Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2026 (Based on Japanese GAAP)

August 7, 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 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, 2026 (from April 1, 2026 to June 30, 2026)

(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, 2026	7,347	0.7	372	32.1	414	–	260	–
Three months ended June 30, 2025	7,295	(0.2)	282	–	(57)	–	(112)	–

Note: Comprehensive income
Three months ended June 30, 2026: ¥2,364 million [–%]
Three months ended June 30, 2025: ¥(680) million [–%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2026	44.99	44.62
Three months ended June 30, 2025	(19.47)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2026	51,635	12,181	22.0
As of March 31, 2026	47,887	9,817	18.9

Reference: Equity
As of June 30, 2026: ¥11,361 million
As of March 31, 2026: ¥9,035 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, 2026	–	0.00	–	0.00	0.00
Year ending March 31, 2027	–				
Year ending March 31, 2027 (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, 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

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, 2026: 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, 2026	6,099,192 shares	As of March 31, 2026	6,099,192 shares

Number of treasury shares at the end of the period

As of June 30, 2026	311,872 shares	As of March 31, 2026	311,812 shares

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

Three months ended June 30, 2026	5,787,350 shares	Three months ended June 30, 2025	5,781,280 shares

* 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 three months ended June 30, 2026, 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 the soaring raw material and energy prices caused by the escalating tensions in the Middle East and the deterioration of Japan-China relations.

The Group is accelerating the 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) to achieve the Ideal Vision for fiscal 2030 (fiscal year ending March 31, 2031), which was set as one of the Group's materialities. Based on the "Strengthen Our Business Portfolio Management" outlined in this plan, we are working to further deepen our selection and concentration strategies and establish a foundation for sustainable growth. In addition, the Group aims to continuously enhance corporate value by focusing on our proprietary wet synthesis and other fine particle synthesis technologies as core competencies and accelerating our business expansion into growth areas such as mobility, AI, and the environment. In these growth areas, we recognize that a crucial management challenge for us is to continue to provide the materials technologies the Group has cultivated over many years as "indispensable value" to society and industry.

Demand for magnetic materials, which we have positioned as a growth business in our business portfolio management, is expanding, particularly for motors in cooling pumps used in temperature control. This growth is attributable to the increasing importance of thermal management, or the efficient control of heat throughout an entire vehicle, in order to improve energy efficiency in automobiles. To meet these market needs, the Group is building a global production system centered in Asia and strengthening our stable supply system. Dielectric materials, which we also position as a growth business, are the main material for multilayer ceramic capacitors used in automobiles and ICT devices, and demand is expanding mainly for AI servers. Furthermore, we are also promoting the provision of barium titanate, which was previously supplied as a powder, in a dispersed form with the aim of reducing the burden on our customers' processes and increasing added value. As for environmental related materials, which is positioned as a next-generation business, we are making efforts towards development aimed at converting greenhouse gases into resources by leveraging the technology and knowledge on iron oxide which we have cultivated over many years. Currently, we are investing management resources with a focus on speedy commercialization of CO_2 separation and capture materials, as well as CO_2 free hydrogen/CNT production technologies.

Under these circumstances, during the three months ended June 30, 2026, the last year of Vision2026, net sales came to ¥7,347 million (up 0.7% year on year), operating profit came to ¥372 million (up 32.1% year on year), ordinary profit came to ¥414 million (compared with ordinary loss of ¥57 million in the same period of the previous fiscal year), and profit attributable to owners of parent came to ¥260 million (compared with loss attributable to owners of parent of ¥112 million in the same period of the previous fiscal year).

The status of each segment is as follows.

Functional pigments

Demand for our founding business of coloring materials remained strong, and in terms of the magnetic recording materials, demand for Linear Tape-Open (LTO), which offers low cost, high capacity, and long-term storage, increased due to the rapid spread of AI and the resulting increase in data volume, as well as the tight supply of HDDs. As a result, sales grew compared to the same period of the previous fiscal year. On the other hand, net sales decreased by 4.8% year on year to ¥2,013 million, mainly due to difficulties in toner materials. Segment profit was ¥403 million, an increase of 14.7% year on year mainly due to product pricing optimization action and changes in the sales mix.

Electronic materials

As for magnetic materials, rare-earth bonded magnet materials, which possess high magnetic force, high corrosion resistance, and high heat resistance, showed growth compared to the same period of the previous fiscal year. Furthermore, demand for dielectric materials remained strong, particularly for AI servers and peripheral equipment. As a result of the above, net sales were ¥5,473 million, an increase of 3.2% year on year, and segment profit was ¥708 million, an increase of 8.6% year on year.

(2) Explanation of Financial Position

Assets

Assets as of June 30, 2026, came to ¥51,635 million, an increase of ¥3,748 million over the end of the previous fiscal year. This was mainly due to increases of ¥405 million in cash and deposits, ¥342 million in notes and accounts receivable - trade, ¥235 million in merchandise and finished goods, ¥329 million in raw materials and supplies, and ¥2,455 million in investment securities.

Liabilities

Liabilities as of June 30, 2026, came to ¥39,453 million, an increase of ¥1,384 million over the end of the previous fiscal year. This was mainly due to increases of ¥781 million in notes and accounts payable - trade, and ¥819 million in other under non-current liabilities.

Net assets

Net assets as of June 30, 2026, came to ¥12,181 million, an increase of ¥2,364 million over the end of the previous fiscal year. This was mainly due to recording of ¥260 million of profit attributable to owners of parent, and increases of ¥1,687 million in valuation difference on available-for-sale securities, and ¥418 million in foreign currency translation adjustment.

(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, 2026 and the full-year announced in the “Summary of Consolidated Financial Results for the Year Ended March 31, 2026” on May 15, 2026.

2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	7,282	7,687
Notes and accounts receivable - trade	7,118	7,460
Merchandise and finished goods	3,343	3,578
Work in process	1,972	1,928
Raw materials and supplies	1,945	2,274
Other	752	899
Allowance for doubtful accounts	(17)	(18)
Total current assets	22,397	23,809
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,962	1,962
Machinery, equipment and vehicles, net	2,544	2,671
Land	5,545	5,519
Construction in progress	235	143
Other, net	614	622
Total property, plant and equipment	10,903	10,918
Intangible assets		
Goodwill	2,361	2,328
Other	282	319
Total intangible assets	2,644	2,647
Investments and other assets		
Investment securities	4,315	6,770
Investments in capital of subsidiaries and associates	6,354	6,222
Other	1,275	1,269
Allowance for doubtful accounts	(3)	(3)
Total investments and other assets	11,942	14,259
Total non-current assets	25,489	27,825
Total assets	47,887	51,635

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,222	4,003
Short-term borrowings	8,891	8,991
Current portion of long-term borrowings	4,259	4,283
Income taxes payable	158	100
Provision for bonuses	291	123
Provision for loss on liquidation of subsidiaries and associates	533	412
Provision for loss on sale of investments in capital of subsidiaries and associates	3,016	2,792
Other	1,640	2,008
Total current liabilities	22,013	22,715
Non-current liabilities		
Long-term borrowings	11,919	11,795
Retirement benefit liability	2,040	2,028
Other	2,095	2,914
Total non-current liabilities	16,056	16,737
Total liabilities	38,069	39,453
Net assets		
Shareholders’ equity		
Share capital	7,477	7,477
Capital surplus	4,281	4,281
Retained earnings	(7,443)	(7,183)
Treasury shares	(1,399)	(1,399)
Total shareholders’ equity	2,916	3,176
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,118	3,805
Foreign currency translation adjustment	3,033	3,451
Remeasurements of defined benefit plans	967	927
Total accumulated other comprehensive income	6,119	8,184
Share acquisition rights	107	107
Non-controlling interests	674	713
Total net assets	9,817	12,181
Total liabilities and net assets	47,887	51,635

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

Quarterly Consolidated Statements of Income

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Net sales	7,295	7,347
Cost of sales	5,524	5,424
Gross profit	1,770	1,923
Selling, general and administrative expenses		
Employees' salaries	329	337
Provision for bonuses	48	57
Retirement benefit expenses	25	27
Research and development expenses	367	367
Other	717	761
Total selling, general and administrative expenses	1,488	1,550
Operating profit	282	372
Non-operating income		
Interest income	5	7
Dividend income	39	149
Share of profit of entities accounted for using equity method	–	37
Other	50	14
Total non-operating income	95	209
Non-operating expenses		
Interest expenses	103	100
Share of loss of entities accounted for using equity method	278	–
Foreign exchange losses	47	58
Other	5	7
Total non-operating expenses	435	167
Ordinary profit (loss)	(57)	414
Extraordinary income		
Gain on disposal of non-current assets	–	8
National subsidies	–	67
Total extraordinary income	–	76
Extraordinary losses		
Loss on disposal of non-current assets	0	0
Loss on tax purpose reduction entry of non-current assets	–	66
Total extraordinary losses	0	66
Profit (loss) before income taxes	(57)	423
Income taxes - current	164	101
Income taxes - deferred	(112)	45
Total income taxes	51	147
Profit (loss)	(109)	276
Profit attributable to non-controlling interests	2	16
Profit (loss) attributable to owners of parent	(112)	260

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Profit (loss)	(109)	276
Other comprehensive income		
Valuation difference on available-for-sale securities	127	1,687
Foreign currency translation adjustment	(513)	322
Remeasurements of defined benefit plans, net of tax	(10)	(40)
Share of other comprehensive income of entities accounted for using equity method	(175)	117
Total other comprehensive income	(571)	2,087
Comprehensive income	(680)	2,364
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(653)	2,325
Comprehensive income attributable to non-controlling interests	(27)	38

(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, 2026 are not prepared. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the three months ended June 30, 2025 and 2026 are as follows.

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Depreciation	129	181
Amortization of goodwill	101	109

(Notes on Segment Information, Etc.)

[Segment information]

I 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

II Three months ended June 30, 2026

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	2,008	5,339	7,347	–	7,347
Inter-segment net sales or transfers	4	133	138	(138)	–
Total	2,013	5,473	7,486	(138)	7,347
Segment profit	403	708	1,112	(739)	372

Notes: 1 The adjustment of negative ¥739 million to segment profit includes corporate expenses of negative ¥739 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

(Notes on Significant Subsequent Events)

(Transfer of shares of an associate accounted for using the equity method)

At a meeting of the Board of Directors held on July 16, 2026, the Company resolved to transfer all of its shares in ZHEJIANG HUAYUAN NEW MATERIAL CO., LTD. (“ZHEJIANG HUAYUAN”), an associate accounted for using the equity method of the Company, to Deqing Hailuos Enterprise Management Co., Ltd. (“Deqing Hailuos”), and concluded a transfer agreement with Deqing Hailuos on July 22, 2026.

As a result of this share transfer, ZHEJIANG HUAYUAN will be excluded from the scope of associates accounted for using the equity method.

1. Reasons for the share transfer

As part of its global expansion of the coloring pigments business, the Group invested in ZHEJIANG HUAYUAN, a leading iron oxide pigment manufacturer in China, in 2001, and made it an associate accounting for using the equity method. ZHEJIANG HUAYUAN has grown into one of the world’s leading companies in the field of various iron oxide pigments.

On the other hand, the competitive environment surrounding the coloring pigment market has become increasingly severe in recent years, making it a crucial management challenge to strengthen profitability in the medium- to long-term in response to these environmental changes.

In light of these circumstances, after repeated discussions with Zhejiang Shenghua Holdings Group Co., Ltd. (“Shenghua Group”), a joint investor in ZHEJIANG HUAYUAN, we have concluded that increasing Shenghua Group’s stake in ZHEJIANG HUAYUAN will lead to the establishment of a rapid decision-making system and strengthen ZHEJIANG HUAYUAN’s ability to respond to changes in the external environment, ultimately contributing to further improvements in competitiveness and profitability. Based on this strategic decision, we have decided to transfer all of our shares in ZHEJIANG HUAYUAN to Deqing Hailuos, a wholly owned subsidiary of Shenghua Group.

2. Name of the company to which the shares will be transferred

   Deqing Hailuos Enterprise Management Co., Ltd.

3. Period of share transfer

   September 2026 (planned)

4. Overview of the associate accounted for using the equity method

(1) Name	ZHEJIANG HUAYUAN NEW MATERIAL CO., LTD.
(2) Business descriptions	Manufacturing and sales of inorganic pigments, etc.

5. Status of shares held and transfer price before and after the transfer

(1) Shares held before the transfer	20.7%
(2) Transferred shares	20.7%
(3) Transfer price	RMB 148 million
(4) Shares held after the transfer	0%

6. Impact on financial results

   The impact on our financial results for the fiscal year ending March 2027 is currently under review.