

**Translation**

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2026 (Based on Japanese GAAP)

May 15, 2026

Company name: TODA KOGYO CORP.  
 Stock exchange listing: Tokyo  
 Stock code: 4100 URL <https://www.todakogyo.co.jp>  
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 Scheduled date of ordinary general meeting of shareholders: June 25, 2026  
 Scheduled date to file Securities Report: June 24, 2026  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

#### (1) Consolidated operating results

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	%
Year ended March 31, 2026	28,041	(11.4)	862	–	(77)	–	(3,455)	–
Year ended March 31, 2025	31,667	20.7	(648)	–	(1,411)	–	(3,563)	–

Note: Comprehensive income Year ended March 31, 2026: ¥(1,947) million [–%]  
 Year ended March 31, 2025: ¥(2,776) million [–%]

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2026	(597.39)	–	(34.5)	(0.2)	3.1
Year ended March 31, 2025	(616.44)	–	(28.6)	(2.7)	(2.0)

Reference: Share of profit of entities accounted for using equity method  
 Year ended March 31, 2026: ¥(1,078) million  
 Year ended March 31, 2025: ¥(427) million

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2026	47,887	9,817	18.9	1,561.31
As of March 31, 2025	50,672	11,777	21.7	1,904.96

Reference: Equity  
 As of March 31, 2026: ¥9,035 million  
 As of March 31, 2025: ¥11,013 million

## (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2026	3,323	(994)	(3,175)	7,234
Year ended March 31, 2025	3,820	(1,890)	(2,131)	7,837

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2025	–	0.00	–	0.00	0.00	–	–	–
Year ended March 31, 2026	–	0.00	–	0.00	0.00	–	–	–
Year ending March 31, 2027 (Forecast)	–	0.00	–	0.00	0.00		–	

## 3. Forecast of consolidated financial results for the year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

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, 2026	14,000	(2.2)	400	(33.3)	400	–	100	–	17.29
Full year	29,000	3.4	1,000	16.0	1,100	–	500	–	86.44

## \* Notes

(1) Significant changes in the scope of consolidation during the year ended March 31, 2026 No

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2026	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 March 31, 2026	311,812 shares	As of March 31, 2025	317,912 shares
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Average number of shares during the period

Year ended March 31, 2026	5,784,228 shares	Year ended March 31, 2025	5,780,084 shares
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[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2026	15,400	(2.0)	312	–	2,337	–	(1,565)	–
Year ended March 31, 2025	15,714	1.8	(669)	–	(1,130)	–	(2,987)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Year ended March 31, 2026	(270.62)		–	
Year ended March 31, 2025	(516.79)		–	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
As of March 31, 2026	34,895		2,119		5.8		347.78	
As of March 31, 2025	34,478		3,035		8.5		505.32	

Reference: Equity

As of March 31, 2026: ¥2,012 million

As of March 31, 2025: ¥2,921 million

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

\* Proper use of earnings forecasts, and other special matters

(Caution regarding forward-looking statements and others)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors. Please refer to the section of “(4) Future Outlook” of “1. Summary of Operating Results, Etc.” on page 3 of Attached Material for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

(Method of accessing supplementary material on financial results)

Supplementary material on financial results will be posted on the Company’s website on June 2, 2026.

## Attached Material

### Index

<b>1. Summary of Operating Results, Etc.....</b>	<b>1</b>
<b>(1) Summary of Operating Results for Fiscal Year Under Review.....</b>	<b>1</b>
<b>(2) Summary of Financial Position for Fiscal Year Under Review.....</b>	<b>2</b>
<b>(3) Summary of Cash Flow for Fiscal Year Under Review .....</b>	<b>2</b>
<b>(4) Future Outlook .....</b>	<b>2</b>
<b>2. Basic Approach to Selection of Accounting Standards.....</b>	<b>3</b>
<b>3. Consolidated Financial Statements and Significant Notes Thereto.....</b>	<b>4</b>
<b>(1) Consolidated Balance Sheets.....</b>	<b>4</b>
<b>(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income .....</b>	<b>6</b>
Consolidated Statements of Income .....	6
Consolidated Statements of Comprehensive Income.....	8
<b>(3) Consolidated Statements of Changes in Equity .....</b>	<b>9</b>
<b>(4) Consolidated Statements of Cash Flows .....</b>	<b>11</b>
<b>(5) Notes to Consolidated Financial Statements .....</b>	<b>13</b>
(Notes on Assumptions of Going Concern).....	13
(Additional Information).....	13
(Notes to Consolidated Balance Sheets).....	13
(Notes to Consolidated Statements of Income).....	13
(Notes on Segment Information, Etc.).....	14
(Per-Share Information) .....	16
(Significant Subsequent Events).....	17

# 1. Summary of Operating Results, Etc.

## (1) Summary of Operating Results for Fiscal Year Under Review

In the business environment surrounding the TODA KOGYO Group (the “Group”) during the fiscal year ended March 31, 2026 (the “fiscal year under review”), 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 future direction of U.S. trade policy, the deterioration of Japan-China relations, and soaring raw material and energy prices caused by the escalating tensions in the Middle East.

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 CO<sub>2</sub> separation and capture materials, and are investing management resources with a focus on speedy commercialization.

Under these circumstances, during the fiscal year under review, the second year of Vision2026, net sales came to ¥28,041 million (down 11.4% year on year), operating profit came to ¥862 million (compared with operating loss of ¥648 million in the previous fiscal year), ordinary loss came to ¥77 million (compared with ordinary loss of ¥1,411 million in the previous fiscal year), and loss attributable to owners of parent came to ¥3,455 million (compared with loss attributable to owners of parent of ¥3,563 million in 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 previous year. In addition, our founding business of coloring materials has also recovered. On the other hand, due to factors such as inventory adjustments by some customers of toner materials, net sales were ¥7,815 million, a decline of 3.2% year on year. Segment profit was ¥1,498 million, an increase of 48.4% 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 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 impacts of the decision to dissolve and liquidate Toda Advanced Materials Inc. and the dissolution of cooperative activities in the hydrotalcite business, net sales were ¥20,726 million, a decline of 14.1% year on year. In terms of profits, performance significantly improved compared to the 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. As a result of the above, segment profit was ¥2,151 million, an increase of 77.5% year on year.

In terms of non-operating income and expenses, we recorded a share of loss of entities accounted for using equity method, due to the slowdown in the growth of the EV market. In addition, under extraordinary income

and losses, we recognized a loss expected to arise from the transfer of our entire equity interest in BASF TODA Battery Materials LLC, an associate accounted for using the equity method of the Company.

## **(2) Summary of Financial Position for Fiscal Year Under Review**

### *Assets*

Assets at the end of the fiscal year under review came to ¥47,887 million, a decrease of ¥2,785 million over the end of the previous fiscal year. This was mainly due to decreases of ¥796 million in cash and deposits, ¥1,177 million in notes and accounts receivable - trade, ¥787 million in merchandise and finished goods, and ¥1,218 million in investments in capital of subsidiaries and associates, despite an increase of ¥941 million in investment securities.

### *Liabilities*

Liabilities at the end of the fiscal year under review came to ¥38,069 million, a decrease of ¥825 million over the end of the previous fiscal year. This was mainly due to decreases of ¥2,695 million in borrowings, ¥422 million in provision for loss on liquidation of subsidiaries and associates, and ¥579 million in other under current liabilities, despite an increase of ¥3,016 million in provision for loss on sale of investments in capital of subsidiaries and associates.

### *Net assets*

Net assets at the end of the fiscal year under review came to ¥9,817 million, a decrease of ¥1,960 million over the end of the previous fiscal year. This was mainly due to recording of ¥3,455 million in loss attributable to owners of parent, despite increases of ¥643 million in valuation difference on available-for-sale securities, ¥248 million in foreign currency translation adjustment, and ¥573 million in remeasurements of defined benefit plans, net of tax.

As a result of the above, net assets per share decreased by ¥343.65 year on year to ¥1,561.31 and the equity ratio decreased by 2.8 points year on year to 18.9%.

## **(3) Summary of Cash Flow for Fiscal Year Under Review**

Cash and cash equivalents (“cash”) at the end of the fiscal year under review came to ¥7,234 million, a decrease of ¥603 million over the end of the previous fiscal year.

The status of each cash flow in the fiscal year under review is as follows.

### *Cash flows from operating activities*

Net cash provided by operating activities totaled ¥3,323 million (compared to ¥3,820 million in the previous fiscal year). This was mainly due to increases in cash resulting primarily from ¥1,276 million in decrease in trade receivables and ¥838 million in decrease in inventories, which exceeded a decrease in cash largely resulting from ¥223 million in decrease in trade payables and ¥481 million in income taxes paid.

### *Cash flows from investing activities*

Net cash used in investing activities came to ¥994 million (compared to ¥1,890 million used in the previous fiscal year). This was mainly due to decreases in cash resulting primarily from ¥1,580 million in purchase of property, plant and equipment and ¥230 million in purchase of intangible assets, which exceeded an increase in cash largely resulting from ¥380 million in interest and dividends received and ¥273 million in subsidies received.

### *Cash flows from financing activities*

Net cash used in financing activities came to ¥3,175 million (compared to ¥2,131 million used in the previous fiscal year). This was mainly due to a decrease in cash largely resulting from ¥7,507 million in repayments of long-term loans payable and others, which exceeded an increase in cash largely resulting from ¥4,350 million in proceeds from long-term borrowings.

## **(4) Future Outlook**

Regarding the future economic outlook, the uncertain situation is still expected to continue mainly due to concerns regarding soaring raw material and energy prices caused by unstable international conditions, as well as the ongoing disruptions in logistics.

In particular, the escalating tensions in the Middle East are increasing risks across the entire supply chain, including rising costs and disruptions to the procurement of raw materials.

In this business environment, the Group is focusing on “enhancement of business portfolio management” with our proprietary wet synthesis and other fine particle synthesis technologies as core competencies and is accelerating our business expansion into growth areas such as mobility, AI, and the environment, with the aim of continuously enhancing corporate value. In these growth sectors, we will expand our business by continuing to provide the materials technologies the Group has cultivated over many years as “indispensable value” to society and industry.

For its consolidated operating results forecast for the fiscal year ending March 31, 2027, the Group is forecasting net sales of ¥29,000 million, operating profit of ¥1,000 million, ordinary profit of ¥1,100 million, and profit attributable to owners of parent of ¥500 million.

The status of each segment is as follows.

#### *Functional pigments*

We expect demand for materials for catalysts and magnetic recording materials to remain strong. In addition, we expect to generate stable profits by continuing our efforts on rationalization activities such as cost reductions and overhead cost reductions.

#### *Electronic materials*

Market demand for dielectric materials remains strong, and we expect net sales to grow compared to the fiscal year under review, driven by the acquisition of new business opportunities and other initiatives through sales expansion activities in areas such as magnetic materials and soft magnetic materials. In terms of profits, we expect to see strong results driven not only by increased net sales but also by our ongoing efforts on rationalization activities such as cost reductions and overhead cost reductions.

In terms of non-operating income and expenses, the loss expected to arise from the transfer of our entire equity interest in BASF TODA Battery Materials LLC was recognized in the fiscal year under review; as a result, the profit or loss of our associates accounted for using the equity method is expected to improve in the next fiscal year.

Please note that the above forecasts are based on information available at this time, and actual results may differ from these figures due to various factors in the future.

## **2. Basic Approach to Selection of Accounting Standards**

Considering the possibility of comparing financial periods and making company-to-company comparisons on consolidated financial statements, the Group’s policy for the time being will be to prepare consolidated financial statements based on Japanese standards. Note that the policy of the Group with respect to the application of International Financial Reporting Standards (IFRS) is to comply with them appropriately after taking various domestic and overseas circumstances into consideration.

### 3. Consolidated Financial Statements and Significant Notes Thereto

#### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
<b>Assets</b>		
Current assets		
Cash and deposits	8,078	7,282
Notes and accounts receivable - trade	8,295	7,118
Merchandise and finished goods	4,130	3,343
Work in process	2,001	1,972
Raw materials and supplies	1,853	1,945
Other	1,469	752
Allowance for doubtful accounts	(21)	(17)
Total current assets	25,807	22,397
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,848	1,962
Machinery, equipment and vehicles, net	1,636	2,544
Land	5,529	5,545
Construction in progress	989	235
Other, net	461	614
Total property, plant and equipment	10,465	10,903
Intangible assets		
Goodwill	2,708	2,361
Other	55	282
Total intangible assets	2,763	2,644
Investments and other assets		
Investment securities	3,374	4,315
Investments in capital of subsidiaries and associates	7,572	6,354
Long-term loans receivable	4	3
Retirement benefit asset	597	1,171
Other	89	100
Allowance for doubtful accounts	(3)	(3)
Total investments and other assets	11,634	11,942
Total non-current assets	24,864	25,489
Total assets	50,672	47,887

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	3,364	3,222
Short-term borrowings	8,428	8,891
Current portion of long-term borrowings	4,796	4,259
Income taxes payable	138	158
Provision for bonuses	275	291
Provision for loss on liquidation of subsidiaries and associates	*1 955	*1 533
Provision for loss on sale of investments in capital of subsidiaries and associates	–	*2 3,016
Other	2,219	1,640
<b>Total current liabilities</b>	<b>20,179</b>	<b>22,013</b>
<b>Non-current liabilities</b>		
Long-term borrowings	14,540	11,919
Retirement benefit liability	2,268	2,040
Deferred tax liabilities	1,751	1,898
Other	154	196
<b>Total non-current liabilities</b>	<b>18,715</b>	<b>16,056</b>
<b>Total liabilities</b>	<b>38,894</b>	<b>38,069</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	7,477	7,477
Capital surplus	4,297	4,281
Retained earnings	(3,988)	(7,443)
Treasury shares	(1,428)	(1,399)
<b>Total shareholders' equity</b>	<b>6,357</b>	<b>2,916</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,475	2,118
Foreign currency translation adjustment	2,785	3,033
Remeasurements of defined benefit plans	394	967
<b>Total accumulated other comprehensive income</b>	<b>4,655</b>	<b>6,119</b>
Share acquisition rights	114	107
Non-controlling interests	650	674
<b>Total net assets</b>	<b>11,777</b>	<b>9,817</b>
<b>Total liabilities and net assets</b>	<b>50,672</b>	<b>47,887</b>

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

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	31,667	28,041
Cost of sales	26,032	21,300
Gross profit	5,634	6,740
Selling, general and administrative expenses		
Freight-out	535	496
Employees' salaries and allowances	1,497	1,440
Provision for bonuses	68	72
Retirement benefit expenses	101	105
Depreciation	55	53
Research and development expenses	1,502	1,384
Other	2,522	2,324
Total selling, general and administrative expenses	6,283	5,878
Operating profit (loss)	(648)	862
Non-operating income		
Interest income	76	71
Dividend income	74	81
Rental income	38	2
Foreign exchange gains	–	349
Outsourcing service income	55	32
Miscellaneous income	108	69
Total non-operating income	353	606
Non-operating expenses		
Interest expenses	449	451
Share of loss of entities accounted for using equity method	427	1,078
Foreign exchange losses	194	–
Miscellaneous losses	45	16
Total non-operating expenses	1,116	1,546
Ordinary loss	(1,411)	(77)
Extraordinary income		
Gain on disposal of non-current assets	62	0
Gain on sale of shares of subsidiaries and associates	148	–
National subsidies	335	273
Compensation income	92	–
Surrender value of insurance policies	–	3
Total extraordinary income	638	277

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Extraordinary losses		
Loss on disposal of non-current assets	20	5
Loss on tax purpose reduction entry of non-current assets	226	214
Impairment losses	822	25
Provision for environmental measures	–	3
Provision for loss on liquidation of subsidiaries and associates	1,003	–
Provision for loss on sale of investments in capital of subsidiaries and associates	–	*1 3,016
Other	117	0
Total extraordinary losses	2,189	3,266
Loss before income taxes	(2,962)	(3,065)
Income taxes - current	406	473
Income taxes - deferred	171	(105)
Total income taxes	578	367
Loss	(3,540)	(3,433)
Profit attributable to non-controlling interests	22	22
Loss attributable to owners of parent	(3,563)	(3,455)

## Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Loss	(3,540)	(3,433)
Other comprehensive income		
Valuation difference on available-for-sale securities	85	643
Foreign currency translation adjustment	688	174
Remeasurements of defined benefit plans, net of tax	(149)	573
Share of other comprehensive income of entities accounted for using equity method	139	95
Total other comprehensive income	763	1,485
Comprehensive income	(2,776)	(1,947)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(2,857)	(1,990)
Comprehensive income attributable to non-controlling interests	81	43

### (3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,477	4,306	(425)	(1,447)	9,910
Changes during period					
Loss attributable to owners of parent			(3,563)		(3,563)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(9)		20	11
Net changes in items other than shareholders' equity					
Total changes during period	–	(9)	(3,563)	19	(3,552)
Balance at end of period	7,477	4,297	(3,988)	(1,428)	6,357

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	1,389	2,016	543	3,950	97	567	14,525
Changes during period							
Loss attributable to owners of parent							(3,563)
Purchase of treasury shares							(0)
Disposal of treasury shares							11
Net changes in items other than shareholders' equity	85	768	(149)	705	16	83	805
Total changes during period	85	768	(149)	705	16	83	(2,747)
Balance at end of period	1,475	2,785	394	4,655	114	650	11,777

Fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,477	4,297	(3,988)	(1,428)	6,357
Changes during period					
Loss attributable to owners of parent			(3,455)		(3,455)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(15)		29	14
Net changes in items other than shareholders' equity					
Total changes during period	–	(15)	(3,455)	29	(3,441)
Balance at end of period	7,477	4,281	(7,443)	(1,399)	2,916

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	1,475	2,785	394	4,655	114	650	11,777
Changes during period							
Loss attributable to owners of parent							(3,455)
Purchase of treasury shares							(0)
Disposal of treasury shares							14
Net changes in items other than shareholders' equity	643	247	573	1,464	(6)	23	1,481
Total changes during period	643	247	573	1,464	(6)	23	(1,960)
Balance at end of period	2,118	3,033	967	6,119	107	674	9,817

**(4) Consolidated Statements of Cash Flows**

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
<b>Cash flows from operating activities</b>		
Loss before income taxes	(2,962)	(3,065)
Depreciation	499	550
Impairment losses	822	25
Amortization of goodwill	535	402
Increase (decrease) in provision for loss on liquidation of subsidiaries and associates	–	(529)
Increase (decrease) in allowance for doubtful accounts	10	(4)
Increase (decrease) in provision for bonuses	(39)	15
Decrease (increase) in retirement benefit asset	(8)	(141)
Increase (decrease) in retirement benefit liability	(83)	18
Interest and dividend income	(150)	(152)
Interest expenses	449	451
Foreign exchange losses (gains)	230	(276)
Share of loss (profit) of entities accounted for using equity method	427	1,078
Loss (gain) on disposal of non-current assets	(41)	4
Loss on tax purpose reduction entry of non-current assets	226	214
Provision for loss on liquidation of subsidiaries and associates	1,003	–
Provision for loss on sale of investments in capital of subsidiaries and associates	–	3,016
Decrease (increase) in trade receivables	563	1,276
Decrease (increase) in inventories	3,951	838
Increase (decrease) in trade payables	(214)	(223)
Subsidy income	(335)	(273)
Other, net	(641)	581
Subtotal	4,243	3,805
Income taxes refund (paid)	(423)	(481)
Net cash provided by (used in) operating activities	3,820	3,323
<b>Cash flows from investing activities</b>		
Interest and dividends received	508	380
Proceeds from sale of shares of subsidiaries and associates	10	–
Purchase of property, plant and equipment	(2,920)	(1,580)
Proceeds from sale of property, plant and equipment	221	1
Purchase of intangible assets	(116)	(230)
Net decrease (increase) in time deposits	(0)	187
Proceeds from collection of loans receivable	0	0
Subsidies received	335	273
Other, net	69	(26)
Net cash provided by (used in) investing activities	(1,890)	(994)

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(702)	441
Proceeds from long-term borrowings	6,370	4,350
Repayments of long-term loans payable and others	(5,235)	(7,507)
Interest paid	(369)	(413)
Proceeds from sale of treasury shares	9	8
Purchase of treasury shares	(0)	(0)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(220)	–
Repayments of other financial liabilities	(1,931)	–
Other, net	(50)	(53)
Net cash provided by (used in) financing activities	(2,131)	(3,175)
Effect of exchange rate change on cash and cash equivalents	95	242
Net increase (decrease) in cash and cash equivalents	(105)	(603)
Cash and cash equivalents at beginning of period	7,943	7,837
Cash and cash equivalents at end of period	7,837	7,234

## (5) Notes to Consolidated Financial Statements

### (Notes on Assumptions of Going Concern)

Not applicable

### (Additional Information)

At a meeting of the Board of Directors held on February 26, 2026, the Company resolved to transfer its entire equity interest in BASF TODA Battery Materials LLC, an associate accounted for using the equity method of the Company, to BASF Battery Materials and Recycling GmbH, and to dissolve the joint venture with our joint venture partner, BASF Japan Ltd. On the same date, the Company concluded a transfer agreement with BASF Battery Materials and Recycling GmbH. In light of the above, we determined that there was a high probability of incurring a loss on the future transfer of the investment at the end of the fiscal year under review and that the amount of the loss could be reasonably estimated. Accordingly, we have recorded the difference between the carrying amount and the transfer price specified in the equity transfer agreement as a provision for loss on sale of investments in capital of subsidiaries and associates of ¥3,016 million under extraordinary losses in the consolidated financial statements.

Please note that while the procedures for this transfer of equity interest are taking time to obtain approval from the regulatory authorities, there is no change to our policy regarding the transfer of equity interest and the dissolution of the joint venture.

### (Notes to Consolidated Balance Sheets)

#### \*1 Provision for loss on liquidation of subsidiaries and associates

The Group has decided to dissolve and liquidate the consolidated company Toda Advanced Materials Inc. Accordingly, in order to prepare for expenses and losses expected to be incurred in the future, the estimated amount is recorded as provision for loss on liquidation of subsidiaries and associates as follows.

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Provision for loss on liquidation of subsidiaries and associates	955	533

#### \*2 Provision for loss on sale of investments in capital of subsidiaries and associates

As noted in the “Additional Information” section, we have recorded a provision for loss on sale of investments in capital of subsidiaries and associates in the consolidated financial statements.

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Provision for loss on sale of investments in capital of subsidiaries and associates	—	3,016

### (Notes to Consolidated Statements of Income)

#### \*1 Note on provision for loss on sale of investments in capital of subsidiaries and associates

As noted in the “Additional Information” section, we have recorded a provision for loss on sale of investments in capital of subsidiaries and associates in the consolidated financial statements.

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Provision for loss on sale of investments in capital of subsidiaries and associates	—	3,016

## (Notes on Segment Information, Etc.)

### [Segment information]

#### 1. Summary of reportable segments

The reportable segments of the Group are constituent units of the Group for which separate financial information can be obtained and are subject to examination on a regular basis by the Board of Directors in order to decide on the allocation of management resources and evaluate operating results. The Group categorizes its reportable segments based on product groupings after taking into consideration manufacturing methods and processes as well as similarities in the markets of sale. It has therefore categorized its reportable segments into the two segments of “functional pigments” and “electronic materials.”

The main products under each reportable segment are as follows.

- (1) Functional pigments: pigments and environmental related materials
- (2) Electronic materials: magnet materials, dielectric materials, soft magnetic materials, and lithium ion battery materials

#### 2. Computation methods for amounts of net sales, profit or losses, assets and other items for each reportable segment

The accounting methods used for the reported business segments are the same as those used in the consolidated financial statements.

Figures for profit or losses in reportable segments are on an operating profit or losses basis.

Inter-segment revenues and transfers are based on prevailing market prices.

#### 3. Information regarding amounts of net sales, profit or losses, assets and other items for each reportable segment

Fiscal year ended March 31, 2025

	Reportable segments		Total	Adjustments (Note 1)	Amount posted on consolidated financial statements (Note 2)
	Functional pigments	Electronic materials			
Net sales					
Net sales to external customers	8,054	23,612	31,667	–	31,667
Inter-segment net sales or transfers	17	508	525	(525)	–
Total	8,071	24,121	32,192	(525)	31,667
Segment profit (loss)	1,009	1,212	2,221	(2,870)	(648)
Segment assets	7,872	20,492	28,364	22,307	50,672
Other items					
Depreciation	39	418	457	41	499
Changes in property, plant and equipment or intangible assets	438	2,247	2,685	376	3,062

Notes: 1. Adjustments are as follows.

- (1) The adjustment of negative ¥2,870 million to segment profit (loss) includes corporate expenses of negative ¥2,870 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) The adjustment to segment assets consists of corporate assets. Corporate assets mainly consist of financial assets of the Group (cash and deposits, investment securities, etc.) and assets pertaining to administrative departments that do not belong to the reportable segments.
  - (3) The adjustment to depreciation consists of depreciation on assets that do not belong to the reportable segments.
  - (4) The adjustment to changes in property, plant and equipment and intangible assets consists of increases to assets that do not belong to the reportable segments.
2. For segment profit (loss), the Group has adjusted operating loss on its consolidated statements of income.

Fiscal year ended March 31, 2026

(Millions of yen)

	Reportable segments		Total	Adjustments (Note 1)	Amount posted on consolidated financial statements (Note 2)
	Functional pigments	Electronic materials			
Net sales					
Net sales to external customers	7,807	20,234	28,041	–	28,041
Inter-segment net sales or transfers	8	492	500	(500)	–
Total	7,815	20,726	28,542	(500)	28,041
Segment profit	1,498	2,151	3,650	(2,787)	862
Segment assets	7,428	19,028	26,456	21,430	47,887
Other items					
Depreciation	44	463	508	41	550
Changes in property, plant and equipment or intangible assets	172	630	803	376	1,179

Notes: 1. Adjustments are as follows.

- (1) The adjustment of negative ¥2,787 million to segment profit includes corporate expenses of negative ¥2,787 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) The adjustment to segment assets consists of corporate assets. Corporate assets mainly consist of financial assets of the Group (cash and deposits, investment securities, etc.) and assets pertaining to administrative departments that do not belong to the reportable segments.
  - (3) The adjustment to depreciation consists of depreciation on assets that do not belong to the reportable segments.
  - (4) The adjustment to changes in property, plant and equipment and intangible assets consists of increases to assets that do not belong to the reportable segments.
2. For segment profit, the Group has adjusted operating profit on its consolidated statement of income.

**(Per-Share Information)**

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net assets per share (Yen)	1,904.96	1,561.31
Loss per share (Yen)	(616.44)	(597.39)
Diluted earnings per share (Yen)	–	–

- Notes: 1. Diluted earnings per share has not been stated due to constituting net losses per share despite the presence of dilutive shares.
2. The basis of computation for net losses per share and diluted earnings per share is as follows.

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Loss per share		
Loss attributable to owners of parent (Millions of yen)	(3,563)	(3,455)
Amount not attributable to common shareholders (Millions of yen)	–	–
Loss attributable to owners of parent pertaining to common shares (Millions of yen)	(3,563)	(3,455)
Average number of common shares during the period (Thousands of shares)	5,780	5,784
Diluted earnings per share		
Adjustment to profit attributable to owners of parent (Millions of yen)	–	–
Increased number of common shares (Thousands of shares)	–	–
[Number of which are share acquisition rights (Thousands of shares)]	[–]	[–]
Overview of dilutive shares not included in the calculation of diluted earnings per share due to not being potentially dilutive	2nd Share Acquisition Rights based on resolution of Board of Directors held on June 26, 2015 Number of share acquisition rights: 142 (common shares: 1,420 shares) 3rd Share Acquisition Rights based on resolution of Board of Directors held on June 29, 2016 Number of share acquisition rights: 173 (common shares: 1,730 shares) 4th Share Acquisition Rights based on resolution of Board of Directors held on June 28, 2017 Number of share acquisition rights: 186 (common shares: 1,860 shares) 5th Share Acquisition Rights based on resolution of Board of Directors held on June 27, 2018 Number of share acquisition rights: 181 (common shares: 1,810 shares) 6th Share Acquisition Rights based on resolution of Board of Directors held on June 25, 2019 Number of share acquisition rights: 263 (common shares: 2,630 shares) 7th Share Acquisition Rights based on resolution of Board of Directors held on June 25, 2020 Number of share acquisition rights: 895 (common shares: 8,950 shares)	2nd Share Acquisition Rights based on resolution of Board of Directors held on June 26, 2015 Number of share acquisition rights: 142 (common shares: 1,420 shares) 3rd Share Acquisition Rights based on resolution of Board of Directors held on June 29, 2016 Number of share acquisition rights: 173 (common shares: 1,730 shares) 4th Share Acquisition Rights based on resolution of Board of Directors held on June 28, 2017 Number of share acquisition rights: 186 (common shares: 1,860 shares) 5th Share Acquisition Rights based on resolution of Board of Directors held on June 27, 2018 Number of share acquisition rights: 181 (common shares: 1,810 shares) 6th Share Acquisition Rights based on resolution of Board of Directors held on June 25, 2019 Number of share acquisition rights: 263 (common shares: 2,630 shares) 7th Share Acquisition Rights based on resolution of Board of Directors held on June 25, 2020 Number of share acquisition rights: 753 (common shares: 7,530 shares)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
	8th Share Acquisition Rights based on resolution of Board of Directors held on June 25, 2021 Number of share acquisition rights: 698 (common shares: 6,980 shares)	8th Share Acquisition Rights based on resolution of Board of Directors held on June 25, 2021 Number of share acquisition rights: 571 (common shares: 5,710 shares)
	9th Share Acquisition Rights based on resolution of Board of Directors held on June 28, 2022 Number of share acquisition rights: 628 (common shares: 6,280 shares)	9th Share Acquisition Rights based on resolution of Board of Directors held on June 28, 2022 Number of share acquisition rights: 517 (common shares: 5,170 shares)
	10th Share Acquisition Rights based on resolution of Board of Directors held on June 28, 2023 Number of share acquisition rights: 874 (common shares: 8,740 shares)	10th Share Acquisition Rights based on resolution of Board of Directors held on June 28, 2023 Number of share acquisition rights: 746 (common shares: 7,460 shares)
	11th Share Acquisition Rights based on resolution of Board of Directors held on June 26, 2024 Number of share acquisition rights: 1,401 (common shares: 14,010 shares)	11th Share Acquisition Rights based on resolution of Board of Directors held on June 26, 2024 Number of share acquisition rights: 1,245 (common shares: 12,450 shares)

**(Significant Subsequent Events)**

Not applicable