

## Translation

Notice: This document is a translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

# Summary of Consolidated Financial Results for the Three Months Ended June 30, 2025 (Based on Japanese GAAP)

August 7, 2025

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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 three months ended June 30, 2025 (from April 1, 2025 to June 30, 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	%
Three months ended June 30, 2025	7,295	(0.2)	282	–	(57)	–	(112)	–
Three months ended June 30, 2024	7,307	18.2	(31)	–	176	(75.2)	28	(95.7)

Note: Comprehensive income Three months ended June 30, 2025: ¥(680) million [– %]  
 Three months ended June 30, 2024: ¥1,201 million [(2.0) %]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2025	(19.47)	–
Three months ended June 30, 2024	5.01	4.97

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2025	49,149	11,104	21.1
As of March 31, 2025	50,672	11,777	21.7

Reference: Equity  
 As of June 30, 2025: ¥10,359 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	–				
Year ending March 31, 2026 (Forecast)		0.00	–	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
Six months ending September 30, 2025	14,000	(3.5)	300	—	0	—	(300)	—	(51.90)
Full year	29,000	(8.4)	900	—	600	—	200	—	34.60

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

#### \* Notes

(1) Significant changes in the scope of consolidation during the three months ended June 30, 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 June 30, 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 June 30, 2025	317,912 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)

Three months ended June 30, 2025	5,781,280 shares	Three months ended June 30, 2024	5,777,135 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

### Index

<b>1. Qualitative Information on Quarterly Financial Results .....</b>	<b>1</b>
<b>(1) Explanation of Business Results .....</b>	<b>1</b>
<b>(2) Explanation of Financial Position .....</b>	<b>2</b>
<b>(3) Explanation of Forecast of Financial Results and Other Forward-looking Statements.....</b>	<b>2</b>
<b>2. Quarterly Consolidated Financial Statements and Significant Notes Thereto.....</b>	<b>3</b>
<b>(1) Consolidated Balance Sheets.....</b>	<b>3</b>
<b>(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income .....</b>	<b>5</b>
Consolidated Statements of Income .....	5
Consolidated Statements of Comprehensive Income.....	6
<b>(3) Notes to Quarterly Consolidated Financial Statements .....</b>	<b>7</b>
(Notes on Assumption of Going Concern) .....	7
(Notes When There Are Significant Changes in Amounts of Shareholders' Equity) .....	7
(Notes on Quarterly Consolidated Statements of Cash Flows).....	7
(Notes on Segment Information, Etc.).....	8

## 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 three months ended June 30, 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 due to such factors as the continued rise in prices and the risk of a downturn in the global economy due to the impact of U.S. trade policy.

The Group is accelerating selection and concentration, and promoting business growth by enhancing business portfolio management in order to achieve the KPIs set forth in the 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 CO<sub>2</sub> separation and capture materials, and are investing management resources with a focus on speedy commercialization.

Under these circumstances, during the three months ended June 30, 2025, the second year of Vision2026, net sales came to ¥7,295 million (down 0.2% year on year), operating profit came to ¥282 million (compared with operating loss of ¥31 million in the same period of the previous fiscal year), ordinary loss came to ¥57 million (compared with ordinary profit of ¥176 million in the same period of the previous fiscal year), and loss attributable to owners of parent came to ¥112 million (compared with profit attributable to owners of parent of ¥28 million in the same period of the previous fiscal year).

The status of each segment is as follows.

#### *Functional pigments*

Net sales were ¥2,115 million, an increase of 1.2% year on year. Segment profit was ¥352 million, an increase of 41.3% year on year due to cost reduction and overhead cost reduction, as well as product pricing optimization action.

#### *Electronic materials*

Demand for dielectric materials remained strong and grew significantly compared to the same period of the previous fiscal year. On the other hand, although magnet materials are performing well in Japan, competition with other companies in the same industry is intensifying in the Chinese market. 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 ¥5,303 million, a decline of 0.8% year on year. In terms of profits, in addition to cost reduction and SG&A cost reduction, the dissolution and liquidation of Toda Advanced Materials Inc. also resulted in improved performance compared to the same period of the previous fiscal year due to lower expenses and sales of inventory. As a result of the above, segment profit was ¥652 million, an increase of 38.9% year on year.

For non-operating income and expenses, revenues from associates accounted for using the equity method, which are engaged in the manufacture of coloring materials and magnet materials, remained strong, but

revenues from associates accounted for using the equity method, which are engaged in the manufacture of lithium ion battery (LIB) materials, declined due to the sluggish EV demand. In addition, foreign exchange losses were recorded due to appreciation of the yen.

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

### *Assets*

Assets as of June 30, 2025, came to ¥49,149 million, a decrease of ¥1,523 million over the end of the previous fiscal year. This was mainly due to decreases of ¥741 million in cash and deposits, ¥375 million in notes and accounts receivable - trade, ¥346 million in merchandise and finished goods, and ¥681 million in investments in capital of subsidiaries and associates, despite an increase of ¥495 million in property, plant and equipment.

### *Liabilities*

Liabilities as of June 30, 2025, came to ¥38,045 million, a decrease of ¥849 million over the end of the previous fiscal year. This was mainly due to decreases of ¥366 million in notes and accounts payable - trade, and ¥585 million in borrowings.

### *Net assets*

Net assets as of June 30, 2025, came to ¥11,104 million, a decrease of ¥673 million over the end of the previous fiscal year. This was mainly due to ¥112 million of loss attributable to owners of parent and a decrease of ¥658 million in foreign currency translation adjustment, despite an increase of ¥128 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 consolidated earnings forecast for six months ending September 30, 2025 and the full-year announced in the “Summary of Consolidated Financial Results for the Year Ended March 31, 2025” on May 15, 2025.

## 2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

### (1) Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	8,078	7,337
Notes and accounts receivable - trade	8,295	7,920
Merchandise and finished goods	4,130	3,784
Work in process	2,001	1,871
Raw materials and supplies	1,853	1,960
Other	1,469	1,600
Allowance for doubtful accounts	(21)	(20)
Total current assets	25,807	24,453
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,848	1,841
Machinery, equipment and vehicles, net	1,636	1,801
Land	5,529	5,490
Construction in progress	989	1,277
Other, net	461	549
Total property, plant and equipment	10,465	10,960
Intangible assets		
Goodwill	2,708	2,474
Other	55	118
Total intangible assets	2,763	2,592
Investments and other assets		
Investment securities	3,374	3,558
Investments in capital of subsidiaries and associates	7,572	6,891
Other	691	695
Allowance for doubtful accounts	(3)	(3)
Total investments and other assets	11,634	11,142
Total non-current assets	24,864	24,696
Total assets	50,672	49,149

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,364	2,998
Short-term borrowings	8,428	8,400
Current portion of long-term borrowings	4,796	4,754
Income taxes payable	138	89
Provision for bonuses	275	112
Provision for loss on liquidation of subsidiaries and associates	955	838
Other	2,219	2,665
Total current liabilities	20,179	19,860
Non-current liabilities		
Long-term borrowings	14,540	14,025
Retirement benefit liability	2,268	2,240
Other	1,905	1,919
Total non-current liabilities	18,715	18,185
Total liabilities	38,894	38,045
Net assets		
Shareholders' equity		
Share capital	7,477	7,477
Capital surplus	4,297	4,297
Retained earnings	(3,988)	(4,100)
Treasury shares	(1,428)	(1,428)
Total shareholders' equity	6,357	6,245
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,475	1,603
Foreign currency translation adjustment	2,785	2,127
Remeasurements of defined benefit plans	394	383
Total accumulated other comprehensive income	4,655	4,114
Share acquisition rights	114	121
Non-controlling interests	650	623
Total net assets	11,777	11,104
Total liabilities and net assets	50,672	49,149

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

	(Millions of yen)	
	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	7,307	7,295
Cost of sales	5,808	5,524
Gross profit	1,499	1,770
Selling, general and administrative expenses		
Employees' salaries	365	329
Provision for bonuses	50	48
Retirement benefit expenses	31	25
Research and development expenses	369	367
Other	712	717
Total selling, general and administrative expenses	1,530	1,488
Operating profit (loss)	(31)	282
Non-operating income		
Interest income	20	5
Dividend income	38	39
Share of profit of entities accounted for using equity method	83	—
Foreign exchange gains	158	—
Other	29	50
Total non-operating income	331	95
Non-operating expenses		
Interest expenses	109	103
Share of loss of entities accounted for using equity method	—	278
Foreign exchange losses	—	47
Other	14	5
Total non-operating expenses	123	435
Ordinary profit (loss)	176	(57)
Extraordinary income		
Gain on disposal of non-current assets	1	—
Compensation income	0	—
Total extraordinary income	2	—
Extraordinary losses		
Loss on disposal of non-current assets	1	0
Total extraordinary losses	1	0
Profit (loss) before income taxes	177	(57)
Income taxes - current	103	164
Income taxes - deferred	33	(112)
Total income taxes	136	51
Profit (loss)	41	(109)
Profit attributable to non-controlling interests	12	2
Profit (loss) attributable to owners of parent	28	(112)



## Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit (loss)	41	(109)
Other comprehensive income		
Valuation difference on available-for-sale securities	524	127
Foreign currency translation adjustment	478	(513)
Remeasurements of defined benefit plans, net of tax	13	(10)
Share of other comprehensive income of entities accounted for using equity method	143	(175)
Total other comprehensive income	1,159	(571)
Comprehensive income	1,201	(680)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,158	(653)
Comprehensive income attributable to non-controlling interests	42	(27)

**(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 three months ended June 30, 2025 is not prepared. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the three months ended June 30, 2024 and 2025 are as follows.

	(Millions of yen)	
	Three months ended June 30, 2024	Three months ended June 30, 2025
Depreciation	111	129
Amortization of goodwill	86	101

(Notes on Segment Information, Etc.)

[Segment information]

I Three months ended June 30, 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	2,089	5,218	7,307	—	7,307
Inter-segment net sales or transfers	0	125	125	(125)	—
Total	2,089	5,343	7,433	(125)	7,307
Segment profit (loss)	249	469	718	(749)	(31)

Notes: 1 The adjustment of negative ¥749 million to segment profit (loss) includes corporate expenses of negative ¥749 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)

Not applicable

(Significant changes in the amount of goodwill)

Not applicable

(Significant gain on bargain purchase)

Not applicable

## II Three months ended June 30, 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	2,112	5,183	7,295	–	7,295
Inter-segment net sales or transfers	3	120	123	(123)	–
Total	2,115	5,303	7,418	(123)	7,295
Segment profit	352	652	1,004	(722)	282

Notes: 1 The adjustment of negative ¥722 million to segment profit includes corporate expenses of negative ¥722 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