

**Consolidated Financial Report for the Nine Months Ended December 31, 2024****TOYOBO Co., Ltd.**URL <https://ir.toyobo.co.jp/en/ir.html>

Stock Code: 3101 (Prime Market, Tokyo Stock Exchange)

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(Figures are rounded to the nearest million yen.)

**1. Consolidated Business Performance****(1) Consolidated Operating Results**

Nine months ended December 31

Percentages indicate year-on-year increase/ (decrease)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2024	314,229	2.2	10,175	103.8	5,534	131.0	721	(54.2)
2023	307,323	2.9	4,992	(47.8)	2,395	(65.5)	1,573	(83.9)

(Note) Comprehensive Income: Nine months ended December 31, 2024: ¥5,652 million 72.8%  
 Nine months ended December 31, 2023: ¥3,271 million (67.8%)

	Net profit per share	Net profit per share after dilution
	Yen	Yen
2024	8.18	—
2023	17.85	—

**(2) Consolidated Financial Position**

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
December 31, 2024	614,061	232,490	31.8	2,217.67
March 31, 2024	606,990	230,087	32.5	2,236.50

(Reference) Total shareholders' equity: December 31, 2024: ¥195,539 million, March 31, 2024: ¥197,033 million

**2. Dividends**

Years ended/ending March 31

Record date	Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
2024	—	0.00	—	40.00	40.00
2025	—	0.00	—		
2025 (Forecast)				40.00	40.00

(Note) Revision of dividends forecast for this period: None

### 3. Forecasts for Fiscal Year Ending March 31, 2025

Percentages indicate year-on-year increase/ (decrease)

	Net sales		Operating profit		Ordinary profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year	435,000	5.0	17,000	89.0	11,500	65.2

	Profit attributable to owners of parent		Net profit per share
	Millions of yen	%	Yen
Fiscal year	2,600	5.9	29.50

(Note) Revision of earnings forecast for this period: None

### 4. Other

1. Significant changes in the scope of consolidation during the subject fiscal year: None

1) New company : None

2) Excluded company : None

2. Adoption of simplified and special accounting methods: None

3. Changes from accounting methods, procedures and the presentation of the consolidated financial statements:

1) Changes based on revision of accounting standards : None

2) Changes other than 1) above : None

3) Changes due to accounting estimation change : None

4) Error correction : None

4. Number of shares issued and outstanding (common stock):

1) Number of shares outstanding (including treasury stock):

December 31, 2024: 89,048,792 shares March 31, 2024: 89,048,792 shares

2) Number of treasury stock:

December 31, 2024: 875,768 shares March 31, 2024: 949,992 shares

3) Average number of shares outstanding for each period (cumulative term):

Nine months ended December 31, 2024: 88,142,736 shares

Nine months ended December 31, 2023: 88,095,837 shares

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

\* Explanation regarding the appropriate use of forecasts of business results

The forward-looking statements made in this document, including the aforementioned forecasts, are based on all information available to the management at the time of this document's release. Actual results may differ from the results anticipated in the statements.

(How to obtain supplementary document on earnings)

The supplementary document on earnings is disclosed on the same day as the Quarterly Financial Results report, and it is made available on the Company's website.

## 1. Qualitative Information and Financial Statements

### (1) Qualitative Information on Consolidated Results

In the business environment surrounding the Toyobo Group (hereinafter “the Group”) in the nine months ended December 31, 2024, economic activity remained strong in the United States, supported by robust consumer spending amid a lowering of the policy interest rate as price inflation slowed. In China, exports expanded significantly, but the economy remained sluggish due to a downturn in internal demand with factors including a prolonged real estate recession and weak consumption. In Japan, the economy has recovered moderately due to an improvement in the income environment, which led to a recovery in consumer spending, as well as increased inbound tourism demand and expansion of capital investment. Looking ahead, the business environment is expected to be impacted by change in the United States policy affecting the global economy.

Under this business environment, polarizer protective films for LCDs “COSMOSHINE SRF” and traditional Arabic fabric remained steady. Furthermore, in businesses requiring improvement, including the textile business, the airbag fabric business, and the contract manufacturing business of pharmaceuticals, measures such as product price revisions and review of the production system progressed, and profitability improved.

As a result, consolidated net sales in the nine months ended December 31, 2024 increased ¥6.9 billion (2.2%) from the same period of the previous fiscal year to ¥314.2 billion. Operating profit increased ¥5.2 billion (103.8%), to ¥10.2 billion and ordinary profit increased ¥3.1 billion (131.0%) to ¥5.5 billion. Profit attributable to owners of parent decreased ¥0.9 billion (54.2%), to ¥0.7 billion.

Results by business segment were as follows:

#### Films

In the packaging film business, despite the impact of rising costs such as new product development expenses, profitability is showing signs of improvement due to a moderate recovery in cargo movement as well as progress in revising product prices in response to factors such as raw material and fuel prices and logistics expenses.

In the industrial film business, full-fledged growth in demand failed to materialize for mold releasing film for multilayer ceramic capacitors (MLCC), and start-up cost for new production equipment increased. Sales of polarizer protective films for LCDs “COSMOSHINE SRF” were steady.

As a result, sales in this segment increased ¥7.5 billion (6.4%) from the same period of the previous fiscal year to ¥124.9 billion, and operating profit increased ¥2.3 billion (155.9%) to ¥3.8 billion.

#### Life Science

In the biotechnology business, sales increased as demand for enzymes for diagnostic reagents was strong both in Japan and overseas, but expenses associated with the expansion of production capacity increased.

In the medical materials business, demand for artificial kidney hollow fiber trended strong, but expenses to launch a new plant and infrastructure-related expenses increased.

In the contract manufacturing business of pharmaceuticals, profitability improved as a result of the lifting of the Warning Letter by the FDA as well as progress on product price revisions.

As a result, sales in this segment increased ¥0.5 billion (1.9%) from the same period of the previous fiscal year to ¥25.7 billion, and operating profit decreased ¥2.0 billion (57.3%) to ¥1.5 billion.

### **Environmental and Functional Materials**

In the resin and chemical business, sales of engineering plastics increased for automotive use for the North and Central America. Sales of photo functional materials for water-wash photosensitive printing plates increased, mainly in China and Southeast Asia.

In the environment and fiber business, environmental solutions sales of brine concentration membrane equipment for lithium recovery contributed, but sales declined for VOC recovery equipment used in the manufacturing process for lithium-ion battery separators due to the impact of the slowdown in the electric vehicle market. In high performance fibers, overseas demand was steadily captured to achieve strong performance. In nonwoven materials, review of the production system in Japan proceeded, and profitability improved.

As a result, sales in this segment decreased ¥2.6 billion (3.1%) from the same period of the previous fiscal year to ¥83.5 billion, and operating profit increased ¥2.6 billion (87.1%) to ¥5.6 billion.

### **Functional Textiles and Trading**

In the textile business, sales of traditional Arabic fabric grew due to strong demand, and exports saw an uptick in profitability due to the effect of exchange fluctuations. In addition, profitability improved as a result of reforms of business structure such as the consolidation of production bases in Japan.

In the airbag fabric business, profitability improved as product price revisions proceeded.

As a result, sales in this segment increased ¥2.4 billion (3.5%) from the same period of the previous fiscal year to ¥71.3 billion, and operating profit of ¥0.1 billion (compared with operating loss of ¥1.5 billion for the same period of the previous fiscal year).

### **Real Estate and Other Businesses**

This segment includes infrastructure-related businesses such as real estate, engineering, information processing services, and logistics services. Results in these businesses were generally in line with plans.

As a result, sales in this segment decreased ¥0.8 billion (8.3%) from the same period of the previous fiscal year to ¥8.8 billion, and operating profit decreased ¥0.3 billion (16.2%) to ¥1.8 billion.

## **(2) Analysis of Financial Position**

Total assets increased ¥7.1 billion (1.2%) from the end of the previous fiscal year to ¥614.1 billion. This was mainly due to an increase in property, plant and equipment due to capital investment, despite a decrease in cash and deposits, notes and accounts receivable - trade.

Total liabilities increased ¥4.7 billion (1.2%) from the end of the previous fiscal year to ¥381.6 billion. This was mainly due to an increase in borrowings, despite a decrease in notes and accounts payable - trade.

Net assets increased ¥2.4 billion (1.0%) from the end of the previous fiscal year to ¥232.5 billion. This was mainly due to an increase in non-controlling interests, despite a decrease in retained earnings due to dividends paid and other factors.

### **(3) Forecast for Fiscal 2025 (Ending March 31, 2025)**

The performance of the Group in the nine months ended December 31, 2024 was generally as forecast. Regarding the consolidated earnings forecast for fiscal year ending March 31, 2025, no changes have been made in the outlook announced on May 13, 2024.

## 2. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	Previous Fiscal Year (As of March 31, 2024)	Current Third Quarter (As of December 31, 2024)
Assets		
Current assets		
Cash and deposits	33,796	30,694
Notes and accounts receivable - trade	87,743	82,245
Contract assets	140	25
Electronically recorded monetary claims - operating	14,921	14,801
Merchandise and finished goods	69,996	66,817
Work in process	20,566	23,122
Raw materials and supplies	31,421	33,047
Other	15,488	12,930
Allowance for doubtful accounts	(337)	(339)
Total current assets	273,733	263,342
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	64,575	73,514
Machinery, equipment and vehicles, net	59,855	66,030
Land	91,049	90,443
Construction in progress	53,025	52,834
Other, net	12,972	13,137
Total property, plant and equipment	281,475	295,959
Intangible assets	4,670	4,967
Investments and other assets		
Other	48,380	49,862
Allowance for doubtful accounts	(1,268)	(69)
Total investments and other assets	47,112	49,793
Total non-current assets	333,257	350,719
Total assets	606,990	614,061

(Millions of yen)

	Previous Fiscal Year (As of March 31, 2024)	Current Third Quarter (As of December 31, 2024)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	49,782	43,823
Electronically recorded obligations - operating	4,229	3,909
Short-term borrowings	68,385	53,503
Current portion of bonds payable	15,000	10,000
Current portion of long-term borrowings	13,069	12,746
Provisions	5,308	2,980
Other	28,375	31,792
Total current liabilities	184,148	158,752
Non-current liabilities		
Bonds payable	60,000	67,000
Long-term borrowings	85,637	110,632
Deferred tax liabilities for land revaluation	18,762	18,754
Provision for retirement benefits for directors (and other officers)	274	195
Provision for environmental measures	11	11
Retirement benefit liability	15,901	15,311
Other	12,171	10,916
Total non-current liabilities	192,755	222,818
Total liabilities	376,903	381,571
<b>Net assets</b>		
Shareholders' equity		
Share capital	51,730	51,730
Capital surplus	33,187	32,647
Retained earnings	70,315	67,560
Treasury shares	(1,006)	(925)
Total shareholders' equity	154,227	151,012
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,801	2,148
Deferred gains or losses on hedges	(1)	57
Revaluation reserve for land	40,603	40,590
Foreign currency translation adjustment	(548)	594
Remeasurements of defined benefit plans	951	1,138
Total accumulated other comprehensive income	42,806	44,527
Non-controlling interests	33,054	36,951
Total net assets	230,087	232,490
Total liabilities and net assets	606,990	614,061

**(2) Consolidated Statements of Income and  
Consolidated Statements of Comprehensive Income**

(Millions of yen)

(Consolidated Statements of Income)	Previous Third Quarter (From April 1, 2023 To December 31, 2023)	Current Third Quarter (From April 1, 2024 To December 31, 2024)
Net sales	307,323	314,229
Cost of sales	242,546	243,158
Gross profit	64,777	71,072
Selling, general and administrative expenses	59,786	60,897
Operating profit	4,992	10,175
Non-operating income		
Foreign exchange gains	783	151
Compensation income	—	518
Other	1,269	1,497
Total non-operating income	2,052	2,166
Non-operating expenses		
Interest expenses	989	1,531
Other	3,659	5,276
Total non-operating expenses	4,648	6,807
Ordinary profit	2,395	5,534
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	—	1,489
Gain on sale of investment securities	3,049	79
Total extraordinary income	3,049	1,568
Extraordinary losses		
Impairment losses	—	950
Loss on disposal of non-current assets	1,605	1,823
Loss on sale of non-current assets	—	126
Loss on change in equity	212	—
Total extraordinary losses	1,816	2,899
Profit before income taxes	3,628	4,203
Income taxes	1,936	738
Profit	1,692	3,465
Profit attributable to non-controlling interests	119	2,744
Profit attributable to owners of parent	1,573	721



(Millions of yen)

(Consolidated Statements of Comprehensive Income)	Previous Third Quarter (From April 1, 2023 To December 31, 2023)	Current Third Quarter (From April 1, 2024 To December 31, 2024)
Profit	1,692	3,465
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,885)	346
Deferred gains or losses on hedges	(73)	15
Foreign currency translation adjustment	2,568	1,497
Remeasurements of defined benefit plans, net of tax	402	187
Share of other comprehensive income of entities accounted for using equity method	568	142
Total other comprehensive income	1,579	2,187
Comprehensive income	3,271	5,652
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,885	2,501
Comprehensive income attributable to non-controlling interests	386	3,152

### (3) Notes to Consolidated Financial Statements

#### (Segment Information)

( i ) Previous Third Quarter (From April 1, 2023 to December 31, 2023)

(Millions of yen)

	Segment to Be Reported						Other Businesses (Note 1)	Total	Adjustment (Note 2)	Consolidated Statements of Income (Note 3)
	Films	Life Science	Environmental and Functional Materials	Functional Textiles and Trading	Real Estate	Total				
Net sales										
(1) Outside customers	117,393	25,262	86,166	68,888	3,073	300,782	6,542	307,323	—	307,323
(2) Inter-segment sales and transfers	1,674	79	6,688	848	870	10,158	12,571	22,729	(22,729)	—
Total	119,066	25,340	92,854	69,736	3,943	310,939	19,113	330,052	(22,729)	307,323
Segment profit (loss)	1,499	3,485	3,003	(1,546)	1,559	8,000	571	8,571	(3,579)	4,992

Note:

1. Other includes design and construction of buildings, equipment, etc., information services, logistics services and other items.
2. Segment profit or loss adjustment of ¥ (3,579) million includes eliminations of intersegment transactions of ¥ (407) million and companywide expenses that are not allocated across reporting segments of ¥ (3,172) million. The principal components of companywide expenses are those related to basic research and development.
3. Segment profit or loss has been adjusted with operating loss on the consolidated financial statements.

( ii ) Current Third Quarter (From April 1, 2024 to December 31, 2024)

(Millions of yen)

	Segment to Be Reported						Other Businesses (Note 4)	Total	Adjustment (Note 5)	Consolidated Statements of Income (Note 6)
	Films	Life Science	Environmental and Functional Materials	Functional Textiles and Trading	Real Estate	Total				
Net sales										
(1) Outside customers	124,881	25,740	83,524	71,272	3,141	308,558	5,672	314,229	—	314,229
(2) Inter-segment sales and transfers	1,634	83	6,137	929	859	9,642	9,912	19,554	(19,554)	—
Total	126,516	25,822	89,660	72,201	4,001	318,200	15,584	333,783	(19,554)	314,229
Segment profit	3,836	1,489	5,618	61	1,369	12,374	417	12,791	(2,617)	10,175

Note:

4. Other includes design and construction of buildings, equipment, etc., information services, logistics services and other items.
5. Segment profit or loss adjustment of ¥ (2,617) million includes eliminations of intersegment transactions of ¥ 190 million and companywide expenses that are not allocated across reporting segments of ¥ (2,806) million. The principal components of companywide expenses are those related to basic research and development.
6. Segment profit has been adjusted with operating profit on the consolidated financial statements.

**(Notes on Significant Changes in Shareholders' Equity)**

Not applicable

**(Notes to Going Concern)**

Not applicable

**(Notes to quarterly consolidated statements of cash flows)**

Quarterly consolidated statements of cash flows for the nine months ended December 31, 2024 are not prepared. Depreciation (including amortization related to intangible assets excluding goodwill) of the nine months ended December 31, 2024 are as follows.

	(Millions of yen)	
	Previous Third Quarter (From April 1, 2023 To December 31, 2023)	Current Third Quarter (From April 1, 2024 To December 31, 2024)
Depreciation	14,462	16,965