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August 19, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)

Company name: Abalance Corporation
Listing: Tokyo Stock Exchange
Securities code: 3856
URL: https://www.abalance.jp/v1/en/
Representative: Shigeto Yanase, Representative Director and President
Inquiries: Tomoo Okada, Director
Telephone: +81-3-6810-3028
Scheduled date of ordinary general meeting of shareholders: June 24, 2026
Scheduled date to commence dividend payments: —
Scheduled date to file annual securities report: August 19, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal 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	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026 (12 months)	120,169	91.3	13,928	445.7	12,497	409.2	7,722	–
March 31, 2025 (9 months)	62,828	–	2,552	–	2,454	–	(314)	–

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥12,819 million [–%]
For the fiscal year ended March 31, 2025: ¥(1,989) million [–%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	409.76	–	23.9	7.9	11.6
March 31, 2025	(17.65)	–	(1.3)	1.7	4.1

Reference: Share of profit (loss) of entities accounted for using equity method
For the fiscal year ended March 31, 2026: ¥– million
For the fiscal year ended March 31, 2025: ¥100 million

Note: Year-on-year changes are not shown because the fiscal year ended March 31, 2025 is a nine-month period due to the transitional period for the accounting term change.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	168,904	52,285	24.7	2,204.64
March 31, 2025	146,809	45,002	15.6	1,285.04

Reference: Equity
As of March 31, 2026: ¥41,779 million
As of March 31, 2025: ¥22,874 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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	24,413	(9,573)	(17,308)	22,573
March 31, 2025	(10,361)	(2,620)	4,128	25,925

2. Dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	—	0.00	—	3.00	3.00	53	—	0.2
Fiscal year ended March 31, 2026	—	3.00	—	0.00	3.00	56	0.7	0.2
Fiscal year ending March 31, 2027 (Forecast)	—	—	—	—	—		—	

Note: The amount of dividend per share for the fiscal year ending March 31, 2027 has not yet been determined at this point.

3. Consolidated financial result forecasts for the fiscal 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		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	—	—	—	—	—	—	—	—	—

Note: Financial result forecasts for the fiscal year ending March 31, 2027 have not yet been determined at this point.

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 1 company — (Company name: TOYO SOLAR CLEAN ENERGY COMPANY LIMITED)

Excluded: 1 company — (Company name: Kakuda Electric Fuel Development Silent Partnership)

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

Note: For details, please refer to “3. Consolidated Financial Statements and Principal Notes (5) Notes to Consolidated Financial Statements (Notes on changes in accounting policies)” on page 15 of the Attachments to this report.

(3) Number of issued shares (common shares)

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

As of March 31, 2026	19,033,193 shares
As of March 31, 2025	17,930,693 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2026	82,551 shares
As of March 31, 2025	130,176 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2026	18,847,032 shares
Fiscal year ended March 31, 2025	17,793,581 shares

* 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

The earnings forecasts and other forward-looking statements in the report are based on information currently available to the Company and certain assumptions that the Company determines reasonable, and the Company does not in any way guarantee the achievement of the forecasts. Actual results and other data may differ significantly from the forecasts depending on various factors. For the assumptions used as the basis for the forecasts and precautions on the use of the forecasts, please refer to “(4) Outlook for the Future” on page 4 of the Attachments to this report.

Table of Contents - Attachments

1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

Operating results for the fiscal year ended March 31, 2026

During the fiscal year ended March 31, 2026, the Japanese economy showed a moderate recovery trend, as personal consumption remained resilient despite the impact of rising prices, supported by improvement in the employment and income situation, and capital investment also continued to be strong. Meanwhile, although personal consumption and corporate investment remained solid, particularly in the US, the future global economic outlook remains uncertain due to such factors as stagnation in the Chinese economy, continued geopolitical risks, and fluctuations in resource and energy prices.

In the renewable energy market in Japan, a target of reducing greenhouse gas emissions by 46% compared to 2013 levels by 2030 has been set based on the Japanese government's declaration of carbon neutrality in 2050. Internationally, there have been efforts to realize a carbon-free society, including climate change responses in accordance with the UN Framework Convention on Climate Change (COP30) held in 2025, and the renewable energy market is expected to grow in the medium to long term. Conversely, it is imperative to maintain a close observation of development regarding the US government's climate change response and the US Inflation Reduction Act (IRA).

In the Solar Panel Manufacturing Business, our core business, although demand continues to expand worldwide, the market environment has been affected at the same time by declining prices due to an oversupply of solar panels. In the US market, growth continues to be supported by policy measures. However, the environment affected by tariffs and supply-chain regulations still requires flexible management strategies that respond to market developments.

In response to these market trends, we have secured 4GW of production capacity at our cell plant in Ethiopia to drive future earnings growth. Solar cells manufactured in Ethiopia offer the advantage of relatively low reciprocal tariffs when imported into the US, enabling not only the supply of products to the new solar panel plant constructed in Texas ("New US Plant") but also the expansion of sales to external customers. Furthermore, the New US Plant has a production capacity of 1GW, and we anticipate strong demand from large solar power developers in the US because products produced in the New US Plant are eligible for US government tax incentives.

Due to a change in the fiscal year-end implemented in the previous consolidated fiscal year, the fiscal year ended March 31, 2025, is an irregular nine-month accounting period. As a result, the previous consolidated fiscal year (from July 1, 2024 to March 31, 2025) and the fiscal year under review (from April 1, 2025 to March 31, 2026) cover different timeframes. Accordingly, the following explanation of operating results does not include year-on-year comparisons or changes in amounts and percentages.

As a result of the above, for the fiscal year ended March 31, 2026, Abalance Corporation (the "Company," together with its subsidiaries, the "Group") recorded net sales of 120,169 million yen, operating profit of 13,928 million yen, and ordinary profit of 12,497 million yen due to 2,120 million yen of foreign exchange gains in the fourth quarter. In addition, profit attributable to owners of parent of 7,722 million yen, reflecting impairment losses of 869 million yen related to solar power plants and other facilities in the Green Energy Business, correction-related cost of 272 million yen for prior-year financial statements, special investigation expenses of 181 million yen, and income taxes - deferred of 680 million yen resulting from a decrease in deferred tax assets in the fourth quarter.

In the Solar Panel Manufacturing Business, Vietnam Sunergy Joint Stock Company ("VSUN") in Vietnam and TOYO Co., Ltd. ("TOYO"), are collaborating to engage in strengthening the global supply chain. TOYO owns TOYO SOLAR COMPANY LIMITED ("TOYO SOLAR"), which manufactures the cells that are the upstream processes of solar panels.

In the Green Energy Business, while continuing with the sale of goods for solar power plants and related equipment (one-time revenue business model), we are working to strengthen our business foundations by promoting company ownership of solar power plants (recurring revenue business model).

The business results for each segment are as follows.

1. Solar Panel Manufacturing Business
Net sales were 111,768 million yen and segment profit was 13,952 million yen.
The solar cell production facility in Ethiopia has an annual production capacity of 4GW, enabling the Group to supply cost-competitive products primarily to the US and Asian markets. Solar panels and cells manufactured by VSUN and TOYO SOLAR in Vietnam continued to show stable performance, with steady sales mainly to customers in India and other Asian regions. In January 2026, the Group received a notice from the U.S. Customs and Border Protection stating that a portion of the solar panels exported from VSUN in Vietnam to the US was not permitted for import. As a result, additional costs, including demurrage charges, totaling 2,082 million yen were incurred.
Taking geopolitical risks into account, the Group is strengthening the resilience and competitiveness of its supply chain through a three-area system spanning Vietnam, Ethiopia, and the US. The operating results of the New US Plant, which commenced sales of solar panels, for the period from October to December 2025 are reflected in the consolidated results for the fourth quarter of the fiscal year ended March 31, 2026.

2. Green Energy Business
Sales of products related to solar power plants and related facilities were 5,555 million yen, and sales of electricity and revenue from operation and maintenance (O&M), etc. were 2,160 million yen. As a result, net sales were 7,879 million yen and segment profit was 803 million yen.
The Group, led by WWB Corporation and VALORS Corporation, sells components related to solar power generation facilities such as solar panels, PCS (power conditioners), and industrial and residential storage batteries, in addition to sales of solar power plants in a one-time revenue business model. At the same time, it is also promoting a recurring revenue business model, in which the Company continues to own and manage power plants even after the completion of construction, as a way of securing stable revenue from sales of electricity. In the one-time revenue business model, sales expanded by leveraging a sales system with major domestic mass retailers as a channel with the aim of increasing sales volume. In the recurring revenue business model, we are working to develop high-quality power generation projects utilizing our in-house development capabilities, developing and constructing power plants, and expanding our business foundation. Furthermore, we are also actively promoting expansion overseas and developing our solar panel reuse business, mainly through PV Repower inc., as part of our efforts to address the problem of solar panel disposal, a future social issue of concern.

3. Other
Net sales amounted to 522 million yen, and segment loss was 139 million yen.
The Other category is a business segment not included in the reportable segments, and includes the IT Business, Photocatalyst Business, and Smart Mobility Business.

(2) Overview of Financial Position for the Fiscal Year under Review
Assets, Liabilities and Net Assets

(Assets)
Current assets as of March 31, 2026 totaled 103,670 million yen, an increase of 12,990 million yen from the end of the previous fiscal year. This was mainly due to a decrease of 3,533 million yen in cash and deposits and an increase of 1,314 million yen in work in process as well as decreases of 2,012 million yen in accounts receivable - trade, 49 million yen in merchandise and finished goods, and 5,882 million yen in advance payments to suppliers. Non-current assets amounted to 65,233 million yen, an increase of 9,105 million yen from the end of the previous fiscal year. This was mainly due to an increase of 9,649 million yen in property, plant and equipment and a decrease of 7 million yen in investment securities.
As a result, total assets were 168,904 million yen, an increase of 22,095 million yen from the end of the previous fiscal year.

(Liabilities)
Current liabilities as of March 31, 2026 totaled 99,369 million yen, an increase of 18,354 million yen from the

end of the previous fiscal year. This was mainly due to an increase of 6,183 million yen in accounts payable - trade and 224 million yen in provision for import, export tax, despite an increase of 1,336 million yen in short-term borrowings. Non-current liabilities amounted to 17,248 million yen, a decrease of 3,543 million yen from the end of the previous fiscal year. This was mainly due to a decrease of 3,662 million yen in long-term borrowings.

As a result, total liabilities amounted to 116,618 million yen, an increase of 14,811 million yen from the end of the previous fiscal year.

(Net Assets)

Total net assets as of March 31, 2026 amounted to 52,285 million yen, an increase of 7,283 million yen from the end of the previous fiscal year. This was due to a recording of 7,722 million yen in profit attributable to owners of parent.

As a result, the equity ratio was 24.7% (15.6% at the end of the previous fiscal year).

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents (hereinafter referred to as “cash”) as of March 31, 2026 decreased by 3,352 million yen from the end of the previous fiscal year to 22,573 million yen.

The analysis of cash flows for the fiscal year ended March 31, 2026 is as follows:

(Cash flows from operating activities)

Net cash provided by operating activities was 24,413 million yen (10,341 million yen used in the previous fiscal year). The main factors included profit before income taxes of 15,512 million yen and depreciation of 6,429 million yen. In terms of working capital items, cash inflows of 11,334 million yen in increase in contract liabilities and 6,574 million yen in decrease in advance payments to suppliers were partially offset by a cash outflow of 10,053 million yen in increase in inventories.

(Cash flows from investing activities)

Net cash used in investing activities was 9,573 million yen (2,620 million yen used in the previous fiscal year). The main factors included a cash outflow of 20,222 million yen for the acquisition of non-current assets and a cash inflow of 8,037 million yen from the sale of non-current assets, a cash outflow of 3,750 million yen in payments of deposit, and a cash inflow of 6,981 million yen in proceeds from collection of deposits paid.

(Cash flows from financing activities)

Net cash used in financing activities was 17,308 million yen (4,128 million yen provided in the previous fiscal year). The main factors included an inflow of 64,101 million yen in proceeds from short-term borrowings, an outflow of 65,510 million yen in repayments of short-term borrowings, and an outflow of 7,247 million yen in repayments of installment payables.

(4) Outlook for the Future

1. Outlook for the next fiscal year

As described in the “Notice Regarding the Announcement of the Improvement Plan and Status Report” disclosed on July 31, 2026, the Company is currently considering governance improvements, including the reorganization of its overseas subsidiaries. Accordingly, it is difficult at this stage to reasonably estimate and disclose its consolidated earnings forecast for the fiscal year ending March 31, 2027. The Company will promptly disclose its consolidated earnings forecast once a reasonable estimate can be made and disclosed.

In addition, as announced in the “Notice Regarding Designation of Securities Under Supervision (Examination)” disclosed on July 31, 2026, the Company’s shares have been designated as Securities Under Supervision (Examination). The Company will fully cooperate with the examination conducted by the Tokyo Stock Exchange and will promptly submit the necessary materials and provide explanations as required. The Company will also strive to ensure timely and appropriate disclosure based on the facts that become known going forward and the results of reviews conducted by external experts.

Although the Company has decided not to disclose its consolidated earnings forecast at this time, the Group intends to establish strategies for its core segments, the Solar Panel Manufacturing Business and the Green Energy Business, and work toward further business growth.

(a) Solar Panel Manufacturing Business

As part of efforts to combat climate change caused by global warming, the introduction of renewable energy sources will continue to accelerate in countries around the world, and the solar power market is expected to grow in the medium to long term. However, since 2023, the market environment for solar products has weakened due to oversupply. In the US market, our main sales destination, we are closely monitoring the impact on the Group’s business of subsidy programs, including those under the Inflation Reduction Act (IRA), and energy policy trends, while taking into account future tax policies of the US government.

In light of the above environment, our Solar Panel Manufacturing Business will continue to diversify its sales destinations of panels manufactured by VSUN in Vietnam and cells produced by TOYO SOLAR to cover European and Asian markets, including India. Backed by strong demand, the cell plant constructed by TOYO in Ethiopia expanded its production capacity to 4GW in 2025 and supplies products to the new solar panel plant in Texas with a production capacity of 1GW, while continuing to strengthen sales to external customers. A 1.5GW cell plant is planned in an area adjacent to the solar panel plant in Texas, with operations targeted to commence in 2027. Through these initiatives, we aim to establish a stable supply system for solar-related products in the US market and expand the Solar Panel Manufacturing Business in the US.

(b) Green Energy Business

The Group is strengthening its recurring revenue business model by taking ownership of solar power plants and selling electricity to power companies. We will develop and construct non-FIT power plants, actively utilize M&A, and build an optimal portfolio to expand our revenue base.

In the one-time revenue business model that provides solar power-related services, we will collaborate with major mass retailers to expand sales of solar power generation equipment and power storage equipment to their customers. We will also actively promote expansion overseas and continue to develop our solar panel reuse business to help solve social issues, amid concerns about the future disposal of solar panels. In addition, the Group has entered the grid-connected batteries business in the Hokkaido area, which will enable stable power supply in preparation for times of adjustment of electricity supply and demand or during power outages. An energy storage plant in Ishikari began operations in August 2026. Hokkaido Sapporo Battery Energy Storage LLC, jointly established by WWB and eight other companies, aims to begin operations at the Hokkaido Sapporo Battery Energy Storage Plant in April 2027. Preparations are also underway for projects in other regions, with the aim of commencing operations. Going forward, we will work to expand the grid-connected energy storage business by pursuing additional energy storage plant projects.

2. Outlook for dividends

The Group will continue to make investments for future growth and develop its businesses based on its management strategies, while also improving its financial position. Our basic policy for shareholder returns is to provide stable dividends. We will disclose interim and year-end dividends for the fiscal year ending March 31, 2027 in a timely manner, taking into consideration factors such as our business performance trends and financial position.

2. Basic Approach on Selection of Accounting Standards

It is the Group’s policy to take into consideration the comparability of consolidated financial statements across periods and between companies and to prepare consolidated financial statements in accordance with Japanese GAAP for the time being.

We will consider the adoption of IFRS in an appropriate manner in light of various domestic and international circumstances.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	26,452	22,918
Accounts receivable - trade	6,368	4,356
Merchandise and finished goods	17,721	17,672
Real estate for sale	1,589	6,736
Work in process	3,925	5,239
Raw materials and supplies	1,322	12,694
Advance payments to suppliers	9,577	3,694
Accounts receivable - other	3,587	8,907
Deposits paid	20,033	20,032
Other	250	1,564
Allowance for doubtful accounts	(147)	(146)
Total current assets	90,680	103,670
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,623	16,811
Accumulated depreciation	(715)	(2,248)
Buildings and structures, net	4,907	14,563
Machinery, equipment and vehicles	42,903	44,612
Accumulated depreciation	(11,745)	(14,474)
Machinery, equipment and vehicles, net	31,158	30,138
Land	2,472	2,400
Leased assets	13	11
Accumulated depreciation	(10)	(10)
Leased assets, net	3	1
Right-of-use assets	3,333	9,921
Accumulated depreciation	(893)	(2,346)
Right-of-use assets, net	2,440	7,575
Construction in progress	7,250	1,935
Other	1,069	2,531
Accumulated depreciation	(725)	(919)
Other, net	343	1,612
Total property, plant and equipment	48,577	58,226
Intangible assets		
Goodwill	3,899	3,552
Other	246	222
Total intangible assets	4,146	3,775
Investments and other assets		
Investment securities	1,453	1,446
Long-term loans receivable	10	51
Deferred tax assets	203	507
Other	1,979	1,463
Allowance for doubtful accounts	(242)	(237)
Total investments and other assets	3,404	3,232
Total non-current assets	56,128	65,233
Deferred assets		
Bond issuance costs	0	0
Total deferred assets	0	0
Total assets	146,809	168,904

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	11,120	17,303
Short-term borrowings	32,310	33,646
Current portion of long-term borrowings	1,562	3,036
Current portion of bonds payable	66	–
Lease liabilities	249	1,141
Income taxes payable	1,289	3,692
Contract liabilities	9,662	20,658
Accounts payable - other	589	1,914
Current portion of long-term accounts payable - installment purchase	3,349	263
Provision for bonuses	28	43
Buy-sell transaction liabilities	952	–
Provision for import, export tax	13,055	13,279
Provision for correction related costs	–	175
Other	6,779	4,212
Total current liabilities	81,015	99,369
Non-current liabilities		
Long-term borrowings	11,331	7,668
Lease liabilities	1,466	6,197
Deferred tax liabilities	365	448
Retirement benefit liability	0	–
Long-term accounts payable - installment purchase	7,418	2,755
Long-term accounts payable - other	6	4
Other	202	174
Total non-current liabilities	20,791	17,248
Total liabilities	101,807	116,618
Net assets		
Shareholders' equity		
Share capital	2,521	2,766
Capital surplus	2,379	8,735
Retained earnings	18,258	25,924
Treasury shares	(91)	(24)
Total shareholders' equity	23,068	37,401
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	25	20
Foreign currency translation adjustment	(218)	4,357
Total accumulated other comprehensive income	(193)	4,377
Share acquisition rights	264	130
Non-controlling interests	21,862	10,376
Total net assets	45,002	52,285
Total liabilities and net assets	146,809	168,904

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales	62,828	120,169
Cost of sales	50,444	91,122
Gross profit	12,383	29,046
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	92	128
Salaries, allowances and bonuses	2,218	3,733
Provision for bonuses	33	48
Commission expenses	963	1,936
Taxes and dues	2,099	3,455
Research and development expenses	48	32
Depreciation	232	378
Provision of allowance for doubtful accounts	4	–
Amortization of goodwill	974	320
Provision for export duty expense	221	–
Other	2,942	5,084
Total selling, general and administrative expenses	9,831	15,118
Operating profit	2,552	13,928
Non-operating income		
Interest income	399	768
Share of profit of entities accounted for using equity method	100	–
Foreign exchange gains	617	131
Reversal of allowance for doubtful accounts	11	–
Other	606	854
Total non-operating income	1,735	1,753
Non-operating expenses		
Interest expenses	1,557	1,718
Amortization of bond issuance costs	0	0
Share of loss of entities accounted for using equity method	–	4
Other	275	1,462
Total non-operating expenses	1,833	3,184
Ordinary profit	2,454	12,497

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Extraordinary income		
Gain on sale of non-current assets	7	4,306
Gain on sale of investment securities	150	14
Gain on reversal of share acquisition rights	39	156
Other	–	32
Total extraordinary income	197	4,509
Extraordinary losses		
Loss on sale of non-current assets	10	1
Loss on retirement of non-current assets	270	0
Impairment losses	–	869
Loss on sale of investment securities	43	–
Correction-related cost	–	272
Special investigation expenses	–	181
Tax penalty	135	–
Extraordinary loss associated with repayment of installment debt	541	99
Other	–	70
Total extraordinary losses	1,002	1,494
Profit before income taxes	1,648	15,512
Income taxes - current	929	5,538
Income taxes - deferred	(509)	36
Total income taxes	419	5,575
Profit	1,229	9,936
Profit attributable to non-controlling interests	1,543	2,213
Profit (loss) attributable to owners of parent	(314)	7,722

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit	1,229	9,936
Other comprehensive income		
Valuation difference on available-for-sale securities	(2)	(5)
Foreign currency translation adjustment	(3,221)	2,890
Share of other comprehensive income of entities accounted for using equity method	4	(2)
Total other comprehensive income	(3,218)	2,882
Comprehensive income	(1,989)	12,819
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,967)	10,011
Comprehensive income attributable to non-controlling interests	(22)	2,808

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2025 (from July 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,518	2,499	18,715	(144)	23,589
Changes during period					
Issuance of new shares					–
Issuance of new shares - exercise of share acquisition rights	2	2			5
Dividends of surplus			(142)		(142)
Profit (loss) attributable to owners of parent			(314)		(314)
Capital increase of consolidated subsidiaries		(58)			(58)
Changes in ownership interest in subsidiaries		328			328
Purchase of shares of consolidated subsidiaries		(391)			(391)
Parent company's stocks held by affiliated companies adopted equity method				52	52
Net changes in items other than shareholders' equity					–
Total changes during period	2	(119)	(456)	52	(521)
Balance at end of period	2,521	2,379	18,258	(91)	23,068

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment			
Balance at beginning of period	37	1,163	305	20,497	45,592
Changes during period					
Issuance of new shares					–
Issuance of new shares - exercise of share acquisition rights					5
Dividends of surplus					(142)
Profit (loss) attributable to owners of parent					(314)
Capital increase of consolidated subsidiaries					(58)
Changes in ownership interest in subsidiaries					328
Purchase of shares of consolidated subsidiaries					(391)
Parent company's stocks held by affiliated companies adopted equity method					52
Net changes in items other than shareholders' equity	(12)	(1,382)	(40)	1,365	(69)
Total changes during period	(12)	(1,382)	(40)	1,365	(590)
Balance at end of period	25	(218)	264	21,862	45,002

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,521	2,379	18,258	(91)	23,068
Changes during period					
Issuance of new shares	245	245			490
Issuance of new shares - exercise of share acquisition rights					–
Dividends of surplus			(56)		(56)
Profit attributable to owners of parent			7,722		7,722
Capital increase of consolidated subsidiaries					–
Changes in ownership interest in subsidiaries		4,746			4,746
Purchase of shares of consolidated subsidiaries		1,363			1,363
Parent company's stocks held by affiliated companies adopted equity method				67	67
Net changes in items other than shareholders' equity					–
Total changes during period	245	6,355	7,665	67	14,333
Balance at end of period	2,766	8,735	25,924	(24)	37,401

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment			
Balance at beginning of period	25	(218)	264	21,862	45,002
Changes during period					
Issuance of new shares					490
Issuance of new shares - exercise of share acquisition rights					–
Dividends of surplus					(56)
Profit attributable to owners of parent					7,722
Capital increase of consolidated subsidiaries					–
Changes in ownership interest in subsidiaries					4,746
Purchase of shares of consolidated subsidiaries					1,363
Parent company's stocks held by affiliated companies adopted equity method					67
Net changes in items other than shareholders' equity	(5)	4,576	(134)	(11,486)	(7,049)
Total changes during period	(5)	4,576	(134)	(11,486)	7,283
Balance at end of period	20	4,357	130	10,376	52,285

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	1,648	15,512
Depreciation	4,228	6,429
Impairment losses	–	869
Amortization of goodwill	974	320
Increase (decrease) in allowance for doubtful accounts	(30)	(35)
Increase (decrease) in provision for bonuses	1	15
Interest and dividend income	(399)	(792)
Provision for import, export tax	(791)	–
Increase (decrease) in provision for product warranties	(130)	–
Interest expenses	1,557	1,718
Share of loss (profit) of entities accounted for using equity method	(100)	4
Foreign exchange losses (gains)	(677)	131
Loss (gain) on sale of non-current assets	3	(4,306)
Loss on retirement of non-current assets	270	0
Loss (gain) on sale of investment securities	(150)	(21)
Gain on reversal of share acquisition rights	(39)	(156)
Tax penalty	135	–
Decrease (increase) in trade receivables	(1,535)	1,927
Decrease (increase) in inventories	(4,575)	(10,053)
Decrease (increase) in real estate for sale	840	(5,141)
Increase (decrease) in trade payables	(2,835)	1,106
Increase (decrease) in contract liabilities	546	11,334
Decrease (increase) in advance payments to suppliers	(2,091)	6,574
Other, net	(4,612)	2,013
Subtotal	(7,762)	27,448
Interest and dividends received	233	919
Interest paid	(1,079)	(1,862)
Income taxes paid	(1,596)	(2,092)
Tax Penalty Pay	(135)	–
Net cash provided by (used in) operating activities	(10,341)	24,413

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from investing activities		
Payments into time deposits	(69)	(513)
Proceeds from withdrawal of time deposits	166	152
Purchase of property, plant and equipment	(3,989)	(20,222)
Proceeds from sale of property, plant and equipment	100	8,037
Purchase of intangible assets	(153)	(835)
Purchase of investment securities	(117)	–
Proceeds from sale of investment securities	28	123
Payments of deposit	(6,975)	(3,750)
Proceeds from collection of deposits paid	8,042	6,981
Purchase of shares of subsidiaries and associates	(3)	–
Proceeds from sale of shares of subsidiaries and associates	170	24
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	153	–
Loan advances	–	(290)
Proceeds from collection of loans receivable	0	290
Payments of leasehold deposits	(2)	(6)
Proceeds from refund of leasehold deposits	16	15
Other, net	11	420
Net cash provided by (used in) investing activities	(2,620)	(9,573)
Cash flows from financing activities		
Repayments of installment payables	(534)	(7,247)
Proceeds from short-term borrowings	41,009	64,101
Repayments of short-term borrowings	(35,850)	(65,510)
Proceeds from long-term borrowings	1,071	152
Repayments of long-term borrowings	(2,171)	(1,948)
Redemption of bonds	(66)	(66)
Repayments of lease liabilities	(329)	(1,441)
Proceeds from share issuance to non-controlling shareholders	970	602
Acquisition of non-controlling interests	–	(2,495)
Dividends paid to non-controlling interests	(7)	(3,780)
Proceeds from issuance of shares	–	490
Proceeds from issuance of shares resulting from exercise of share acquisition rights	3	–
Dividends paid	(88)	(110)
Net decrease (increase) of restricted cash	61	(54)
Other, net	60	–
Net cash provided by (used in) financing activities	4,128	(17,308)
Effect of exchange rate change on cash and cash equivalents	(2,405)	629
Net increase (decrease) in cash and cash equivalents	(11,238)	(1,839)
Cash and cash equivalents at beginning of period	37,033	25,925
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	130	–
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	–	(1,512)
Cash and cash equivalents at end of period	25,925	22,573

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

The Group has faced certain constraints on its financing activities during the current consolidated fiscal year, due to governance issues that arose in Japan. In addition, at two major overseas consolidated subsidiaries, some solar products exported to the US were detained upon import by the U.S. Customs and Border Protection ("CBP") under the Uyghur Forced Labor Prevention Act. The Group is currently responding to CBP's investigation. As a result, shipments to the US have stagnated since January 2026, and significant decreases in net sales and the recording of operating losses are expected in future fiscal years. These circumstances give rise to events or conditions that may cast substantial doubt on the Group's ability to continue as a going concern.

To resolve this situation, the Group is prioritizing a fundamental review and strengthening of its governance and internal control systems as its most critical management issue, while carefully explaining specific measures to its financial institutions and continuing discussions to obtain ongoing support. At the same time, the Group aims to reinforce its financial foundation by generating cash through the sale of assets and reducing fixed costs. At the two major overseas consolidated subsidiaries, the Group is working with external experts to respond to CBP's review, strengthening raw material procurement controls, and expanding sales in regions outside the US.

However, the Group's countermeasures are still in the process of being implemented at this time. Depending on future business developments, there remains the possibility of a material impact on the Group's financial performance, and the Group recognizes that material uncertainty exists regarding its ability to continue as a going concern.

The consolidated financial statements have been prepared on the assumption that the Group will continue as a going concern, and the effects of the material uncertainty related to this assumption are not reflected in the consolidated financial statements.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Notes on changes in accounting policies)

Not applicable.

(Additional information)

(Receipt of investigation committee report)

The Company received a report on April 21, 2026, from Chubu Audit Corporation, LLC, our accounting auditor, indicating that, with respect to the accounting treatment related to ABIT Corporation ("ABIT"), formerly our consolidated subsidiary and merged into the Company as of March 31, 2025, there were transactions concerning past revenue recognition that raised doubts about their existence (suspected fictitious sales).

In response, on April 27, 2026, the Company established an investigation committee with the aim of conducting an objective and independent investigation and verification, and confirming whether there was any impact on the Company's financial statements and related disclosures and, if so, the nature of such impact. The Company received the investigation report from the committee on June 30, 2026, and has disclosed its contents.

Based on the findings of the investigation report, the Company has made corrections to prior-period financial statements and related documents.

(Status of investigation into inappropriate accounting treatment)

Regarding the accounting treatments related to past consignment transactions, the Company established a third-party committee consisting of external experts on September 2, 2025 to confirm the facts, verify the appropriateness of the accounting treatments, and identify the impact this will have on financial statements. The Company received the investigation report from the third-party committee on December 17, 2025, and disclosed its contents. We subsequently determined that further verification of the contents of the investigation report and individual matters raised therein was necessary. Accordingly, on January 8, 2026, the Company established a verification committee consisting of external experts with no conflict of interest with the Company. On February 20, 2026, we received the investigation report from the committee and disclosed its contents.

Based on the findings of the above investigation, we formulated an improvement plan to fundamentally improve our internal control system and related frameworks, and disclosed the details of the plan on July 31, 2026.

In addition to the investigation conducted by the external organization into domestic consignment transactions, the Company also conducted a voluntary investigation into consignment transactions at our overseas subsidiaries, including whether similar transactions occurred within the Abalance Group as a whole, and whether the accounting treatments for such transactions were appropriate. As a result, we confirmed that in the wafer manufacturing process of solar panel production, overseas subsidiaries of the Abalance Group imported polysilicon, a raw material, supplied it to external processors for a fee, and subsequently repurchased the processed wafers and other intermediate materials from the processors. The Company reviewed the substance of these transactions and their accounting treatments, and has made the necessary corrections.

(Consolidated Balance Sheets)

(Non-deductible expenses for tax purposes related to export duties, etc.)

The Company’s consolidated subsidiary Vietnam Sunergy Joint Stock Company and its subsidiaries have recorded estimated amounts related to export duties, etc. on sales, and treated them as deductible expenses for local income tax purposes. Therefore, such export duties, etc. on sales may not be considered deductible for tax purposes depending on the results of future examinations by the local tax authorities. However, we recognize that it is difficult to reasonably estimate the likelihood of occurrence and the amount of additional income taxes in the future at this time.

(Notes on segment information, etc.)

(Segment information)

1. Overview of reportable segments

The Group’s reportable segments are the constituent units of the Group for which separate financial information is available and which the Board of Directors regularly reviews in order to decide on the allocation of management resources and evaluate business performance.

The “Solar Panel Manufacturing Business” manufactures and sells solar panels.

The “Green Energy Business” sells solar power generation systems and other related products.

2. Method for calculating net sales, profit/loss, assets, liabilities, and other items by reportable segment

The accounting methods for the reported business segments are generally the same as those described in “Significant matters that serve as the basis for preparing consolidated financial statements.”

Reportable segment profits are based on operating profit.

Intersegment sales and transfers are based on prevailing market prices.

3. Net sales, profit/loss, assets, liabilities, and other items by reportable segment

Fiscal year ended March 31, 2025 (from July 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segment			Other (Note 1)	Total	Adjustments	Amounts recorded in consolidated financial statements (Note 2)
	Solar Panel Manufacturing Business	Green Energy Business	Total				
Net sales							
Net sales to outside customers	54,764	7,436	62,201	626	62,828	-	62,828
Intersegment sales or transfers	-	0	0	12	12	(12)	-
Total	54,764	7,436	62,201	638	62,840	(12)	62,828
Segment profit (loss)	2,411	780	3,191	(10)	3,181	(629)	2,552
Segment asset	111,937	33,359	145,296	120	145,416	1,393	146,809
Other items							
Depreciation	3,107	1,100	4,207	9	4,216	12	4,228
Amortization of goodwill	0	974	974	-	974	-	974

Notes: 1. The “Other” category is a business segment not included in the reportable segments, and includes the IT Business and the Photocatalyst Business.

2. Segment profit (loss) is adjusted with the operating profit stated in the consolidated financial statements.

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reportable segment			Other (Note 1)	Total	Adjustments	Amounts recorded in consolidated financial statements (Note 2)
	Solar Panel Manufacturing Business	Green Energy Business	Total				
Net sales							
Net sales to outside customers	111,768	7,879	119,647	522	120,169	-	120,169
Intersegment sales or transfers	-	0	0	-	0	(0)	-
Total	111,768	7,879	119,647	522	120,169	(0)	120,169
Segment profit (loss)	13,952	803	14,756	(139)	14,616	(688)	13,928
Segment asset	135,185	32,438	167,624	23	167,648	1,256	168,904
Other items							
Depreciation	5,205	1,218	6,424	0	6,425	4	6,429
Amortization of goodwill	-	320	320	-	320	-	320

Notes: 1. The “Other” category is a business segment not included in the reportable segments, and includes the IT Business and the Photocatalyst Business.

2. Segment profit (loss) is adjusted with the operating profit stated in the consolidated financial statements.

(Notes on per share information)

	Fiscal year ended March 31, 2025 (from July 1, 2024 to March 31, 2025)	Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)
Net assets per share	1,285.04 yen	2,204.64 yen
Basic earnings per share	(17.65) yen	409.76 yen
Diluted earnings per share	-	-

Note: Diluted earnings per share are not presented as there were no dilutive shares.

	Fiscal year ended March 31, 2025 (from July 1, 2024 to March 31, 2025)	Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)
Basic earnings per share		
Profit attributable to owners of parent (million yen)	(314)	7,722
Amount not attributable to common shareholders (million yen)	-	-
Profit attributable to owners of parent related to common stock (million yen)	(314)	7,722
Average number of shares outstanding during the period (shares)	17,793,581	18,847,032
Diluted earnings per share		
Adjustment for profit attributable to owners of parent (million yen)	-	-
Increase in number of common shares (shares)	-	-
(Stock acquisition rights (shares))	-	-
Outline of potentially dilutive shares which were not included in the calculation of “diluted earnings per share” because they do not have dilutive effect	Stock Options (21st Series) 74,796 shares Stock Options (23rd Series) 128,000 shares Stock Options (24th Series) 68,000 shares Stock Options (25th Series) 180,000 shares	Stock Options (21st Series) 59,220 shares Stock Options (23rd Series) - shares Stock Options (24th Series) 67,600 shares Stock Options (25th Series) 148,700 shares

(Notes on significant subsequent events)

(Decision on acquisition of own shares)

At the meeting of the Board of Directors held on May 25, 2026, the Company resolved, pursuant to Article 156 of the Companies Act as applied mutatis mutandis under Article 165, Paragraph 3 of the same Act, to acquire its own shares. Subsequently, at the meeting of the Board of Directors held on July 23, 2026, the Company resolved to amend the details of the acquisition as set out below.

1. Reason for the acquisition of own shares
   The Company has decided to acquire its own shares for the purpose of improving capital efficiency and implementing an agile capital policy that responds to future changes in the business environment.

2. Details of the acquisition (Resolution on July 23, 2026)

(1)	Type of shares to be acquired:	Common shares of the Company
(2)	Total number of shares to be acquired:	Up to 4,000,000 shares
(3)	Percentage of total shares issued:	Approximately 21.02%
(4)	Total acquisition cost:	Up to 2,000,000,000 yen
(5)	Acquisition period:	June 1, 2026 – December 31, 2026
(6)	Acquisition method:	Market purchases on the Tokyo Stock Exchange

3. Status of acquisition
   As of July 31, 2026, the total number of shares acquired was 139,700 shares, with a total acquisition cost of 69 million yen.

4. Future plans
   The specific method of disposal of the treasury shares acquired through this repurchase has not yet been determined at this time. A decision will be made after comprehensively considering future business conditions, financial circumstances, and capital policy.

(Reduction of capital and capital reserve)

1. Reduction of capital
   (1) Purpose
   The Company will reduce the amount of its capital for the purpose of securing flexibility and agility in future capital policies and improving its financial structure. This measure is positioned as part of efforts to establish a financial foundation that enables improved capital efficiency and agile shareholder returns in the future.
   (2) Amount of capital to be reduced
   Out of 2,766 million yen in capital, 2,266 million yen will be reduced and transferred to other capital surplus. Capital will be 500 million yen after the reduction.
   (3) Amounts after the transfer

Capital:	500 million yen	(before transfer: 2,766 million yen)
Other capital surplus:	4,376 million yen	(before transfer: – million yen; including 2,266 million yen transferred from capital and 2,110 million yen transferred from capital reserve)

2. Reduction of capital reserve

(1) Purpose

The purpose of the reduction is to enhance flexibility in shareholder returns by securing distributable amounts and to ensure agility in future capital policies. As a result of this measure, other capital surplus available for dividends will increase, thereby expanding future options for dividend policy.

(2) Amount of capital reserve to be reduced

The entire amount of capital reserve of 2,110 million yen will be reduced, resulting in a balance of 0 yen. The same amount will be transferred to other capital surplus.

(3) Amounts after the transfer

Capital reserve:	– million yen	(before transfer: 2,110 million yen)
Other capital surplus:	4,376 million yen	(before transfer: – million yen; including 2,266 million yen transferred from capital and 2,110 million yen transferred from capital reserve)

3. Schedule

(1)	Resolution of the Board of Directors:	May 25, 2026
(2)	Resolution of the General Meeting of Shareholders:	June 24, 2026
(3)	Public notice of creditor objection period:	July 6, 2026
(4)	Deadline for creditor objections:	August 6, 2026
(5)	Effective date:	August 12, 2026

(Construction of new solar cell plant in the US)

1. Purpose of constructing the new plant

Amid the global trend toward achieving a decarbonized society, the Group has positioned the Solar Panel Manufacturing Business as a core pillar of its operations and is working to establish a global supply chain for solar panels and cells, taking geopolitical risks into consideration, to contribute to the growth of the renewable energy market. Specifically, the TOYO Group is promoting the strengthening of supply chain resilience and competitiveness through a three-area system encompassing Vietnam, Ethiopia, and the US.

TOYO owns a solar panel plant in Texas and supplies products stably to major solar power developers in the US. By constructing a new solar cell plant (HJT[*1]), which offers higher conversion efficiency and superior temperature characteristics compared with conventional technologies, in an area adjacent to the existing panel plant, the Group expects to shorten manufacturing lead time, reduce logistics costs, and utilize US subsidies. As a result, the Group anticipates further expansion of sales in the US market, where growth is expected.

[*1] HJT (Heterojunction with Intrinsic Thin Layer)

HJT is a next-generation solar cell technology that uses a heterojunction of crystalline silicon and amorphous silicon. It offers high efficiency, low degradation, and excellent high-temperature performance, contributing to increased power generation and long-term reliability.

2. Overview of the new plant

(1)	Location:	6115 Greens Road, Humble, Texas 77396, USA
(2)	Site area:	19,000 m²
(3)	Investment amount:	USD 357 million (approximately 57.1 billion yen) Exchange rate: USD 1 = 160.00 yen
(4)	Funding method:	Internal funds (planned)
(5)	Business description:	Manufacturing and sales of solar cells
(6)	Production capacity:	1.5GW
(7)	Number of employees:	Approx. 400 (planned)

Note: The land and buildings for the new plant will be leased. The investment amount covers manufacturing equipment and ancillary facilities.

3. Schedule

(1)	Scheduled commencement of construction:	April 2027 (planned)
(2)	Scheduled completion:	April 2028 (planned)

Note: The above schedule is based on current estimates and may change depending on various circumstances.