

## Consolidated Financial Report for Year Ended March 31, 2026

### TOYOBO Co., Ltd.

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

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

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Date of the General Meeting of the Shareholders: June 24, 2026

Planned start of dividend payments: June 25, 2026

Planned filing date of an annual security report: June 23, 2026

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

Years ended March 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	%
2026	421,563	(0.1)	27,906	67.6	22,878	116.0	11,174	457.8
2025	422,032	1.9	16,653	85.1	10,591	52.1	2,003	(18.4)

(Note) Comprehensive Income: Year ended March 31, 2026: ¥25,362 million 367.4%

Year ended March 31, 2025: ¥5,426 million (56.4%)

	Net profit per share	Net profit per share after dilution	Return on equity	Ordinary profit-to-total assets ratio	Operating profit-to-net sales ratio
	Yen	Yen	%	%	%
2026	126.65	—	5.5	3.7	6.6
2025	22.73	—	1.0	1.7	3.9

(Reference) Gain (loss) on investment by equity method: Year ended March 31, 2026: ¥(839) million

Year ended March 31, 2025: ¥(129) million

### (2) Consolidated Financial Position

At March 31

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
2026	627,667	251,995	34.0	2,417.30
2025	617,799	232,044	31.6	2,215.11

(Reference) Total shareholders' equity: March 31, 2026: ¥213,315 million, March 31, 2025: ¥195,312 million

### (3) Consolidated Cash Flows

Years ended March 31

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
2026	45,032	(27,077)	(16,506)	30,128
2025	30,118	(46,386)	10,490	27,427

## 2. Dividends

Years ended/ending March 31

Record date	Dividends per share					Total amount of dividends (for the entire fiscal year) Millions of yen	Payout ratio %	Dividends to net assets ratio %
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen			
2025	—	0.00	—	40.00	40.00	3,527	176.0	1.8
2026	—	0.00	—	40.00	40.00	3,530	31.6	1.7
2027 (Forecast)	—	—	—	—	—		—	

(Notes) The dividend forecast for the fiscal year ending March 31, 2027 will be promptly announced as soon as the earnings forecasts can be calculated.

## 3. Forecasts for Fiscal Year Ending March 31, 2027

The consolidated earnings forecasts for the fiscal year ending March 31, 2027 have not been announced as it is difficult to reasonably calculate earnings forecasts at the present time. They will be promptly disclosed as soon as such calculation becomes possible.

\* Other

1. Significant changes in subsidiaries during the subject fiscal year (Transfer of particular subsidiaries following a change in the scope of consolidation): None

1) New company : None

2) Excluded company : None

2. 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

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

1) Number of shares outstanding at fiscal year-end (including treasury stock):

2026: 89,048,792 shares    2025: 89,048,792 shares

2) Number of treasury stock at fiscal year-end:

2026: 804,024 shares    2025: 876,140 shares

3) Average number of shares outstanding:

2026: 88,221,776 shares    2025: 88,149,665 shares

**(Reference)**

**1. Non-Consolidated Business Performance**

**(1) Non-Consolidated Operating Results**

Year ended March 31

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

	Net sales		Operating profit		Ordinary profit		Net profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2026	197,578	3.0	11,689	497.9	17,260	249.9	16,090	410.9
2025	191,896	4.5	1,955	—	4,933	123.2	3,149	—

(Note) Year-on-year increase (decrease) in net profit for the fiscal year ended March 31, 2025 is shown as “—” as it exceeds 1,000%.

	Net profit per share	Net profit per share after dilution
	Yen	Yen
2026	182.38	—
2025	35.73	—

**(2) Non-Consolidated Financial Position**

At March 31

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
2026	513,547	158,171	30.8	1,792.41
2025	506,412	145,490	28.7	1,650.06

(Reference) Total shareholders' equity: March 31, 2026: ¥158,171 million, March 31, 2025: 145,490 million

※ Financial Results Reports are exempt from review by certified public accountants or accounting auditor

※ Explanation regarding the appropriate use of forecasts of business results

The consolidated earnings forecasts have not been announced as it is difficult to reasonably calculate earnings forecasts at the present time. For details, please refer to "1. Operating Results, (4) Forecast for Fiscal 2027 (Ending March 31, 2027)" 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 Financial Results Report, and it is made available on the Company's website.

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## 1. Operating Results

### (1) Analysis of Operating Results

As for the business environment surrounding the Toyobo Group (hereinafter “the Group”) in the fiscal year ended March 31, 2026 (hereinafter “the fiscal year”), in the United States, despite continuing concerns about the impact of reciprocal tariff policies, personal consumption remained generally strong against the backdrop of the resilience of the employment environment, and the economy remained overall resilient. In China, due to the lingering slump in the real estate market and the lack of strength in personal consumption, the recovery of domestic demand was limited, and the economic stagnation continued. In Japan, the economy maintained a trajectory of moderate recovery due to improvements in the income environment driven by widespread wage increases and companies resuming capital investments.

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 fiscal year decreased 0.1% from the previous fiscal year to ¥421.6 billion, operating profit increased 67.6% from the previous fiscal year to ¥27.9 billion, ordinary profit increased 116.0% from the previous fiscal year to ¥22.9 billion, profit attributable to owners of parent increased 457.8% from the previous fiscal year to ¥11.2 billion.

Results by business segment were as follows:

#### Films

In the packaging film business, cargo movement was weak overall due to prolonged budget-mindedness among consumers driven by soaring food prices. On the other hand, 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) steadily expanded, mainly for AI servers. Sales of polarizer protective films for LCDs “COSMOSHINE SRF” remained strong, supported by strong demand.

As a result, sales in this segment increased ¥8.3 billion (5.0%) from the previous fiscal year to ¥175.2 billion, and operating profit increased ¥9.7 billion (140.4%) to ¥16.6 billion.

#### Life Science

In the biotechnology business, demand for enzymes for diagnostic reagents remained strong. However, sales of diagnostic reagents were sluggish due to the impact of market conditions in China. Furthermore, compounded by a decrease in sales at overseas sites, earnings deteriorated.

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

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

As a result, sales in this segment increased ¥0.2 billion (0.4%) from the previous fiscal year to ¥34.5 billion, with an operating profit decreased ¥1.9 billion (96.8%) from the previous fiscal year to ¥0.1 billion.

## **Environmental and Functional Materials**

In the resin and chemical business, sales of engineering plastics mainly for automotive use increased, which contributed to an improvement in earnings. Sales of industrial adhesives “VYLON” increased for coating and adhesive applications in Europe, the United States, and 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 high performance fibers, domestic sales remained steady. In nonwoven materials, review of the production system in Japan proceeded, and profitability improved.

As a result, sales in this segment decreased ¥0.7 billion (0.6%) from the previous fiscal year to ¥110.1 billion, and operating profit increased ¥1.7 billion (21.9%) to ¥9.7 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, despite the impact of reduced production in Asia by Japanese customers, profitability improved as a result of promoting cost reduction.

As a result, sales in this segment decreased ¥8.5 billion (8.6%) from the previous fiscal year to ¥89.6 billion, and operating profit increased ¥0.7 billion (132.4%) to ¥1.3 billion.

## **Real Estate and Other Business**

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 increased ¥0.2 billion (1.5%) from the previous fiscal year to ¥12.2 billion, and operating profit increased ¥0.6 billion (24.4%) to ¥3.2 billion.

## **(2) Analysis of Financial Position**

Total assets increased ¥9.9 billion (1.6%) from the end of the previous fiscal year to ¥627.7 billion. This was mainly due to an increase in inventories.

Total liabilities decreased ¥10.1 billion (2.6%) from the end of the previous fiscal year to ¥375.7 billion. This was mainly due to decrease in borrowings.

Net assets increased ¥20.0 billion (8.6%) from the end of the previous fiscal year to ¥252.0 billion. This was mainly due to an increase in retained earnings and remeasurements of defined benefit plans.

As a result, the D/E ratio stood at 1.22 times. (D/E ratio of 1.37 times at the end of the previous fiscal year).

### **(3) Cash Flows**

Net cash provided by operating activities amounted to ¥45.0 billion at the end of the subject fiscal year. This was mainly due to an increase in cash resulting from depreciation of ¥24.6 billion and profit before income taxes of ¥19.4 billion, and a decrease in cash due to an increase in working capital of ¥6.9 billion.

Net cash used in investing activities amounted to ¥27.1 billion. This was mainly due to purchase of property, plant and equipment and intangible assets of ¥29.2 billion.

Net cash used in financing activities amounted to ¥16.5 billion. This was mainly due to expenditures for the redemption of bonds of ¥10.0 billion, repayments of long-term borrowings of ¥10.0 billion, dividends paid of ¥3.5 billion, a decrease in commercial papers of ¥3.0 billion, proceeds from issuance of bonds of ¥10.0 billion and proceeds from long-term borrowings of ¥4.5 billion.

As a result, the balance of cash and cash equivalents at the end of the subject fiscal year (March 31, 2026) stood at ¥30.1 billion, an increase of ¥ 2.7 billion from the end of the previous fiscal year (March 31, 2025).

### **(4) Forecast for Fiscal 2027 (Ending March 31, 2027)**

Due to the prolonged unrest in the Middle East, the impact from the disruption in the supply of oil and naphtha-derived raw materials, along with soaring prices, is expected.

As the outlook for the business environment is difficult to predict due to the intensification of the situation in the Middle East, thereby making it difficult to appropriately and reasonably calculate its impact on business, the consolidated earnings forecasts are undecided at this time.

They will be promptly announced as soon as such appropriate and reasonable calculation becomes possible while monitoring future developments.

### **(5) Basic Policy Regarding Earnings Distribution, and Dividends for Fiscal 2026 and 2027**

Toyobo (hereinafter “the Company”) considers providing returns to shareholders to be one of its highest priorities. Our basic policy is to continually provide a stable dividend, in a comprehensive consideration of such factors as sustainable profits levels, retention of earnings for future investment, and improving the financial position to provide shareholders returns, including the acquisition of treasury shares, with a target total return ratio (\*1) of 30%.

Regarding the year-end dividend for the fiscal year, the Company has decided on ¥40 per share. Additionally, regarding dividends for the next fiscal year, dividend forecasts will be promptly announced as soon as the earnings forecasts can be reasonably calculated.

(\*1)Total return ratio = (total dividend + total amount of share buybacks) ÷ profit attributable to owners of parent

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

After considering the possibility of comparisons among financial results for consolidated accounting periods and the possibility of comparisons with other companies, the Group has decided to continue to adopt generally accepted accounting principles in Japan for the time being. Please note that, regarding the adoption of International Financial Reporting Standards (IFRS), the policy of the Group is to take appropriate action after the consideration of related issues in Japan and overseas.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
<b>Assets</b>		
Current assets		
Cash and deposits	28,581	31,107
Notes receivable - trade	1,743	722
Accounts receivable - trade	90,802	87,486
Contract assets	207	732
Electronically recorded monetary claims - operating	13,400	12,755
Merchandise and finished goods	65,055	66,699
Work in process	22,023	23,401
Raw materials and supplies	31,904	37,955
Other	14,109	10,207
Allowance for doubtful accounts	(330)	(521)
Total current assets	267,495	270,543
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	73,763	88,751
Machinery, equipment and vehicles, net	63,720	82,648
Land	90,203	92,402
Construction in progress	55,958	23,022
Other, net	12,875	13,109
Total property, plant and equipment	296,518	299,932
Intangible assets		
Other	5,032	4,844
Total intangible assets	5,032	4,844
Investments and other assets		
Investment securities	12,274	11,784
Retirement benefit asset	4,358	12,291
Deferred tax assets	21,427	18,346
Other	10,762	9,986
Allowance for doubtful accounts	(68)	(59)
Total investments and other assets	48,754	52,348
Total non-current assets	350,304	357,124
<b>Total assets</b>	<b>617,799</b>	<b>627,667</b>



	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	48,389	45,075
Electronically recorded obligations - operating	3,436	1,773
Short-term borrowings	53,043	54,700
Commercial papers	5,000	2,000
Current portion of bonds payable	10,000	10,000
Current portion of long-term borrowings	11,684	12,426
Provision for bonuses	5,260	5,863
Other	23,509	25,758
Total current liabilities	160,320	157,595
Non-current liabilities		
Bonds payable	67,000	67,000
Long-term borrowings	114,343	108,345
Deferred tax liabilities for land revaluation	18,990	18,956
Provision for retirement benefits for directors (and other officers)	209	202
Retirement benefit liability	14,122	13,100
Other	10,770	10,474
Total non-current liabilities	225,435	218,077
Total liabilities	385,755	375,672
Net assets		
Shareholders' equity		
Share capital	51,730	51,730
Capital surplus	32,661	32,614
Retained earnings	68,967	76,238
Treasury shares	(925)	(845)
Total shareholders' equity	152,433	159,737
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,857	2,064
Deferred gains or losses on hedges	12	13
Revaluation reserve for land	40,174	40,755
Foreign currency translation adjustment	(603)	3,112
Remeasurements of defined benefit plans	1,439	7,632
Total accumulated other comprehensive income	42,879	53,577
Non-controlling interests	36,732	38,681
Total net assets	232,044	251,995
Total liabilities and net assets	617,799	627,667

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

(Millions of yen)

(Consolidated Statements of Income)	2025 (From April 1, 2024 To March 31, 2025)	2026 (From April 1, 2025 To March 31, 2026)
Net sales	422,032	421,563
Cost of sales	324,977	313,411
Gross profit	97,055	108,152
Selling, general and administrative expenses	80,402	80,247
Operating profit	16,653	27,906
Non-operating income		
Dividend income	321	405
Foreign exchange gains	—	529
Insurance fee income	84	273
Compensation income	575	10
Subsidy income	890	580
Other	1,284	901
Total non-operating income	3,153	2,699
Non-operating expenses		
Interest expenses	2,182	2,920
Share of loss of entities accounted for using equity method	129	839
Other	6,904	3,968
Total non-operating expenses	9,216	7,727
Ordinary profit	10,591	22,878
Extraordinary income		
Gain on sale of non-current assets	737	1,296
Gain on sale of investment securities	124	501
Gain on liquidation of subsidiaries and associates	—	93
Gain on sale of shares of subsidiaries and associates	1,489	—
Gain on sale of investments in capital of subsidiaries and associates	—	296
Total extraordinary income	2,350	2,186
Extraordinary losses		
Impairment losses	1,929	382
Loss on disposal of non-current assets	3,718	2,646
Loss on sale of non-current assets	126	—
Business restructuring expenses	—	568
Extra retirement payments	—	1,152
Loss on revision of retirement benefit plan	—	939
Total extraordinary losses	5,772	5,687
Profit before income taxes	7,168	19,376
Income taxes - current	3,246	4,788
Income taxes - deferred	(1,277)	345
Total income taxes	1,969	5,133
Profit	5,199	14,243
Profit attributable to non-controlling interests	3,196	3,069
Profit attributable to owners of parent	2,003	11,174

(Millions of yen)

(Consolidated Statements of Comprehensive Income)	2025	
	(From April 1, 2024 To March 31, 2025)	2026 (From April 1, 2025 To March 31, 2026)
Profit	5,199	14,243
Other comprehensive income		
Valuation difference on available-for-sale securities	55	207
Deferred gains or losses on hedges	(58)	54
Revaluation reserve for land	(292)	205
Foreign currency translation adjustment	(634)	4,181
Remeasurements of defined benefit plans, net of tax	488	6,194
Share of other comprehensive income of entities accounted for using equity method	669	279
Total other comprehensive income	227	11,119
Comprehensive income	5,426	25,362
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,260	21,496
Comprehensive income attributable to non-controlling interests	3,166	3,866

### (3) Consolidated Statements of Changes in Net Assets

2025 (From April 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	51,730	33,187	70,315	(1,006)	154,227
Changes during period					
Dividends of surplus			(3,524)		(3,524)
Profit attributable to owners of parent			2,003		2,003
Reversal of revaluation reserve for land			137		137
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares		0		82	82
Change in scope of consolidation		342			342
Change in scope of equity method			36		36
Purchase of investments in capital of consolidated subsidiaries		14			14
Capital increase of consolidated subsidiaries		(884)			(884)
Net changes in items other than shareholders' equity					
Total changes during period	—	(526)	(1,348)	81	(1,793)
Balance at end of period	51,730	32,661	68,967	(925)	152,433

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,801	(1)	40,603	(548)	951	42,806	33,054	230,087
Changes during period								
Dividends of surplus								(3,524)
Profit attributable to owners of parent								2,003
Reversal of revaluation reserve for land								137
Purchase of treasury shares								(2)
Disposal of treasury shares								82
Change in scope of consolidation								342
Change in scope of equity method								36
Purchase of investments in capital of consolidated subsidiaries								14
Capital increase of consolidated subsidiaries								(884)
Net changes in items other than shareholders' equity	56	13	(429)	(55)	488	73	3,678	3,750
Total changes during period	56	13	(429)	(55)	488	73	3,678	1,957
Balance at end of period	1,857	12	40,174	(603)	1,439	42,879	36,732	232,044

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	51,730	32,661	68,967	(925)	152,433
Changes during period					
Dividends of surplus			(3,527)		(3,527)
Profit attributable to owners of parent			11,174		11,174
Reversal of revaluation reserve for land			(375)		(375)
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		(11)		82	70
Change in scope of consolidation		7			7
Capital increase of consolidated subsidiaries		(42)			(42)
Net changes in items other than shareholders' equity					
Total changes during period	—	(47)	7,271	80	7,304
Balance at end of period	51,730	32,614	76,238	(845)	159,737

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,857	12	40,174	(603)	1,439	42,879	36,732	232,044
Changes during period								
Dividends of surplus								(3,527)
Profit attributable to owners of parent								11,174
Reversal of revaluation reserve for land								(375)
Purchase of treasury shares								(1)
Disposal of treasury shares								70
Change in scope of consolidation								7
Capital increase of consolidated subsidiaries								(42)
Net changes in items other than shareholders' equity	207	1	581	3,716	6,194	10,698	1,949	12,647
Total changes during period	207	1	581	3,716	6,194	10,698	1,949	19,951
Balance at end of period	2,064	13	40,755	3,112	7,632	53,577	38,681	251,995

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

(Millions of yen)

	2025 (From April 1, 2024 To March 31, 2025)	2026 (From April 1, 2025 To March 31, 2026)
Cash flows from operating activities		
Profit before income taxes	7,168	19,376
Depreciation	22,698	24,631
Impairment losses	1,929	382
Increase (decrease) in allowance for doubtful accounts	(1,186)	130
Increase (decrease) in retirement benefit liability	(625)	(1,411)
Decrease (increase) in retirement benefit asset	(1,021)	476
Interest and dividend income	(612)	(641)
Interest expenses	2,182	2,920
Foreign exchange losses (gains)	662	(529)
Share of loss (profit) of entities accounted for using equity method	129	839
Loss (gain) on sales and disposal of property, plant and equipment, net	3,107	1,350
Loss (gain) on sale and valuation of investment securities	(124)	(501)
Loss (gain) on sale of shares of subsidiaries and associates	(1,489)	—
Loss (gain) on sale of investments in capital of subsidiaries and associates	—	(296)
Business restructuring expenses	—	568
Premium severance pay	—	1,152
Gain on revision of retirement benefit plan	—	939
Decrease (increase) in trade receivables	(6,855)	6,202
Decrease (increase) in inventories	1,168	(7,134)
Increase (decrease) in trade payables	729	(6,014)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	2,376	725
Other, net	5,544	4,739
Subtotal	35,779	47,904
Payment of premium severance pay	—	(1,152)
Income taxes refund (paid)	(5,661)	(1,720)
Net cash provided by (used in) operating activities	30,118	45,032
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(45,225)	(29,150)
Proceeds from sale of property, plant and equipment and intangible assets	1,079	2,510
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	1,946	—
Proceeds from sale of investments in capital of subsidiaries resulting in change in scope of consolidation	—	993
Long-term loan advances	—	(63)
Proceeds from collection of long-term loans receivable	23	127
Interest and dividends received	628	1,110
Other, net	(4,837)	(2,603)
Net cash provided by (used in) investing activities	(46,386)	(27,077)

Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(15,350)	1,416
Net increase (decrease) in commercial papers	5,000	(3,000)
Proceeds from long-term borrowings	40,500	4,462
Repayments of long-term borrowings	(13,329)	(9,984)
Proceeds from issuance of bonds	17,000	10,000
Redemption of bonds	(15,000)	(10,000)
Purchase of treasury shares	(2)	(1)
Interest paid	(2,122)	(2,878)
Dividends paid	(3,525)	(3,515)
Dividends paid to non-controlling interests	(752)	(1,853)
Purchase of investments in capital of subsidiaries without change in scope consolidation	(219)	—
Other, net	(1,711)	(1,153)
Net cash provided by (used in) financing activities	10,490	(16,506)
Effect of exchange rate change on cash and cash equivalents	(105)	1,253
Net increase (decrease) in cash and cash equivalents	(5,883)	2,702
Cash and cash equivalents at beginning of period	33,310	27,427
Cash and cash equivalents at end of period	27,427	30,128

## **(5) Notes to Consolidated Financial Statements**

### **(Note to Going Concern)**

Not applicable

### **(Segment Information)**

#### **1. Reportable Segment Operating Results**

The Company's reportable segments allow it to acquire financial data separated into the various components of the corporate group. The scope of the segments is reviewed on a regular basis in order to allow the highest decision-making body to determine the allocation of management resources and evaluate earnings performance.

The Company's basic organization comprises business headquarters and business divisions within the head office, separated by the type, nature and market region for products and services. Each business headquarters and business division formulates comprehensive strategies for its domestic and overseas operations and conducts business activities.

Accordingly, the Company comprises segments by market region. Its five reportable segments are "Films," "Life Science," "Environmental and Functional Materials," "Functional Textiles and Trading" and "Real Estate."

The "Films" segment manufactures and sells packaging film, industrial film and other products. The "Life Science" segment manufactures and sells bio-products such as enzymes for diagnostics, pharmaceuticals, medical membranes, medical devices and other products. The "Environmental and Functional Materials" segment manufactures and sells engineering plastics, industrial adhesives, photo functional materials, water treatment membranes, functional filters, high performance fibers, nonwoven fabrics and other products. The "Functional Textiles and Trading" segment manufactures and sells airbag fabrics, functional textiles, apparel products, apparel textiles, apparel fibers and other products. The "Real Estate" segment mainly leases and manages real estate properties and other products.

#### **2. Calculation Method for the Amounts of Net Sales, Profit or Loss, Assets and Other Items by Reportable Segment**

The accounting method used for the reported business segments is based on the accounting policies applied to prepare the consolidated financial statements.

Profit of reportable segments is based on operating profit.

Intersegment sales and transfers are based on actual market pricing.



### 3. Net sales, profit or loss, assets and other items by reportable segment

( i ) Fiscal Year ended March 31,2025

(Millions of yen)

	Segment to Be Reported						Other Business- ses (Note 1)	Total	Adjust- ment (Note 2)	Consolid- ated State- ments of Income (Note 3)
	Films	Life Science	Environ- mental and Functional Materials	Functional Textiles and Trading	Real Estate	Total				
Net sales										
(1) Outside customers	166,842	34,341	110,807	98,062	4,147	414,199	7,834	422,032	—	422,032
(2) Inter-segment sales and transfers	2,120	128	8,173	1,211	1,158	12,790	14,095	26,885	(26,885)	—
Total	168,963	34,469	118,980	99,273	5,305	426,989	21,929	448,917	(26,885)	422,032
Segment profit	6,920	2,010	7,961	539	1,775	19,206	778	19,984	(3,331)	16,653
Assets	206,034	78,745	121,253	107,117	49,163	562,313	13,184	575,497	42,302	617,799
Others Depreciation and amortization	9,728	3,258	4,506	2,598	539	20,629	113	20,742	1,956	22,698
Capital expenditure	18,582	9,279	6,635	3,491	537	38,524	1,303	39,827	3,331	43,158

#### Note:

1. Other includes design and construction of buildings, equipment, etc., information services, logistics services and other items.
2. (1) Segment profit adjustment of ¥(3,331) million includes eliminations of intersegment transactions of ¥269 million and companywide expenses that are not allocated across reporting segments of ¥(3,600) million. The principal components of companywide expenses are those related to basic research and development.  
(2) The adjustment of segment assets of ¥42,302 million includes corporate assets of ¥71,524 million that are not allocated to the reportable segments.  
(3) The adjustment of capital expenditure of ¥3,331 million represents that amount of capital investment related to research and development.
3. Segment profit has been adjusted with operating income on the consolidated financial statements.

(Millions of yen)

	Segment to Be Reported						Other Busines- ses (Note 4)	Total	Adjust- ment (Note 5)	Consolid- ated State- ments of Income (Note 6)
	Films	Life Science	Environ- mental and Functional Materials	Functional Textiles and Trading	Real Estate	Total				
Net sales										
(1) Outside customers	175,169	34,494	110,126	89,612	4,495	413,897	7,666	421,563	—	421,563
(2) Inter-segment sales and transfers	949	181	7,757	1,471	1,162	11,521	13,038	24,558	(24,558)	—
Total	176,118	34,676	117,884	91,083	5,657	425,417	20,704	446,122	(24,558)	421,563
Segment profit	16,638	65	9,702	1,254	2,048	29,707	1,129	30,836	(2,930)	27,906
Assets	217,790	87,422	124,806	99,774	48,699	578,491	14,060	592,552	35,116	627,667
Others										
Depreciation and amortization	10,616	4,053	4,525	2,718	551	22,463	206	22,670	1,962	24,631
Capital expenditure	10,055	6,816	4,703	3,260	417	25,251	1,181	26,431	2,610	29,041

## Note:

4. Other includes design and construction of buildings, equipment, etc., information services, logistics services and other items.
5. (1) Segment profit adjustment of ¥(2,930) million includes eliminations of intersegment transactions of ¥205 million and companywide expenses that are not allocated across reporting segments of ¥(3,135) million. The principal components of companywide expenses are those related to basic research and development.
- (2) The adjustment of segment assets of ¥35,116 million includes corporate assets of ¥72,545 million that are not allocated to the reportable segments.
- (3) The adjustment of capital expenditure of ¥2,610 million represents that amount of capital investment related to research and development.
6. Segment profit or loss has been adjusted with operating income on the consolidated financial statements.

**(Per-share information)**

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net assets per share	¥2,215.11	¥2,417.30
Net profit per share	¥22.73	¥126.65

(Notes) 1. Figures for diluted net profit per share are not presented, as there are no potentially dilutive shares.

2. Basis for calculating net assets per share is as follows:

		For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net assets per share			
Total net assets	(Millions of yen)	232,044	251,995
Deduction from total net assets	(Millions of yen)	36,732	38,681
[Non-controlling interests]	(Millions of yen)	(36,732)	(38,681)
Net assets at end of period pertaining to common shares	(Millions of yen)	195,312	213,315
Number of common shares at end of period used for calculating net assets per share	(Thousand shares)	88,172	88,244

3. The basis for calculating net profit per share is as follows:

		For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net profit per share			
Profit attributable to owners of the parent	(Millions of yen)	2,003	11,174
Amount not attributable to common shareholders	(Millions of yen)	-	-
Profit attributable to owners of the parent pertaining to common shares	(Millions of yen)	2,003	11,174
Average number of common shares during the period	(Thousand shares)	88,149	88,221

## **(Significant subsequent events)**

(Merger with TOYOBO STC CO., LTD.)

The Company had resolved to implement an absorption-type merger (hereinafter “the Merger”) with its consolidated subsidiary, TOYOBO STC CO., LTD. (hereinafter “STC”), at the meeting of the Board of Directors held on November 25, 2025, and entered into a merger agreement on the same date. The Merger was conducted effective April 1, 2026. Pursuant to Article 796, paragraph 2 (as for the Company) and Article 784, paragraph 1 (as for STC) of the Companies Act, the Merger was conducted without the general meeting of shareholders of each company on their respective approval for the merger agreement.

The outline of the Merger is as follows.

### **1. Outline of the transaction**

#### **(1) Name and content of business of the company involved in the Merger**

Name of the company involved in the Merger: TOYOBO STC CO., LTD.

Content of business: Planning and sales for film business

#### **(2) Date of the business combination**

April 1, 2026

#### **(3) Legal form of the business combination**

The Merger was conducted as an absorption-type merger, with the Company as the surviving company and STC as the disappearing company.

#### **(4) Name of the company after the business combination**

TOYOBO CO., LTD.

#### **(5) Other items related to the outline of the transaction**

##### **( i ) Purpose of the Merger**

STC, the entity to be absorbed by the Company, is a wholly owned subsidiary of the Company. It conducts a trading business as a trading company inside the Group. As a result of business restructuring conducted, the Company has decided to conduct an absorption-type merger to consolidate its management resources and streamline management because Company manufactured materials have come to make up a higher ratio of its business materials.

##### **( ii ) Allotment regarding the Merger**

There was no issuance of new shares or payment to STC for this merger.

##### **( iii ) Financial position and operating results of the Company involved in the Merger for immediately preceding fiscal year (Fiscal year ended March 31, 2026)**

Assets ¥18,639 million

Liabilities ¥11,760 million

Net assets ¥6,879 million

Net sales ¥3,680 million

Net profit ¥940 million

### **2. Outline of the accounting method**

In accordance with the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, January 16, 2019) and the “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, January 16, 2019), the Merger was accounted for as a transaction under common control.

(Issuance of unsecured straight bonds in the Japanese market)

At the meeting of the Board of Directors held on April 23, 2026, a comprehensive resolution regarding the issuance of unsecured straight bonds in the Japanese market was passed. The details of this resolution are as follows:

(1) Issue amount: ¥20,000 million or less.

However, multiple issues within the scope of this amount are not ruled out.

(2) Issue price: ¥100 for each bond with par value of ¥100.

(3) Interest rate: Market yield of Japanese government bonds with the same maturities plus 1.5% or less.

(4) Payment dates: From April 24, 2026 to March 31, 2027.

However, if the bonds are offered during this period, payments after this period will be accepted.

(5) Term of redemption: 3 years or more, to 10 years.

(6) Method of redemption: Full amount on maturity.

However, a retirement by purchase clause may be included.

(7) Uses of funds: For repayment of borrowings, redemption of bonds, purchases of securities (includes acquisition of stock through mergers and acquisitions), working capital and capital investments.

(8) Special provisions: These bonds will include a negative pledge clause.

(9) Other: Decisions regarding matters covered in Article 676 of the Companies Act and all other items related to the issuance of bonds will be made within the scope stated above at the discretion of the President and Representative Director.

#### 4. Others

(Reference Information)

Net sales, profit or loss by reportable segment

(Billions of yen)

		Net sales				Segment profit (loss)		
		2025	2026	YOY Amount	YOY %	2025	2026	YOY Amount
		From April 1, 2024 To March 31, 2025	From April 1, 2025 To March 31, 2026			From April 1, 2024 To March 31, 2025	From April 1, 2025 To March 31, 2026	
Films	H1	82.8	86.5	+3.7	+4.5%	3.0	8.6	+5.6
	H2	84.0	88.6	+4.6	+5.5%	3.9	8.0	+4.1
	Full Year	166.8	175.2	+8.3	+5.0%	6.9	16.6	+9.7
Life Science	H1	17.2	16.5	(0.7)	(3.9%)	0.9	0.1	(0.8)
	H2	17.1	18.0	+0.8	+4.8%	1.1	(0.1)	(1.2)
	Full Year	34.3	34.5	+0.2	+0.4%	2.0	0.1	(1.9)
Environmental and Functional Materials	H1	55.2	50.7	(4.5)	(8.2%)	3.4	3.1	(0.3)
	H2	55.6	59.4	+3.8	+6.9%	4.6	6.6	+2.0
	Full Year	110.8	110.1	(0.7)	(0.6%)	8.0	9.7	+1.7
Functional Textiles and Trading	H1	47.9	44.4	(3.5)	(7.4%)	0.1	0.2	+0.1
	H2	50.1	45.2	(4.9)	(9.8%)	0.4	1.1	+0.7
	Full Year	98.1	89.6	(8.5)	(8.6%)	0.5	1.3	+0.7
Real Estate	H1	2.1	2.2	+0.2	+8.7%	0.9	1.0	+0.1
	H2	2.1	2.3	+0.2	+8.1%	0.9	1.1	+0.2
	Full Year	4.1	4.5	+0.3	+8.4%	1.8	2.0	+0.3
Others	H1	3.9	3.6	(0.3)	(8.6%)	0.3	0.3	(0.0)
	H2	3.9	4.1	+0.2	+4.3%	0.5	0.9	+0.4
	Full Year	7.8	7.7	(0.2)	(2.1%)	0.8	1.1	+0.4
Elimination and Corporate	H1					(1.6)	(1.5)	+0.2
	H2					(1.7)	(1.5)	+0.2
	Full Year					(3.3)	(2.9)	+0.4
Total	H1	209.2	204.0	(5.1)	(2.5%)	6.9	11.8	+4.9
	H2	212.9	217.5	+4.7	+2.2%	9.7	16.1	+6.4
	Full Year	422.0	421.6	(0.5)	(0.1%)	16.7	27.9	+11.3

## (CAPEX, Depreciation)

(Billions of yen)

	CAPEX		Depreciation	
	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated
Years ended March 31, 2024	61.6	53.4	19.8	12.8
Years ended March 31, 2025	43.2	28.9	22.7	15.1
Years ended March 31, 2026	29.0	18.6	24.6	16.5

## (Interest-bearing debt)

(Billions of yen)

	Consolidated	Non-Consolidated
As of March 31, 2024	249.2	228.0
As of March 31, 2025	267.9	255.8
As of March 31, 2026	261.0	250.7

## (Net Financial Income (Loss))

(Billions of yen)

	Consolidated	Non-Consolidated
Years ended March 31, 2024	(0.7)	7.5
Years ended March 31, 2025	(1.6)	8.4
Years ended March 31, 2026	(2.3)	9.4

## (R&amp;D expenses)

(Billions of yen)

	Consolidated	Non-Consolidated
Years ended March 31, 2024	15.3	9.5
Years ended March 31, 2025	14.3	10.2
Years ended March 31, 2026	14.1	9.7

## (Number of Employees)

(People)

	Consolidated	Non-Consolidated
As of March 31, 2024	10,668	3,063
As of March 31, 2025	9,976	3,030
As of March 31, 2026	9,398	2,885