

Business Results for the Third Quarter of Fiscal Year Ending March 31, 2025

(April 1, 2024 – December 31, 2024)

February 7, 2025

Financial Results for the Q3 FY2024

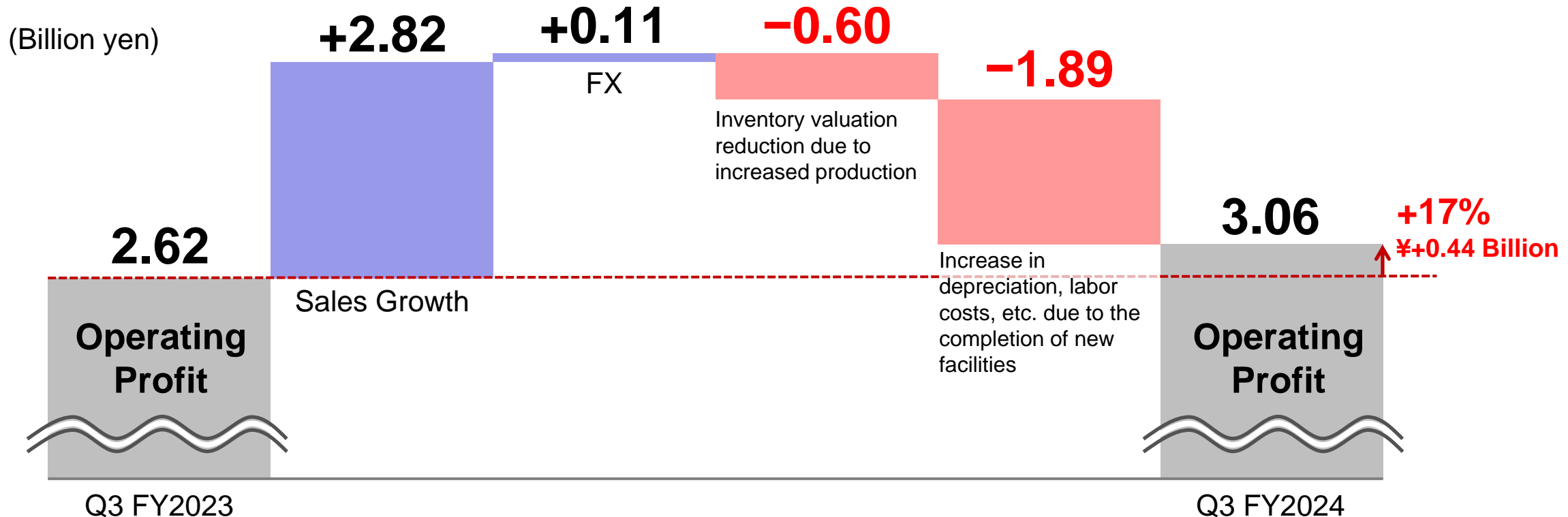
- Net sales increased significantly by 26% YoY to 29,073 million yen, mainly thanks to sales expansion in materials for cutting-edge semiconductors against the backdrop of robust AI-related investment.
- Although fixed costs increased significantly due to the completion of new facilities and increased personnel, operating profit increased 17% YoY to 3,067 million yen, as the increase in sales absorbed the increase in fixed costs.

(Cumulative)

(Million yen)	Q3 FY2023 Results	Q3 FY2024 Results	YoY	
			Change	YoY
Net sales	23,095	29,073	+5,978	+26%
Operating profit	2,628	3,067	+438	+17%
Ordinary profit	2,529	3,103	+573	+23%
Profit	1,724	2,087	+363	+21%
FX Rate (USD)	¥ 143/\$	¥ 152/\$		

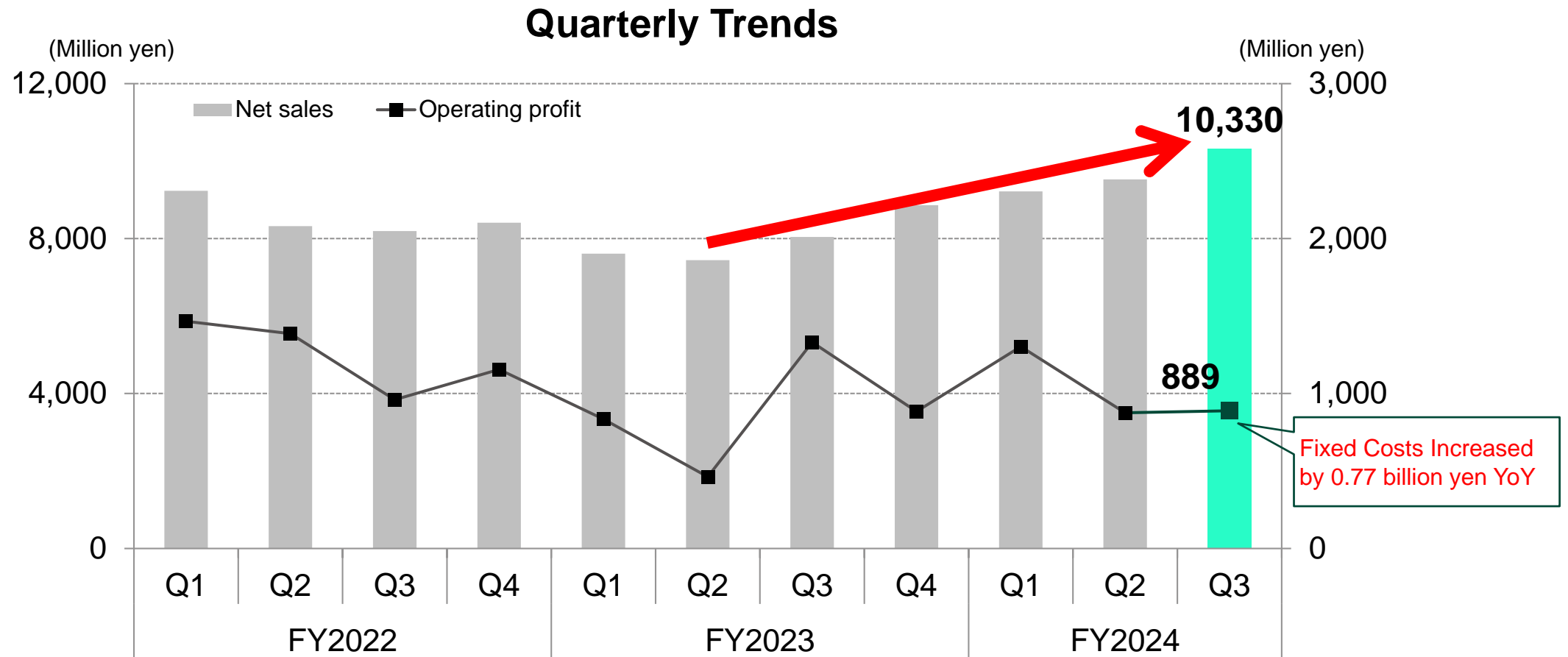
Variance Analysis: Operating profit

- Increased sales will increase profits by 2.82 billion yen, and increased production will reduce costs.
- In the third quarter of the previous year, costs rose due to a decline in demand, resulting in a 0.6 billion yen inventory valuation decrease compared to the previous year.
- Fixed costs increased by 1.89 billion yen due to the completion of new facilities and increased personnel in preparation for future supply expansion.
- Absorbing these increased expenses, operating income was 3.06 billion yen, 17% up from the previous year.
- Aiming to expand investment effects in the next fiscal year and beyond.



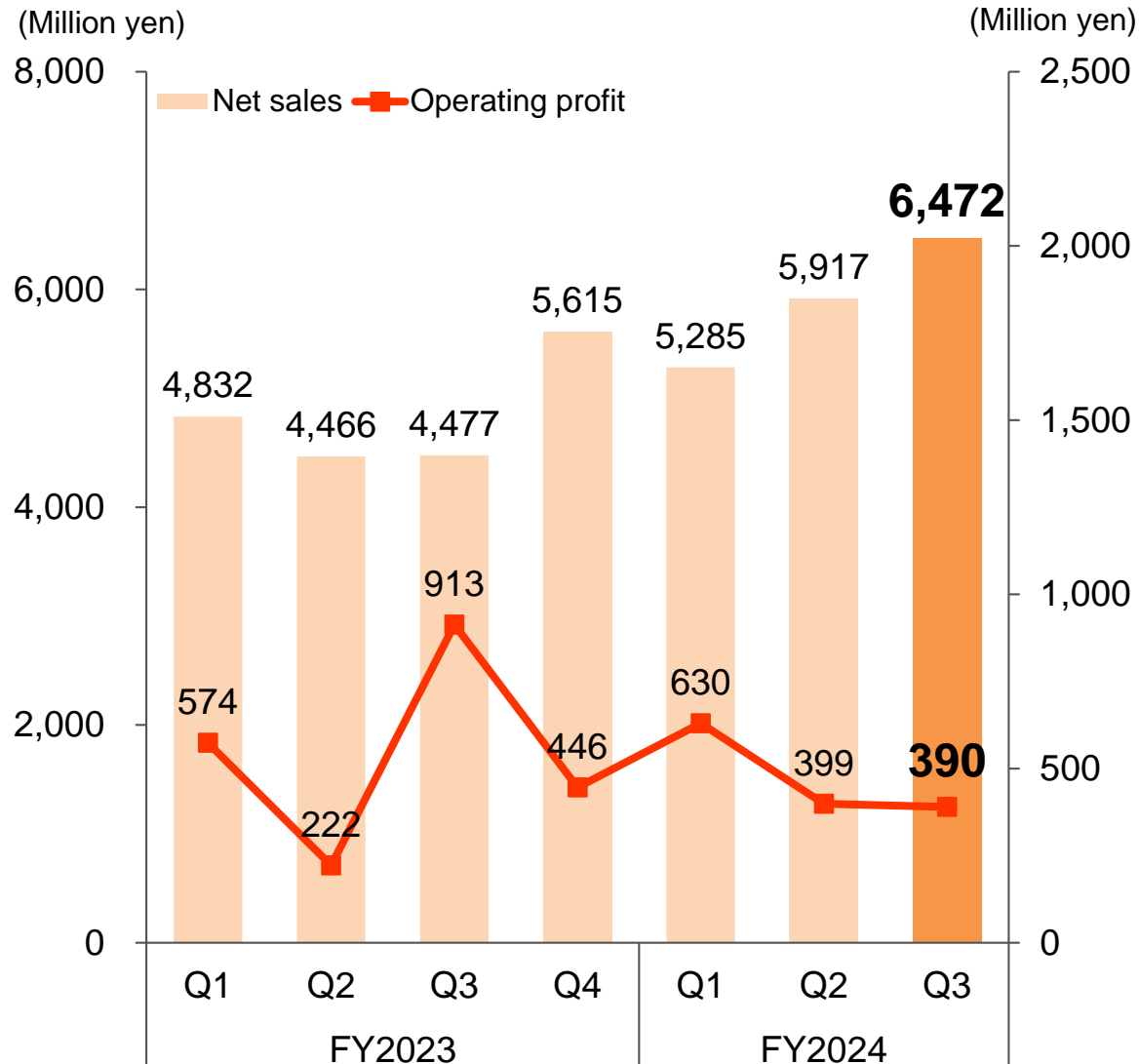
Quarterly Sales & Operating profit Trends

- Quarterly sales reached record high thanks to increased sales of materials for cutting-edge semiconductors.
- Sales expansion absorbed the increase in fixed costs associated with the completion of the new facility and secured profits.



Photosensitive Materials Segment

Net sales & Operating profit



Net sales: ¥17,675 Million (Cumulative)

YoY: +¥3,899 Million, +28%

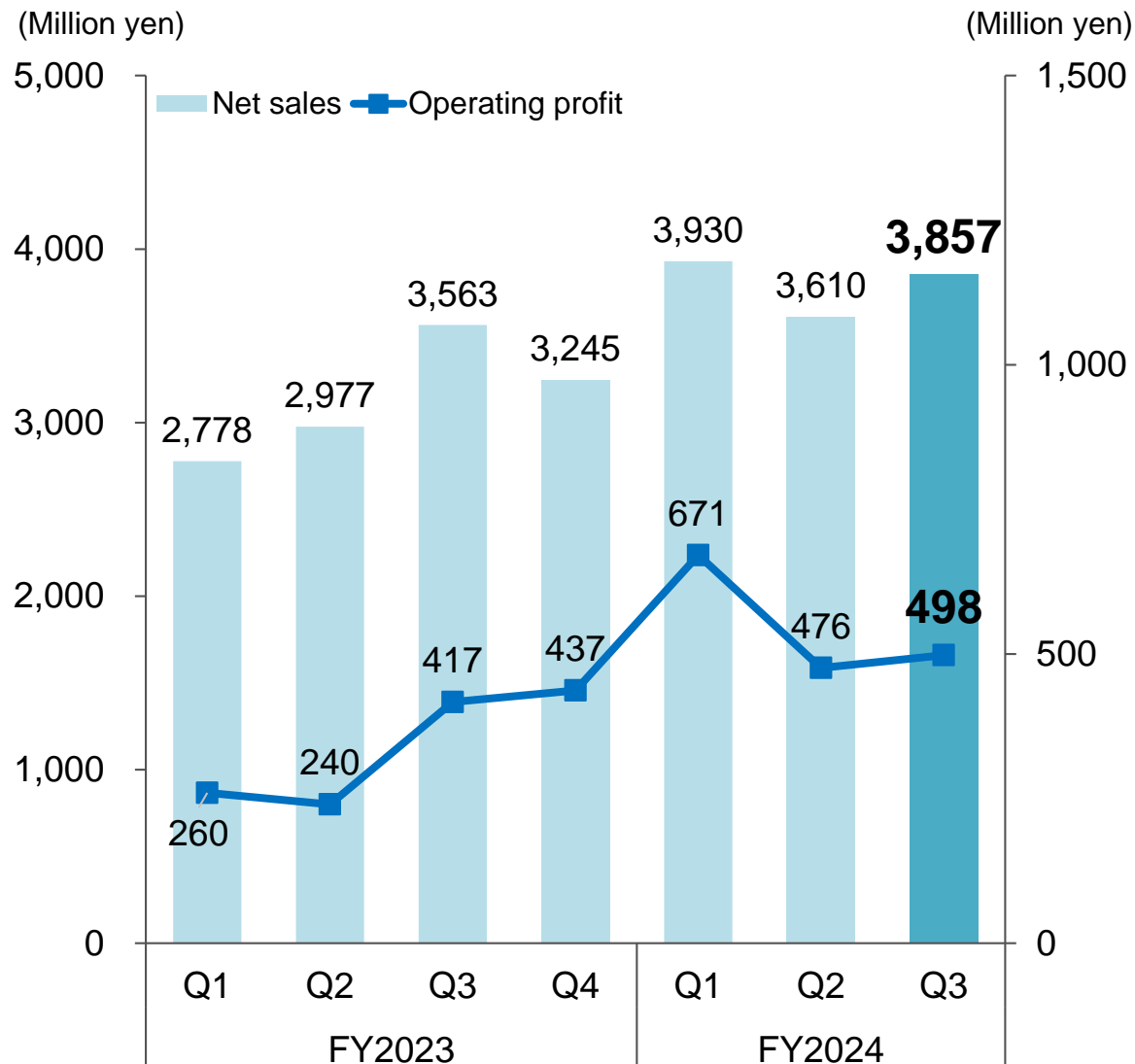
- Quarterly sales reached record high.
- Sales of semiconductor materials expanded thanks to increased demand in cutting-edge fields driven by AI-related investment.
- Regarding display materials, panel production has been maintained at a certain level, mainly in China, and our sales have been firm.

Operating profit: ¥1,421 Million (Cumulative)

YoY: -289 Million, -17%

- Fixed costs increased as new large-scale facilities were completed to expand supply in cutting-edge fields.
- Profit levels will be maintained thanks to increased demand for cutting-edge materials.

Net sales & Operating profit



Net sales: ¥11,398 Million (Cumulative)

YoY: +¥2,078 Million, +22%

- Sales of high-purity solvents increased thanks to higher demand for semiconductors and recovery of demand for electronic components.
- Sales of fragrance materials increased thanks to continued recovery in demand.
- Regarding tank terminals, cargo movement is sluggish, but the tank contract rate remains at a high level.

Operating profit: ¥1,645 Million (Cumulative)

YoY: +¥728 Million, +79.3%

- Profits increased significantly thanks to increased sales of high-purity solvents.

Q3 FY2024 Income Statement

- Net sales were 29,073 million yen (YoY 26% up).
- Gross profit increased by 1,126 million yen (YoY 20% up) from the previous year, as increased sales absorbed the increase in fixed costs.
- Ordinary profit was 3,103 million yen, 23% up from the previous year.

	(Million yen)	Q3 FY2023	Q3 FY2024	Change	%	
Net sales		23,095	29,073	+5,978	+26%	
Cost of sales		17,439	22,291	+4,851	+28%	
Gross profit		5,656	6,782	+1,126	+20%	← Gross profit Margin 24.5%→23.3%
SG&A expenses		3,027	3,715	+687	+23%	
Operating profit		2,628	3,067	+438	+17%	
Non-operating income		118	208	+90	+77%	
Non-operating expenses		216	172	(44)	(20%)	
Ordinary profit		2,529	3,103	+573	+23%	← Ordinary profit Margin 10.7%
Extraordinary income & losses		(27)	(85)	(58)	—	
Profit before income taxes		2,502	3,017	+515	+21%	
Income taxes		778	930	+152	+20%	
Profit		1,724	2,087	+363	+21%	

Q3 FY2024 Balance sheet

- Thanks to the continued trend of sales expansion, working capital improved by 630 million yen.
- Due to capital investments to increase production capacity, tangible fixed assets increased by 4,197 million yen, and borrowings increased by 3,075 million yen.
- thanks to the increase in net profit, shareholders' equity increased by 1,769 million yen. The equity ratio was 35.6%.

(Million yen)	Mar. 2024 ended	Dec. 2024 ended	Change	(Million yen)	Mar. 2024 ended	Sep. 2024 ended	Change
Current assets	22,682	24,620	+1,937	Liabilities	37,691	42,651	+4,959
Cash and deposits	3,645	3,581	(64)	Notes and accounts payable – trade	4,009	6,018	+2,008
Notes and accounts receivable – trade	7,222	8,071	+848	Borrowings	22,008	25,083	+3,075
Inventories	10,338	10,868	+530	Other	11,673	11,549	(123)
Other	1,475	2,098	+623				
Fixed assets	36,834	41,639	+4,805	Net assets	21,825	23,608	+1,783
Property, plant and equipment	33,862	38,060	+4,197	Shareholders' equity	21,635	23,405	+1,769
Intangible assets	1,579	2,275	+696	Valuation and translation adjustments	190	203	+13
Investments and other assets	1,393	1,304	(88)				
Total assets	59,517	66,260	+6,742	Liabilities and net assets	59,517	66,260	+6,742

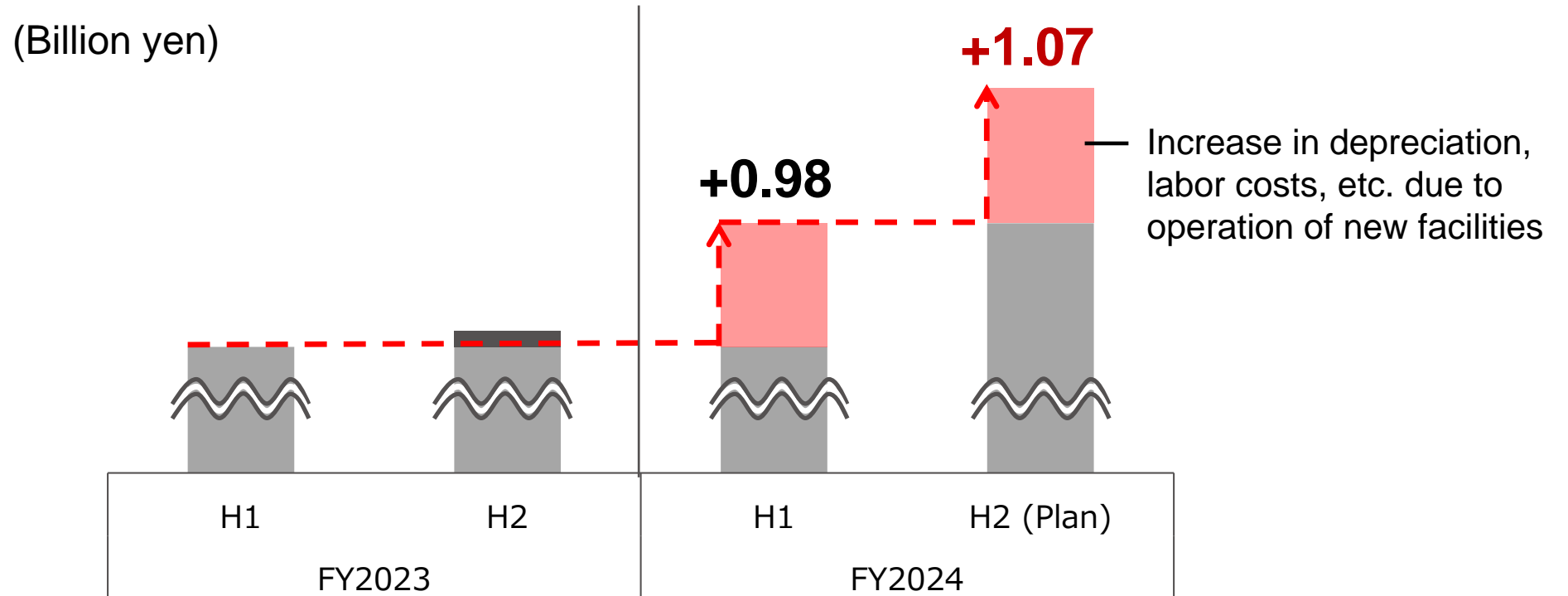
Progress of Full-Year Earnings Forecasts

- Q3 progress rate against the full-year forecasts is 76% for net sales, 85% for operating profit, 89% for ordinary profit, and 83% for profit.
- Fixed costs are expected to continue to increase in Q4 due to the operation of new facilities.
- Aiming to expand investment effects in the next fiscal year and beyond.

(Million yen)	FY2024 Full-Year Forecasts	Q3 FY2024 Results	Progress Ratio
Net sales	38,200	29,073	76%
Operating profit	3,600	3,067	85%
Ordinary profit	3,500	3,103	89%
Profit	2,500	2,087	83%
FX Rate (USD)	¥148/\$	¥152/\$	

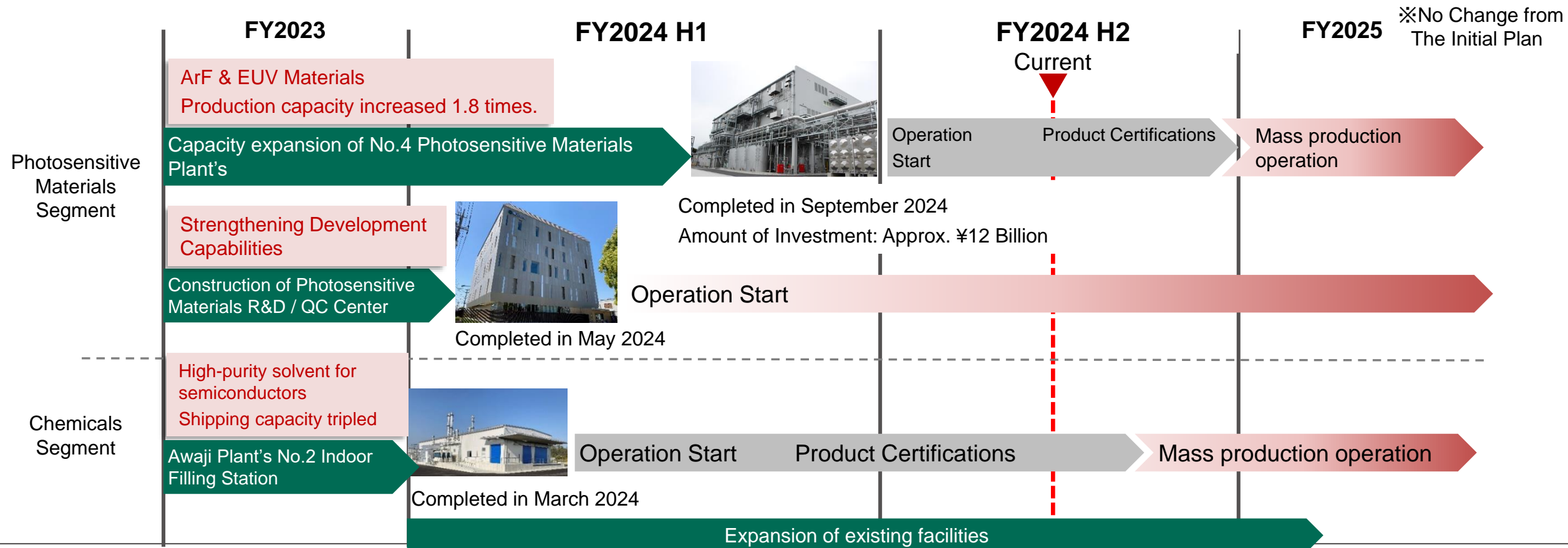
- In the second half of the year, fixed costs are expected to increase by 1.07 billion yen from the first half due to an increase in depreciation and personnel expenses following the start of operation of new facilities.

Increase in Fixed Costs due to Increased Production Capacity



Repost) Progress of Capital Investments

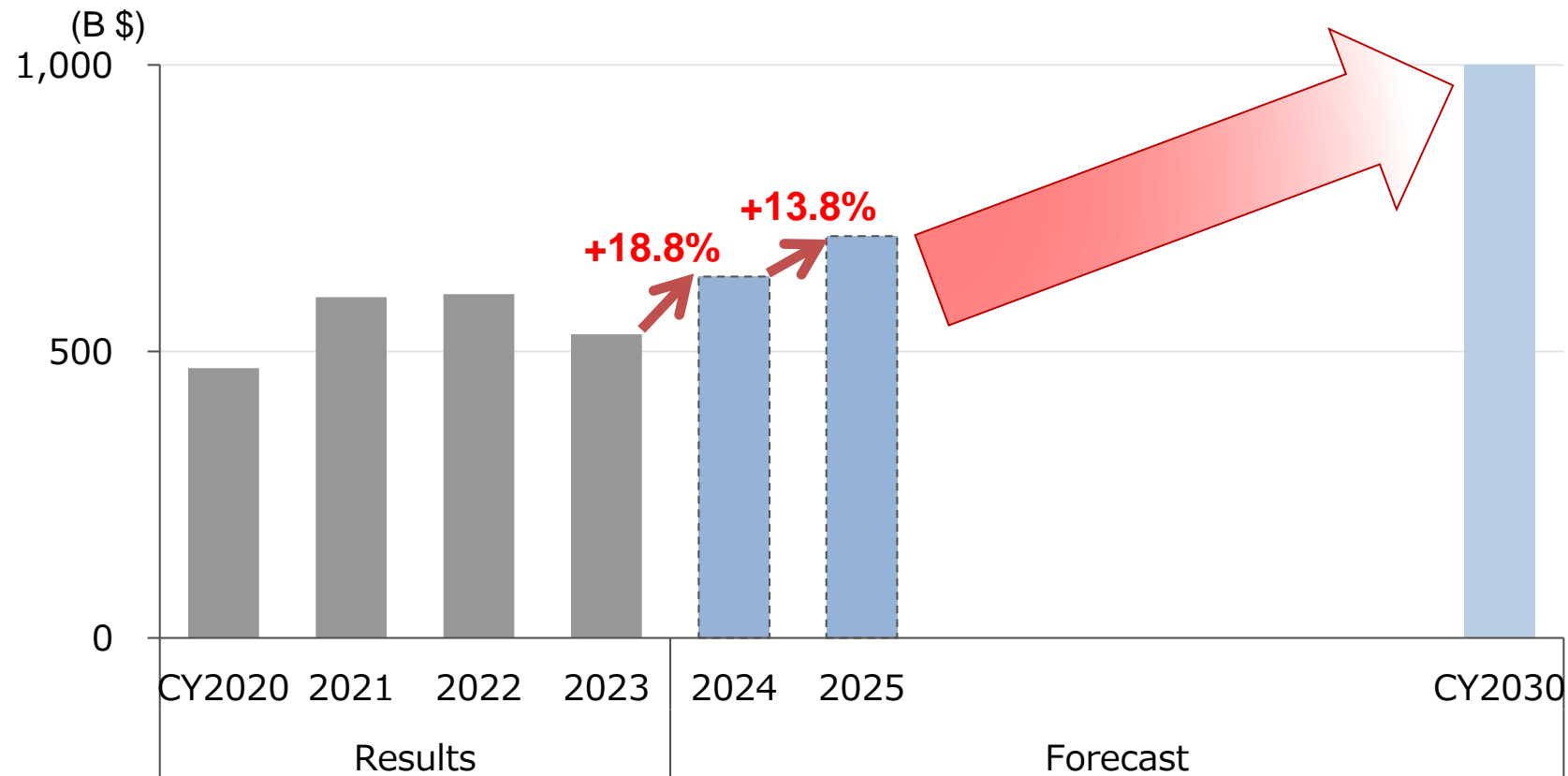
- In September 2024, a new facility to increase the production capacity of ArF and EUV materials by 1.8 times was completed at the No. 4 photosensitive materials plant of the Chiba Plant.
- All large facilities to increase production capacity under Beyond500 (current mid-term plan) were completed in the first half of the year.
- The new facility is progressing as planned towards mass production operations.



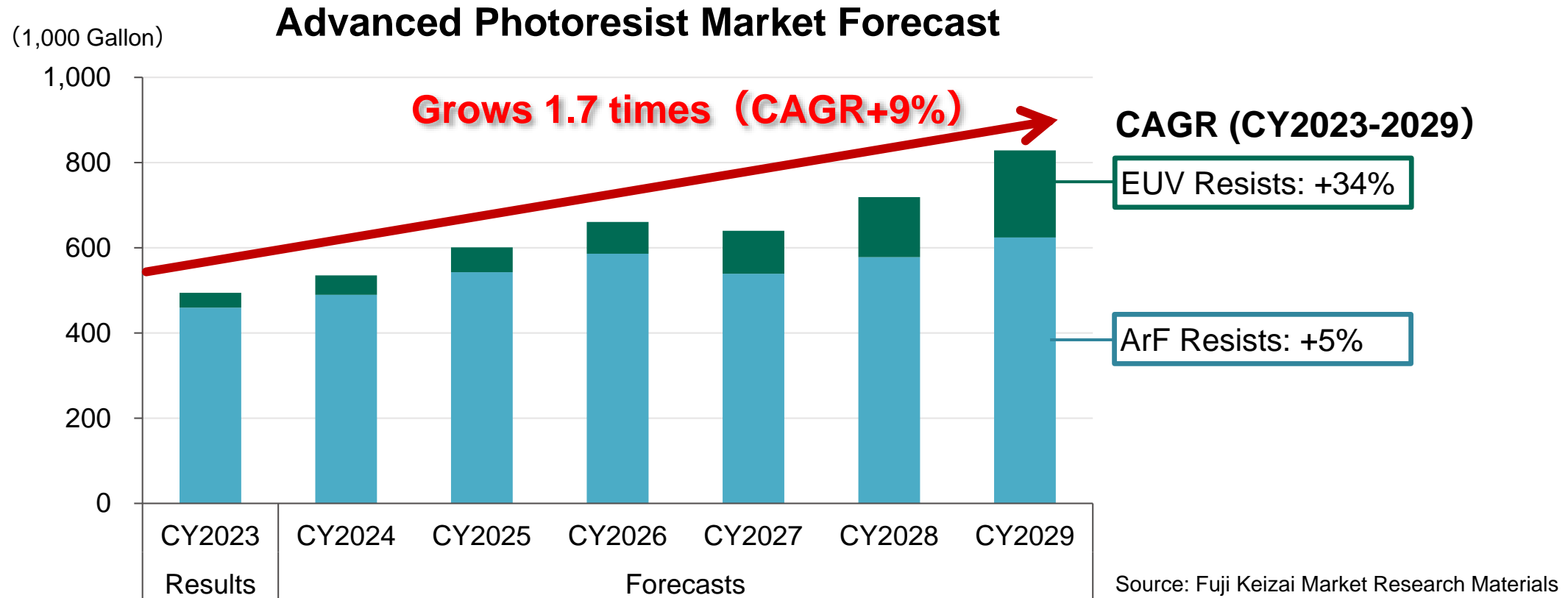
Future outlook for the semiconductor market

- The global semiconductor market is forecast to grow 18.8% in 2024 and continue to expand 13.8% in 2025.
- It is expected to continue growing after 2025 and reach \$1 trillion by 2030.

Long-term forecast of the semiconductor market



- CY2023-2029: Demand for EUV resists is expected to grow 5.9 times, at an average annual growth rate of 34%.
- Total demand for EUV and ArF resists is also expected to expand 1.7 times.
- With the completion of the expansion of the 4th Photosensitive Materials Plant, our capacity has increased by 1.8 times.



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(Note):

The forecasts made in this document contain a variety of uncertain factors since it has been prepared based on judgments from information that is currently available.

Therefore, actual business results may differ from those projected, depending on factors and risk such as the economic status of the market surrounding the company, and do not perform any strict promise and guarantees.