The accounting treatment for the Plan is in accordance with "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts" (PITF (Practical Issue Task Force) No. 30, March 26, 2015), and the gross price method is applied. In addition, to prepare for the provision of the Company's shares, etc. to employees of the Company in line with the Stock Benefit Regulations, the Company recorded the provision based on the estimated share benefit obligation as of the end of the current consolidated fiscal year.

(2) Treasury shares remaining in trust
The Company recorded its treasury shares remaining in trust as treasury shares in net assets, using the book value in trust (excluding the amount of incidental costs). The book value and the number of these treasury shares were 99,522 thousand yen and 92,700 shares at the end of the previous consolidated fiscal year and 97,461 thousand yen and 90,780 shares at the end of the current consolidated fiscal year.
(Notes)The company conducted a stock split into three shares for each ordinary share on October 1, 2024.
The number of shares mentioned above reflects stock split.

(Matters related to Consolidated Balance Sheets)

*1 The following assets are pledged as collateral for foreign direct investment cash assistance agreements by consolidated subsidiaries

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Other investments etc.	—	473,210
Total	—	473,210

There are no liabilities corresponding to the above pledged assets.

*2 The Company has entered into overdraft agreements and commitment line agreements with 6 banks with the aim of raising funds more efficiently and stabilizing. The balance of unexecuted borrowings based on these agreements at the end of the fiscal year is as follows.

	Thousands of Yen	
	As of March 31, 2024	As of March 31, 2025
Total of overdraft limit and commitment line contracts	18,500,000	18,500,000
Balance of borrowings	9,400,000	7,000,000
Net amount	9,100,000	11,500,000

(Matters related to Consolidated Income Statements)

*1 Inventory at the end of the period is the amount after write–down of book value due to a decline in profitability, and the following inventory valuation loss is included in cost of sales.

Thousands of yen	
Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
888,788	329,142

*****2 Major items and amounts of selling, general and administrative expenses are as follows.

	Thousands of Yen	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Provision for allowance for doubtful accounts	(506)	4,481
Salaries and allowances	2,354,462	2,667,735
Provision for bonuses	292,160	362,922
Provision for directors' bonuses	90,653	114,586
Retirement benefit expenses	88,580	63,162
Provision for share awards	14,235	14,426
Research and development expenses	764,496	1,154,838
Commission expenses	1,119,321	1,208,662

(Change in Presentation Method)
"Research and development expenses" are separately presented as a major item in the current consolidated fiscal year due to its increased importance.

*3 Total research and development expenses included in general and administrative expenses

Thousands of Yen	
Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
963,200	1,393,476

The above amount includes expenses for INNOMS Promotion Department.

*4 Details of Gain on sale of non–current assets are as follows:

	Thousands of yen	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Buildings and structures	30,808	-
Machinery, equipment and vehicles	4,308	6,493
Other property, plant and equipment	18	65
Total	35,135	6,559

*5 Details of Gain on receipt of donated non-current asset are as follows:

	Thousands of yen	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Buildings and structures	23,200	–
Total	23,200	–

*6 Details of Loss on sale of non–current assets are as follows:

	Thousands of yen	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Machinery, equipment and vehicles	–	2,730
Other property, plant and equipment	–	3
Total	–	2,734

*7 Details of Loss on retirement of non–current assets are as follows:

	Thousands of yen	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Buildings and structures	2,536	3,495
Machinery, equipment and vehicles	5,458	5,466
Other property, plant and equipment	1,318	5,180
Software	895	149
Total	10,209	14,292

(Matters related to Consolidated Statement of Comprehensive Income)

*1 Reclassification adjustments and tax effects related to other comprehensive income

	Thousands of yen	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Valuation difference on available–for–sale securities:		
Amount arising during the period	5,327,826	(3,252,637)
Reclassification adjustment	—	(1,299,465)
Before Income taxes and tax effect adjustment	5,327,826	(4,552,102)
Income taxes and tax effect adjustment	(1,627,118)	1,356,185
Valuation difference on available–for–sale securities	3,700,708	(3,195,917)
Foreign currency translation adjustment:		
Amount arising during the period	2,071,376	(925,199)
Reclassification adjustment	—	—
Foreign currency translation adjustment	2,071,376	(925,199)
Remeasurements of defined benefit plans:		
Amount arising during the period	180,089	(42,550)
Reclassification adjustment	(19,726)	(62,385)
Before Income tax and tax effect adjustment	160,362	(104,935)
Income tax and tax effect adjustment	(50,971)	29,525
Remeasurements of defined benefit plans	109,390	(75,410)
Total other comprehensive income	5,881,475	(4,196,527)

(Matters related to Consolidated Statement of Shareholders' Equity)
Previous fiscal year ended March 31, 2024
1. Type and total number of issued stocks and type and number of treasury stocks

(Share)

	Number of shares at the beginning of the consolidated fiscal year	Increase in number of shares during the consolidated fiscal year	Decrease in number of shares during the consolidated fiscal year	Number of shares at the end of the consolidated fiscal year
Issued stock				
Common stock (Notes) 1	25,033,238	10,650	–	25,043,888
Total	25,033,238	10,650	–	25,043,888
Treasury stock				
Common stock (Notes) 2 (Notes) 3	13,597	31,482	–	45,079
Total	13,597	31,482	–	45,079

(Notes) 1. The increase of 10,650 shares in the total number of common stock is attributable to the capital increase associated with the issuance of new shares as restricted stock compensation.

2. The number of shares of treasury stock (common stock) at the end of the current consolidated fiscal year includes 30,900 shares of the Company held by the Stock Benefit Trust Plan (J-ESOP).

3. The increase in the number of treasury stock (common stock) of 31,482 shares represents an increase of 30,900 shares due to the acquisition by the Stock Benefit Trust Plan (J-ESOP) and an increase of 582 shares due to the purchase of shares less than the unit.

2. Stock Acquisition Rights and Treasury Stock Acquisition Rights
There are no applicable matters.

3. Matters related to dividends
(1) Dividends paid

(Resolution)	Type of shares	Total amount of dividends	Per share Dividend amount	Record date	Effective date
		Thousands of yen	yen		
May 11, 2023 Board of directors	Common stock	1,000,785	40	March 31,2023	June 8,2023

(2) Dividends with record date within the current consolidated fiscal year, but with effective date in the following consolidated fiscal year

(Resolution)	Type of shares	Total amount of dividends	Dividends Source	Per share Dividend amount	Record date	Effective date
		Thousands of yen		yen		
May 10, 2024 Board of directors	Common stock	1,001,188	Retained earnings	40	March 31,2024	June 6,2024

(Notes)1. The total amount of dividends includes a dividend of 1,236 thousand yen to the shares of the Company held by the Stock Benefit Trust Plan (J-ESOP).

2. The company conducted a stock split into three shares for each ordinary share on October 1, 2024.
Per share Dividend amount above reflects before stock split.

Current consolidated fiscal year ended March 31, 2025

1. Type and total number of issued stocks and type and number of treasury stocks

(Share)

	Number of shares at the beginning of the consolidated fiscal year	Increase in number of shares during the consolidated fiscal year	Decrease in number of shares during the consolidated fiscal year	Number of shares at the end of the consolidated fiscal year
Issued stock				
Common stock (Notes) 1	25,043,888	50,096,668	–	75,140,556
Total	25,043,888	50,096,668	–	75,140,556
Treasury stock				
Common stock (Notes) 2 (Notes) 3(Notes) 4	45,079	90,896	1,920	134,055
Total	45,079	90,896	1,920	134,055

(Notes) 1. The increase of 50,096,668 shares in the total number of common stock is attributable to the increase of 50,087,776 shares due to the stock split into three shares and the increase of 8,892 shares due to the capital increase associated with the issuance of new shares as restricted stock compensation.

2. The number of shares of treasury stock (common stock) at the end of the current consolidated fiscal year includes 90,780 shares of the Company held by the Stock Benefit Trust Plan (J-ESOP).

3. The increase in the number of treasury stock (common stock) of 90,896 shares represents an increase of 90,158 shares due to the stock split into three shares and an increase of 738 shares due to the purchase of shares less than the unit.

4. The decrease in the number of treasury stock (common stock) of 1,920 shares represents a decrease of 1,920 shares due to the payment of J-ESOP.

5. The above figures presented the respective increases, assuming for convenience that the stock split was conducted at the beginning of the current consolidated fiscal year.

2. Stock Acquisition Rights and Treasury Stock Acquisition Rights

There are no applicable matters.

3. Matters related to dividends

(1) Dividends paid

(Resolution)	Type of shares	Total amount of dividends	Per share Dividend amount	Record date	Effective date
		Thousands of yen	yen		
May 10, 2024 Board of directors	Common stock	1,001,188	40	March 31,2024	June 6,2024

(Notes) 1. The total amount of dividends includes a dividend of 1,236 thousand yen to the shares of the Company held by the Stock Benefit Trust Plan (J-ESOP).

2. The company conducted a stock split into three shares for each ordinary share on October 1, 2024.
Per share Dividend amount above reflects before stock split.

(2) Dividends with record date within the current consolidated fiscal year, but with effective date in the following consolidated fiscal year

(Resolution)	Type of shares	Total amount of dividends	Dividends Source	Per share Dividend amount	Record date	Effective date
		Thousands of yen		yen		
May 9, 2025 Board of directors	Common stock	1,501,945	Retained earnings	20	March 31,2025	June 6,2025

(Note) The total amount of dividends includes a dividend of 1,815 thousand yen to the shares of the Company held by the Stock Benefit Trust Plan (J-ESOP).

(Matters related to consolidated cash flow statements)
*1 Relationship between cash and cash equivalents at the end of the period and the amounts recorded in the consolidated balance sheets

	Thousands of yen	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash and deposits	20,830,999	21,338,921
Time deposits with a term longer than 3 months	(313,727)	(948,535)
Cash and cash equivalents	20,517,272	20,390,386

(Matters related to Lease Transactions)
(Lessee)
1. Finance lease transactions
Finance leases that do not transfer ownership
(1) Details of leased assets
Mainly R & D equipment for the Group.

(2) Depreciation of leased assets
We adopt the accounting policy for this significant account as explained at " Significant Matters Constituting the Basis of Preparation of Consolidated Financial Statements Note-4. Accounting Policies (2) Depreciation method for significant depreciable assets".

(Impairment Loss)
There is no impairment loss allocated to leased assets.

2. Operating lease transactions
Remaining lease payments related to non–cancelable operating leases

	Thousands of Yen	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Within 1 year	190	873
More than 1 year	—	2,984
Total	190	3,857

(Note) Lease transactions to which IFRS 16 are applied, and which are recorded as assets and liabilities in the consolidated balance sheets, are not included.

(lessor)

1. Finance lease transactions
It has been omitted because it is not significant.

2. Operating lease transactions
Remaining lease payments related to non–cancelable operating leases

	Thousands of Yen	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Within 1 year	—	13,200
More than 1 year	—	25,300
Total	—	38,500

(Matters related to Financial Instruments)

1. Status of financial instruments

(1) Policy on financial instruments

The Group invests temporary surplus funds only in short–term deposits, etc. With respect to financing, the Company mainly procures necessary funds through bank loans in light of capital investment plans for the semiconductor manufacturing equipment business.

The Company has entered into overdraft agreements and commitment line agreements with 6 banks to improve the efficiency and stability of fund procurement.

(2) Details and risks of financial instruments

Trade receivables such as notes receivable, accounts receivable and electronically recorded monetary claims are exposed to customers' credit risks. Additionally, trade receivables denominated in foreign currencies arising from our global business operations are exposed to foreign exchange fluctuation risks.

Investment securities are mainly stocks related to business partners and are exposed to market price fluctuation risks.

Notes and accounts payable and electronically recorded obligations, which are trade payables, are mostly due within 4 months. Some items denominated in foreign currencies are exposed to foreign exchange fluctuation risks.

Borrowings are procured for capital investment and working capital, etc. Since they are mainly fixed–rate borrowings, the risk of interest rate fluctuations is minimal. There is also a risk that certain borrowings may be subject to requests for early repayment due to breaches of financial covenants.

(3) Risk management system for financial instruments

1) Management of credit risks (risks related to non–performance of contracts by business partners)

The Company conducts credit investigations at the beginning of transactions and periodically reviews credit limits for notes receivable, accounts receivable and electronically recorded monetary claims, which are trade receivables, in accordance with the Rules for Operating Activities. Consolidated subsidiaries are also managed in the same manner as the Company.

2) Management of market risks (risks of fluctuations in foreign exchange rates and interest rates)

The Company borrows at fixed interest rates in order to control the risk of fluctuations in interest rates on long–term borrowings. With regard to investment securities, the Company periodically monitors the market value and financial conditions of issuers (business partners) and reviews the status of holdings in consideration of market conditions and relationships with business partners.

Consolidated subsidiaries are also managed in the same manner as the Company.

3) Management of liquidity risk related to fund procurement (risk of not being able to make payments on the due date)

The Finance Department of the Company prepares and updates cash management plans in a timely manner based on reports from each department, and manages liquidity risks by maintaining liquidity on hand, etc. Consolidated subsidiaries are also managed in the same manner as the Company.

(4) Supplementary explanation regarding the fair value, etc. of financial instrument

As fluctuation factors are incorporated in the calculation of fair values of financial instruments, these values may fluctuate if different assumptions, etc. are adopted.

2. Fair value of financial instruments

The amount recorded on the consolidated balance sheet, fair value and the difference between them are as follows.

Previous fiscal year ended March 31, 2024

(Thousands of yen)

	Amount recorded in the consolidated balance sheet	Market Value	Difference
Investment securities	9,229,244	9,229,244	—
Total Assets	9,229,244	9,229,244	—
Long–term borrowings	4,050,000	4,025,600	(24,399)
Total Liabilities	4,050,000	4,025,600	(24,399)

(*1) Cash and deposits, notes receivable–trade, accounts receivable–trade, electronically recorded monetary claims, notes and accounts payable – trade, electronically recorded obligations, short–term borrowings, and income taxes payable are not stated because their fair values approximate their book values as they are settled in a short period of time.

(*2) The stocks without fair value are not included in "Investment securities". The amount of such financial instruments recorded in the consolidated balance sheets are as follows.

Category	Consolidated fiscal year ended March 31, 2024
	Thousands of yen
Unlisted stock	15,459

Current consolidated fiscal year ended March 31, 2025

(Thousands of yen)

	Amount recorded in the consolidated balance sheet	Market Value	Difference
Investment securities	4,442,978	4,442,978	—
Total Assets	4,442,978	4,442,978	—
Long–term borrowings	2,490,000	2,455,355	(34,644)
Total Liabilities	2,490,000	2,455,355	(34,644)

(*1) Cash and deposits, notes receivable–trade, accounts receivable–trade, electronically recorded monetary claims, notes and accounts payable – trade, electronically recorded obligations, short–term borrowings, and income taxes payable are not stated because their fair values approximate their book values as they are settled in a short period of time.

(*2) The stocks without fair value are not included in "Investment securities". The amount of such financial instruments recorded in the consolidated balance sheets are as follows.

Category	Consolidated fiscal year ended March 31, 2025
	Thousands of yen
Unlisted stock	3,402

(Notes)1. Scheduled redemption amount of monetary claims after the consolidated closing date

Previous consolidated fiscal year ended March 31, 2024

(Thousands of yen)

	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years
Cash and deposits	20,830,999	–	–	–
Notes receivable–trade	86,464	–	–	–
Accounts receivable–trade	15,049,199	–	–	–
Electronically recorded monetary claims	345,054	–	–	–
Total	36,311,718	–	–	–

Current consolidated fiscal year ended March 31, 2025

(Thousands of yen)

	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years
Cash and deposits	21,338,921	—	—	—
Notes receivable–trade	58,972	—	—	—
Accounts receivable–trade	11,332,248	—	—	—
Electronically recorded monetary claims	351,247	—	—	—
Total	33,081,390	—	—	—

2. Amount of Long–term borrowings to be repaid after the consolidated closing date

Previous consolidated fiscal year ended March 31, 2024

(Thousands of yen)

	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years
Long–term borrowings	1,560,000	2,490,000	—	—
Total	1,560,000	2,490,000	—	—

Current consolidated fiscal year ended March 31, 2025

(Thousands of yen)

	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years
Long–term borrowings	1,120,000	1,370,000	—	—
Total	1,120,000	1,370,000	—	—

3. Items related to the breakdown of the fair value of financial instruments by level

The fair value of financial instruments is classified into the following 3 levels according to the observability and importance of inputs to the calculation of fair value.

Level 1 fair value: Calculated based on the fair value of assets or liabilities subject to fair value calculation that are formed in active markets

Level 2 fair value: Calculated by using observable inputs other than Level 1 inputs

Level 3 fair value: Calculated using unobservable inputs

If multiple inputs that significantly affect the calculation of fair value are used, the fair value is classified at the lowest priority level in the calculation of fair value among the levels to which each of those inputs belongs.

(1) Financial instruments recorded on the consolidated balance sheets at fair value

Previous consolidated fiscal year ended March 31, 2024

(Thousands of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities Shares	9,229,244	—	—	9,229,244
Total assets	9,229,244	—	—	9,229,244

Current consolidated fiscal year ended March 31, 2025

(Thousands of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities Shares	4,442,978	—	—	4,442,978
Total assets	4,442,978	—	—	4,442,978

(2) Financial instruments other than those recorded on the consolidated balance sheets at fair value

Previous Consolidated Fiscal year ended March 31, 2024

(Thousands of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Long–term borrowings (including ones that are due within 1 year)	–	4,025,600	—	4,025,600
Total liabilities	–	4,025,600	—	4,025,600

Current Consolidated Fiscal year ended March 31, 2025

(Thousands of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Long–term borrowings (including ones that are due within 1 year)	–	2,455,355	—	2,455,355
Total liabilities	–	2,455,355	—	2,455,355

(Note) Explanation of valuation techniques used in the calculation of fair value and inputs related to the calculation of fair value

Investment securities

Listed shares are valued using quoted prices. Since listed shares are traded in active markets, their fair value is classified as Level 1.

Long–term borrowings (including ones that are due within 1 year)

The fair value of long–term borrowings is calculated by discounting the total amount of principal and interest at an interest rate that takes into account the remaining period of borrowings and credit risk. The fair value is classified as Level 2.

(Matters related to Securities)

1. Other securities

Previous Consolidated Fiscal year ended March 31, 2024

(Thousands of yen)

	Type	Amount recorded in the consolidated balance sheet	Acquisition cost	Difference
Securities whose carrying amount exceeds their acquisition cost	(1) Shares	9,229,244	658,126	8,571,117
	(2) Bonds			
	(i) Government bonds, municipal bonds, etc.	―	―	―
	(ii) Corporate bonds	―	―	―
	(iii) Others	―	―	―
	(3) Others	―	―	―
	Subtotal	9,229,244	658,126	8,571,117
Securities whose carrying amount does not exceed their acquisition cost	(1) Shares	–	–	–
	(2) Bonds			
	(i) Government bonds, municipal bonds, etc.	–	–	–
	(ii) Corporate bonds	–	–	–
	(iii) Others	–	–	–
	(3) Others	–	–	–
	Subtotal	–	–	–
Total		9,229,244	658,126	8,571,117

(Note) Unlisted shares without fair value (15,459 Thousand yen on consolidated balance sheet) are not included in the above table.

Current consolidated fiscal year ended March 31, 2025

(Thousands of yen)

	Type	Amount recorded in the consolidated balance sheet	Acquisition cost	Difference
Securities whose carrying amount exceeds their acquisition cost	(1) Shares	4,442,978	423,963	4,019,015
	(2) Bonds			
	(i) Government bonds, municipal bonds, etc.	―	―	―
	(ii) Corporate bonds	―	―	―
	(iii) Others	―	―	―
	(3) Others	―	―	―
	Subtotal	4,442,978	423,963	4,019,015
Securities whose carrying amount does not exceed their acquisition cost	(1) Shares	–	–	–
	(2) Bonds			
	(i) Government bonds, municipal bonds, etc.	–	–	–
	(ii) Corporate bonds	–	–	–
	(iii) Others	–	–	–
	(3) Others	–	–	–
	Subtotal	–	–	–
Total		4,442,978	423,963	4,019,015

(Note) Unlisted shares without fair value (3,402 thousand yen on consolidated balance sheet) are not included in the above table.

2. Other securities sold
Previous Consolidated Fiscal year ended March 31, 2024
There are no applicable matters.

Current consolidated fiscal year ended March 31, 2025

(Thousands of yen)

Type	Sold amount	Total amount of gain on sale	Total amount of loss on sale
Shares	1,540,447	1,306,284	—

3. An impairment loss on securities
Previous Consolidated Fiscal year ended March 31, 2024
An impairment loss of 12,786 thousand yen was recognized for unlisted stocks classified as other securities.

Current consolidated fiscal year ended March 31, 2025
An impairment loss of 12,056 thousand yen was recognized for unlisted stocks classified as other securities.

In addition, impairment losses on unlisted stocks that do not have a market price are, as a general rule, recognized when the fair value of any of such stocks falls by 50% or more compared to the acquisition cost.

(Matters related to Retirement Benefits)
1. Outline of the retirement benefit plan adopted
The Company and its consolidated subsidiaries have both funded and unfunded defined benefit plans and defined contribution plans to prepare for employee retirement benefits.
With defined benefit corporate pension plan (all of which are funded plans), a lump–sum payment or pension is paid based on the accumulated number of points granted according to the qualification and position of the employee.
With lump–sum retirement allowance plan (all are which are unfunded plans), employees are entitled to lump–sum retirement benefits based on their salary and length of service. For the lump–sum retirement benefit plans adopted by some consolidated subsidiaries, liabilities for retirement benefits and retirement benefit expenses are calculated using the simplified method.

2. Defined benefit plans
(1) Reconciliation between the beginning and ending balances of retirement benefit obligations

	Thousands of yen	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Retirement benefit obligations at beginning of year	2,680,577	2,853,302
Service cost	282,262	217,614
Interest expense	20,183	26,190
Actuarial gain or loss	20,048	(77,845)
Payment of retirement benefits	(169,392)	(164,468)
Other	19,624	20,568
Retirement benefit obligations at end of year	2,853,302	2,875,361

(Note) Includes plans to which the simplified method is applied.

(2) Reconciliation between the beginning and ending balances of pension plan assets

	Thousands of yen	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Pension plan assets at beginning of year	2,251,172	2,561,152
Expected return on pension plan assets	78,791	89,858
Actuarial gain or loss	203,276	(115,788)
Contributions from employer	130,803	(121,931)
Payment of retirement benefits	(103,221)	126,861
Other	330	(245)
Balance of pension plan assets at end of year	2,561,152	2,539,906

(3)Reconciliation of the ending balances of retirement benefit obligations and pension plan assets and the net retirement benefit liability and retirement benefit asset recorded in the consolidated balance sheet

	Thousands of yen	
	As of March 31, 2024	As of March 31, 2025
Retirement benefit obligations for funded plans	1,930,567	1,872,471
Pension Plan assets	(2,561,152)	(2,539,906)
	(630,585)	(667,434)
Retirement benefit obligations for unfunded plans	922,735	1,002,889
Net liabilities and assets recorded in the consolidated balance sheets	292,150	335,455
Retirement benefit liability	933,297	1,014,238
Retirement benefit asset	(641,147)	(678,782)
Net liabilities and assets recorded in the consolidated balance sheets	292,150	335,455

(Note) Includes plans to which the simplified method is applied.

(4)Retirement benefit expense and breakdown

	Thousands of yen	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Service cost	282,262	217,614
Interest expense	20,183	26,190
Expected return on pension plan assets	(78,791)	(89,858)
Actuarial differences expense	(2,727)	(45,385)
Past service cost expense	(16,999)	(16,999)
Retirement benefit expenses for defined benefit plans	203,928	91,560

(Note) Retirement benefit expenses of consolidated subsidiaries that adopted the simplified method are mainly recorded as service cost.

(5) Remeasurements of defined benefit plans

The breakdown of items recorded as remeasurements of defined benefit plans is follows (before Income taxes and tax effects).

	Thousands of yen	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Past service cost	16,999	16,999
Actuarial difference	(177,361)	87,936
Total	(160,362)	104,935

(6) Accumulated remeasurements of defined benefit plans

The breakdown of items recorded in accumulated remeasurements of defined benefit plans is as follows (before Income taxes and tax effects).

	Thousands of yen	
	As of March 31, 2024	As of March 31, 2025
Unrecognized past service cost	49,581	32,582
Unrecognized actuarial gain or loss	143,309	55,372
Total	192,890	87,954

(7) Matters concerning pension plan assets

(i) Major components of pension plan assets

The ratio of each major category to the total pension plan assets is as follows.

	As of March 31, 2024	As of March 31, 2025
Bond	36%	38%
Shares	35	33
Life insurance general account	16	16
Other	13	13
Total	100	100

(ii) Method of setting expected long–term rate of return

To determine the expected long–term rate of return on pension plan assets, the Company takes into account the current and expected allocation of pension plan assets and the current and expected long–term rate of return on the various assets that make up the pension plan assets.

(8) Actuarial calculation basis

Basis of major actuarial calculations

	As of March 31, 2024	As of March 31, 2025
Discount rate	Mainly 0.576%	Mainly 0.523%
Expected long–term rate of return	3.50%	3.50%
Expected rate of salary increase (Note)	Mainly 7.6%	Mainly 7.6%

(Note) The expected rate of salary increase is the rate of expected increase of points under the point system.

3. Defined contribution plan

The Group's required contributions to the defined contribution plan were 92,310 thousand yen for the previous consolidated fiscal year and 103,803 thousand yen for the current consolidated fiscal year.

(Matters related to tax effect accounting)

1. Breakdown of deferred tax assets and deferred tax liabilities by major causes

	Thousands of yen	
	As of March 31, 2024	As of March 31, 2025
Deferred tax assets		
Inventory valuation loss	520,255	472,988
Impairment loss	309,948	313,642
Provision for bonuses	240,405	278,719
Retirement benefit liability	188,562	242,258
Prototype	911,938	1,132,256
Tax loss carryforwards	38,093	23,311
Other	705,902	894,809
Subtotal deferred tax assets	2,915,106	3,357,986
Valuation allowance	(531,737)	(550,308)
Total deferred tax assets	2,383,369	2,807,678
Deferred tax liabilities		
Valuation difference on available–for–sale securities	(2,557,818)	(1,201,633)
Undistributed earnings of foreign subsidiaries	(1,463,954)	(1,764,195)
Other	(246,295)	(281,491)
Total deferred tax liabilities	(4,268,068)	(3,247,320)
Net deferred tax assets (liabilities)	(1,884,699)	(439,641)

2. Breakdown of major items that caused a significant difference between the statutory tax rate and effective tax rate after the application of tax effect accounting:

	Thousands of yen	
	As of March 31, 2024	As of March 31, 2025
Statutory effective tax rate	–%	30.5%
(Adjusted)		
Entertainment expenses and other items not permanently deductible	–	0.1
Difference in tax rate with overseas subsidiaries	–	(4.7)
Per capita inhabitant tax, etc.	–	0.1
Increase (Decrease) in valuation allowance	–	0.2
Increase in deferred tax liabilities related to undistributed earnings of overseas subsidiaries	–	2.7
Decrease (Increase) in loss carried forward	–	(0.1)
Others	–	(1.3)
Actual effective tax rate after the application of tax effect accounting	–	27.5

(Note) In the previous consolidated fiscal year, notes were omitted because the difference between statutory tax rate and effective tax rate was less than or equal to 5/100 of the statutory tax rate.

3. Revision of deferred tax assets and deferred tax liabilities due to changes in income tax rates

With the “Act for Partial Amendment of the Income Tax Act, etc.” (Act No. 13 of 2025) enacted by the Diet on March 31, 2025, the “Defense Special Corporate Tax” will be imposed starting from the consolidated fiscal year beginning on or after April 1, 2026.

In conjunction with this, deferred tax assets and deferred tax liabilities arising from temporary differences that are expected to reverse in consolidated fiscal years beginning on or after April 1, 2026 have been calculated with the statutory effective tax rate changed from 30.5% to 31.4%.

As a result of this change, the amount of deferred tax assets (after deducting deferred tax liabilities) has decreased by 14,282 thousand yen, the Income taxes - deferred have decreased by 19,744 thousand yen, and the Valuation difference on available–for–sale securities have decreased by 34,026 thousand yen for the current consolidated fiscal year.

(Matters related to Revenue Recognition)

1. Breakdown of revenue from contracts with customers

Previous consolidated fiscal year ended March 31, 2024

(Thousands of yen)

	Reportable segment			Total
	Semiconductor Manufacturing Equipment Business	Medical Device Business	Laser Processing Machine Business	
Japan	2,833,739	2,111,798	1,993,842	6,939,380
Taiwan	5,385,505	–	90,447	5,475,953
South Korea	7,975,484	–	1,456	7,976,940
China	16,814,900	39,068	285,420	17,139,389
Philippines	4,282,655	–	6,094	4,288,749
Other Asian countries	7,591,028	–	39,678	7,630,706
Americas	798,526	–	18	798,544
Other	222,004	–	130	222,135
Revenue from contracts with customers	45,903,845	2,150,867	2,417,087	50,471,799
Other income	–	–	–	–
Sales to external customers	45,903,845	2,150,867	2,417,087	50,471,799

Current consolidated fiscal year ended March 31, 2025

(Thousands of yen)

	Reportable segment			Total
	Semiconductor Manufacturing Equipment Business	Medical Device Business	Laser Processing Machine Business	
Japan	2,197,180	2,236,934	1,752,923	6,187,039
Taiwan	5,988,646	–	11,155	5,999,801
South Korea	5,894,507	–	83	5,894,591
China	18,736,742	26,980	443,494	19,207,216
Philippines	6,580,634	–	1,497	6,582,131
Other Asian countries	6,927,624	–	39,853	6,967,477
Americas	2,134,965	–	7,240	2,142,205
Other	498,743	–	–	498,743
Revenue from contracts with customers	48,959,043	2,263,915	2,256,247	53,479,205
Other income	–	–	–	–
Sales to external customers	48,959,043	2,263,915	2,256,247	53,479,205

(Note) Starting from the current consolidated fiscal year, the name of the reporting segment has been changed. The details are presented in the notes (segment information).

(Changes of the presentation method)
Revenue from contracts with customers in “Philippines,” which was included in “Other Asian countries” in the previous consolidated fiscal year, is separately presented for the current consolidated fiscal year due to its increased importance in terms of amount. To reflect this change of the presentation method, Notes for the previous consolidated fiscal year have been reclassified.

2. Information that serves as the basis for understanding revenue from customer contracts
Information that serves as the basis for understanding revenue is as presented in "Significant Matters Constituting the Basis of Preparation of Consolidated Financial Statements 4. Accounting Policies (5) Accounting standards for recording significant revenues and expenses."

3. Relationship between fulfillment of performance obligations based on contracts with customers and cash flows from such contracts, and information on the amount and timing of revenue expected to be recognized in and after the next consolidated fiscal year from contracts with customers existing at the end of the current consolidated fiscal year

(1) Balance of contract assets and contract liabilities

	Thousands of yen	
	As of March 31, 2024	As of March 31, 2025
Receivables from contracts with customers (beginning balance)	12,968,639	15,480,718
Receivables from contracts with customers (ending balance)	15,480,718	11,762,434
Contract liabilities (beginning balance)	1,882,461	2,598,098
Contract liabilities (ending balance)	2,598,098	1,819,014

Contract liabilities are mainly consideration received from customers before revenue recognition and are included in advances received under current liabilities in the consolidated balance sheets.

(2) Transaction price allocated to the remaining performance obligations
The Company and its consolidated subsidiaries apply a practical expedient and omit the transaction price allocated to the remaining performance obligations because there are no significant contracts whose contract term is expected to exceed 1 year initially. There are no significant amounts of consideration arising from contracts with customers that are not included in the transaction prices.

(Segment Information etc.)
(Segment Information)
1. Overview of Reportable Segments
The Group's reportable segments are constituent units of the Group for which separate financial information is available and which are subject to periodic review by the chief management decision–making body in order to determine the allocation of management resources and evaluate business performance.
The Group has a sales and production control base at the Head Office. The Head Office and subsidiaries work together to manufacture and sell mainly semiconductor manufacturing equipment, Medical Device and laser processing Machine, and to provide after–sales service for products. Accordingly, the Group consists of segments by product and service, and has 3 reportable segments: Semiconductor Manufacturing Equipment, Medical Device, and Laser Processing Machine.
The Semiconductor Manufacturing Equipment business manufactures and sells precision molds for semiconductor manufacturing, molding equipment, singulation equipment, etc., and provides after–sales service for products. The Medical Device business manufactures and sells medical devices and other products. The Laser Processing Machine business is engaged in the manufacture and sale of laser processing Machine and after–sales service.

(Matters related to changes in reporting segments)
(Changes of the name in reporting segments)
In order to express the business content more clearly, as the current consolidated fiscal year, we changed the name of the Fine Plastic Molded Products Business to Medical Device Business.
This change is a change to the segment name and does not have any impact on segment information. Segment information for the previous fiscal year is also presented using the new names.

2. Method of calculating sales, profit or loss, assets and other items by reportable segment
The accounting method for reported business segments is the same as that described in "(Significant Matters Constituting the Basis of Preparation of Consolidated Financial Statements)," and the total amount of segment income is consistent with operating income in the consolidated statement of income.

3. Information on net sales, profit or loss, assets and other items by reportable segment
Previous Consolidated Fiscal year ended March 31, 2024

(Thousands of yen)

	Semiconductor Manufacturing Equipment Business	Medical Device Business	Laser Processing Machine Business	Total
Sales				
(1) Sales to external customers	45,903,845	2,150,867	2,417,087	50,471,799
(2) Inter–segment sales or transfers	—	—	—	—
Total	45,903,845	2,150,867	2,417,087	50,471,799
Segment profit	8,097,933	458,335	105,560	8,661,829
Segment assets	83,366,305	2,709,307	1,786,220	87,861,833
Other Items				
Depreciation expense	2,347,829	111,341	50,061	2,509,233
Amortization of goodwill	146,567	—	—	146,567
Increase in property, plant and equipment and intangible assets	1,665,669	275,317	63,364	2,004,351

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

Current consolidated fiscal year ended March 31, 2025

(Thousands of yen)

	Semiconductor Manufacturing Equipment Business	Medical Device Business	Laser Processing Machine Business	Total
Sales				
(1) Sales to external customers	48,959,043	2,263,915	2,256,247	53,479,205
(2) Inter–segment sales or transfers	—	—	—	—
Total	48,959,043	2,263,915	2,256,247	53,479,205
Segment profit	8,353,235	453,393	73,775	8,880,404
Segment assets	78,311,797	3,140,441	1,776,248	83,228,486
Other Items				
Depreciation expense	2,442,337	133,848	62,882	2,639,068
Amortization of goodwill	149,445	—	—	149,445
Increase in property, plant and equipment and intangible assets	5,098,291	184,308	108,475	5,391,075

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

[Related Information]

Previous consolidated fiscal year ended March 31, 2024

1. Information by product and service

Sales by product and service are omitted because the reportable segment of the Company is the same as the classification by product and service.

2. Information by region

(1) Sales

(Thousands of yen)

Japan	Taiwan	South Korea	China	Philippines	Other Asian countries	Americas	Others	Total
6,939,380	5,475,953	7,976,940	17,139,389	4,288,749	7,630,706	798,544	222,135	50,471,799

(Note) The breakdown of areas in the below categories is as follows:

(1) Other Asian countries: Singapore, Thailand, Malaysia, Indonesia, Vietnam, India

(2) Americas: United States, Canada, Mexico, Costa Rica, Brazil

(3) Others: Germany, United Kingdom, Malta, Hungary, Italy, Austria, France, Netherlands, Denmark, Slovakia, Slovenia, Switzerland

(2) Property, plant and equipment

(Thousands of yen)

Japan	Malaysia	China	South Korea	Other Asian countries	Europe and Americas	Total
11,111,713	4,463,715	4,500,897	1,794,735	214,841	81,806	22,167,709

(Note) The breakdown of areas in the below categories is as follows:

(1) Other Asian countries: Singapore, Taiwan, Philippines, Thailand

(2) Europe and Americas: United States, Germany, Netherlands

Current consolidated fiscal year ended March 31, 2025

1. Information by product and service

Sales by product and service are omitted because the reportable segment of the Company is the same as the classification by product and service.

2. Information by region

(1) Sales

(Thousands of yen)

Japan	Taiwan	South Korea	China	Philippines	Other Asian countries	Americas	Others	Total
6,187,039	5,999,801	5,894,591	19,207,216	6,582,131	6,967,477	2,142,205	498,743	53,479,205

(Note) The breakdown of areas in the below categories is as follows:

(1) Other Asian countries: Singapore, Thailand, Malaysia, Indonesia, Vietnam, India

(2) Americas: United States, Canada, Mexico, Costa Rica, Brazil

(3) Others: Germany, Malta, Austria, France, Netherlands, Belgium, Czech Republic, Denmark, Slovenia, Switzerland

(Changes of the presentation method)

Sales in “Philippines,” which were included in “Other Asian countries” in the previous consolidated fiscal year, are separately presented for the current consolidated fiscal year due to its increased importance. To reflect this change of the presentation method, Notes for the previous consolidated fiscal year have been reclassified.

(2) Property, plant and equipment

(Thousands of yen)

Japan	Malaysia	China	South Korea	Other Asian countries	Europe and Americas	Total
11,700,131	4,514,915	4,327,503	3,670,150	161,483	126,701	24,500,885

(Note) The breakdown of areas in the below categories is as follows:

(1) Other Asian countries: Singapore, Taiwan, Philippines, Thailand

(2) Europe and Americas: United States, Germany, Netherlands

(Changes of the presentation method)

Property, plant and equipment in “South Korea,” which were included in “Other Asian countries” in the previous consolidated fiscal year, are separately presented for the current consolidated fiscal year due to its increased importance. To reflect this change of the presentation method, Notes for the previous consolidated fiscal year have been reclassified.

[Information on impairment loss of fixed assets by reportable segment]

There are no applicable matters.

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

Previous consolidated fiscal year ended March 31, 2024

(Thousands of yen)

	Semiconductor Manufacturing Equipment Business	Medical Device Business	Laser Processing Machine Business	Total
Current period amortization	146,567	—	—	146,567
Balance at end of period	542,647	—	—	542,647

Current consolidated fiscal year ended March 31, 2025

(Thousands of yen)

	Semiconductor Manufacturing Equipment Business	Medical Device Business	Laser Processing Machine Business	Total
Current period amortization	149,445	—	—	149,445
Balance at end of period	378,517	—	—	378,517

[Information on gain on negative goodwill by reportable segment]
There are no applicable matters.

[Related Party Information]
There are no applicable matters.

(Per share information)

	yen	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net assets per share	779.18	818.41
Net income per share	85.90	108.28

(Notes) 1. The company conducted a stock split into three shares for each ordinary share on October 1, 2024.
Assuming the stock split was conducted at the beginning of the previous consolidated fiscal year, we have calculated the net assets per share and the net income per share.
2. Diluted net income per share is not stated because there are no dilutive shares.
3. The Company's shares remaining in the "Stock Benefit Trust Plan (J-ESOP)" recorded as treasury shares in shareholders' equity are included in treasury shares deducted from the total number of shares issued at the end of the fiscal year when calculating "net assets per share" (92,700 shares for the Previous consolidated fiscal year, 90,780 shares for the current consolidated fiscal year).
4. The basis for calculating net income per share is as follows:

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
	Thousands of yen	
Net income attributable to owners of parent	6,444,193	8,121,050
Amount not attributable to common shareholders	—	—
Net income attributable to owners of parent related to common shares	6,444,193	8,121,050
	Share	
Average number of shares of common stock during the period	75,021,082	75,002,944

5. The Company's shares remaining in the "Stock Benefit Trust Plan (J-ESOP)" recorded as treasury shares in shareholders' equity are included in treasury shares deducted in the calculation of the average number of shares during the period when calculating "net income per share" (56,227 shares for the Previous consolidated fiscal year, 91,148 shares for the current consolidated fiscal year).

(Consolidated Supplementary Schedules)
(Schedule of Corporate bonds)
There are no applicable matters.

(Schedule of borrowings, etc.)

(Thousands of yen)

Category	Beginning balance	Ending balance	Average interest rate (%)	Due date
Short–term borrowings	9,400,000	7,000,000	0.6	–
Current portion of long–term borrowings due within 1 year	1,560,000	1,120,000	0.4	–
Current portion of Lease liabilities due within 1 year	149,506	166,833	–	–
Long–term borrowings (excluding the current portion)	2,490,000	1,370,000	0.4	2026 to 2029
Lease liabilities (excluding the current portion)	419,819	407,950	–	2026 to 2030
Total	14,019,326	10,064,784	–	–

(Notes)1. The average interest rate of borrowings is calculated using the weighted average interest rate based on the average balance during the period.
2. Average interest rates on lease obligations are not stated because some lease obligations are recorded in the consolidated balance sheet at the amount before deducting the amount equivalent to interest included in the total lease payments.
3. For long–term borrowings and lease obligations (excluding the current portion), the repayment schedule for the next 5 years after the consolidated closing date is as follows.

(Thousands of yen)

	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years
Long–term borrowings	1,120 ,000	230,000	20,000	–
Lease liabilities	146,772	101,639	48,518	57,887

4. The Company has entered into overdraft agreements and commitment line agreements with 6 banks with the aim of raising funds more efficiently and stabilizing.

(Thousands of yen)

Total amount of overdrafts and commitment line contracts	Outstanding borrowings	Net amount
18,500,000	7,000,000	11,500,000

5. Financial covenants
Certain borrowings of the Company and commitment line agreements concluded with 5 banks (maximum amount of 2,500 million yen are subject to financial covenants. If any of the following covenants is violated, all obligations under the agreements will lose the benefit of time and the principal and interest on the borrowings will have to be paid.

1) Financial covenants attached to commitment line agreements
(i) The amount of net assets in the consolidated balance sheet as of the end of each fiscal year and the last day of the second quarter shall be maintained at 40,910 million yen or more.
(ii) The ordinary profit or loss shown in the consolidated statement of income for each fiscal year shall not be a loss for 2 consecutive fiscal years from the fiscal year ending March 2025.
2) Financial covenants attached to the Term Loan in the form of a split execution contract (outstanding balance of 3,000,000 thousand yen.
(i) The amount of net assets in the consolidated balance sheet as of the end of each fiscal year and the last day of the second quarter shall be maintained at 19,410 million yen or more.
(ii) The ordinary profit or loss shown in the consolidated statement of income for each fiscal year shall not be a loss for 2 consecutive fiscal years from the fiscal year ending March 2020.

(Schedule of asset retirement obligations)
There are no applicable matters.

(2) (OTHERS)

Interim information for the current consolidated fiscal year

	Interim consolidated accounting period	Current consolidated fiscal year
Sales (Thousands of yen)	27,398,749	53,479,205
Interim (Current year) net income before income taxes and others (Thousands of yen)	5,209,549	11,208,320
Interim (Current year) profit attributable to owners of parent (Thousands of yen)	3,826,316	8,121,050
Interim (Current year) Net income per share (Yen)	51.02	108.28

(Note) The company conducted a stock split into three shares for each ordinary share on October 1, 2024.
Assuming the stock split was conducted at the beginning of the current consolidated fiscal year, we have calculated the interim (current year) net income per share.

2. Non-Consolidated Financial Statements, etc.

(1) Non-Consolidated Financial Statements

[1] Balance Sheet

Thousands of yen

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	6,047,294	6,045,101
Notes receivable – trade	209	1,243
Electronically recorded monetary claims–operating	249,888	138,809
Accounts receivable - trade	*1 13,585,983	*1 8,984,348
Merchandise and finished goods	3,203,608	2,956,604
Work in process	3,253,381	3,603,884
Raw materials and supplies	549,056	919,655
Prepaid expenses	43,033	55,816
Accounts receivable - other	*1 1,158,226	*1 1,283,137
Short-term loans receivable from subsidiaries and associates	*1 950,000	*1 830,000
Current portion of long-term loans receivable from subsidiaries and associates	*1 226,000	*1 236,000
Other	*1 685,613	*1 391,997
Allowance for doubtful accounts	(1,184)	(5,313)
Total Current assets	29,951,111	25,441,283
Non–current assets		
Property, plant and equipment		
Buildings	2,800,254	2,787,275
Structures	155,754	145,432
Machinery and equipment	2,295,231	2,443,953
Vehicles	4,668	22,617
Tools, furniture and fixtures	412,699	530,483
Land	4,028,194	4,028,194
Construction in progress	27,122	229,147
Total property, plant and equipment	9,723,925	10,187,104
Intangible assets		
Software	218,928	506,726
Other	10,765	8,265
Total intangible assets	229,694	514,992
Investments and other assets		
Investment securities	9,244,703	4,446,381
Shares of subsidiaries and associates	4,536,195	4,536,195
Investments in capital	64,843	217,672
Investments in capital of subsidiaries and associates	4,933,061	4,933,061
Long-term loans receivable from subsidiaries and associates	*1 910,000	*1 814,000
Prepaid pension costs	365,808	483,944
Deferred tax assets	-	908,591
Other	84,715	112,214
Total Investments and other assets	20,139,328	16,452,061
Total Non–current assets	30,092,948	27,154,158
Total Assets	60,044,060	52,595,442

	Thousands of yen	
	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable–trade	*1 3,837,301	*1 2,582,619
Short–term borrowings	*2 9,400,000	*2 7,000,000
Current portion of long–term borrowings	1,560,000	1,120,000
Accounts payable - other	*1 2,292,381	*1 2,039,628
Accrued expenses	187,220	224,862
Income taxes payable	1,299,280	671,032
Advances received	1,829,794	1,507,567
Deposits received	30,382	30,853
Provision for bonuses	540,129	644,638
Provision for bonuses for directors (and other officers)	59,100	64,800
Provision for product warranties	264,159	259,305
Other	25,916	30
Total current liabilities	21,325,666	16,145,337
Non-current liabilities		
Long-term borrowings	2,490,000	1,370,000
Deferred tax liabilities	674,671	-
Provision for share awards	39,338	80,820
Total non-current liabilities	3,204,009	1,450,820
Total liabilities	24,529,675	17,596,158
Net assets		
Shareholders' equity		
Share capital	8,955,671	8,969,261
Capital surplus		
Legal capital surplus	485,279	498,869
Total capital surplus	485,279	498,869
Retained earnings		
Legal retained earnings	562,760	662,879
Other retained earnings		
Retained earnings brought forward	19,612,565	22,166,132
Total retained earnings	20,175,325	22,829,011
Treasury shares	(115,191)	(115,241)
Total shareholders' equity	29,501,085	32,181,902
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	6,013,298	2,817,381
Total valuation and translation adjustments	6,013,298	2,817,381
Total net assets	35,514,384	34,999,284
Total liabilities and net assets	60,044,060	52,595,442

[2] Income Statements

	Thousands of yen	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	*2 41,715,354	*2 41,938,812
Cost of sales	*2 29,613,164	*2 30,368,494
Gross profit	12,102,189	11,570,318
Selling, general and administrative expenses	*1, *2 7,781,296	*1, *2 8,665,203
Operating profit	4,320,892	2,905,114
Non–operating income		
Interest and dividend income	*2 722,911	*2 408,935
Usage fee of information system	*2 34,368	*2 39,124
Receipt cancellation fee	-	34,200
Miscellaneous income	*2 112,530	*2 87,444
Total Non–operating income	869,809	569,704
Non–operating expenses		
Interest expenses	47,694	68,051
Foreign exchange losses	125,523	257,062
Miscellaneous losses	7,133	19,396
Total Non–operating expenses	180,351	344,510
Ordinary profit	5,010,350	3,130,308
Extraordinary income		
Gain on sale of non–current assets	*2 2,797	*2 3,329
Gain on sale of investment securities	-	1,306,284
Compensation for damage income	-	524,175
Gain on receipt of donated non-current assets	23,200	-
Total Extraordinary income	25,997	1,833,789
Extraordinary losses		
Loss on retirement of non–current assets	9,110	8,175
Loss on valuation of investment securities	12,786	12,056
Total Extraordinary losses	21,896	20,232
Profit before income taxes	5,014,451	4,943,865
Income taxes - current	1,765,107	1,516,068
Income taxes - deferred	(440,264)	(227,077)
Total income taxes	1,324,842	1,288,990
Profit	3,689,608	3,654,874

[3] Statement of Shareholders' Equity
Previous Consolidated Fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity							
	Share capital	Capital surplus		Retained earnings			Treasury shares	Total Shareholders' equity
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings: Retained earnings brought forward	Total retained earnings		
Balance at beginning of the period	8,942,950	472,558	472,558	462,682	17,023,820	17,486,502	(13,436)	26,888,574
Changes during period								
Issuance of new shares	12,721	12,721	12,721					25,442
Reserve for legal retained earnings				100,078	(100,078)	-		-
Dividends of surplus					(1,000,785)	(1,000,785)		(1,000,785)
Profit					3,689,608	3,689,608		3,689,608
Purchase of treasury shares							(101,754)	(101,754)
Net changes in items other than shareholders' equity								
Total changes during period	12,721	12,721	12,721	100,078	2,588,744	2,688,823	(101,754)	2,612,511
Balance at end of the period	8,955,671	485,279	485,279	562,760	19,612,565	20,175,325	(115,191)	29,501,085

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of the period	2,312,590	2,312,590	29,201,165
Changes during period			
Issuance of new shares			25,442
Reserve for legal retained earnings			-
Dividends of surplus			(1,000,785)
Profit			3,689,608
Purchase of treasury shares			(101,754)
Net changes in items other than shareholders' equity	3,700,708	3,700,708	3,700,708
Total changes during period	3,700,708	3,700,708	6,313,219
Balance at end of the period	6,013,298	6,013,298	35,514,384

Current Consolidated Fiscal year ended March 31, 2025

(Thousands of yen)

	Shareholders' equity							
	Share capital	Capital surplus		Retained earnings			Treasury shares	Total Shareholders' equity
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at beginning of the period	8,955,671	485,279	485,279	562,760	19,612,565	20,175,325	(115,191)	29,501,085
Changes during period								
Issuance of new shares	13,589	13,589	13,589					27,179
Reserve for legal retained earnings				100,118	(100,118)	-		-
Dividends of surplus					(1,001,188)	(1,001,188)		(1,001,188)
Profit					3,654,874	3,654,874		3,654,874
Purchase of treasury shares							(2,111)	(2,111)
Disposal of treasury shares							2,061	2,061
Net changes in items other than shareholders' equity								
Total changes during period	13,589	13,589	13,589	100,118	2,553,567	2,653,686	(49)	2,680,816
Balance at end of the period	8,969,261	498,869	498,869	662,879	22,166,132	22,829,011	(115,241)	32,181,902

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of the period	6,013,298	6,013,298	35,514,384
Changes during period			
Issuance of new shares			27,179
Reserve for legal retained earnings			-
Dividends of surplus			(1,001,188)
Profit			3,654,874
Purchase of treasury shares			(2,111)
Disposal of treasury shares			2,061
Net changes in items other than shareholders' equity	(3,195,917)	(3,195,917)	(3,195,917)
Total changes during period	(3,195,917)	(3,195,917)	(515,100)
Balance at end of the period	2,817,381	2,817,381	34,999,284

[Notes]

(Significant Accounting Policies)

1. Valuation standards and methods for assets

(1) Valuation standards and methods for securities

Stocks of subsidiaries and affiliates … Cost method based on the moving–average method

Other securities

Securities excluding stocks without market price …Market value method (valuation differences are recorded as a component of shareholders' equity. Cost of securities sold is determined by the moving–average method.)

Stocks without market price…………………………………Cost method based on the moving–average method

(2) Valuation standards and methods for inventory

Finished Goods……Stated at cost determined by the specific identification method (Balance sheet value is calculated by writing down the book value of assets based on decreased profitability.)

Work in process… Stated at cost determined by the specific identification method (Balance sheet value is calculated by writing down the book value of assets based on decreased profitability.)

Raw materials…… Stated at cost determined by the moving–average method (Balance sheet value is calculated by writing down the book value of assets based on decreased profitability.)

Supplies …………… Stated at last purchase cost (Balance sheet value is calculated by writing down the book value of assets based on decreased profitability.)

2. Depreciation method for Non–current assets

1) Property, plant and equipment

The Company use the declining–balance method. However, buildings (excluding building fixtures) acquired on or after April 1, 1998 and building fixtures and structures acquired on or after April 1, 2016 are depreciated using the straight–line method.

The estimated useful lives are as follows.

Buildings	3–50 years
Machinery, equipment	2–10 years

2) Intangible fixed assets

The Company adopt the straight–line method.

Software for internal use is based on the period during which it can be used internally (5 years).

3. Accounting standards for allowances

(1) Allowance for doubtful accounts

To prepare for losses due to bad debt, the allowance for doubtful accounts is provided at an estimated uncollectible amount based on the past credit loss ratio and other relevant indicators for general receivables and considering the collectability of specific receivables.

(2) Provision for bonuses

The Company provide for the payment of bonuses to employees based on the estimated amount to be paid.

(3) Provision for bonuses for directors(and other officers)

The Company provide for directors' bonuses based on the estimated amount to be paid.

(4) Provision for product warranties

The Company provide for repair costs related to products during the warranty period based on estimated repair costs corresponding to sales based on past performance. In addition, the estimated expense is recorded for specific cases that can be estimated individually.

(5) Provision for retirement benefits

The Company provides for the payment of retirement benefits to employees based on projected benefit obligations and pension assets at the end of the current fiscal year. However, as of the end of the current fiscal year, the projected amount of pension assets exceeded the amount of retirement benefit obligations after deducting unrecognized actuarial gains and losses, etc., and is therefore recorded as prepaid pension cost under investments and other assets on the balance sheet.

1) Period attribution of projected retirement benefits

In calculating retirement benefit obligations, the projected retirement benefits are attributed to the period up to the end of the current consolidated fiscal year based on the benefit formula basis.

2) Accounting method for actuarial gains and losses and past service costs
Past service cost is amortized by the straight–line method over a fixed period (mainly 10 years) within the average remaining service period of employees at the time of occurrence.
Actuarial gains and losses are amortized in the year following the year in which they arise using the declining–balance method over a fixed period (mainly 10 years) within the average remaining service period of employees at the time of occurrence.

(6) Provision for share awards
To prepare for the provision of the Company's shares, etc. to employees of the Company in line with the Stock Benefit Regulations, the Company recorded the provision based on the estimated share benefit obligation as of the end of the current consolidated fiscal year.

4. Accounting standards for recording revenues and expenses
The details of major performance obligations in major businesses related to revenue from contracts with customers of the Company and the normal point in time when such performance obligations are satisfied (normal point in time when revenue is recognized) are as follows.

1) Semiconductor Manufacturing Equipment Business
For sale revenue of products that require installation at the time of delivery to the customer, revenue is recognized mainly at the time of completion of installation for products, and for products that do not require installation, revenue is recognized at the time of delivery or acceptance because it is determined that the customer will gain control over the products and the performance obligations are deemed to be fulfilled.

Revenue from services such as warranty, repair, maintenance and relocation related to products is recognized when the performance obligations are deemed to be satisfied at the completion of the services.

Revenue is recognized at the time of shipment if it meets the requirements of Paragraph 98 of the "Guidance on Accounting Standards for Revenue Recognition."

2) Medical Device Business
With respect to sales of products, since the period from the time of shipment to the time when control of the product is transferred to the customer is reasonably short, revenue is recognized at the time of shipment by applying the alternative treatment prescribed in Paragraph 98 of the "Guidance on Accounting Standard for Revenue Recognition. In order to express the business content more clearly, we changed the name of the Fine Plastic Molded Products Business to Medical Device Business.

3) Laser Processing Machine Business
Revenue from the sale of products is recognized at the time of delivery or acceptance because it is determined that the customer has gained control over the products and the performance obligations are satisfied.

Revenue from services such as warranty, repair, maintenance and relocation related to products is recognized at the completion of the services when the performance obligations are deemed to be satisfied.

Revenue is recognized at the time of shipment if it meets the requirements of Paragraph 98 of the "Guidance on Accounting Standards for Revenue Recognition."

5. Other significant matters serving as basis for preparing financial statements
(1) Accounting treatment for retirement benefits
The method of accounting for unrecognized actuarial gains and losses and unrecognized past service costs related to retirement benefits differs from that adopted to these items in the consolidated financial statements.
(2)Accounting treatment of consumption tax, etc.
Accounting for consumption taxes and local consumption taxes is based on the tax exclusion method. Non–deductible consumption taxes and local consumption taxes are charged to income for the current consolidated fiscal year.

(Significant Accounting Estimates)
Previous fiscal year ended March 31, 2024
(Recoverability of deferred tax assets)
(1) Amount recorded in the financial statements for the previous fiscal year
Deferred tax liabilities: 674,671 thousand yen
(Deferred tax assets of 1,994,865 thousand yen and deferred tax liabilities of 2,669,536 thousand yen are offset.)

(2) Information on significant accounting estimates for identified items
The Company reviews the recoverability of deferred tax assets every fiscal year. The recoverable amount of the Company's deferred tax assets is highly dependent on projections of future taxable income, which may vary depending on the future business environment, changes in the business activities and other factors. In assessing the recoverability of deferred tax assets at the end of the previous fiscal year, the Company comprehensively takes into account its business performance for the past and the fiscal year ended March 31, 2024 as well as the future business plans, and the Company is classified according to the requirements set forth in Accounting Standards Board of Japan Guidance No. 26, "Implementation Guidance on Recoverability of Deferred Tax Assets." Based on past results and future business plans, the Company estimates taxable income over a period of 5 years or less in the future to determine the recoverability of deferred tax assets.
Estimates of future taxable income are considered to be significant assumptions used in estimating the recoverability of deferred tax assets. The future business plan used in estimating taxable income is based on an operating income margin that takes into account historical results and estimates of future sales that take into account sales strategies.
If such estimates need to be reviewed due to changes in uncertain economic conditions in the future, the amount of deferred tax assets and Income taxes - deferred to be recognized in the financial statements for the following fiscal year and thereafter may be affected.

(Valuation of inventories)
(1) Amounts recorded in the financial statements for the previous fiscal year: 7,006,045 thousand yen

(2) Information on significant accounting estimates for identified items
The values of the Company's inventories are calculated by writing down the book value of assets that decreased in profitability. To reflect the fact that profitability has declined, the Company values inventories with acquisition cost or net selling value at the end of the fiscal year, whichever is lower. Inventories that have fallen out of the normal operating cycle process, with those that have passed a certain period or exceeded a certain turnover period as of the end of the fiscal year defined as slow-moving inventory, are valued by regularly writing down their book value, except for those determined to have the potential for sale after individually examining future sales forecasts based on past years' results and other factors. If the market environment in which the Company operates deteriorates more than expected and factors such as demand forecasts that affect the valuation of inventories fluctuate, additional inventory write-downs may be required, and this could have a significant impact on financial statements after the following fiscal year.

Current fiscal year ended March 31, 2025
(Recoverability of deferred tax assets)
(1)Amount recorded in the financial statements for the current fiscal year
Deferred tax assets: 908,591 thousand yen
(Deferred tax assets of 2,262,328 thousand yen and deferred tax liabilities of 1,353,737 thousand yen are offset.)

(2) Information on significant accounting estimates for identified items
The Company reviews the recoverability of deferred tax assets every fiscal year. The recoverable amount of the Company's deferred tax assets is highly dependent on projections of future taxable income, which may vary depending on the future business environment, changes in the business activities and other factors. In assessing the recoverability of deferred tax assets at the end of the current fiscal year, the Company comprehensively takes into account its business performance for the past and current fiscal year as well as the future business plans, and the Company is classified according to the requirements set forth in Accounting Standards Board of Japan Guidance No. 26, "Implementation Guidance on Recoverability of Deferred Tax Assets." Based on past results and future business plans, the Company estimates taxable income over a period of 5 years or less in the future to determine the recoverability of deferred tax assets.
Estimates of future taxable income are considered to be significant assumptions used in estimating the recoverability of deferred tax assets. The future business plan used in estimating taxable income is based on an operating income margin that takes into account historical results and estimates of future sales that take into account sales strategies.
If such estimates need to be reviewed due to changes in uncertain economic conditions in the future, the amount of deferred tax assets and Income taxes - deferred to be recognized in the financial statements for the following fiscal year and thereafter may be affected.

(Valuation of inventories)

(1) Amounts recorded in the financial statements for the current fiscal year: 7,480,143 thousand yen

(2) Information on significant accounting estimates for identified items

The values of the Company's inventories are calculated by writing down the book value of assets that decreased in profitability. To reflect the fact that profitability has declined, the Company values inventories with acquisition cost or net selling value at the end of the fiscal year, whichever is lower. Inventories that have fallen out of the normal operating cycle process, with those that have passed a certain period or exceeded a certain turnover period as of the end of the fiscal year defined as slow-moving inventory, are valued by regularly writing down their book value, except for those determined to have the potential for sale after individually examining future sales forecasts based on past years' results and other factors. If the market environment in which the Company operates deteriorates more than expected and factors such as demand forecasts that affect the valuation of inventories fluctuate, additional inventory write-downs may be required, and this could have a significant impact on financial statements after the following fiscal year.

(Additional information)

(Restricted stock compensation)

Notes regarding transactions in which the Company’s shares are granted to directors, etc. are omitted because the same information is presented as the “Notes (Additional information)” in the consolidated financial statements.

(Stock Benefit Trust Plan (J-ESOP) Plan)

Notes regarding transactions in which the Company’s shares are granted to employees, etc. through trust are omitted because the same information is presented as the “Notes (Additional information)” in the consolidated financial statements.

(Matters related to Balance Sheets)

*1 Items related to subsidiaries and affiliates

Assets and liabilities to affiliated companies include the followings.

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Short-term monetary claims	2,968,224	2,261,963
Long-term monetary claims	910,000	814,000
Short-term monetary liabilities	4,652,832	3,042,215

*2 The Company has entered into overdraft agreements and commitment line agreements with 6 banks with the aim of raising funds more efficiently and stabilizing. The balance of unexecuted borrowings based on these agreements at the end of the fiscal year is as follows.

	Thousands of Yen	
	As of March 31, 2024	As of March 31, 2025
Total of overdraft limit and commitment line contracts	18,500,000	18,500,000
Balance of borrowings	9,400,000	7,000,000
Net amount	9,100,000	11,500,000

(Matters related to Income Statements)

*1 Selling expenses roughly accounted for 56% and 55% of total expenses in the previous and current fiscal years, respectively, and general and administrative expenses roughly accounted for 44% and 45% of total expenses in the previous and current fiscal years, respectively.

Major items and amounts of selling, general and administrative expenses are as follows.

	Thousands of Yen	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Sales commission	2,026,720	2,113,791
Provision for allowance for doubtful accounts	(576)	4,129
Salaries and allowances	817,924	988,133
Provision for bonuses	162,585	205,098
Provision for directors' bonuses	59,100	64,800
Retirement benefit expenses	16,225	1,819
Provision for share awards	13,439	13,880
Research and development expenses	781,005	1,035,367
Depreciation expense	169,035	182,040
Amortization of software	5,609	13,150
Commission expenses	1,656,487	1,795,430

*2 Transactions with affiliates

(Thousands of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Operating transactions		
Net sales	2,060,047	1,165,893
Purchases	21,629,906	23,300,132
Other	3,226,741	3,101,118
Non-operating transactions	588,158	380,482

(Matters related to Securities)

Stocks of subsidiaries and affiliates

Previous Fiscal year ended March 31, 2024

Carrying amount of stocks without market price on the balance sheet

(Thousands of yen)

Category	As of March 31, 2024
Stocks of subsidiaries	4,536,195
Investments in capital of subsidiaries and associates	4,933,061

Current fiscal year ended March 31, 2025

Carrying amount of stocks without market price on the balance sheet

(Thousands of yen)

Category	As of March 31, 2025
Stocks of subsidiaries	4,536,195
Investments in capital of subsidiaries and associates	4,933,061

(Matters related to Tax effect accounting)

1. Breakdown of deferred tax assets and deferred tax liabilities by major causes

	Thousands of yen	
	As of March 31, 2024	As of March 31, 2025
Deferred tax assets		
Prototype	911,938	1,132,256
Loss on valuation of Work in process	279,474	222,906
Provision for bonuses	164,955	196,872
Excess depreciation	140,801	152,421
Impairment loss	309,948	313,642
Loss on valuation of stocks of subsidiaries and affiliates	167,778	172,668
Adjustment of book value of subsidiaries’ stocks	544,874	560,753
Other	525,623	587,934
Subtotal deferred tax assets	3,045,396	3,339,455
Valuation allowance	(1,050,531)	(1,077,127)
Total deferred tax assets	1,994,865	2,262,328
Deferred tax liabilities		
Valuation difference on available–for–sale securities	(2,557,818)	(1,201,633)
Other	(111,717)	(152,103)
Total deferred tax liabilities	(2,669,536)	(1,353,737)
Net deferred tax assets (liabilities)	(674,671)	908,591

2. Breakdown of major items that caused a significant difference between the statutory tax rate and effective tax rate after the application of tax effect accounting:

	Thousands of yen	
	As of March 31, 2024	As of March 31, 2025
Statutory effective tax rate	30.54%	30.54%
(Adjusted)		
Entertainment expenses and other items not permanently deductible	0.17	0.14
Dividend income and other items permanently excluded from taxable income	(0.16)	(0.16)
Dividends from foreign subsidiaries excluded from taxable income	(2.27)	(1.31)
Exclusion of bonuses for officers from deductible expenses	0.37	0.37
Tax credit	(0.68)	(3.39)
Per capita inhabitant tax, etc.	0.26	0.29
Increase (Decrease) in valuation allowance	(1.72)	0.54
Impact of tax rate changes	-	(0.98)
Others	(0.09)	0.03
Actual effective tax rate after the application of tax effect accounting	26.42	26.07

3. Revision of deferred tax assets and deferred tax liabilities due to changes in income tax rates
With the “Act for Partial Amendment of the Income Tax Act, etc.” (Act No. 13 of 2025) enacted by the Diet on March 31, 2025, the “Defense Special Corporate Tax” will be imposed starting from the consolidated fiscal year beginning on or after April 1, 2026.
In conjunction with this, deferred tax assets and deferred tax liabilities arising from temporary differences that are expected to reverse in fiscal years beginning on or after April 1, 2026 have been calculated with the statutory effective tax rate changed from 30.5% to 31.4%.
As a result of this change, the amount of deferred tax assets (after deducting deferred tax liabilities) has decreased by 16,200 thousand yen, the Income taxes - deferred have decreased by 17,825 thousand yen, and the Valuation difference on available–for–sale securities have decreased by 34,026 thousand yen for the current fiscal year.

(Matters related to Revenue Recognition)
Notes have been omitted because the information that forms the basis for understanding revenue from contracts with customers is the same as the information presented in “Notes (Revenue recognition)” in the consolidated financial statements.

(Supplementary Schedules)

[Property, Plant and Equipment Schedule and Related Disclosures]

(Thousands of yen)

Category	Asset type	Balance at beginning of the period	Increase during the current fiscal year	Decrease during the current fiscal year	Current period amortization	Balance at end of the period	Accumulated depreciation
Property, plant and equipment	Buildings	11,169,221	186,214	25,367	198,087	11,330,068	8,542,792
	Structures	708,579	700	-	11,022	709,279	563,846
	Machinery and equipment	9,142,538	803,810	611,318	652,219	9,335,030	6,891,077
	Vehicles	23,681	26,292	9,911	7,007	40,063	17,445
	Tools, furniture and fixtures	3,107,272	360,540	111,859	240,665	3,355,953	2,825,469
	Land	4,028,194	-	-	-	4,028,194	-
	Construction in progress	27,122	227,869	25,844	-	229,147	-
	Total	28,206,610	1,605,427	784,300	1,109,003	29,027,737	18,840,633
Intangible assets	Software	3,247,075	368,073	36,485	77,225	3,578,662	3,071,935
	Other	25,765	-	-	2,500	25,765	17,500
	Total	3,272,840	368,073	36,485	79,725	3,604,428	3,089,435

(Notes) 1. Major items that caused the increase during the current period are as follows:

Buildings	Acquisition of air-conditioning equipment	154,000 thousand yen
Machinery and equipment	Acquisition of production facilities	582,812 thousand yen
Tools, furniture and fixtures	Acquisition of Measuring equipment	114,755 thousand yen
Construction in progress	Smart factory conversion of Kyoto East Plant	155,036 thousand yen
Software	Purchase of tool automation system	246,108 thousand yen

2. Major items that caused the decrease during the current period are as follows:

Retirement of machinery and equipment	production facilities	451,367 thousand yen
Retirement of Tools, furniture and fixtures	Network equipment	41,240 thousand yen

3. Monetary amount is based on acquisition price.

[Schedule of Provision]

(Thousands of yen)

Account title	Balance at beginning of the period	Increase during the current fiscal year	Decrease during the current fiscal year	Balance at end of the period
Allowance for doubtful accounts	1,184	5,313	1,184	5,313
Provision for bonuses	540,129	644,638	540,129	644,638
Provision for bonuses for directors(and other officers)	59,100	64,800	59,100	64,800
Provision for product warranties	264,159	259,305	264,159	259,305
Provision for share awards	39,338	45,148	3,666	80,820

(2) [Primary Assets and Liabilities]

Information is omitted as the Company prepares consolidated financial statements.

(3) Other

There are no applicable matters.

Item6 Overview of the Share Administration of the Submitting Company

Fiscal year	From April 1 to March 31
Ordinary General Meeting of Shareholders	June
Record date	March 31
Record date for dividends from surplus	September 30 March 31
Number of shares per unit	100 shares
Sales of shares less than one unit	
Handling office	(Special account) Mizuho Trust & Banking Co., Ltd. Head Office, Stock Transfer Agency Department 1-3-3 Marunouchi, Chiyoda-ku, Tokyo
Shareholder registry administrator	(Special account) Mizuho Trust & Banking Co., Ltd. 1-3-3 Marunouchi, Chiyoda-ku, Tokyo
Agency	―――――
Sales fees	The amount separately specified as the equivalent of the commission related to the entrustment of stock trading.
Method of public notice	To be carried out via electronic public notice. In the event that electronic public notices cannot be provided due to accidents or other unavoidable circumstances, public notice shall be given in the Nihon Keizai Shimbun. URL for public notice posting: https://www.towajapan.co.jp
Benefits for shareholders	Not applicable

(Note)
As provided for in our Articles of Incorporation, shareholders of the Company holding less than one unit do not have any rights other than those set forth in each item of Article 189, Paragraph 2 of the Companies Act; the right to make a claim under the provisions of Article 166, Paragraph 1 of the Companies Act; and the right to receive an allocation of offered shares and offered share acquisition rights in proportion to the number of shares held by the shareholder.

Item7 Reference Information of the Submitting Company

1. Information of the Parent Company of the Company

The Company does not have a parent company or equivalent as defined in Article 24-7, Paragraph 1 of the Financial Instruments and Exchange Act.

2. Other Reference Information

The following documents have been submitted between the beginning of the current fiscal year and the filing date of the Annual Securities Report.

(1) Annual Securities Report and Appendices, and Written Confirmation
46th fiscal year from April 1, 2023 to March 31, 2024 filed to Director-General of the Kanto Local Finance Bureau on June 26, 2024

(2) Internal Control Report and Appendices
Filed with the Director-General of the Kanto Local Finance Bureau on June 26, 2024.

(3) Semi-annual Securities Reports and confirmation letters
(First half of the 47th term) (from April 1, 2024 to September 30, 2024)
Filed with the Director-General of the Kanto Local Finance Bureau on November 8, 2024.

(4) Extraordinary Securities Report
Filed with the Director-General of the Kanto Local Finance Bureau on June 28, 2024.
Extraordinary Securities Report based on the provisions of Article 19, Paragraph 2, Item 9-2 of the Cabinet Office Ordinance on Disclosure of Corporate Affairs (Results of Exercise of Voting Rights at General Meetings of Shareholders)

Part II Information on the Guarantee Companies of the Company

Not applicable.