August 4, 2026

Consolidated Financial Results for the Three Months Ended June 30, 2026 (Under Japanese GAAP)

Company name: TOPY INDUSTRIES, LIMITED
Listing: Tokyo Stock Exchange, Nagoya Stock Exchange
Securities code: 7231
URL: https://www.topy.co.jp/
Representative: Hiromi Ishii, Representative Director, President and CEO
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Scheduled date to commence dividend payments: -
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 three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	77,222	8.4	693	(56.8)	859	(48.6)	191	(81.0)
June 30, 2025	71,213	(3.3)	1,603	-	1,672	22.6	1,007	38.8

Note: Comprehensive income For the three months ended June 30, 2026: ¥ 727 million [-%]
For the three months ended June 30, 2025: ¥ (1,628) million [-%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	8.85	-
June 30, 2025	45.66	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2026	277,901	144,167	51.3	6,600.77
March 31, 2026	271,578	145,410	53.0	6,660.64

Reference: Equity
As of June 30, 2026: ¥ 142,674 million
As of March 31, 2026: ¥ 143,970 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	-	40.00	-	90.00	130.00
Fiscal year ending March 31, 2027	-				
Fiscal year ending March 31, 2027 (Forecast)		65.00	-	70.00	135.00

Note: Revisions to the forecast of cash dividends most recently announced: None
Note: Breakdown of the first quarter dividend for the fiscal year ending March 31, 2027 :
Commemorative dividend - yen
Special dividend - yen

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
Six months ending September 30, 2026	161,000	12.6	1,500	(53.9)	1,200	(64.6)	1,100	(55.7)	51.20
Full year	326,000	9.5	8,000	2.8	8,000	(7.2)	6,000	(40.9)	281.23

Note: Revisions to the financial result forecast most recently announced: Yes

Concerning the details, please refer to “Notice of Revision to Consolidated Earnings Forecast for the Second Quarter (the First Half) of the Fiscal Year Ending March 31, 2027” published today.

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - companies( )

Excluded: - companies( )

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

(3) 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

(4) Number of issued shares (common shares)

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

As of June 30, 2026	24,077,510 shares
As of March 31, 2026	24,077,510 shares

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

As of June 30, 2026	2,462,614 shares
As of March 31, 2026	2,462,470 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2026	21,614,960 shares
Three months ended June 30, 2025	22,054,125 shares

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

* Proper use of earnings forecasts, and other special matters

(Caution concerning future descriptions etc.)

All future descriptions in this disclosure has been compiled based on information currently available. For assumed conditions underlying the earnings forecast, please refer to “1. Overview of Operating Results” on page 3. These descriptions may differ from actual results and effects on earnings is not limited to this.

Index of Attached Documents

1. Overview of Operating Result

(1) Overview of Quarterly Operating Results

In the automobile industry, domestic automobile production volume increased year on year within the Group's business environment for the first quarter of the fiscal year despite the impact of the situation in the Middle East. In the steel industry, however, business conditions remained challenging due to sluggish domestic demand for steel products and rising steel scrap prices.

Under this business environment, the Group is steadily implementing the Medium-term Management Plan “TOPY Active & Challenge 2027.” To strengthen its overseas aluminum wheel business, where future growth is expected, the Group acquired a 10% stake in PT. PAKOAKUINA, a leading aluminum wheel manufacturer based in the Republic of Indonesia. The Group will leverage this strategic partnership to expand its business in the ASEAN region and develop new sales channels. The Group also commenced sales of forged aluminum wheels for commercial vehicles utilizing an innovative painting technology. The Group will continue to promote the development of high-value-added products. In addition, following the Ordinary General Meeting of Shareholders held in June 2026, the Company transitioned to a company with an Audit and Supervisory Committee. The Company will further enhance the supervisory function of the Board of Directors and strengthen its governance structure to support the foundation for growth.

Net sales for the first quarter of the fiscal year were ¥77,222 million (up 8.4% year on year), operating profit was ¥693 million (down 56.8% year on year), ordinary profit was ¥859 million (down 48.6% year on year), and profit attributable to owners of parent was ¥191 million (down 81.0% year on year). This was mainly due to the significant impact of rising steel scrap prices in the Steel Business, despite an increase in sales volume in the Automotive & Industrial Machinery Components Business.

Performance by Segment

(Steel Business)

In the steel industry, domestic demand for steel products continued to be weak due to construction project delays caused by labor shortages. Also, prices for steel scrap, a raw material, rose further after the beginning of the current fiscal year, partly due to the weak yen.

Under these conditions, increases in steel product selling prices did not keep pace with rising steel scrap prices, resulting in a narrower spread, which led to the Group's net sales of ¥23,343 million (down 0.2% year on year) and an operating loss of ¥410 million (compared with an operating profit of ¥1,214 million in the same period of the previous fiscal year).

(Automotive & Industrial Machinery Components Business)

In the automobile industry, although production adjustments were seen in some areas due to the impact of the situation in the Middle East and other factors, domestic automobile production volume exceeded that of the same period of the previous fiscal year, supported by an increase in demand. In the overseas market, demand remained firm in the U.S., while demand declined in China. In the construction machinery industry, demand for hydraulic shovels showed a bottoming-out trend. Demand for mining machinery declined in some regions.

Under the circumstances, the Group net sales were ¥52,110 million (up 12.9% year on year) and operating profit was ¥2,521 million (up 41.1% year on year), mainly due to an increase in sales volume of undercarriage parts for construction machinery and the impact of foreign exchange rates.

(Others)

The Group is involved in the manufacture and sale of synthetic mica, civil engineering and construction, real estate leasing, and the operation of a sports club. Net sales were ¥1,768 million (up 5.8% year on year) and operating profit was ¥254 million (up 20.1% year on year).

(2) Overview of Quarterly Financial Position

Total assets at the end of the first quarter of the fiscal year under review stood at ¥277,901 million, an increase of ¥6,322 million from the end of the previous fiscal year. This was mainly due to an increase of ¥2,646 million in notes and accounts receivable – trade, and contract assets, an increase of ¥2,613 million in merchandise and finished goods, and an increase of ¥1,113 million in cash and deposits.

Total liabilities were ¥133,734 million, an increase of ¥7,566 million compared with the end of the previous fiscal year. This was mainly due to an increase of ¥8,593 million in short-term borrowings, an increase of ¥2,255 million in notes and accounts payable - trade, and a decrease of ¥1,894 million in income taxes payable.

Total net assets amounted to ¥144,167 million, a decrease of ¥1,243 million from the end of the previous fiscal year. This was mainly due to a decrease of ¥1,779 million in retained earnings, an increase of ¥793 million in foreign currency translation adjustment, and a decrease of ¥205 million in valuation difference on available-for-sale securities.

(3) Explanation Regarding Future Estimate Information such as Consolidated Financial Performance Estimates

The future business environment surrounding the Group is expected to remain uncertain against the backdrop of developments in the situation in the Middle East and increases in various costs, including energy costs. However, the Group will work to raise selling prices in response to cost increases and improve profitability toward the second half of the fiscal year. In addition, in the current fiscal year, which marks the halfway point of the Medium-term Management Plan “TOPY Active & Challenge 2027,” the Group will further focus on advancing the plan and accelerate investments that will lead to future growth.

The consolidated earnings forecasts for the second quarter (interim period) of the fiscal year ending March 31, 2027 have been revised from those announced on May 12, 2026, taking into account recent business trends. Net sales of ¥161,000 million, operating profit of ¥1,500 million, ordinary profit of ¥1,200 million, and profit attributable to owners of parent of ¥1,100 million are forecast. The consolidated earnings forecasts for the full fiscal year ending March 31, 2027 have not been changed.

This decision is based on information available as of the date of issuance of this release. Actual results may differ from the forecast due to various factors that may arise in the future.

Quarterly Consolidated Financial Statements and Primary Notes

Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	29,421	30,534
Notes and accounts receivable - trade, and contract assets	55,851	58,497
Merchandise and finished goods	30,082	32,695
Work in process	6,892	7,720
Raw materials and supplies	20,535	21,285
Other	8,170	8,570
Allowance for doubtful accounts	(79)	(76)
Total current assets	150,872	159,227
Non-current assets		
Property, plant and equipment		
Buildings and structures	102,219	102,681
Accumulated depreciation	(77,508)	(78,230)
Buildings and structures, net	24,710	24,450
Machinery, equipment and vehicles	238,075	239,764
Accumulated depreciation	(205,234)	(207,524)
Machinery, equipment and vehicles, net	32,841	32,239
Land	15,244	15,246
Leased assets	2,443	2,525
Accumulated depreciation	(1,196)	(1,315)
Leased assets, net	1,246	1,210
Construction in progress	2,587	2,478
Other	45,012	45,258
Accumulated depreciation	(43,175)	(43,331)
Other, net	1,837	1,926
Total property, plant and equipment	78,469	77,552
Intangible assets		
Other	2,972	2,865
Total intangible assets	2,972	2,865
Investments and other assets		
Investment securities	26,713	26,339
Long-term loans receivable	228	229
Deferred tax assets	781	1,149
Retirement benefit asset	588	588
Other	11,040	10,032
Allowance for doubtful accounts	(86)	(85)
Total investments and other assets	39,265	38,255
Total non-current assets	120,706	118,673
Total assets	271,578	277,901

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	29,786	32,042
Electronically recorded obligations - operating	10,658	9,306
Short-term borrowings	22,720	31,314
Current portion of bonds payable	7,000	7,000
Lease liabilities	235	214
Income taxes payable	2,954	1,060
Other	15,051	15,401
Total current liabilities	88,407	96,340
Non-current liabilities		
Bonds payable	18,000	18,000
Long-term borrowings	11,029	10,458
Lease liabilities	449	429
Deferred tax liabilities	921	935
Provision for corporate officers' retirement benefits	180	171
Provision for share awards for directors (and other officers)	56	139
Provision for share awards	48	49
Provision for retirement benefits for directors (and other officers)	24	8
Reserve for repairs	242	239
Retirement benefit liability	3,604	3,750
Asset retirement obligations	1,772	1,775
Other	1,431	1,435
Total non-current liabilities	37,760	37,394
Total liabilities	126,168	133,734
Net assets		
Shareholders' equity		
Share capital	20,983	20,983
Capital surplus	18,855	18,855
Retained earnings	81,651	79,871
Treasury shares	(5,684)	(5,685)
Total shareholders' equity	115,804	114,025
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,808	11,603
Deferred gains or losses on hedges	2	(0)
Foreign currency translation adjustment	12,119	12,913
Remeasurements of defined benefit plans	4,234	4,133
Total accumulated other comprehensive income	28,165	28,649
Non-controlling interests	1,440	1,492
Total net assets	145,410	144,167
Total liabilities and net assets	271,578	277,901

Quarterly Consolidated Statements of Income and Comprehensive Income

For the Three-Month Period

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Net sales	71,213	77,222
Cost of sales	60,072	66,679
Gross profit	11,141	10,543
Selling, general and administrative expenses	9,537	9,849
Operating profit	1,603	693
Non-operating income		
Interest income	46	37
Dividend income	499	303
Foreign exchange gains	-	194
Other	95	68
Total non-operating income	641	604
Non-operating expenses		
Interest expenses	168	186
Foreign exchange losses	235	-
Share of loss of entities accounted for using equity method	67	119
Other	101	133
Total non-operating expenses	572	438
Ordinary profit	1,672	859
Extraordinary income		
Gain on sale of non-current assets	2	2
Subsidy income	26	276
Gain on reversal of foreign currency translation adjustment	101	-
Total extraordinary income	129	279
Extraordinary losses		
Loss on sale of non-current assets	2	0
Loss on retirement of non-current assets	52	10
Loss on valuation of investment securities	1	0
Loss on tax purpose reduction entry of non-current assets	26	276
Total extraordinary losses	82	287
Profit before income taxes	1,719	850
Income taxes	681	627
Profit	1,037	223
Profit attributable to non-controlling interests	30	31
Profit attributable to owners of parent	1,007	191

For the Three-Month Period

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Profit	1,037	223
Other comprehensive income		
Valuation difference on available-for-sale securities	(480)	(250)
Deferred gains or losses on hedges	3	(2)
Foreign currency translation adjustment	(1,732)	538
Remeasurements of defined benefit plans, net of tax	(79)	(98)
Share of other comprehensive income of entities accounted for using equity method	(377)	316
Total other comprehensive income	(2,666)	504
Comprehensive income	(1,628)	727
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,575)	675
Comprehensive income attributable to non-controlling interests	(52)	51

(3) Notes Regarding Quarterly Consolidated Financial Results

(Accounting treatment specific to the preparation of quarterly consolidated financial statements)

(Calculation of tax expenses)

Tax expenses were calculated by multiplying the rationally estimated effective tax rate after applying tax effect accounting to profit before income taxes for the consolidated fiscal year, which includes the current first quarter under review, by profit before income taxes for the first quarter.

(Segment information)

I Three months ended June 30, 2025 (April 1, 2025 - June 30, 2025)

1. Information regarding amounts of net sales, profits or losses, assets and other items by reportable segment

(Millions of yen)

	Reportable segment			Others (Note) 1	Total	Amount of adjustment (Note) 2	Amount recorded in the quarterly consolidated financial statements (Note) 3
	Steel	Automotive & Industrial Machinery Components	Total				
Net sales							
Net sales to outside customers	23,394	46,148	69,543	1,670	71,213	―	71,213
Internal sales or transfer between segments	5,227	―	5,227	―	5,227	(5,227)	―
Total	28,621	46,148	74,770	1,670	76,440	(5,227)	71,213
Segment profit (loss)	1,214	1,786	3,001	211	3,213	(1,609)	1,603

(Notes) 1. The category “Others” includes the business segment not included in the reportable segments and includes synthetic mica, indoor and outdoor sign systems, civil engineering and construction, real estate leasing, and the operation of a sports club.

2. Profits of segment in an amount of a loss of ¥1,609 million are common corporate expenses, etc. not allocated to the respective reportable segments. The common corporate expenses are mainly the expenses related to the administrative divisions of the Company that are not attributable to the reportable segments.

3. Segment profit is adjusted with operating profit recorded under the quarterly consolidated financial statements.

2. Information regarding impairment losses or goodwill of non-current assets by reportable segment

Not applicable.

II Three months ended June 30, 2026 (April 1, 2026 - June 30, 2026)

1. Information regarding amounts of net sales, profits or losses, assets and other items by reportable segment

(Millions of yen)

	Reportable segment			Others (Note) 1	Total	Amount of adjustment (Note) 2	Amount recorded in the quarterly consolidated financial statements (Note) 3
	Steel	Automotive & Industrial Machinery Components	Total				
Net sales							
Net sales to outside customers	23,343	52,110	75,454	1,768	77,222	―	77,222
Internal sales or transfer between segments	5,673	―	5,673	―	5,673	(5,673)	―
Total	29,016	52,110	81,127	1,768	82,895	(5,673)	77,222
Segment profit (loss)	(410)	2,521	2,110	254	2,365	(1,671)	693

(Notes) 1. The category “Others” includes the business segment not included in the reportable segments and includes synthetic mica, indoor and outdoor sign systems, civil engineering and construction, real estate leasing, and the operation of a sports club.

2. Profits of segment in an amount of a loss of ¥1,671 million are common corporate expenses, etc. not allocated to the respective reportable segments. The common corporate expenses are mainly the expenses related to the administrative divisions of the Company that are not attributable to the reportable segments.

3. Segment profit (loss) is adjusted with operating profit recorded under the quarterly consolidated financial statements.

2. Information regarding impairment losses or goodwill of non-current assets by reportable segment

Not applicable.

(Note on significant changes in the amount of shareholders’ equity)

Not applicable.

(Note related to going-concern assumption)

Not applicable.

(Quarterly Consolidated Cash Flow Statements)

Cash flow calculation for the consolidated financial statement regarding the end of first quarter of the fiscal year under review has not been prepared. Depreciation (including depreciation fees of intangible assets without goodwill) and amortization of goodwill regarding the end of first quarter of the fiscal year under review are as follows:

	Three months ended June 30, 2025	Three months ended June 30, 2026
Depreciation	2,827 million yen	2,968million yen
Amortization of goodwill	31	31