

July 29, 2014

To: media representatives

President Shigeru Takaragi

TODA KOGYO CORP.

(Code: 4100, 1st Section of the Tokyo Stock Exchange)

**Increased Capacity to Supply Ferrite Sheets for NFC Antennas
Business Partnership with Panasonic Excel Products Co., Ltd.
Increase in Use by Smart Phone Manufacturers**

TODA KOGYO has expanded its production system of ferrite sheets for NFC antennas, which are used in smart phones and other cell phones for Near Field Communication (NFC). Expecting a further increase in the demand for ferrite sheets, we recently entered into a business partnership with Panasonic Excel Products Co., Ltd. (main office: Osaka, Osaka Prefecture; manufacturing center: Miyazaki, Miyazaki Prefecture/Miyazaki Factory Center), which has commenced producing consignments of ferrite sheets for us.

In 2012, we expanded the production capacity of our Otake Plant (Otake, Hiroshima Prefecture) in Japan to over 200 million units per year. In 2013, we also expanded the production capacity of TODA ISU CORPORATION, a South Korean company that forms part of our corporate group, to over 200 million units per year. Panasonic Excel Products Co., Ltd.'s Miyazaki Factory Center has a production capacity of over 100 million units per year. Thus, we have now secured the capacity to produce over 500 million ferrite sheets per year.

Miyazaki Factory Center commenced full-scale production of ferrite sheets in 2006. As a center for the manufacture of various modules and parts for Panasonic Group, it possesses seasoned expertise and a long history of improving the processing accuracy of ferrite sheets. As TODA KOGYO's core competences concern material development, we expect to create a synergy with the processing technology of Panasonic Excel Products through production consignments to the latter.

Smart phones now account for over 50% of the global cell phone market. Over one billion smart phones were sold in 2013, and over 1.7 billion are expected to be sold in 2016.

TODA KOGYO developed the ferrite sheet in 2002, and has obtained or applied for a patent in Japan and several other countries. In 2006, we began the full-scale mass production of ferrite sheets. These have been adopted for wallet cell phones, which are widely used in Japan. Demand for our products is growing rapidly as the NFC market is expanding worldwide in concurrence with the increasing demand of "smart money."

We supply our products to manufacturers of NFC antennas mounted on smart phone terminals around the world. To meet the expansion of the market, we intend to develop a production system suited to the global supply chain of smart phones. We expect that companies belonging to our corporate group will achieve total sales of approximately 12 billion yen, including sales of related materials.

[Contact for inquiries]

TODA KOGYO CORP.

Toda Fine Material Company

Yuji Omote, Sub-leader, Business Promotion Department, GDSD (Global Device Solution Division)

TEL:03-5439-6040

[Reference data]

1. Outline of TODA KOGYO CORP.

Location of head office: Mitsui-seimei Hiroshima-ekimae Bldg. 9F, 1-23 Kyobashi-cho, Minami-ku, Hiroshima, Hiroshima Prefecture

Founded: November 30, 1933

Description of business: Production and marketing of chemical materials

Representative: Tadashi Kubota (Chairman), Shigeru Takaragi (President)

2. Outline of Panasonic Excel Products Co., Ltd.

Location of main office: Sakurabashi Toyo Bldg. 3F, 2-2-16 Sonezaki-shinchi, Kita-ku, Osaka, Osaka Prefecture

Founded: April 1, 2005

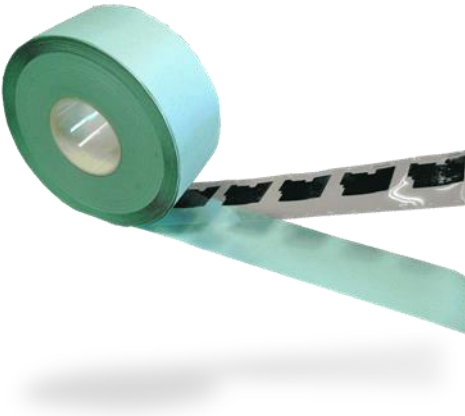
Description of business: Manufacturing, contract production, worker dispatch

Representative: Takashi Watanabe

[Reference data/courtesy: Panasonic Excel Products Co., Ltd.]



Exterior of Miyazaki Factory Center, Panasonic Excel Products Co., Ltd.



Processing and packaging of ferrite sheets



Processing and packaging of ferrite sheets



Processing and packaging of ferrite sheets

[Reference data/courtesy: TODA KOGYO CORP.]



Exterior view of Otake Plant, TODA KOGYO CORP.'s ferrite sheet factory



Photo of a product (ferrite sheet for NFC antennas)