

Consolidated Financial Report for the Nine Months Ended December 31, 2025

TOYOB Co., Ltd.

URL <https://ir.toyobo.co.jp/en/ir.html>

Stock Code: 3101 (Prime Market, Tokyo Stock Exchange)

Representative: Ikuo Takeuchi, President & Representative Director

Contact Person: Sonoko Ishimaru, Executive Officer, General Manager, Corporate Communication Department

TEL: +81-6-6348-3044

Scheduled date to commence dividend payments: —

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes (Presentation to Investors)

(Figures are rounded to the nearest million yen.)

1. Consolidated Business Performance

(1) Consolidated Operating Results

Nine months ended December 31

Percentages indicate year-on-year increase/ (decrease)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2025	307,515	(2.1)	18,273	79.6	15,836	186.2	7,827	986.2
2024	314,229	2.2	10,175	103.8	5,534	131.0	721	(54.2)

(Note) Comprehensive Income: Nine months ended December 31, 2025: ¥14,216 million 151.5%

Nine months ended December 31, 2024: ¥5,652 million 72.8%

	Net profit per share	Net profit per share after dilution
	Yen	Yen
2025	88.72	—
2024	8.18	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
December 31, 2025	616,810	240,948	33.0	2,307.43
March 31, 2025	617,799	232,044	31.6	2,215.11

(Reference) Total shareholders' equity: December 31, 2025: ¥203,619 million, March 31, 2025: ¥195,312 million

2. Dividends

Years ended/ending March 31

Record date	Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
2025	—	0.00	—	40.00	40.00
2026	—	0.00	—		
2026 (Forecast)				40.00	40.00

(Note) Revision of dividends forecast for this period: None

3. Forecasts for Fiscal Year Ending March 31, 2026

Percentages indicate year-on-year increase/ (decrease)

	Net sales		Operating profit		Ordinary profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year	430,000	1.9	24,000	44.1	19,500	84.1

	Profit attributable to owners of parent		Net profit per share
	Millions of yen	%	Yen
Fiscal year	8,500	324.3	96.36

(Note) Revision of earnings forecast for this period: Yes

* Other

1. Significant changes in the scope of consolidation during the subject fiscal year: None

- 1) New company : None
- 2) Excluded company : None

2. Adoption of simplified and special accounting methods: None

3. Changes from accounting methods, procedures and the presentation of the consolidated financial statements:

- 1) Changes based on revision of accounting standards : None
- 2) Changes other than 1) above : None
- 3) Changes due to accounting estimation change : None
- 4) Error correction : None

4. Number of shares issued and outstanding (common stock):

1) Number of shares outstanding (including treasury stock):

December 31, 2025: 89,048,792 shares March 31, 2025: 89,048,792 shares

2) Number of treasury stock:

December 31, 2025: 803,839 shares March 31, 2025: 876,140 shares

3) Average number of shares outstanding for each period (cumulative term):

Nine months ended December 31, 2025: 88,214,856 shares

Nine months ended December 31, 2024: 88,142,736 shares

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: None

* Explanation regarding the appropriate use of forecasts of business results

The forward-looking statements made in this document, including the aforementioned forecasts, are based on all information available to the management at the time of this document's release. Actual results may differ from the results anticipated in the statements.

For information on the forecast, please refer to "1. Qualitative Information and Financial Statements, (3) Forecast for Fiscal 2026 (Ending March 31, 2026)" on page 7 of the attached materials.

(How to obtain supplementary document on earnings)

The supplementary document on earnings is disclosed on the same day as the Quarterly Financial Results report, and it is made available on the Company's website.

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1. Qualitative Information and Financial Statements

(1) Qualitative Information on Consolidated Results

As for the business environment surrounding the Toyobo Group (hereinafter “the Group”) in the nine months ended December 31, 2025, in the United States, despite concerns about the impact of reciprocal tariff policies, the economy remained generally strong, supported by personal consumption. In China, domestic demand was lackluster due to the prolonged real estate recession and weak consumption, and the economic stagnation continued. In Japan, the economy maintained a trajectory of moderate recovery due to improvements in the income environment and growth in capital investment. Going forward, there is concern over the impact on the Group’s business environment from the United States’ reciprocal tariff policies, the rate of recovery of the Chinese economy, and geopolitical risks.

Under this business environment, polarizer protective films for LCDs “COSMOSHINE SRF” and mold releasing film for multilayer ceramic capacitors (MLCC) remained steady. In addition, in the packaging film business, earnings improved as a result of improving the productivity of the new facility.

As a result, consolidated net sales in the nine months ended December 31, 2025 decreased ¥6.7 billion (2.1%) from the same period of the previous fiscal year to ¥307.5 billion. Operating profit increased ¥8.1 billion (79.6%), to ¥18.3 billion and ordinary profit increased ¥10.3 billion (186.2%) to ¥15.8 billion. Profit attributable to owners of parent increased ¥7.1 billion (986.2%), to ¥7.8 billion.

Results by business segment were as follows:

Films

In the packaging film business, although cargo movement deteriorated as consumer restraint continued due to soaring food prices, earnings improved as a result of improving the productivity of the new facility.

In the industrial film business, sales of mold releasing film for multilayer ceramic capacitors (MLCC) continued to expand. Sales of polarizer protective films for LCDs “COSMOSHINE SRF” were strong, supported by strong demand.

As a result, sales in this segment increased ¥5.1 billion (4.1%) from the same period of the previous fiscal year to ¥130.0 billion, and operating profit increased ¥9.0 billion (235.6%) to ¥12.9 billion.

Life Science

In the biotechnology business, demand for enzymes for diagnostic reagents remained strong. However, sales of diagnostic reagents were sluggish due to a worsening of market conditions in China, leading to a deterioration in earnings.

In the medical materials business, sales of artificial kidney hollow fiber trended strongly, while performance was impacted by delays in the launch of a new plant.

In the contract manufacturing business of pharmaceuticals, profitability improved as product price revisions proceeded.

As a result, sales in this segment decreased ¥0.9 billion (3.6%) from the same period of the previous fiscal year to ¥24.8 billion, and operating loss of ¥0.3 billion. (Compared with operating profit of ¥1.5 billion for the previous fiscal year.)

Environmental and Functional Materials

In the resin and chemical business, sales of engineering plastics for automotive use overseas increased, which contributed to an improvement in earnings. Sales of industrial adhesives "VYLON" increased for coating and adhesive applications in the domestic market, as well as for electronic materials applications in Southeast Asia.

In the environment and fiber business, environmental solutions saw a decline in shipments of VOC recovery equipment used in the manufacturing process for lithium-ion battery separators due to the impact of the slowdown in the electric vehicle market. In nonwoven materials, review of the production system in Japan proceeded, and profitability improved.

As a result, sales in this segment decreased ¥5.6 billion (6.8%) from the same period of the previous fiscal year to ¥77.9 billion, and operating profit decreased ¥0.3 billion (4.7%) to ¥5.4 billion.

Functional Textiles and Trading

In the textile business, sales of traditional Arabic fabric grew due to strong demand, as well as the depreciation of the yen. In addition, the consolidation of domestic production bases for sports-related products progressed.

In the airbag fabric business, profitability improved as a result of the recovery trend in automobile production and the realization of further cost reduction.

As a result, sales in this segment decreased ¥5.1 billion (7.1%) from the same period of the previous fiscal year to ¥66.2 billion, and operating profit increased ¥0.5 billion (847.9%) to ¥0.6 billion.

Real Estate and Other Businesses

This segment includes infrastructure-related businesses such as real estate, engineering, information processing services, and logistics services. Results in these businesses were generally in line with plans.

As a result, sales in this segment decreased ¥0.2 billion (2.6%) from the same period of the previous fiscal year to ¥8.6 billion, and operating profit increased ¥0.2 billion (11.4%) to ¥2.0 billion.

(2) Analysis of Financial Position

Total assets decreased ¥1.0 billion (0.2%) from the end of the previous fiscal year to ¥616.8 billion. This was mainly due to a decrease in notes and accounts receivable – trade and cash and deposits, despite an increase in inventories.

Total liabilities decreased ¥9.9 billion (2.6%) from the end of the previous fiscal year to ¥375.9 billion. This was mainly due to a decrease in notes and accounts payable – trade, and borrowings.

Net assets increased ¥8.9 billion (3.8%) from the end of the previous fiscal year to ¥240.9 billion. This was due to an increase in retained earnings, foreign currency translation adjustment and other factors.

(3) Forecast for Fiscal 2026 (Ending March 31, 2026)

In light of recent developments, the Group has revised its consolidated earnings forecasts for the fiscal year ending March 31, 2026, which were announced on November 10, 2025. For details, please refer to the “Notice of Revision of Consolidated Earnings Forecasts” released today (February 9, 2026).

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	Previous Fiscal Year (As of March 31, 2025)	Current Third Quarter (As of December 31, 2025)
Assets		
Current assets		
Cash and deposits	28,581	24,583
Notes and accounts receivable - trade	92,545	79,706
Contract assets	207	1,079
Electronically recorded monetary claims - operating	13,400	14,398
Merchandise and finished goods	65,055	67,737
Work in process	22,023	24,812
Raw materials and supplies	31,904	40,702
Other	14,109	10,227
Allowance for doubtful accounts	(330)	(459)
Total current assets	267,495	262,784
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	73,763	79,683
Machinery, equipment and vehicles, net	63,720	66,036
Land	90,203	92,800
Construction in progress	55,958	49,409
Other, net	12,875	13,381
Total property, plant and equipment	296,518	301,310
Intangible assets	5,032	4,771
Investments and other assets		
Other	48,821	48,014
Allowance for doubtful accounts	(68)	(68)
Total investments and other assets	48,754	47,945
Total non-current assets	350,304	354,026
Total assets	617,799	616,810

(Millions of yen)

	Previous Fiscal Year (As of March 31, 2025)	Current Third Quarter (As of December 31, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	48,389	42,723
Electronically recorded obligations - operating	3,436	2,916
Short-term borrowings	53,043	50,464
Commercial papers	5,000	10,000
Current portion of bonds payable	10,000	10,000
Current portion of long-term borrowings	11,684	9,391
Provisions	5,306	3,082
Other	23,463	24,898
Total current liabilities	160,320	153,473
Non-current liabilities		
Bonds payable	67,000	67,000
Long-term borrowings	114,343	112,197
Deferred tax liabilities for land revaluation	18,990	18,956
Provision for retirement benefits for directors (and other officers)	209	191
Retirement benefit liability	14,122	13,316
Other	10,770	10,730
Total non-current liabilities	225,435	222,389
Total liabilities	385,755	375,863
Net assets		
Shareholders' equity		
Share capital	51,730	51,730
Capital surplus	32,661	32,640
Retained earnings	68,967	73,340
Treasury shares	(925)	(845)
Total shareholders' equity	152,433	156,865
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,857	2,216
Deferred gains or losses on hedges	12	(2)
Revaluation reserve for land	40,174	40,101
Foreign currency translation adjustment	(603)	2,757
Remeasurements of defined benefit plans	1,439	1,682
Total accumulated other comprehensive income	42,879	46,754
Non-controlling interests	36,732	37,328
Total net assets	232,044	240,948
Total liabilities and net assets	617,799	616,810

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

(Millions of yen)

(Consolidated Statements of Income)	Previous Third Quarter (From April 1, 2024 To December 31, 2024)	Current Third Quarter (From April 1, 2025 To December 31, 2025)
Net sales	314,229	307,515
Cost of sales	243,158	230,942
Gross profit	71,072	76,573
Selling, general and administrative expenses	60,897	58,301
Operating profit	10,175	18,273
Non-operating income		
Compensation income	518	7
Other	1,648	2,283
Total non-operating income	2,166	2,290
Non-operating expenses		
Interest expenses	1,531	2,121
Other	5,276	2,606
Total non-operating expenses	6,807	4,727
Ordinary profit	5,534	15,836
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	1,489	—
Gain on sale of investment securities	79	—
Total extraordinary income	1,568	—
Extraordinary losses		
Impairment losses	950	249
Loss on disposal of non-current assets	1,823	1,380
Loss on sale of non-current assets	126	—
Business restructuring expenses	—	371
Extra retirement payments	—	1,151
Loss on revision of retirement benefit plan	—	939
Total extraordinary losses	2,899	4,091
Profit before income taxes	4,203	11,745
Income taxes	738	2,227
Profit	3,465	9,518
Profit attributable to non-controlling interests	2,744	1,692
Profit attributable to owners of parent	721	7,827

			(Millions of yen)
(Consolidated Statements of Comprehensive Income)	Previous Third Quarter (From April 1, 2024 To December 31, 2024)	Current Third Quarter (From April 1, 2025 To December 31, 2025)	
Profit	3,465	9,518	
Other comprehensive income			
Valuation difference on available-for-sale securities	346	360	
Deferred gains or losses on hedges	15	30	
Foreign currency translation adjustment	1,497	4,213	
Remeasurements of defined benefit plans, net of tax	187	243	
Share of other comprehensive income of entities accounted for using equity method	142	(148)	
Total other comprehensive income	<hr/> 2,187	<hr/> 4,698	
Comprehensive income	<hr/> 5,652	<hr/> 14,216	
Comprehensive income attributable to			
Comprehensive income attributable to owners of parent	2,501	11,775	
Comprehensive income attributable to non-controlling interests	3,152	2,441	

(3) Notes to Consolidated Financial Statements

(Segment Information)

(i) Previous Third Quarter (From April 1, 2024 to December 31, 2024)

(Millions of yen)

	Segment to Be Reported						Other Businesses (Note 1)	Total	Adjustment (Note 2)	Consolidated Statements of Income (Note 3)
	Films	Life Science	Environmental and Functional Materials	Functional Textiles and Trading	Real Estate	Total				
Net sales										
(1) Outside customers	124,881	25,740	83,524	71,272	3,141	308,558	5,672	314,229	—	314,229
(2) Inter-segment sales and transfers	1,634	83	6,137	929	859	9,642	9,912	19,554	(19,554)	—
Total	126,516	25,822	89,660	72,201	4,001	318,200	15,584	333,783	(19,554)	314,229
Segment profit	3,836	1,489	5,618	61	1,369	12,374	417	12,791	(2,617)	10,175

Note:

1. Other includes design and construction of buildings, equipment, etc., information services, logistics services and other items.
2. Segment profit adjustment of ¥ (2,617) million includes eliminations of intersegment transactions of ¥ 190 million and companywide expenses that are not allocated across reporting segments of ¥ (2,806) million. The principal components of companywide expenses are those related to basic research and development.
3. Segment profit has been adjusted with operating profit on the consolidated financial statements.

(ii) Current Third Quarter (From April 1, 2025 to December 31, 2025)

(Millions of yen)

	Segment to Be Reported						Other Businesses (Note 4)	Total	Adjustment (Note 5)	Consolidated Statements of Income (Note 6)
	Films	Life Science	Environmental and Functional Materials	Functional Textiles and Trading	Real Estate	Total				
Net sales										
(1) Outside customers	130,029	24,807	77,881	66,215	3,372	302,304	5,211	307,515	—	307,515
(2) Inter-segment sales and transfers	718	139	5,908	1,099	810	8,674	8,706	17,380	(17,380)	—
Total	130,747	24,946	83,788	67,315	4,182	310,978	13,917	324,895	(17,380)	307,515
Segment profit (loss)	12,874	(284)	5,352	582	1,529	20,053	461	20,514	(2,241)	18,273

Note:

4. Other includes design and construction of buildings, equipment, etc., information services, logistics services and other items.
5. Segment profit or loss adjustment of ¥ (2,241) million includes eliminations of intersegment transactions of ¥ 137 million and companywide expenses that are not allocated across reporting segments of ¥ (2,378) million. The principal components of companywide expenses are those related to basic research and development.
6. Segment profit (loss) has been adjusted with operating profit on the consolidated financial statements.

(Notes on Significant Changes in Shareholders' Equity)

Not applicable

(Notes to Going Concern Assumption)

Not applicable

(Notes to quarterly consolidated statements of cash flows)

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

	(Millions of yen)	
	Previous Third Quarter (From April 1, 2024 To December 31, 2024)	Current Third Quarter (From April 1, 2025 To December 31, 2025)
Depreciation	16,965	17,944