August 6, 2026

Consolidated Financial Report for the Three Months Ended June 30, 2026

TOYOBO Co., Ltd. URL https://ir.toyobo.co.jp/en/ir.html

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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

Three months ended June 30 — 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	%
2026	110,373	7.3	7,132	28.1	6,626	55.3	3,072	95.3
2025	102,910	(2.2)	5,566	80.2	4,267	111.8	1,573	100.7

(Note) Comprehensive Income: Three months ended June 30, 2026: ¥4,442 million 124.3%
Three months ended June 30, 2025: ¥1,981 million (55.7%)

	Net profit per share	Net profit per share after dilution
	Yen	Yen
2026	34.82	—
2025	17.84	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
June 30, 2026	620,657	250,349	34.3	2,414.65
March 31, 2026	627,667	251,995	34.0	2,417.30

(Reference) Shareholders' equity: June 30, 2026: ¥213,069 million, March 31, 2026: ¥213,315 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
2026	—	0.00	—	40.00	40.00
2027	—				
2027 (Forecast)		0.00	—	40.00	40.00

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

3. Forecasts for Fiscal Year Ending March 31, 2027

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

	Net sales		Operating profit		Ordinary profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year	435,000	3.2	23,000	(17.6)	18,500	(19.1)

	Profit attributable to owners of parent		Net profit per share
	Millions of yen	%	Yen
Fiscal year	7,000	(37.4)	79.33

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

* Other

1. Significant changes in the scope of consolidation during the subject fiscal year: Yes
   1) New company : None
   2) Excluded company : 1
      (TOYOBO STC CO., LTD.)
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):
      June 30, 2026: 89,048,792 shares March 31, 2026: 89,048,792 shares
   2) Number of treasury stock:
      June 30, 2026: 808,657 shares March 31, 2026: 804,024 shares
   3) Average number of shares outstanding for each period (cumulative term):
      Three months ended June 30, 2026: 88,241,376 shares
      Three months ended June 30, 2025: 88,169,159 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 2027 (Ending March 31, 2027)" on page 6 of this document.

(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.

Contents

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 three months ended June 30, 2026, the global economy showed signs of weakness in some regions but generally maintained a trajectory of moderate recovery. However, uncertainties in the global economy persisted, including developments in the situation in the Middle East and trade policies. In the United States, despite uncertainties in the employment environment, the economy remained overall resilient, supported by fiscal policies and capital investments by companies. In China, amid the continued slump in the real estate market, the recovery in personal consumption and private investment lacked strength, and economic stagnation continued. In Japan, the economy maintained a trajectory of moderate recovery, supported by improvements in the income environment driven by wage increases and capital investments by companies.

Under this business environment, despite being affected by the worsening situation in the Middle East, earnings improved as sales remained steady for polarizer protective films for LCDs “COSMOSHINE SRF” and release film for multilayer ceramic capacitors (MLCC), along with increased sales of engineering plastics and industrial adhesives “VYLON.”

As a result, consolidated net sales in the three months ended June 30, 2026 increased ¥7.5 billion (7.3%) from the same period of the previous fiscal year to ¥110.4 billion. Operating profit increased ¥1.6 billion (28.1%), to ¥7.1 billion and ordinary profit increased ¥2.4 billion (55.3%) to ¥6.6 billion. Profit attributable to owners of parent increased ¥1.5 billion (95.3%), to ¥3.1 billion.

Results by business segment were as follows:

From the first quarter ended June 30, 2026, we have revised the classification of reporting segments. For the following year-on-year comparison, we have adjusted the figures for the same quarter of the previous fiscal year to reflect the new segment classification.

Films

In the packaging film business, amid concerns over soaring raw material and fuel prices and increased procurement risks, the impact was limited to some extent due to revisions in sales approaches and improvements in productivity.

In the industrial film business, sales of release film for multilayer ceramic capacitors (MLCC) steadily expanded, mainly for AI servers. Sales of polarizer protective films for LCDs “COSMOSHINE SRF” were strong, supported by strong demand.

As a result, sales in this segment increased ¥4.0 billion (8.9%) from the same period of the previous fiscal year to ¥48.5 billion, and operating profit increased ¥1.2 billion (29.0%) to ¥5.2 billion.

Life Science

In the biotechnology business, sales of raw enzymes for diagnostic reagents and genetic testing reagents for overseas markets remained strong.

In the medical materials business, sales of artificial kidney hollow fiber trended strongly, but were impacted by soaring raw material and fuel prices.

In the contract manufacturing business of pharmaceuticals, sales decreased due to changes in the business environment and adjustments related to equipment upgrades.

As a result, sales in this segment increased ¥1.1 billion (13.4%) from the same period of the previous fiscal year to ¥9.1 billion, and operating loss of ¥0.5 billion. (Compared with operating profit of ¥0.2 billion for the same period of the previous fiscal year.)

Environmental and Functional Materials

In the resin and chemical business, sales of engineering plastics increased, mainly for automotive applications, which contributed to an improvement in earnings. Sales of industrial adhesives “VYLON” remained strong for electronic materials applications overseas.

In the environment and fiber business, environmental solutions saw a decline in sales of reverse osmosis membranes for seawater desalination due to the worsening situation in the Middle East. Sales of high performance fibers increased following the recovery in demand for “ZYLON.” In nonwoven materials, the spunbond, mainly for building material applications, recovered, leading to improved profitability.

As a result, sales in this segment increased ¥3.4 billion (13.5%) from the same period of the previous fiscal year to ¥28.8 billion, and operating profit increased ¥1.3 billion (90.2%) to ¥2.8 billion.

Fibers and Textiles

In the textile business, profitability of traditional Arabic fabric significantly declined due to decreased sales and increased costs resulting from the worsening situation in the Middle East.

In the airbag fabric business, profitability improved as a result of enhancing production efficiency and consolidating overseas sites.

As a result, sales in this segment decreased ¥0.8 billion (4.1%) from the same period of the previous fiscal year to ¥18.8 billion, and operating loss of ¥0.4 billion. (Compared with operating loss of ¥0.1 billion for the same period of the previous fiscal year.)

Real Estate and Other Business

This segment includes businesses such as real estate, trading, 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 (3.3%) from the same period of the previous fiscal year to ¥5.1 billion, and operating profit decreased ¥0.1 billion (8.8%) to ¥0.6 billion.

(2) Analysis of Financial Position

Total assets decreased ¥7.0 billion (1.1%) from the end of the previous fiscal year to ¥620.7 billion. This was mainly due to a decrease in notes and accounts receivable – trade and property, plant and equipment.

Total liabilities decreased ¥5.4 billion (1.4%) from the end of the previous fiscal year to ¥370.3 billion. This was mainly due to a decrease in notes and accounts payable – trade and provisions, despite an increase in interest-bearing debt.

Net assets decreased ¥1.6 billion (0.7%) from the end of the previous fiscal year to ¥250.3 billion. This was mainly due to a decrease in retained earnings and non-controlling interests resulting from dividend payments.

(3) Forecast for Fiscal 2027 (Ending March 31, 2027)

The consolidated earnings forecasts for the fiscal year ending March 31, 2027, were previously undecided due to the difficulty in appropriately and reasonably assessing the impact on business from the intensification of the situation in the Middle East. However, at this time, we have calculated the consolidated earnings forecasts based on available information and predictions, and hereby announce them. For details, please refer to the *Notice of Consolidated Earnings Forecasts and Dividend Forecast for the Fiscal Year Ending March 2027* released today (August 6, 2026).

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	Previous Fiscal Year (As of March 31, 2026)	Current First Quarter (As of June 30, 2026)
Assets		
Current assets		
Cash and deposits	31,107	29,783
Notes and accounts receivable - trade	88,208	86,202
Contract assets	732	812
Electronically recorded monetary claims - operating	12,755	12,403
Merchandise and finished goods	66,699	64,603
Work in process	23,401	24,368
Raw materials and supplies	37,955	39,626
Other	10,207	8,935
Allowance for doubtful accounts	(521)	(437)
Total current assets	270,543	266,296
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	88,751	89,795
Machinery, equipment and vehicles, net	82,648	85,607
Land	92,402	92,394
Construction in progress	23,022	17,083
Other, net	13,109	12,870
Total property, plant and equipment	299,932	297,751
Intangible assets	4,844	4,747
Investments and other assets		
Other	52,407	51,922
Allowance for doubtful accounts	(59)	(58)
Total investments and other assets	52,348	51,864
Total non-current assets	357,124	354,361
Total assets	627,667	620,657

(Millions of yen)

	Previous Fiscal Year (As of March 31, 2026)	Current First Quarter (As of June 30, 2026)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	45,075	42,397
Electronically recorded obligations - operating	1,773	1,797
Short-term borrowings	54,700	59,903
Commercial papers	2,000	—
Current portion of bonds payable	10,000	10,000
Current portion of long-term borrowings	12,426	17,536
Provisions	5,891	2,984
Other	25,730	24,728
Total current liabilities	157,595	159,344
Non-current liabilities		
Bonds payable	67,000	67,000
Long-term borrowings	108,345	101,380
Deferred tax liabilities for land revaluation	18,956	18,956
Provision for retirement benefits for directors (and other officers)	202	159
Retirement benefit liability	13,100	13,129
Other	10,474	10,340
Total non-current liabilities	218,077	210,965
Total liabilities	375,672	370,308
Net assets		
Shareholders' equity		
Share capital	51,730	51,730
Capital surplus	32,614	32,614
Retained earnings	76,238	75,780
Treasury shares	(845)	(845)
Total shareholders' equity	159,737	159,280
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,064	1,793
Deferred gains or losses on hedges	13	74
Revaluation reserve for land	40,755	40,755
Foreign currency translation adjustment	3,112	3,720
Remeasurements of defined benefit plans	7,632	7,447
Total accumulated other comprehensive income	53,577	53,789
Non-controlling interests	38,681	37,280
Total net assets	251,995	250,349
Total liabilities and net assets	627,667	620,657

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

(Millions of yen)

(Consolidated Statements of Income)	Previous First Quarter (From April 1, 2025 To June 30, 2025)	Current First Quarter (From April 1, 2026 To June 30, 2026)
Net sales	102,910	110,373
Cost of sales	77,726	83,006
Gross profit	25,183	27,367
Selling, general and administrative expenses	19,617	20,235
Operating profit	5,566	7,132
Non-operating income		
Dividend income	146	74
Other	558	688
Total non-operating income	704	762
Non-operating expenses		
Interest expenses	671	768
Foreign exchange losses	416	—
Other	916	499
Total non-operating expenses	2,004	1,268
Ordinary profit	4,267	6,626
Extraordinary losses		
Impairment losses	—	225
Loss on disposal of non-current assets	324	167
Loss on valuation of investment securities	—	392
Business restructuring expenses	—	103
Loss on revision of retirement benefit plan	939	—
Total extraordinary losses	1,263	887
Profit before income taxes	3,004	5,739
Income taxes	1,034	1,658
Profit	1,970	4,081
Profit attributable to non-controlling interests	397	1,008
Profit attributable to owners of parent	1,573	3,072

(Millions of yen)

(Consolidated Statements of Comprehensive Income)	Previous First Quarter (From April 1, 2025 To June 30, 2025)	Current First Quarter (From April 1, 2026 To June 30, 2026)
Profit	1,970	4,081
Other comprehensive income		
Valuation difference on available-for-sale securities	37	(274)
Deferred gains or losses on hedges	(5)	(17)
Foreign currency translation adjustment	230	735
Remeasurements of defined benefit plans, net of tax	81	(185)
Share of other comprehensive income of entities accounted for using equity method	(333)	102
Total other comprehensive income	11	361
Comprehensive income	1,981	4,442
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,651	3,284
Comprehensive income attributable to non-controlling interests	330	1,158

(3) Notes to Consolidated Financial Statements

(Segment Information)

(ⅰ) Previous First Quarter (From April 1, 2025 to June 30, 2025)

1. Net sales, profit and loss by reporting segment

(Millions of yen)

	Segment to Be Reported						Other Business-es (Note 1)	Total	Adjust-ment (Note 2)	Consolid-ated Stateme-nts of Income (Note 3)
	Films	Life Science	Environm-ental and Functional Materials	Fibers and Textiles	Real Estate	Total				
Net sales										
(1) Outside customers	44,576	8,033	25,422	19,574	1,114	98,719	4,190	102,910	—	102,910
(2) Inter-segment sales and transfers	217	28	1,960	351	281	2,837	2,435	5,272	(5,272)	—
Total	44,793	8,061	27,382	19,925	1,395	101,556	6,626	108,181	(5,272)	102,910
Segment profit (loss)	4,005	164	1,463	(83)	498	6,047	203	6,250	(684)	5,566

Note:

1. Other Businesses includes distribution of industrial products, design and construction of buildings, equipment, etc., information services, logistics services and other items.
2. Segment profit or loss adjustment of ¥ (684) million includes eliminations of intersegment transactions of ¥ 109 million and companywide expenses that are not allocated across reporting segments of ¥ (793) million. The principal components of companywide expenses are those related to basic research and development.
3. Segment profit or loss has been adjusted with operating income on the consolidated financial statements.

(ii) Current First Quarter (From April 1, 2026 to June 30, 2026)

1. Net sales, profit and loss by reporting segment

(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	Fibers and Textiles	Real Estate	Total				
Net sales										
(1) Outside customers	48,526	9,111	28,843	18,763	1,100	106,343	4,030	110,373	—	110,373
(2) Inter-segment sales and transfers	239	19	1,660	353	265	2,536	2,684	5,220	(5,220)	—
Total	48,765	9,130	30,503	19,117	1,364	108,879	6,714	115,593	(5,220)	110,373
Segment profit (loss)	5,169	(478)	2,783	(363)	536	7,645	103	7,749	(617)	7,132

Note:

4. Other Businesses includes distribution of industrial products, design and construction of buildings, equipment, etc., information services, logistics services and other items.
5. Segment profit or loss adjustment of ¥ (617) million includes eliminations of intersegment transactions of ¥ 169 million and companywide expenses that are not allocated across reporting segments of ¥ (786) million. The principal components of companywide expenses are those related to basic research and development.
6. Segment profit or loss has been adjusted with operating income on the consolidated financial statements.

2. Matters concerning changes to reporting segments

From the first quarter ended June 30, 2026, we have changed the organizational structure of the Group due to the reorganization of a consolidated subsidiary that was engaged in a trading business. In line with this, we have revised the classification of reporting segments, changing the name of the previous *Functional Textiles and Trading* to *Fibers and Textiles* and reclassifying some businesses previously included in *Functional Textiles and Trading* into *Others*.

The segment information for the three months ended June 30, 2025 has been prepared based on the revised classification.

(Notes on Significant Changes in Shareholders' Equity)

Not applicable

(Notes to Going Concern)

Not applicable

(Notes to 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) of the three months ended June 30, 2026 is as follows.

(Millions of yen)

	Previous First Quarter (From April 1, 2025 To June 30, 2025)	Current First Quarter (From April 1, 2026 To June 30, 2026)
Depreciation	5,859	6,958