

Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2024 (unaudited) (Based on Japanese GAAP)

February 13, 2025

Company name: Tokushu Tokai Paper Co., Ltd.
 Stock exchange listings: Tokyo
 Code number: 3708 URL <https://www.tt-paper.co.jp>
 Representative: President and Chief Executive Officer Yuji Matsuda
 For inquiry: Executive Officer and Senior General Manager Hiro Mochizuki TEL +81-3-5219-1816
 Dividend payment date: —
 Availability of support documentation: No
 Holding of financial result briefing: No

(All yen figures are rounded down to the nearest one million yen)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2024 (April 1, 2024 – December 31, 2024)

(1) Consolidated Operating Results

(% represents the change from the same period in the previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine Months ended								
December 31, 2024	71,251	9.8	2,876	78.4	4,822	2.3	3,700	1.4
December 31, 2023	64,908	2.9	1,612	15.4	4,713	48.6	3,649	(0.9)

Note: Comprehensive income

Nine Months ended December 31, 2024	3,435 million yen	(23.2)%
Nine Months ended December 31, 2023	4,473 million yen	89.0%

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine Months ended		
December 31, 2024	314.48	313.33
December 31, 2023	308.10	306.99

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	136,635	85,087	57.0
As of March 31, 2024	132,978	83,927	57.8

Reference: Equity	As of December 31, 2024	77,916 million yen
	As of March 31, 2024	76,866 million yen

2. Dividends

	Annual Dividends per share				
	1 st quarter end	2 nd quarter end	3 rd quarter end	End of fiscal year	Total
Fiscal year ended	Yen	Yen	Yen	Yen	Yen
March 31, 2024	—	50.00	—	70.00	120.00
March 31, 2025	—	60.00	—		
Fiscal year ending March 31, 2025 (Forecast)				60.00	120.00

Note: Revision to dividend forecasts published most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 – March 31, 2025)

(% represents the change from the same period in the previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full fiscal year	95,000	9.8	4,000	74.2	6,200	0.2	4,300	(6.3)	364.44

Note: Revision to financial forecasts published most recently: No

4. Others

[1] Significant changes in the scope of consolidation during the period: Yes

New Takafuji Co., Ltd.

Eliminated Toei Holdings Co., Ltd.

Our consolidated subsidiaries, Takafuji Holdings Co., Ltd. and Takafuji Co., Ltd., have conducted an absorption-type merger, effective August 1, 2024, with Takafuji Co., Ltd. as the surviving company and Takafuji Holdings Co., Ltd. as the dissolving company. Also, our consolidated subsidiaries, Toei Holdings Co., Ltd. and Toei Co., Ltd., have conducted an absorption-type merger, effective November 1, 2024, with Toei Co., Ltd. as the surviving company and Toei Holdings Co., Ltd. as the dissolving company.

[2] Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: No

[3] Changes in accounting principles, changes in accounting estimates and restatements

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|--|-----|
| 1) Changes in accounting policies due to the revision of accounting standards: | Yes |
| 2) Changes in accounting policies other than 1) above: | No |
| 3) Changes in accounting estimates: | No |
| 4) Retrospective restatements: | No |

[4] Number of issued shares (common shares)

- | | |
|--|-------------------|
| (i) Number of issued shares (including treasury shares) as of: | |
| December 31, 2024 | 13,000,000 shares |
| March 31, 2024 | 13,300,000 shares |
| (ii) Number of treasury shares as of: | |
| December 31, 2024 | 1,383,477 shares |
| March 31, 2024 | 1,504,938 shares |
| (iii) Average number of shares during the period: | |
| Nine months ended December 31, 2024 | 11,766,823 shares |
| Nine months ended December 31, 2023 | 11,844,245 shares |

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: No

*Explanations pertaining to appropriate use of information concerning future forecasts

The operating results forecasts and certain other statements contained in this document are forward-looking statements, which are rationally determined based on information available to the company at the time the results

were announced. Actual performance may differ substantially from these projections due to fluctuations in the economy or a variety of other known and unknown factor.

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

	(Millions of Yen)	
	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	13,433	10,591
Notes and accounts receivable - trade, and contract assets	26,201	29,326
Merchandise and finished goods	5,568	4,979
Work in process	1,127	1,894
Raw materials and supplies	6,259	7,129
Other	1,585	2,223
Allowance for doubtful accounts	(26)	(28)
Total current assets	54,151	56,115
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	16,207	16,680
Machinery, equipment and vehicles, net	27,281	26,941
Land	12,640	12,928
Other, net	3,843	4,619
Total property, plant and equipment	59,972	61,170
Intangible assets		
Goodwill	2,590	3,512
Other	256	327
Total intangible assets	2,847	3,840
Investments and other assets		
Investment securities	14,449	13,468
Deferred tax assets	641	582
Other	958	1,500
Allowance for doubtful accounts	(41)	(41)
Total investments and other assets	16,007	15,509
Total non-current assets	78,827	80,519
Total assets	132,978	136,635

(Millions of Yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,831	10,287
Short-term loans payable	9,550	8,328
Current portion of long-term loans payable	4,634	5,511
Current portion of bonds	80	110
Income taxes payable	740	630
Provision for bonuses	482	351
Other	8,271	7,753
Total current liabilities	33,590	32,972
Non-current liabilities		
Bonds payable	230	217
Long-term loans payable	12,420	15,332
Deferred tax liabilities	438	432
Provision for directors' retirement benefits	95	95
Provision for environmental measures	47	47
Retirement benefit liability	936	1,006
Asset retirement obligations	642	606
Other	648	837
Total non-current liabilities	15,460	18,576
Total liabilities	49,050	51,548
Net assets		
Shareholders' equity		
Capital stock	11,485	11,485
Capital surplus	5,503	4,487
Retained earnings	62,140	64,307
Treasury shares	(5,089)	(4,723)
Total shareholders' equity	74,038	75,556
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,514	2,053
Deferred gains or losses on hedges	(0)	(0)
Remeasurements of defined benefit plans	313	307
Total accumulated other comprehensive income	2,827	2,360
Share acquisition rights	144	138
Non-controlling interests	6,916	7,032
Total net assets	83,927	85,087
Total liabilities and net assets	132,978	136,635

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

Quarterly Consolidated Statements of Income

(Millions of Yen)

	Nine Months ended December 31, 2023	Nine Months ended December 31, 2024
Net sales	64,908	71,251
Cost of sales	57,381	61,851
Gross profit	7,527	9,400
Selling, general and administrative expenses	5,915	6,523
Operating income	1,612	2,876
Non-operating income		
Interest income	4	4
Dividend income	210	252
Rent income	91	93
Insurance claim income	116	115
Share of profit of entities accounted for using equity method	2,618	1,382
Other	232	309
Total non-operating income	3,274	2,157
Non-operating expenses		
Interest expenses	114	140
Other	58	72
Total non-operating expenses	173	212
Ordinary income	4,713	4,822
Extraordinary income		
Gain on sales of non-current assets	23	113
Gain on sales of investment securities	57	350
Compensation for forced relocation	255	—
National subsidies	129	—
Insurance claim income	—	128
Total extraordinary income	464	592
Extraordinary losses		
Loss on sales of non-current assets	—	4
Loss on retirement of non-current assets	105	71
Impairment losses	105	—
Restoration expenses on facilities	281	—
Loss on valuation of shares of subsidiaries and associates	45	—
Business restructuring expenses	181	129
Total extraordinary losses	719	205
Profit before income taxes	4,458	5,209
Income taxes - current	696	1,044
Income taxes - deferred	37	261
Total income taxes	733	1,306
Profit	3,725	3,903
Profit attributable to non-controlling interests	76	202
Profit attributable to owners of parent	3,649	3,700

Quarterly Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Nine Months ended December 31, 2023	Nine Months ended December 31, 2024
Profit	3,725	3,903
Other comprehensive income		
Valuation difference on available-for-sale securities	728	(460)
Deferred gains or losses on hedges	0	(0)
Remeasurements of defined benefit plans	13	(6)
Share of other comprehensive income of entities accounted for using equity method	5	(0)
Total other comprehensive income	747	(467)
Comprehensive income	4,473	3,435
Comprehensive income attributable to		
Owners of parent	4,397	3,232
Non-controlling interests	75	202

Segment Information

Information on Net Sales, Profit/Loss of Each Reportable Segment

Nine Months ended December 31, 2023

(Millions of yen)

	Industrial Material	Special Material	Household Products	Environment Related	Total	Adjustment (Note 1)	Consolidated (Note 2)
Net sales							
Sales to outside	30,110	14,634	13,754	6,409	64,908	—	64,908
Intersegment sales and transfers	1,985	644	155	2,228	5,013	(5,013)	—
Total	32,095	15,279	13,909	8,637	69,922	(5,013)	64,908
Segment profit	824	139	523	199	1,686	(74)	1,612

Nine Months ended December 31, 2024

(Millions of yen)

	Industrial Material	Special Material	Household Products	Environment Related	Total	Adjustment (Note 1)	Consolidated (Note 2)
Net sales							
Sales to outside	31,646	15,453	14,208	9,942	71,251	—	71,251
Intersegment sales and transfers	2,042	537	144	2,571	5,296	(5,296)	—
Total	33,688	15,991	14,353	12,514	76,548	(5,296)	71,251
Segment profit	677	1,163	547	378	2,767	108	2,876

Notes:

1. “Adjustment” is due to intersegment elimination, etc.
2. Segment profit total was adjusted to be consistent with the operating income recorded on the Consolidated Statements of Income.