

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2025 (Based on Japanese GAAP)

February 9, 2026

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 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2025 (from April 1, 2025 to December 31, 2025)

(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	%
Nine months ended December 31, 2025	21,158	(2.8)	790	–	(94)	–	(310)	–
Nine months ended December 31, 2024	21,757	10.9	(205)	–	(217)	–	(799)	–

Note: Comprehensive income
 Nine months ended December 31, 2025: ¥(67) million [–%]
 Nine months ended December 31, 2024: ¥(51) million [–%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2025	(53.77)	–
Nine months ended December 31, 2024	(138.41)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2025	48,549	11,698	22.6
As of March 31, 2025	50,672	11,777	21.7

Reference: Equity
 As of December 31, 2025: ¥10,970 million
 As of March 31, 2025: ¥11,013 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2025	–	0.00	–	0.00	0.00
Year ending March 31, 2026	–	0.00	–		
Year ending March 31, 2026 (Forecast)				0.00	0.00

Note: Revisions to the forecasts of cash dividends most recently announced: No

3. Forecast of consolidated financial results for the year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	28,500	(10.0)	1,000	–	(300)	–	(700)	–	(121.08)

Note: Revisions to the consolidated financial results forecasts most recently announced: No

* Notes

- (1) Significant changes in the scope of consolidation during the nine months ended December 31, 2025: No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of December 31, 2025	6,099,192 shares	As of March 31, 2025	6,099,192 shares
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Number of treasury shares at the end of the period

As of December 31, 2025	311,464 shares	As of March 31, 2025	317,912 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2025	5,783,219 shares	Nine months ended December 31, 2024	5,779,716 shares
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* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: No

* Proper use of earnings forecasts, and other special matters

The forecast of financial results is based on information available at the current time and include many uncertain factors. Actual financial results and other items may differ from the above forecast for any of various reasons, including changes in business conditions. Please refer to “(3) Explanation of Forecast of Financial Results and Other Forward-looking Statements” of “1. Qualitative Information on Quarterly Financial Results” on page 2 of the attached materials for the items related to the above forecasts.

Attached Material

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Business Results

In the business environment surrounding the TODA KOGYO Group (the “Group”) during the nine months ended December 31, 2025, there was a moderate recovery trend in the economy due to factors that include the improvement in the employment and income environment. On the other hand, the outlook remains uncertain mainly due to concerns about the impact of the future direction of U.S. trade policy and the deterioration of Japan-China relations.

The Group is accelerating selection and concentration, and promoting further enhancement of business portfolio management in order to achieve the KPIs set forth in the Ideal Vision for fiscal 2030 (fiscal year ending March 31, 2031) and a medium-term management plan, Vision2026, covering the period from fiscal 2024 (fiscal year ended March 31, 2025) to fiscal 2026 (fiscal year ending March 31, 2027). The magnet materials and dielectric materials businesses, which are positioned as growth businesses in our business portfolio management, are being further expanded. The main applications of magnet materials are motors and sensors for automobiles, and we are investing our management resources to meet growing demand due to needs for smaller and lighter automotive parts. The main application of dielectric materials is in multilayer ceramic capacitors used in automobiles and ICT devices, for which further miniaturization and higher capacitance are required. In addition to developing and manufacturing products specialized for 150 nm or less using our proprietary fine particle synthesis technology, we also aim to provide customers with dispersion of high quality and reduced labor for dispersing fine particles by supplying them with fine particles before they are dried. We are promoting rationalization activities such as product pricing optimization action, cost reductions, and overhead cost reductions for coloring materials and toner materials, which are positioned as a revitalization/reorganization business. As for environmental related materials, which is positioned as a next-generation business, we are developing new materials that contribute to reducing environmental impact, such as CO₂ separation and capture materials, and are investing management resources with a focus on speedy commercialization.

Under these circumstances, during the nine months ended December 31, 2025, the second year of Vision2026, net sales came to ¥21,158 million (down 2.8% year on year), operating profit came to ¥790 million (compared with operating loss of ¥205 million in the same period of the previous fiscal year), ordinary loss came to ¥94 million (compared with ordinary loss of ¥217 million in the same period of the previous fiscal year), and loss attributable to owners of parent came to ¥310 million (compared with loss attributable to owners of parent of ¥799 million in the same period of the previous fiscal year).

The status of each segment is as follows.

Functional pigments

Demand for magnetic recording materials remained strong and grew compared to the same period of the previous fiscal year. On the other hand, due to factors such as inventory adjustments by some customers of toner materials, net sales were ¥5,849 million, a decline of 2.5% year on year. Segment profit was ¥1,105 million, an increase of 60.3% year on year due to cost reduction and overhead cost reduction, as well as product pricing optimization action.

Electronic materials

Net sales of dielectric materials reached a record high for the first nine months of a fiscal year due to a significant increase in demand for multilayer ceramic capacitors (MLCCs) for AI servers and peripheral equipment. On the other hand, magnet materials and soft magnetic materials struggled due to a decline in sales of new cars in the automobile market and intensified competition with other companies in the same industry in China. Due in part to the impact of the dissolution of cooperative activities in the hydrotalcite business, which is positioned as a revitalization/reorganization business in Vision2026, net sales were ¥15,682 million, a decline of 2.9% year on year. In terms of profits, performance significantly improved compared to the same period last year due to efforts to expand business, cost reduction, and overhead cost reduction, as well as lower expenses and sales of inventory at Toda Advanced Materials Inc., which was decided to be dissolved and liquidated. As a result of the above, segment profit was ¥1,787 million, an increase of 37.3% year on year.

In terms of non-operating income and expenses, we recorded a share of loss of entities accounted for using equity method, mainly due to a decline in revenues from associates accounted for using the equity method, which are engaged in the manufacture of lithium ion battery (LIB) materials, as a result of sluggish EV demand.

(2) Explanation of Financial Position

Assets

Assets as of December 31, 2025, came to ¥48,549 million, a decrease of ¥2,123 million over the end of the previous fiscal year. This was mainly due to decreases of ¥737 million in cash and deposits, ¥577 million in notes and accounts receivable - trade, ¥705 million in merchandise and finished goods, and ¥401 million in goodwill, despite increases of ¥591 million in property, plant and equipment and ¥1,160 million in investment securities.

Liabilities

Liabilities as of December 31, 2025, came to ¥36,851 million, a decrease of ¥2,043 million over the end of the previous fiscal year. This was mainly due to decreases of ¥392 million in notes and accounts payable - trade, ¥762 million in borrowings, and ¥623 million in other under current liabilities.

Net assets

Net assets as of December 31, 2025, came to ¥11,698 million, a decrease of ¥79 million over the end of the previous fiscal year. This was mainly due to recording of ¥310 million of loss attributable to owners of parent and a decrease of ¥530 million in foreign currency translation adjustment, despite an increase of ¥788 million in valuation difference on available-for-sale securities.

(3) Explanation of Forecast of Financial Results and Other Forward-looking Statements

There is no change to the forecast of consolidated financial results for the full-year announced in the “Summary of Consolidated Financial Results for the Six Months Ended September 30, 2025” on November 11, 2025.

2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	8,078	7,341
Notes and accounts receivable - trade	8,295	7,718
Merchandise and finished goods	4,130	3,425
Work in process	2,001	1,810
Raw materials and supplies	1,853	2,149
Other	1,469	1,134
Allowance for doubtful accounts	(21)	(20)
Total current assets	25,807	23,558
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,848	1,858
Machinery, equipment and vehicles, net	1,636	1,824
Land	5,529	5,528
Construction in progress	989	1,260
Other, net	461	585
Total property, plant and equipment	10,465	11,056
Intangible assets		
Goodwill	2,708	2,307
Other	55	197
Total intangible assets	2,763	2,505
Investments and other assets		
Investment securities	3,374	4,534
Investments in capital of subsidiaries and associates	7,572	6,135
Other	691	762
Allowance for doubtful accounts	(3)	(3)
Total investments and other assets	11,634	11,429
Total non-current assets	24,864	24,990
Total assets	50,672	48,549

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,364	2,972
Short-term borrowings	8,428	8,383
Current portion of long-term borrowings	4,796	4,656
Income taxes payable	138	100
Provision for bonuses	275	86
Provision for loss on liquidation of subsidiaries and associates	955	657
Other	2,219	1,596
Total current liabilities	20,179	18,453
Non-current liabilities		
Long-term borrowings	14,540	13,963
Retirement benefit liability	2,268	2,303
Other	1,905	2,132
Total non-current liabilities	18,715	18,398
Total liabilities	38,894	36,851
Net assets		
Shareholders' equity		
Share capital	7,477	7,477
Capital surplus	4,297	4,281
Retained earnings	(3,988)	(4,299)
Treasury shares	(1,428)	(1,398)
Total shareholders' equity	6,357	6,061
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,475	2,263
Foreign currency translation adjustment	2,785	2,255
Remeasurements of defined benefit plans	394	390
Total accumulated other comprehensive income	4,655	4,909
Share acquisition rights	114	107
Non-controlling interests	650	620
Total net assets	11,777	11,698
Total liabilities and net assets	50,672	48,549

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

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Net sales	21,757	21,158
Cost of sales	17,201	15,976
Gross profit	4,556	5,181
Selling, general and administrative expenses		
Employees' salaries	1,031	948
Provision for bonuses	125	121
Retirement benefit expenses	66	72
Research and development expenses	1,141	1,043
Other	2,397	2,205
Total selling, general and administrative expenses	4,762	4,391
Operating profit (loss)	(205)	790
Non-operating income		
Interest income	56	41
Dividend income	74	80
Share of profit of entities accounted for using equity method	117	–
Foreign exchange gains	4	307
Other	94	91
Total non-operating income	347	520
Non-operating expenses		
Interest expenses	337	321
Share of loss of entities accounted for using equity method	–	1,068
Other	22	15
Total non-operating expenses	359	1,405
Ordinary loss	(217)	(94)
Extraordinary income		
Gain on disposal of non-current assets	42	0
Surrender value of insurance policies	–	3
Compensation income	92	–
Total extraordinary income	134	4
Extraordinary losses		
Loss on disposal of non-current assets	18	4
Provision for environmental measures	–	3
Impairment losses	309	–
Other	–	0
Total extraordinary losses	328	9
Loss before income taxes	(410)	(99)
Income taxes - current	319	345
Income taxes - deferred	58	(146)
Total income taxes	378	199
Loss	(789)	(299)
Profit attributable to non-controlling interests	10	11
Loss attributable to owners of parent	(799)	(310)

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Loss	(789)	(299)
Other comprehensive income		
Valuation difference on available-for-sale securities	581	787
Foreign currency translation adjustment	132	(420)
Remeasurements of defined benefit plans, net of tax	(55)	(3)
Share of other comprehensive income of entities accounted for using equity method	79	(131)
Total other comprehensive income	737	232
Comprehensive income	(51)	(67)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(87)	(56)
Comprehensive income attributable to non-controlling interests	35	(10)

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Assumption of Going Concern)

Not applicable

(Notes When There Are Significant Changes in Amounts of Shareholders' Equity)

Not applicable

(Notes on Quarterly Consolidated Statements of Cash Flows)

Quarterly consolidated statements of cash flows for the nine months ended December 31, 2025 are not prepared. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the nine months ended December 31, 2024 and 2025 are as follows.

	(Millions of yen)	
	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Depreciation	363	383
Amortization of goodwill	432	297

(Notes on Segment Information, Etc.)

[Segment information]

I Nine months ended December 31, 2024

1. Information regarding amounts of net sales and profit or losses for each reportable segment

(Millions of yen)

	Reportable segments		Total	Adjustments (Note 1)	Amount posted on quarterly consolidated statements of income (Note 2)
	Functional pigments	Electronic materials			
Net sales					
Net sales to external customers	5,988	15,768	21,757	–	21,757
Inter-segment net sales or transfers	13	381	395	(395)	–
Total	6,002	16,150	22,152	(395)	21,757
Segment profit (loss)	689	1,301	1,990	(2,196)	(205)

Notes: 1 The adjustment of negative ¥2,196 million to segment profit (loss) includes corporate expenses of negative ¥2,196 million not allocated to either reportable segment. Corporate expenses mainly consist of general and administrative expenses that do not belong to the reportable segments.

2 For segment profit (loss), the Group has adjusted operating loss on its quarterly consolidated statements of income.

2. Information regarding impairment losses on non-current assets or goodwill, etc. by reportable segment

(Significant impairment losses on non-current assets)

Impairment losses on non-current assets were recorded for the functional pigments, electronic materials segments, and corporate assets that do not belong to the reportable segments. The amounts of such impairment losses recorded for the nine months ended December 31, 2024 were ¥182 million for the functional pigments segment, ¥38 million for the electronic materials segment, and ¥88 million for corporate assets that do not belong to the reportable segments.

(Significant changes in the amount of goodwill)

Not applicable

(Significant gain on bargain purchase)

Not applicable

II Nine months ended December 31, 2025

1. Information regarding amounts of net sales and profit or losses for each reportable segment

(Millions of yen)

	Reportable segments		Total	Adjustments (Note 1)	Amount posted on quarterly consolidated statements of income (Note 2)
	Functional pigments	Electronic materials			
Net sales					
Net sales to external customers	5,842	15,315	21,158	–	21,158
Inter-segment net sales or transfers	7	366	373	(373)	–
Total	5,849	15,682	21,532	(373)	21,158
Segment profit	1,105	1,787	2,892	(2,101)	790

Notes: 1 The adjustment of negative ¥2,101 million to segment profit includes corporate expenses of negative ¥2,101 million not allocated to either reportable segment. Corporate expenses mainly consist of general and administrative expenses that do not belong to the reportable segments.

2 For segment profit, the Group has adjusted operating profit on its quarterly consolidated statements of income.

2. Information regarding impairment losses on non-current assets or goodwill, etc. by reportable segment

(Significant impairment losses on non-current assets)

Not applicable

(Significant changes in the amount of goodwill)

Not applicable

(Significant gain on bargain purchase)

Not applicable