(TSE Prime Market Code 3433)

New possibilities for a bright future

Financial Results Presentation (1Q FY2026)

8/5/2026

TOCALO Co., Ltd.

Overview of Consolidated Results 1Q FY2026

- Net sales increased by 9.9% year-on-year, setting a record high for quarterly net sales
- Ordinary profit decreased by 0.7% year-on-year, driven by higher labor costs and depreciation, as well as temporary inventory adjustments at overseas subsidiaries.

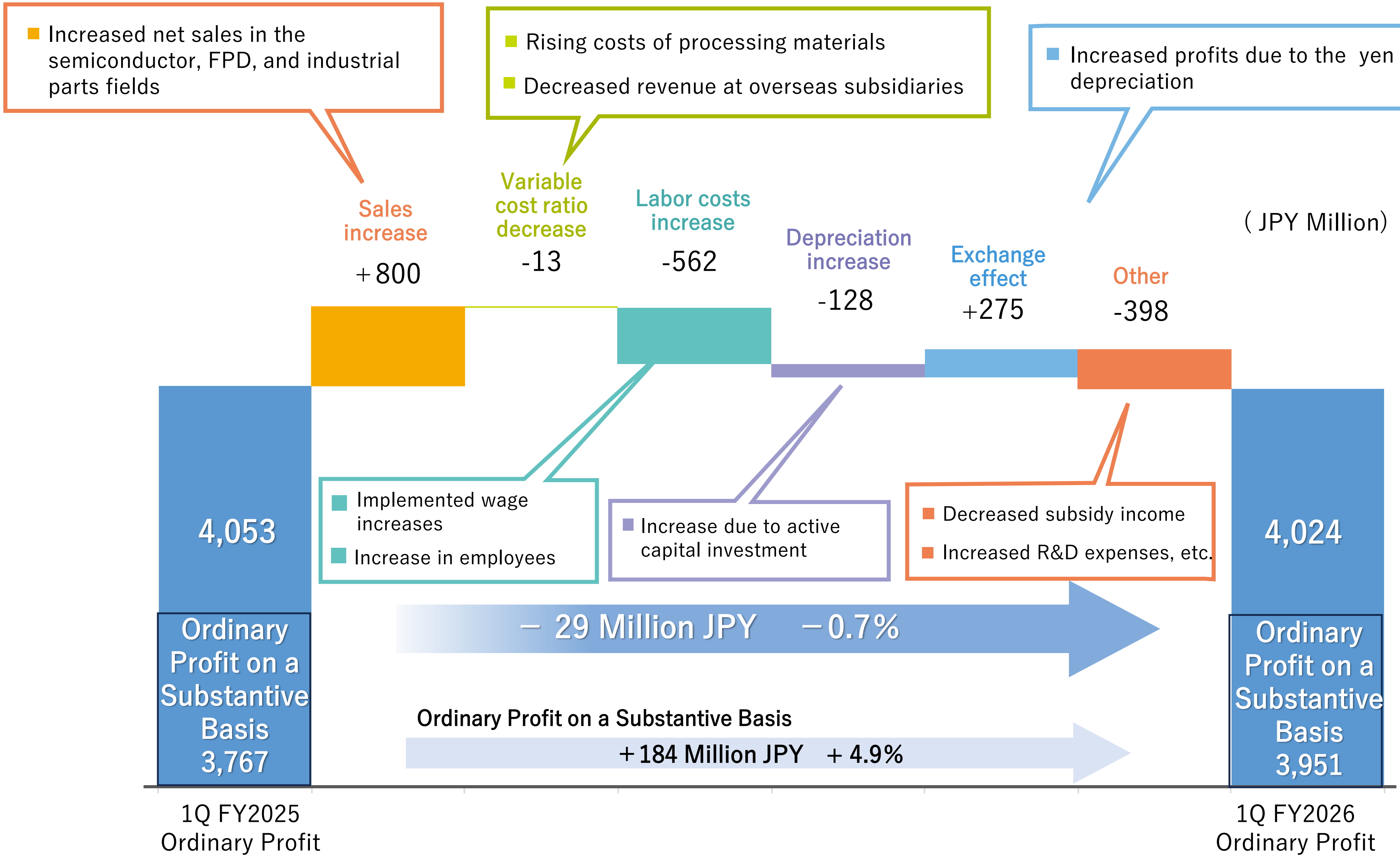
(JPY Million)	FY2025 1Q		FY2026 1Q		Change	
	Result	Ratio	Result	Ratio	Amount	%
Net Sales	15,151	100.0%	16,658	100.0%	1,507	9.9%
Operating Profit	3,836	25.3%	3,815	22.9%	-20	-0.5%
Ordinary Profit	4,053	26.8%	4,024	24.2%	-28	-0.7%
Net Income Attributable to Owners of Parent	2,580	17.0%	2,617	15.7%	36	1.4%
Earnings Per Share (EPS)	43.41JPY	—	44.01JPY	—	0.60JPY	—

1Q FY2026 Net Sales (by Segment)

- Thermal Spray (TOCALO) increased 13.9% year-on-year, due to strong performance in the semiconductor and FPD fields
- Domestic subsidiaries recovered with an 8.0% increase year-on-year, but overseas subsidiaries decreased by 3.2% year-on-year due to factors such as inventory adjustments by certain customers.

(JPY Million)	FY2025 1Q		FY2026 1Q		Change	
	Result	Ratio	Result	Ratio	Amount	%
Net Sales	15,151	100%	16,658	100%	1,507	9.9%
Thermal Spray (TOCALO)	10,795	71.2%	12,292	73.8%	1,497	13.9%
Semicon & FPD	6,271	41.4%	8,148	48.9%	1,876	29.9%
Industrial Parts	1,671	11.0%	1,799	10.8%	128	7.7%
Iron & Steel	986	6.5%	829	5.0%	-157	-15.9%
Others	1,865	12.3%	1,514	9.1%	-350	-18.8%
Other Surface Modif.	610	4.1%	656	3.9%	46	7.7%
Domestic Sub.	730	4.8%	788	4.7%	58	8.0%
Overseas Sub.	3,004	19.8%	2,908	17.5%	-96	-3.2%
Royalty Income	11	0.1%	12	0.1%	1	9.6%

Analysis of Ordinary P/L Change



(Reference) Ordinary Profit on a Substantive Basis

POINT

Earning power on a substantive basis, excluding subsidy income

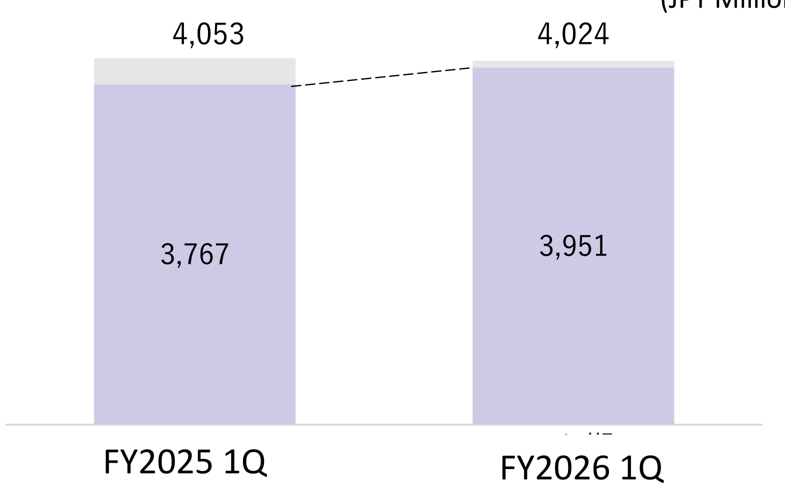
（JPY Million）

	FY2025 1Q	FY2026 1Q	
Ordinary Profit	4,053	4,024	
Subsidy Income	285	72	※
Ordinary Profit on a Substantive Basis (Excluding subsidy income)	3,767	3,951	

（Note） Consolidated ordinary profit for FY2025/6 reflects the finalized provisional accounting treatment for the business combination with TERADA KOSAKUSHO Co., Ltd.

Ordinary Profit on a Substantive Basis (Excluding subsidy income)

(JPY Million)



Main Subsidy Income

METI "Large-Scale Growth Investment Subsidy for Labor-Saving, etc. Aimed at Wage Increases in Mid-Sized Enterprises and SMEs"

＜Overview＞

Subsidized Project Period : November 1, 2024 – December 31, 2026

Eligible Capital Investment: 11,100 million JPY

Approved Subsidy Amount: 3,700 million JPY
(1/3 of the above investment amount)

Segment Information

(JPY Million)	FY2025 1Q		FY2026 1Q		Change			
					Net Sales		Segment P/L	
	Net Sales	P/L	Net Sales	P/L	Amount	%	Amount	%
Thermal Spray (TOCALO)	10,795	2,620	12,292	3,434	1,497	13.9%	813	31.1%
Domestic Sub.	730	116	788	112	58	8.0%	-3	-3.2%
Overseas Sub.	3,004	1,339	2,908	941	-96	-3.2%	-397	-29.7%
Other Surface Modif.	610	87	656	114	46	7.7%	26	30.4%
Total	15,139	4,163	16,645	4,603	1,505	9.9%	439	10.6%

(Note) Royalty Income is not included in the Segment Net Sales.

Consolidated Forecasts FY2026 (Overview of Revision)

(JPY Million)	FY2026 May Forecast		FY2026 Revised Forecast		Change	
	Forecast	Ratio	Forecast	Ratio	Amount	%
Net Sales	65,000	100.0%	68,500	100.0%	3,500	5.4%
Thermal Spray (TOCALO)	46,291	71.2%	50,197	73.3%	3,906	8.4%
Semicon & FPD	31,000	47.7%	34,110	49.8%	3,110	10.0%
Industrial Parts	5,655	8.7%	6,015	8.8%	359	6.4%
Iron & Steel	3,964	6.1%	3,951	5.8%	-13	-0.3%
Others	5,671	8.7%	6,121	8.9%	449	7.9%
Other Surface Modif.	2,815	4.4%	2,531	3.7%	-284	-10.1%
Domestic Sub.	3,073	4.7%	3,169	4.6%	96	3.1%
Overseas Sub.	12,637	19.4%	12,451	18.2%	-185	-1.5%
Royalty Income	184	0.3%	150	0.2%	-33	-18.1%
Operating Profit	15,000	23.1%	16,700	24.4%	1,700	11.3%
Ordinary Profit	15,000	23.1%	16,700	24.4%	1,700	11.3%
Net Income Attributed to Owners of Parent	10,230	15.7%	10,860	15.9%	630	6.2%
Earnings Per Share (EPS)	172.02JPY	—	182.60JPY	—	10.58JPY	—
Return on Equity (ROE)	14.8%	—	15.6%	—	0.8pt	—

Consolidated Forecast FY2026 (Compared with the prior period)

(JPY Million)	FY2025		FY2026		Change	
	Result	Ratio	Forecast	Ratio	Amount	%
Net Sales	58,490	100.0%	68,500	100.0%	10,009	17.1%
Thermal Spray (TOCALO)	40,709	69.6%	50,197	73.3%	9,488	23.3%
Semicon & FPD	24,813	42.4%	34,110	49.8%	9,296	37.5%
Industrial Parts	5,652	9.7%	6,015	8.8%	362	6.4%
Iron & Steel	3,963	6.8%	3,951	5.8%	-12	-0.3%
Others	6,280	10.7%	6,121	8.9%	-159	-2.5%
Other Surface Modif.	2,467	4.2%	2,531	3.7%	63	2.6%
Domestic Sub.	2,883	4.9%	3,169	4.6%	285	9.9%
Overseas Sub.	12,269	21.0%	12,451	18.2%	182	1.5%
Royalty Income	160	0.3%	150	0.2%	-9	-6.2%
Operating Profit	14,102	24.1%	16,700	24.4%	2,597	18.4%
Ordinary Profit	14,745	25.2%	16,700	24.4%	1,954	13.3%
Net Income Attributed to Owners of Parent	10,060	17.2%	10,860	15.9%	799	7.9%
Earnings Per Share (EPS)	169.19JPY	―	182.60JPY	―	13.41JPY	―
Return on Equity (ROE)	15.8%	―	15.6%	―	-0.2pt	―

1Q FY2026 Progress Rate

(JPY Million)	FY2026 1Q		FY2026		Progress Rate
	Result	Ratio	Forecast	Ratio	
Net Sales	16,658	100.0%	68,500	100.0%	24.3%
Thermal Spray (TOCALO)	12,292	73.8%	50,197	73.3%	24.5%
Semicon & FPD	8,148	48.9%	34,110	49.8%	23.9%
Industrial Parts	1,799	10.8%	6,015	8.8%	29.9%
Iron & Steel	829	5.0%	3,951	5.8%	21.0%
Others	1,514	9.1%	6,121	8.9%	24.7%
Other Surface Modif.	656	3.9%	2,531	3.7%	26.0%
Domestic Sub.	788	4.7%	3,169	4.6%	24.9%
Overseas Sub.	2,908	17.5%	12,451	18.2%	23.4%
Royalty Income	12	0.1%	150	0.2%	8.5%
Operating Profit	3,815	22.9%	16,700	24.4%	22.8%
Ordinary Profit	4,024	24.2%	16,700	24.4%	24.1%
Net Income Attributed to Owners of Parent	2,617	15.7%	10,860	15.9%	24.1%
Earnings Per Share (EPS)	44.01JPY	—	182.60JPY	—	24.1%

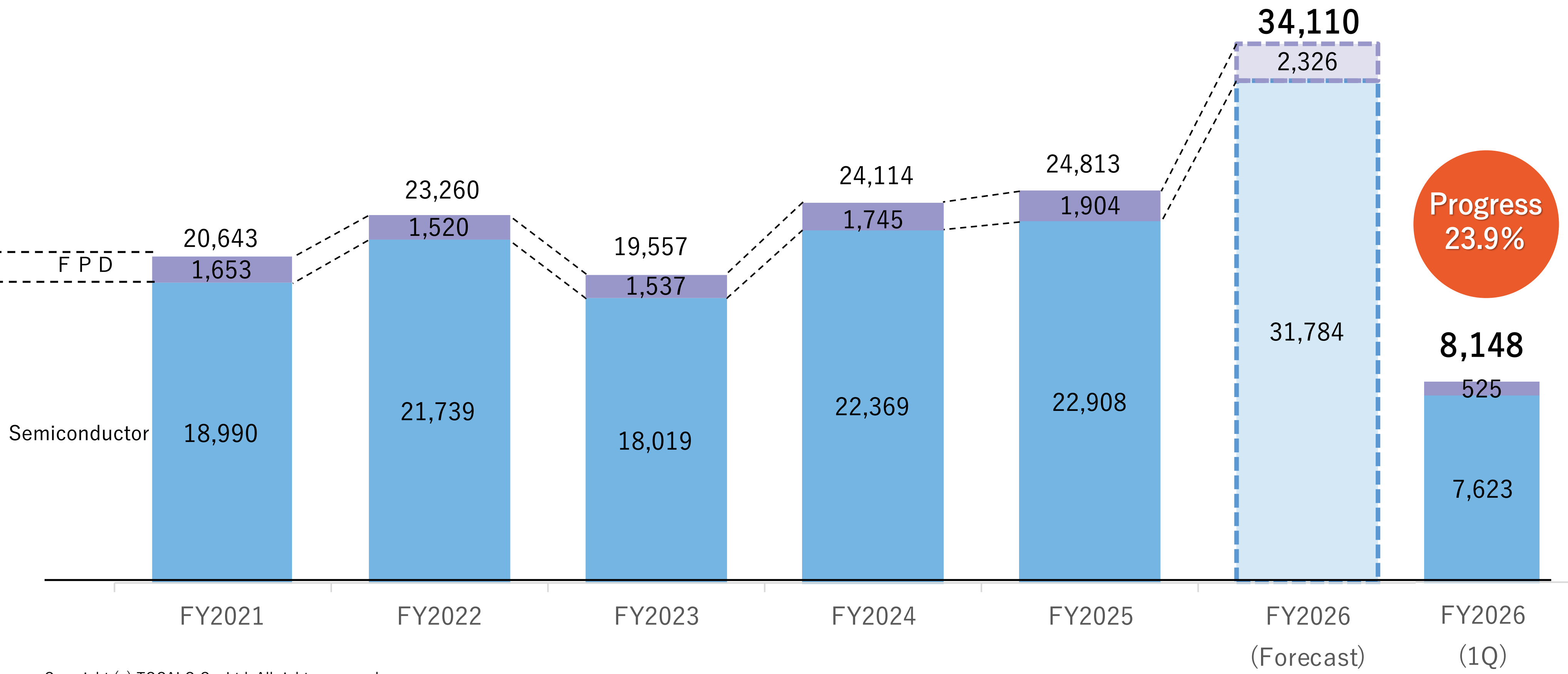
Semiconductor & FPD Net Sales

POINT

Net sales in the first quarter reached a record high on a quarterly basis at ¥8,148 million.

Strong progress toward the full-year forecast at 26.3% (initial plan) and 23.9% against the revised plan.

(JPY Million)

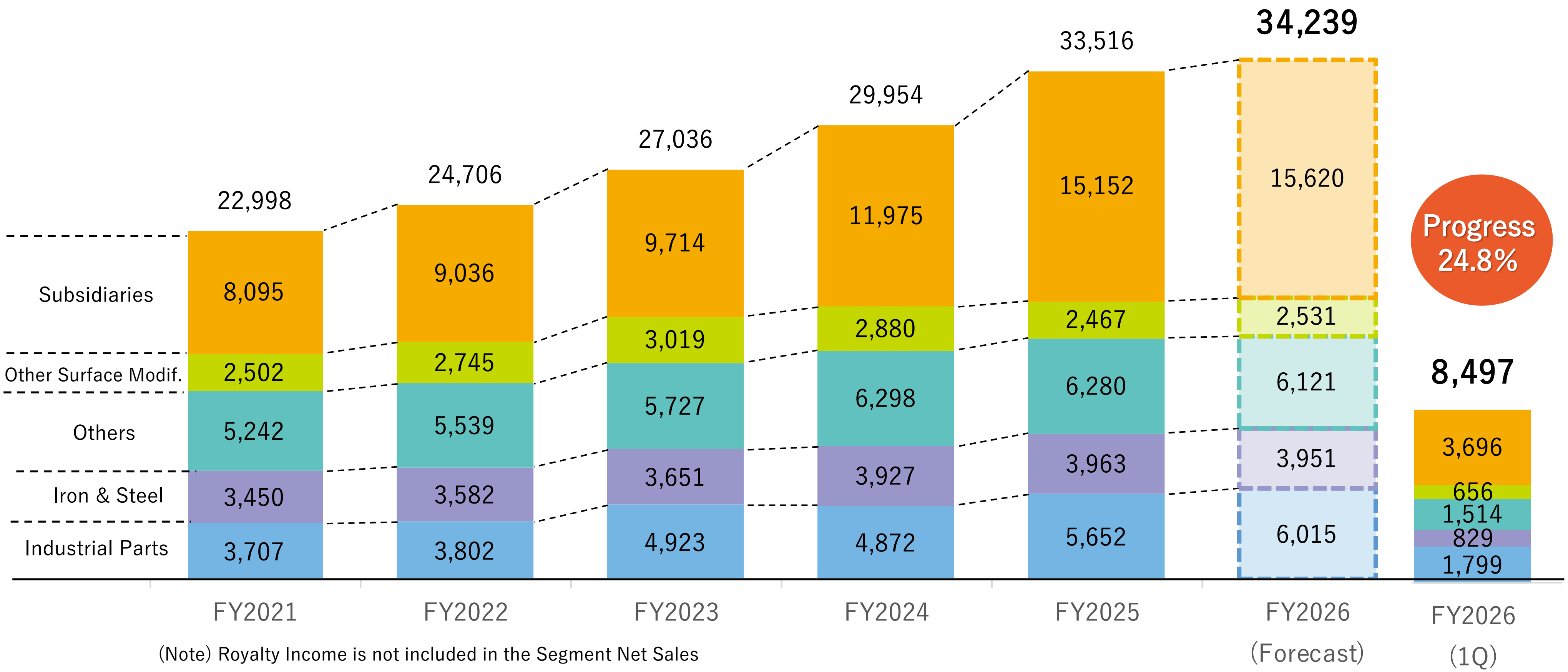


Non-Semiconductor & FPD Net Sales

POINT

Net sales in fields other than semiconductor and FPD made steady progress, supported by favorable performance in industrial parts, achieving progress rates of 25.1% relative to the initial forecast and 24.8% relative to the revised forecast.

(JPY Million)



(Note) Royalty Income is not included in the Segment Net Sales

Financial Position

- Total assets increased by 6,322 million JPY from the end of the previous fiscal year to 95,613 million JPY
- The equity ratio decreased by 4.9 percentage points from the end of the previous fiscal year to 69.9%
- Interest-bearing debt increased by 4,695 million JPY from the end of the previous fiscal year to 12,054 million JPY

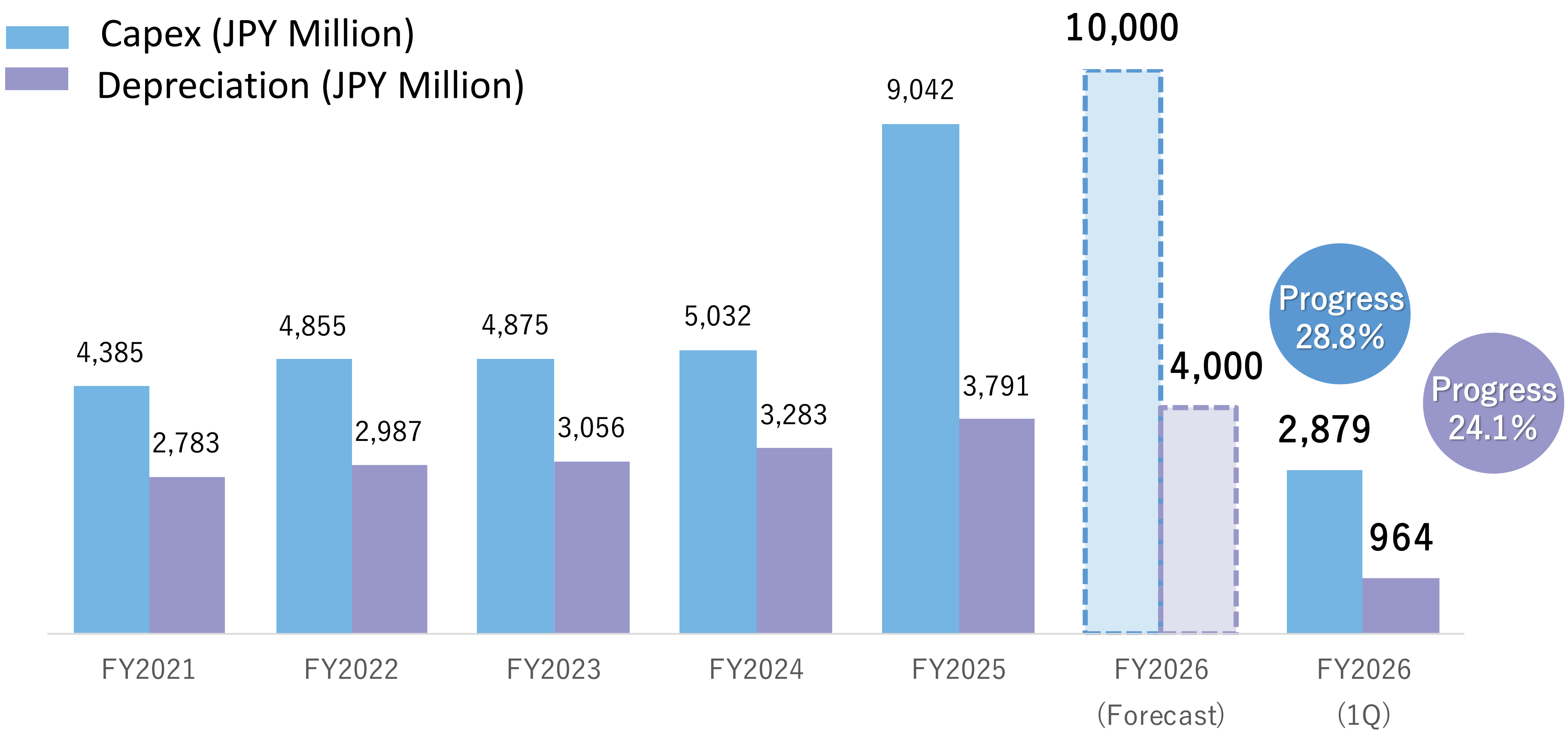
(JPY Million)	FY2025		FY2026
	1Q	4Q	1Q
Total Assets	80,155	89,291	95,613
Equity	60,430	66,758	66,793
Equity Ratio	75.4%	74.8%	69.9%
Interest-bearing Debt	3,401	7,359	12,054

Capital Investment Plan and Depreciation

POINT

Planned capex for FY2026: 10,000 Million JPY

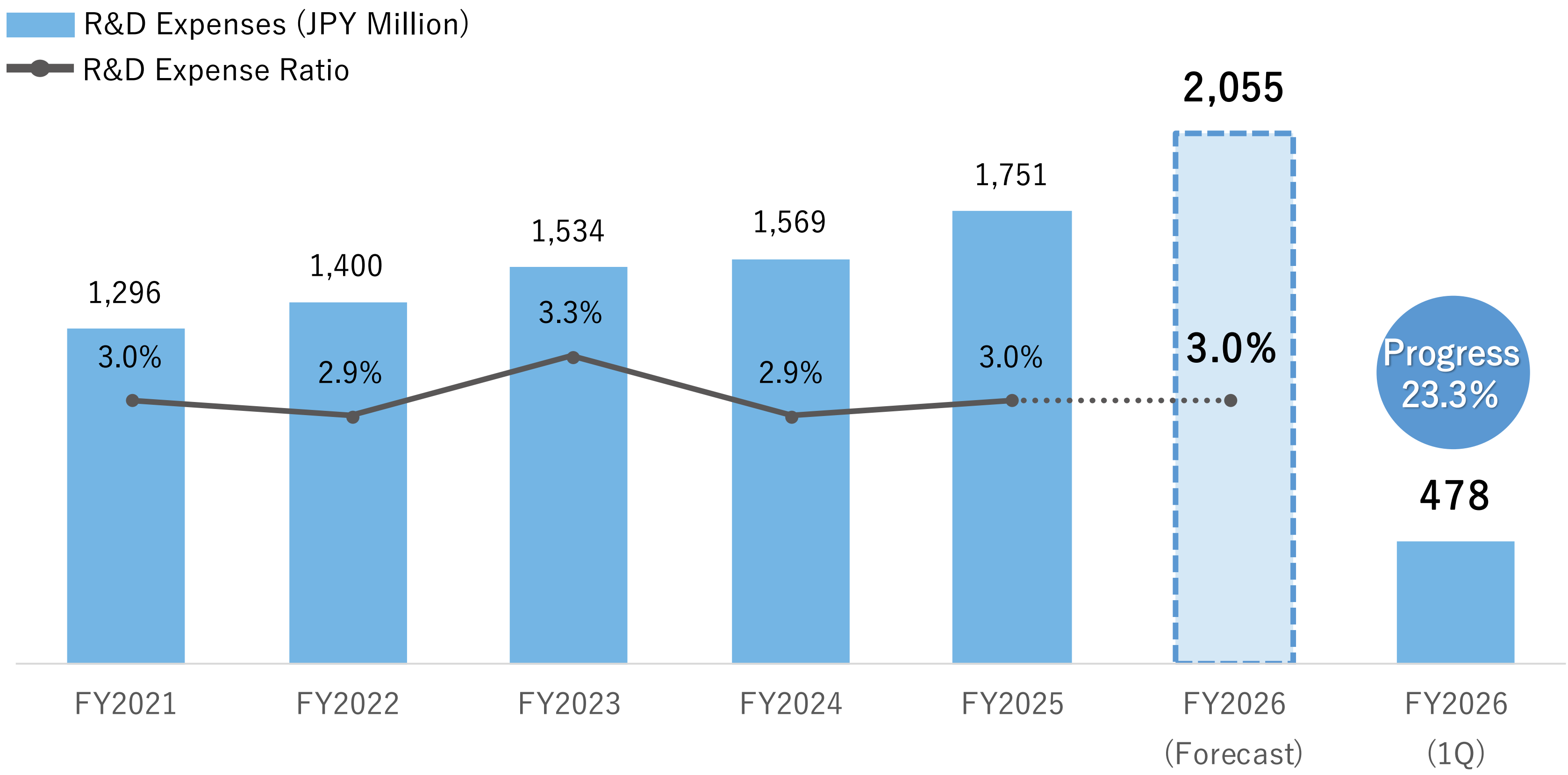
- Tocalo — 8,000 million JPY: Construction of new buildings and production equipment installation at the Tokyo No. 2 and Kitakyushu Plants, R&D equipment, etc.
- Domestic Subsidiaries — 700 million JPY: Construction of new buildings at TERADA KOSAKUSHO, and increased production capacity at Japan Coating Center
- Overseas Subsidiaries — 1,300 million JPY: Constructing a new plant for TCA-Arizona, etc.



R&D Expenses

POINT

R&D expenses will be maintained at around 3% of consolidated net sales
Progress rate was 24.5% against the initial plan and 23.3% against the revised plan.



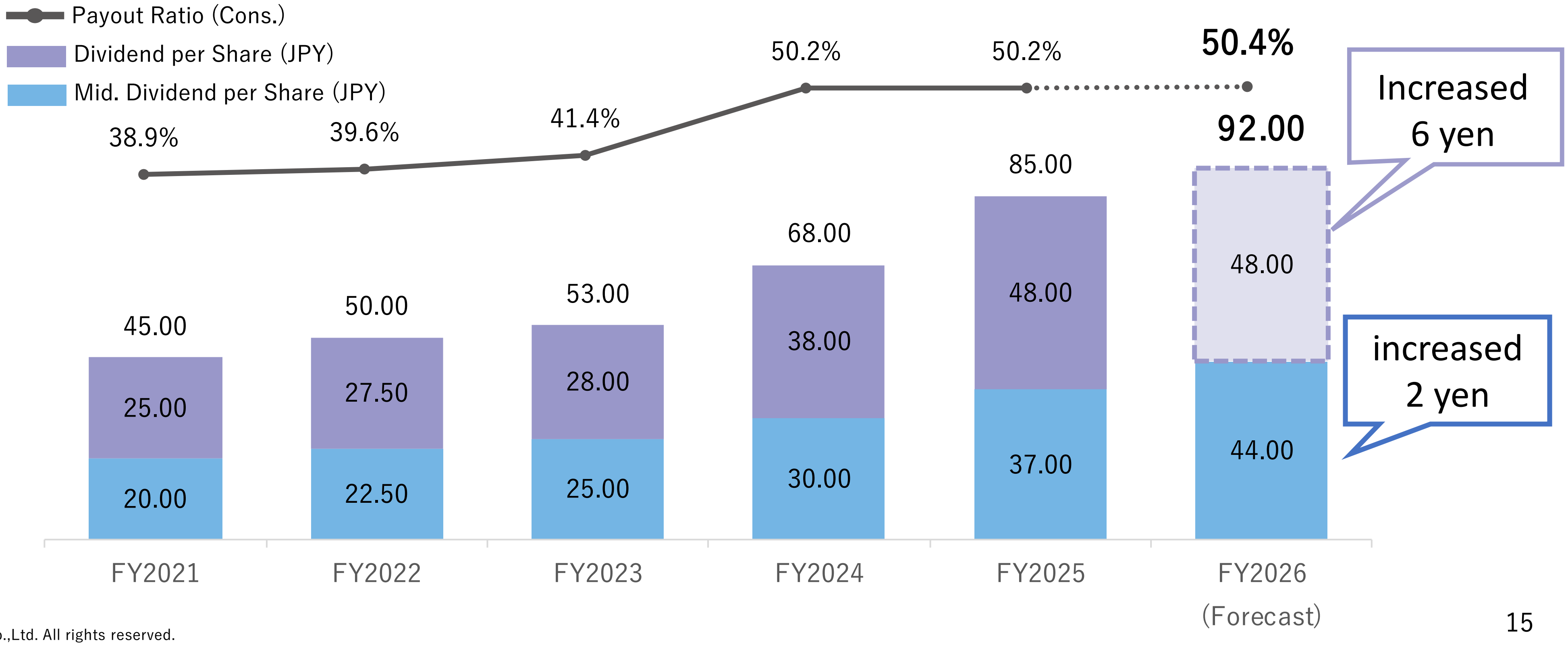
Dividends

POINT The interim dividend will be 44 yen, an increase of 2 yen from the initial forecast of 42 yen.

Annual dividend for FY March 2027 planned to increase to 92 yen (payout ratio: 50.4%), up 6 yen from the initial forecast of 86 yen

Shareholder Return Policy

- We are targeting a consolidated dividend payout ratio of around 50%, and a dividend on equity (DOE) ratio of at least 5%
- Acquisition of treasury stock will also be flexibly conducted, taking into consideration the business environment and the company's financial situation



Financial Highlights

(Million JPY)	FY2021 Result	FY2022 Result	FY2023 Result	FY2024 Result	FY2025 Result	FY2026 Forecast
Orders Received	45,394	48,419	47,505	56,159	61,823	—
Backlog of Orders	7,896	8,349	9,260	11,349	14,843	—
Net Sales	43,813	48,144	46,735	54,231	58,490	68,500
Operating Profit	10,255	10,558	9,197	12,268	14,102	16,700
Ordinary Profit	10,571	11,003	9,662	12,558	14,745	16,700
Ordinary Profit Ratio	24.1%	22.9%	20.7%	23.2%	25.2%	24.4%
Net Income Attributed to Owners of Parent	6,909	7,350	6,326	8,051	10,060	10,860
Earnings Per Share (EPS)	113.62JPY	120.83JPY	105.53JPY	135.44JPY	169.19JPY	182.60JPY
Total Assets	69,517	74,263	77,940	81,683	89,291	102,400
Equity	49,099	53,839	55,460	60,645	66,758	72,400
Equity Ratio	70.6%	72.5%	71.2%	74.2%	74.8%	70.7%
Return on Equity (ROE)	14.8%	14.3%	11.6%	13.9%	15.8%	15.6%
Return on Assets (ROA)	15.8%	15.3%	12.7%	15.7%	17.2%	17.4%
Return on Invested Capital (ROIC)	13.0%	12.5%	10.2%	12.7%	13.1%	13.3%

(Note) ROE＝Net Income Attribute to Owners of Parent ÷ Average Equity during the period.
ROA＝Ordinary Profit ÷ Average Total Assets during the period.
ROIC＝Operating Profit after tax ÷ Average Invested Capital during the period.
Effective from the FY2021, the classification of Royalty Income has been changed from non-operating income to Net Sales

Notes

The financial forecasts and estimates in this Financial Summary are based on information available to the Company at the time of report issuance and certain assumptions judged to be reasonable by the Company, and therefore are not guarantees of future performance. Consequently, actual results may differ substantially from those described in this Financial Summary.

Contact

TOCALO Co., LTD

Corporate Planning Division

TEL: +81-78-303-3433

Email: ir@tocalo.co.jp