

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Member, Financial Accounting Standards Foundation

The Announcement date: November 8, 2024 (14:00 JST)

Consolidated Financial Results for the Six Months Ended March 31, 2025 (Under Japanese GAAP)

Company name: TOMOEGAWA CORPORATION
Listing: Tokyo Stock Exchange
Securities code: 3878
URL: <https://www.tomoegawa.co.jp/>
Representative: Yoshio Inoue, President and Representative Director, Group CEO
Inquiries: Masaaki Yamaguchi, Director, Senior Managing Executive Officer, Group CFO
Telephone: +81-54-256-4319
Scheduled date to file semi-annual securities report: November 11, 2024
Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: None
Holding of financial results briefing: None

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

1. Consolidated financial results for the six months ended March 31, 2025 (from April 1, 2024 to September 30, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2024	17,229	4.4	922	16.0	1,022	2.5	759	76.0
September 30, 2023	16,497	(5.9)	795	(34.0)	996	(26.8)	431	(65.6)

Note: Comprehensive income For the six months ended September 30, 2024: ¥479 million [(63.0%)]
For the six months ended September 30, 2023: ¥1,297 million [(30.5%)]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	73.27	-
September 30, 2023	41.62	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2024	44,842	19,392	33.9	1,466.87
March 31, 2024	45,713	19,396	32.2	1,417.49

Reference: Equity
As of September 30, 2024: ¥15,212 million
As of March 31, 2024: ¥14,700 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	-	0.00	-	15.00	15.00
Fiscal year ending March 31, 2025	-	0.00			
Fiscal year ending March 31, 2025 (Forecast)			-	15.00	15.00

Note: Revisions to the forecasts of cash dividends most recently announced: None

3. Forecasts of Consolidated financial results for Fiscal Year 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	35,000	3.9	2,200	65.3	2,200	33.9	1,000	68.3	96.42

Note: Revisions to the forecasts of consolidated financial results most recently announced: None

* **Notes**

- (1) Significant changes in scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

Note: For more information, please refer to “ II . Semi-annual consolidated financial statements and significant notes thereto 4. Notes to semi-annual consolidated financial statements (Notes on changes in accounting policies)” on page 13 (Attached Material).

- (4) Number of issued shares (common shares)

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

As of September 30, 2024	10,389,406 shares
As of March 31, 2024	10,389,406 shares

- (ii) Number of treasury shares at the end of the period

As of September 30, 2024	18,399 shares
As of March 31, 2024	18,380 shares

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

Six months ended September 30, 2024	10,371,023 shares
Six months ended September 30, 2023	10,371,046 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements in this document, including earnings forecasts, are based on information currently available to the Company and certain assumptions that the Company considers reasonable, and are not intended as a promise by the Company that they will be achieved. Actual results may differ materially due to various factors. For the assumptions used as the basis for the earnings forecasts and special remarks regarding the use of the earnings forecasts, please refer to “ I . Overview of operating results, etc. 3. Explanation of consolidated earnings forecasts and other forward-looking statements” on page 8 (Attached Material).

Contents of Attachment

I . Overview of operating results, etc.	2
1. Overview of operating results for the six months	2
(1) Review of operating results	2
• Net sales and profit (loss)	2
• Numbers by Quarter	3
• Observation of the First Half of the Fiscal Year 2025 (April to September, 2024)	3
(2) Consolidated operating results by segment	4
• Reportable segments figures	4
• Overview of reportable segments	4
2. Overview of financial position for the six months	6
• Financial Position	6
• Explanation regarding Financial Position	6
(Review of cash flow position)	7
• Cash Flow	7
• Explanation regarding Cash Flow	7
3. Explanation of consolidated earnings forecasts and other forward-looking statements	8
II . Semi-annual consolidated financial statements and significant notes thereto	9
1. Semi-annual consolidated balance sheet	9
2. Semi-annual consolidated statement of income (cumulative) and semi-annual consolidated statement of comprehensive income (cumulative)	11
3. Semi-annual consolidated statement of cash flows	12
4. Notes to semi-annual consolidated financial statements	13
(Notes on changes in accounting policies)	13
(Notes on significant changes in the amount of shareholders' equity)	13
(Notes on premise of going concern)	13
(Notes on segment information, etc.)	14

I . Overview of operating results, etc.

Figures in Millions of yen, unless otherwise noted

1. Overview of operating results for the six months

(1) Review of operating results

• Net sales and profit (loss)

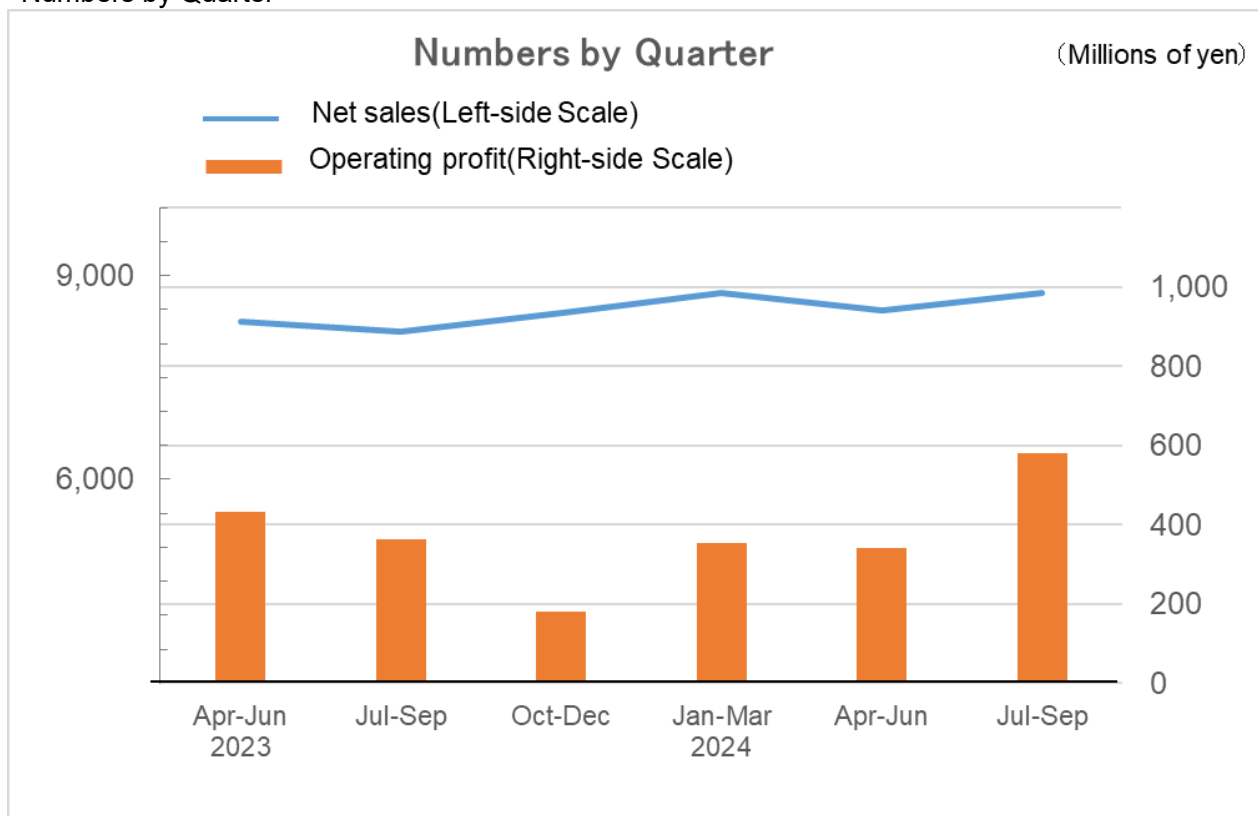
from April 1, 2024 through September 30, 2024

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Current Fiscal Year (FY 2025) First Half (1H)	17,229	922	1,022	759	73.27Yen
Converted into Millions of US dollar (Note1)	112.8	6.0	6.7	5.0	0.48US\$
Previous Fiscal Year (FY 2024) 1H	16,497	795	996	431	41.62Yen
Change to FY 2025 from FY 2024	732	126	25	328	31.65Yen
Percent Change from FY 2024 number	4.4%	16.0%	2.5%	76.0%	-
Initial forecasts for FY 2025 1H on May 14, 2024 (Note2)	17,000	850	850	200	19.28Yen
Revised forecasts for FY 2025 1H released on October 24, 2024	17,400	900	1,000	750	72.32Yen
Change from FY 2025 1H Initial forecasts	229	72	172	559	53.99Yen
Change from FY 2025 1H revised forecasts on October 24, 2024	▲170	22	22	9	0.95Yen

Note1: US dollar amounts are converted from Yen, for convenience only, at the rate of US\$1.00 = ¥152.77

Note2: Revised the forecast of profit attributable to owners of parent from ¥200 million to ¥450 million on August 9, 2024

• Numbers by Quarter



• Observation of the First Half of the Fiscal Year 2025 (April to September, 2024)

During the First Half (1H) of the Fiscal Year (FY) 2025 (April to September, 2024), net sales amounted to ¥17,229 million, up ¥732 million or +4.4% from that of the previous FY 1H, thanks to an increase in overseas-related sales resulting from the depreciation of the yen, company-wide efforts to pass on prices, and a temporary increase in orders related to the Coated Paper in the Functional Sheet Segment.

Operating profit was ¥922 million, up ¥126 million or +16.0% from that of previous FY 1H, thanks to the positive effect of yen depreciation and price pass-through, as well as continued strong performance in the Display-related Segment, despite upfront costs associated with the launch of new products and higher labor costs associated with improved compensation. It also exceeded the initial forecasts by ¥72 million or +8.5%.

Ordinary profit was ¥1,022 million, up ¥25 million or +2.5% from that of the previous FY 1H, thanks to improved operating profit and equity-method investment income from an affiliate company that handles processing of optical film used for displays.

Profit attributable to owners of parent is ¥759 million, up ¥328 million or +76.0% from the previous FY 1H, due to the postponement of some construction projects to the Second Half (2H) of the year, resulting in the deferral of related extraordinary losses to the 2H, and a decrease in income taxes-deferred and profit attributable to non-controlling interests.

(2) Consolidated operating results by segment

• Reportable segments figures

		FY 2024 1H	FY 2025 1H	Change to FY 2025 from FY 2024	Percent Change from FY 2024 numbers
Toner	Net sales	5,583	6,304	720	12.9%
	Operating profit	371	699	328	88.5%
Semiconductor and Display-related	Net sales	3,399	3,419	20	0.6%
	Operating profit	302	382	79	26.4%
Functional Sheet	Net sales	5,272	5,491	219	4.2%
	Operating profit	56	8	▲48	▲85.8%
Security Media	Net sales	2,103	1,870	▲232	▲11.1%
	Operating profit	261	134	▲126	▲48.5%
New Business Development	Net sales	25	17	▲8	▲31.5%
	Operating loss	▲263	▲354	▲91	-

• Overview of reportable segments

< Toner >

As for the Toner Segment, net sales were ¥6,304 million, up ¥720 million or +12.9% from that of the previous FY 1H, and Segment (operating) profit was ¥699 million, up ¥328 million or +88.5% from that of the previous FY 1H.

Net sales increased mainly thanks to signs of a recovery in orders received since the Fourth Quarter of the previous FY, as well as an increase in overseas-related sales converted at a weaker yen. Segment (operating) profit increased thanks to a recovery in demand and the positive effect of the depreciation of the yen, despite a decline in sales of high-margin color toner.

< Semiconductor and Display-related >

As for the Semiconductor and Display-related Segment, net sales were ¥3,419 million, up ¥20 million or +0.6% from that of the previous FY 1H, and Segment (operating) profit was ¥382 million, up ¥79 million or +26.4% from that of the previous FY 1H.

In the Semiconductor and Display-related Segment, sales of the Semiconductor Packaging Tape SBU were sluggish, but orders for Optical Film SBU for processing film for displays remained strong, leading to an increase in net sales. Segment (operating) profit increased from the previous FY 1H, thanks to the effect of increased net sales in the Optical Film SBU and higher-than-expected compensation income from product development activities and resulting prototypes, although costs associated with the launch of new products were executed as planned.

< Functional Sheet >

As for the Functional Sheet Segment, net sales were ¥5,491 million, up ¥219 million or +4.2% from that of the previous FY 1H, and Segment (operating) profit was ¥8 million, down ¥48 million or ▲ 85.8% from that of the previous FY 1H.

This was thanks to strong sales of some products in the Coated Paper SBU, as well as, strong sales in the Papermaking SBU and Gum Tape SBU, which are operated by subsidiaries. Segment (operating) profit decreased from the previous FY 1H, due to sluggish orders for Functional Non-woven Fabric SBU.

< Security Media >

As for Security Media Segment, net sales were ¥1,870 million, down ¥232 million or ▲ 11.1% from that of the previous FY 1H, and Segment (operating) profit was ¥134 million down ¥126 million or ▲ 48.5% from that of the previous FY 1H.

Net sales decreased mainly due to a delay in sales of “Combi Cards” that also accept touch payments were delayed to the FY 2H, as well as a decrease in sales of passbooks and other products. Segment (operating) profit decreased due to lower net sales.

< New Business Development >

As for the New Business Development Segment, net sales were ¥17 million, down ¥8 million or ▲ 31.5% from that of the previous FY 1H, and Segment (operating) loss was ¥354 million (loss of ¥263 million in the previous FY 1H).

The Company is promoting the development and net sales of iCas and GREEN CHIP related products, and is concentrating on the launch of new products for semiconductor manufacturing equipment and resins compounded cellulose microfiber.

2. Overview of financial position for the six months

• Financial Position

September 30, 2024

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
End of FY 2025 1H September 30, 2024	44,842	19,392	33.9%	1,466.87Yen
Converted into Millions of US dollar (Note)	314.0	135.8	-	10.27US\$
End of FY 2024, March 31, 2024	45,713	19,396	32.2%	1,417.49Yen
Change to FY 2025 1H from FY 2024	▲871	▲3	1.7%	49.38Yen

Note: US dollar amounts are converted from Yen, for convenience only, at the rate of US\$1.00 = ¥142.82

• Explanation regarding Financial Position

Total assets amounted to ¥44,842 million at the end of the current FY 1H, down ¥871 million from the end of the previous FY. Current assets totaled ¥21,621 million, down ¥978 million from the end of the previous FY. This was mainly due to a decrease in cash and deposits and notes and receivable-trade, despite an increase in finished goods, raw materials, and supplies. Non-current assets totaled ¥23,220 million, up ¥106 million from the end of the previous FY. This was mainly due to an increase in property, plant and equipment resulting from capital expenditures and an increase in intangible assets due to software investment, despite a decrease in investment securities due to the mark-to-market valuation of holding shares.

Total liabilities amounted to ¥25,449 million, down ¥868 million from the end of the previous FY. Current liabilities totaled ¥18,029 million, down ¥376 million from the end of the previous FY. This was mainly due to a decrease in notes and accounts payable-trade and current portion of long-term borrowings, despite an increase in short-term borrowings. Non-current liabilities totaled ¥7,420 million, down ¥491 million from the end of the previous FY, mainly due to progress in repayment of long-term borrowings. Interest-bearing debt decreased ¥22 million from the end of the previous FY to ¥12,813 million.

Net assets amounted to ¥19,392 million, down ¥3 million from the end of the previous FY. As a result, the equity ratio was 33.9% (32.2% at the end of the previous FY).

(Review of cash flow position)

• Cash Flow

September 30, 2024

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
End of FY 2025 1H September 30, 2024	160	▲1,197	▲400	3,835
Converted into Millions of US dollar (Note)	1.0	▲7.8	▲2.6	26.9
End of FY 2024 1H September 31, 2024	1,966	▲569	▲758	5,142
Change to FY 2025 from FY 2024	▲1,805	▲628	357	▲1,306

Note: US dollar amounts are converted from Yen, for convenience only, at the rate of US\$1.00 = ¥152.77 as for Cash flow and ¥142.82 as for Cash and cash equivalents at end of period

• Explanation regarding Cash Flow

Cash and cash equivalents (net cash) amounted to ¥3,835 million at the end of the current FY 1H, down ¥1,509 million from the end of the previous FY. The status of each cash flow and their factors during the current semi-annual period are as follows.

Net cash from operating activities for the current FY 1H was ¥160 million, down ¥1,805 million from the previous FY 1H. The main inflow factors were profit before income taxes of ¥975 million and depreciation (¥856 million). The outflow factors included share of profit of entities accounted for using equity method (¥160 million) and an increase in inventories (¥1,009 million), and a decrease in notes and accounts payable-trade (¥437 million).

Net cash used in investing activities for the current FY 1H was ¥1,197 million (¥628 million increase in investment from the previous FY 1H). The main outflow factors were purchase of property, plant and equipment (¥990 million).

Net cash used in financing activities for the current FY 1H was ¥400 million (¥357 million decreased in financing from the previous FY 1H). The main inflow factors were net increase in short-term borrowings (¥667 million) and proceeds from long-term borrowings (¥416 million). The outflow factors included repayments of long-term borrowings (¥905 million), purchase of treasury shares of subsidiaries for ¥189 million, and dividends paid of ¥154 million.

3. Explanation of consolidated earnings forecasts and other forward-looking statements

As for the 2H of the current FY and beyond, the Toner Segment is expected to be affected by 1) lower sales due to increased price competition in China and other countries, 2) price hikes of resins, the main raw material, and 3) production adjustments due to facility upgrades at manufacturing subsidiaries in China. Under these circumstances, the Company will continue to implement its existing measures to expand market share and to develop emerging markets with high growth potential.

In the Semiconductor and Display-related Segment, sales are expected to decline in the future due to changes in business policies at clients in the display-related business. It is also widely thought that the market recovery expected in the FY 2H for existing products such as the Semiconductor Packaging Tapes will take time. In this environment, the Company plans to expand facilities for the flexible flat heater, which are expected to grow in the future, in order to establish a mass production system, although full contribution to sales and profit will not be made until the next FY or later.

In the Functional Sheet Segment, the Company will continue to promote price pass-on to other products and cost reductions to counter the impact of higher pulp prices and the fire* at the functional non-woven fabric manufacturing facilities at our Shizuoka Plant in Shizuoka Works in September 2024. The fire will cause approximately ¥100 million in opportunity loss for the current FY and approximately ¥50 million in investment for facility restoration to resume operations in February 2025.

*Fire at the Company's Shizuoka Plant (Japanese Only): <https://ssl4.eir-parts.net/doc/3878/tdnet/2503016/00.pdf>

The Company has decided to leave its full-year forecasts unchanged from the initial forecasts made on May 14, 2024. Although the FY 1H results exceeded the initial forecasts at net sales and each stage of profit, the Company's full-year forecasts take into account the above-mentioned deterioration in the business environment and production adjustment, as well as the impact of extraordinary losses that were deferred to the FY 2H, especially with regard to profit attributable to owners of parent.

• Forecasts of Current Fiscal Year, which will end on March 31, 2025

Forecasts released (Release Date)	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Full year (May 14, 2024)	35,000	2,200	2,200	1,000	96.42Yen

II. Semi-annual consolidated financial statements and significant notes thereto

1. Semi-annual consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	5,417	3,909
Notes and accounts receivable - trade	6,929	6,733
Finished goods	6,389	7,091
Work in process	59	65
Raw materials and supplies	2,371	2,575
Other	1,441	1,258
Allowance for doubtful accounts	△9	△11
Total current assets	22,600	21,621
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,520	4,549
Machinery, equipment and vehicles, net	3,839	3,934
Land	5,398	5,398
Other, net	2,148	2,166
Total property, plant and equipment	15,906	16,050
Intangible assets	408	606
Investments and other assets		
Investment securities	5,878	5,734
Other	920	829
Allowance for doubtful accounts	△0	△0
Total investments and other assets	6,798	6,564
Total non-current assets	23,113	23,220
Total assets	45,713	44,842

(Millions of yen)

As of March 31, 2024

As of September 30, 2024

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,253	5,804
Short-term borrowings	5,992	6,518
Current portion of long-term borrowings	1,617	1,377
Income taxes payable	232	161
Provision for bonuses	515	536
Other	3,793	3,632
Total current liabilities	18,405	18,029
Non-current liabilities		
Long-term borrowings	4,708	4,458
Retirement benefit liability	1,043	1,061
Provision for retirement benefits for directors (and other officers)	323	318
Other	1,836	1,581
Total non-current liabilities	7,911	7,420
Total liabilities	26,317	25,449
Net assets		
Shareholders' equity		
Share capital	2,122	2,122
Capital surplus	897	1,177
Retained earnings	8,585	9,190
Treasury shares	△31	△31
Total shareholders' equity	11,574	12,459
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	575	453
Foreign currency translation adjustment	962	816
Remeasurements of defined benefit plans	1,587	1,484
Total accumulated other comprehensive income	3,125	2,753
Non-controlling interests	4,695	4,180
Total net assets	19,396	19,392
Total liabilities and net assets	45,713	44,842

2. Semi-annual consolidated statement of income (cumulative) and semi-annual consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	16,497	17,229
Cost of sales	12,770	13,113
Gross profit	3,726	4,116
Selling, general and administrative expenses	2,931	3,193
Operating profit	795	922
Non-operating income		
Interest income	6	4
Dividend income	43	51
Share of profit of entities accounted for using equity method	171	160
Other	114	78
Total non-operating income	334	295
Non-operating expenses		
Interest expenses	99	109
Foreign exchange losses	—	42
Other	34	43
Total non-operating expenses	133	196
Ordinary profit	996	1,022
Extraordinary income		
Gain on sale of non-current assets	2	5
Gain on sale of investment securities	4	3
Total extraordinary income	6	8
Extraordinary losses		
Impairment losses	69	51
Other	9	3
Total extraordinary losses	79	54
Profit before income taxes	923	975
Income taxes - current	246	213
Income taxes - deferred	48	△137
Total income taxes	295	76
Profit	628	899
Profit attributable to		
Profit attributable to owners of parent	431	759
Profit attributable to non-controlling interests	197	139
Other comprehensive income		
Valuation difference on available-for-sale securities	280	△135
Foreign currency translation adjustment	486	△180
Remeasurements of defined benefit plans, net of tax	△98	△103
Total other comprehensive income	668	△419
Comprehensive income	1,297	479
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	922	387
Comprehensive income attributable to non-controlling interests	374	92

3. Semi-annual consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	923	975
Depreciation	789	856
Impairment losses	69	51
Increase (decrease) in provision for retirement benefits for directors (and other officers)	5	△4
Increase (decrease) in retirement benefit liability	△37	△21
Interest and dividend income	△49	△55
Interest expenses	99	109
Share of loss (profit) of entities accounted for using equity method	△171	△160
Decrease (increase) in trade receivables	△196	135
Decrease (increase) in inventories	249	△1,009
Increase (decrease) in trade payables	195	△437
Other, net	150	△296
Subtotal	2,029	142
Interest and dividends received	110	162
Interest paid	△98	△110
Income taxes paid	△388	△308
Income taxes refund	307	255
Other, net	6	19
Net cash provided by (used in) operating activities	1,966	160
Cash flows from investing activities		
Payments into time deposits	△20	△22
Proceeds from withdrawal of time deposits	18	20
Purchase of property, plant and equipment	△562	△990
Purchase of intangible assets	△52	△112
Payments for retirement of property, plant and equipment	△4	△103
Proceeds from sale of investment securities	45	5
Other, net	5	5
Net cash provided by (used in) investing activities	△569	△1,197
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,902	667
Proceeds from long-term borrowings	500	416
Repayments of long-term borrowings	△1,578	△905
Purchase of treasury shares	△1,135	△0
Purchase of treasury shares of subsidiaries	—	△189
Dividends paid	△204	△154
Dividends paid to non-controlling interests	△146	△137
Other, net	△94	△95
Net cash provided by (used in) financing activities	△758	△400
Effect of exchange rate change on cash and cash equivalents	220	△71
Net increase (decrease) in cash and cash equivalents	859	△1,509
Cash and cash equivalents at beginning of period	4,282	5,345
Cash and cash equivalents at end of period	5,142	3,835

4. Notes to semi-annual consolidated financial statements
(Notes on changes in accounting policies)

Application of Accounting Standard for Current Income Taxes

The Accounting Standard for Current Income Taxes (ASBJ Statement No. 27; October 28, 2022; hereinafter, "2022 Revised Accounting Standard") has been applied since the beginning of the semi-annual period.

Revisions concerning the recognition classification (taxes on other comprehensive income) of income taxes follow the transitional treatment set forth in the proviso of paragraph 20-3 of the 2022 Revised Accounting Standard and in the proviso of paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28; October 28, 2022; hereinafter, "2022 Revised Guidance"). This change in accounting policy has no impact on the semi-annual financial statements.

Regarding the revisions related to the review of treatment in consolidated financial statements when conducting a tax deferral of gains or losses on sale arising from the sale of subsidiary shares, etc. between consolidated companies, the 2022 Revised Guidance has been applied since the beginning of the semi-annual period. This change in accounting policy is applied retrospectively, and the consolidated financial statements for the previous semi-annual period and the previous consolidated FY are after retrospective application. This change in accounting policy has no impact on the consolidated financial statements for the previous semi-annual period and the previous consolidated FY.

(Notes on significant changes in the amount of shareholders' equity)

None

(Notes on premise of going concern)

None

(Notes on segment information, etc.)

I Previous fiscal year (From April 1, 2023 to September 30, 2023)

Information concerning net sales and profit (loss) by reportable segment, and disaggregated revenue information

(Millions of yen)

	Reportable segments						(Note 1) Other	Total	(Note 2) Adjustments	(Note 3) Amount in consolidated financial statements
	Toner	Semiconductor and Display-related	Functional Sheet	Security media	New Business Development	Reportable segments				
Net sales										
Japan	1,011	1,959	4,735	2,103	24	9,834	77	9,912	—	9,912
China (including Hong Kong)	1,602	143	25	—	—	1,771	—	1,771	—	1,771
Other Asia	685	1,266	461	—	1	2,415	—	2,415	—	2,415
Europe	1,873	1	3	—	—	1,877	—	1,877	—	1,877
North America	296	28	46	—	—	371	—	371	—	371
Other	113	—	—	—	—	113	—	113	—	113
Revenue from contracts with customers	5,583	3,399	5,272	2,103	25	16,384	77	16,462	—	16,462
Other revenue	—	—	—	—	—	—	34	34	—	34
Revenues from external customers	5,583	3,399	5,272	2,103	25	16,384	112	16,497	—	16,497
Transactions with other segments	—	—	975	22	—	998	301	1,300	(1,300)	—
Net sales	5,583	3,399	6,248	2,126	25	17,382	414	17,797	(1,300)	16,497
Segment profit (loss)	371	302	56	261	(263)	728	44	773	22	795

Notes:

1. The “Other” classification is for business segments not included in a reportable segment and includes logistics services, etc.
2. Segment profit (loss) in the above adjustment ¥22 million represents eliminations for inter-segment transactions.
3. Segment profit (loss) is adjusted with operating profit presented in the Semi-annual consolidated statement of income (cumulative) and semi-annual consolidated statement of comprehensive income (cumulative).

II Current fiscal year (From April 1, 2024 to September 30, 2024)

Information concerning net sales and profit (loss) by reportable segment, and disaggregated revenue information

(Millions of yen)

	Reportable segments						(Note 1) Other	Total	(Note 2) Adjustments	Amount in consolidated financial statements
	Toner	Semiconductor and Display-related	Functional Sheet	Security media	New Business Development	Reportable segments				
Net sales										
Japan	887	1,924	4,865	1,870	17	9,564	90	9,655	—	9,655
China (including Hong Kong)	2,159	162	42	—	—	2,364	—	2,364	—	2,364
Other Asia	768	1,311	514	—	—	2,594	—	2,594	—	2,594
Europe	1,899	0	1	—	—	1,902	—	1,902	—	1,902
North America	443	20	67	—	—	531	—	531	—	531
Other	146	—	—	—	—	146	—	146	—	146
Revenue from contracts with customers	6,304	3,419	5,491	1,870	17	17,104	90	17,194	—	17,194
Other revenue	—	—	—	—	—	—	34	34	—	34
Revenues from external customers	6,304	3,419	5,491	1,870	17	17,104	125	17,229	—	17,229
Transactions with other segments	—	—	326	80	—	406	344	751	(751)	—
Net sales	6,304	3,419	5,817	1,950	17	17,510	470	17,981	(751)	17,229
Segment profit (loss)	699	382	8	134	(354)	870	34	904	17	922

Notes:

1. The “Other” classification is for business segments not included in a reportable segment and includes logistics services, etc.
2. Segment profit (loss) in the above adjustment ¥17 million represents eliminations for inter-segment transactions.
3. Segment profit (loss) is adjusted with operating profit presented in the Semi-annual consolidated statement of income (cumulative) and semi-annual consolidated statement of comprehensive income (cumulative).