

TODA KOGYO CORP. ESG BOOK 2025

Fine particles for a fine future.



Disclosure System

We have organized our disclosure system in consideration of the convenience of stakeholders.
For the TODA Group’s value creation narratives, please refer to the Integrated Report.
For an overview and details of the TODA Group, please refer to the relevant webpages on our website.

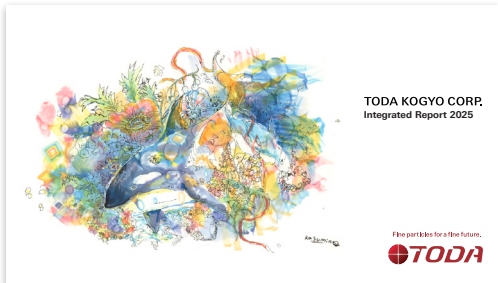
Overview of the TODA Group

Short movie
TODA KOGYO CORP.
Business Introduction Video on YouTube (November 30,2023)



Value Creation Narratives

Integrated Report



Management Plan

Medium-term Management Plan



Investor Presentations



Finance

Securities Report (Japanese Only)



Short-Term Financial Statements



ESG

ESG BOOK



Corporate Governance



This report provides hyperlinks to relevant pages and outside websites.

See CONTENTS See the relevant webpage See an outside website

Concept of Sustainability

The TODA KOGYO Group defines sustainability as “the lively growth and development of the company, society and the earth.”

To achieve sustainability as we see it, we help resolve social issues through our business activities.

The Group uses the term “lively growth and development” to reflect the idea that we will “always continue lively growth and development” as described in our Management Principle. As well as achieving lively growth and development as a company, we believe it is equally important to ensure that our technologies and activities

contribute to the sustainable development of humanity and the global environment.

To pursue this management principle, the TODA KOGYO Group emphasizes three values.

1. Contributing to future society through innovative fine particle synthesis technologies
2. Building a sustainable supply chain
3. Being a better corporate citizen and a better social institution

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Editorial policy

The purpose of this report is to plainly inform stakeholders of the value created for the TODA Group's continuous growth, its strengths that enable it to create value and other matters. It features the TODA Group's history, corporate culture and stance on manufacturing in addition to its management strategies and achievements.

Period covered : FY2024 (April 2024 to March 2025)

Published in : December 2025

Issued by : Public Relations Group and CSR & Environment Management Group

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section 01

04 The Structure of Materiality

05 List of Materialities

Materiality

The TODA Group identified its materialities on the occasion of the 200th anniversary of its foundation. We aim to achieve sustainability at the corporate, societal and global environmental levels through the integrated management of our Management Principle, Management Policy, medium-term management plan, materiality and indicators and goals as well as the newly formulated Purpose.

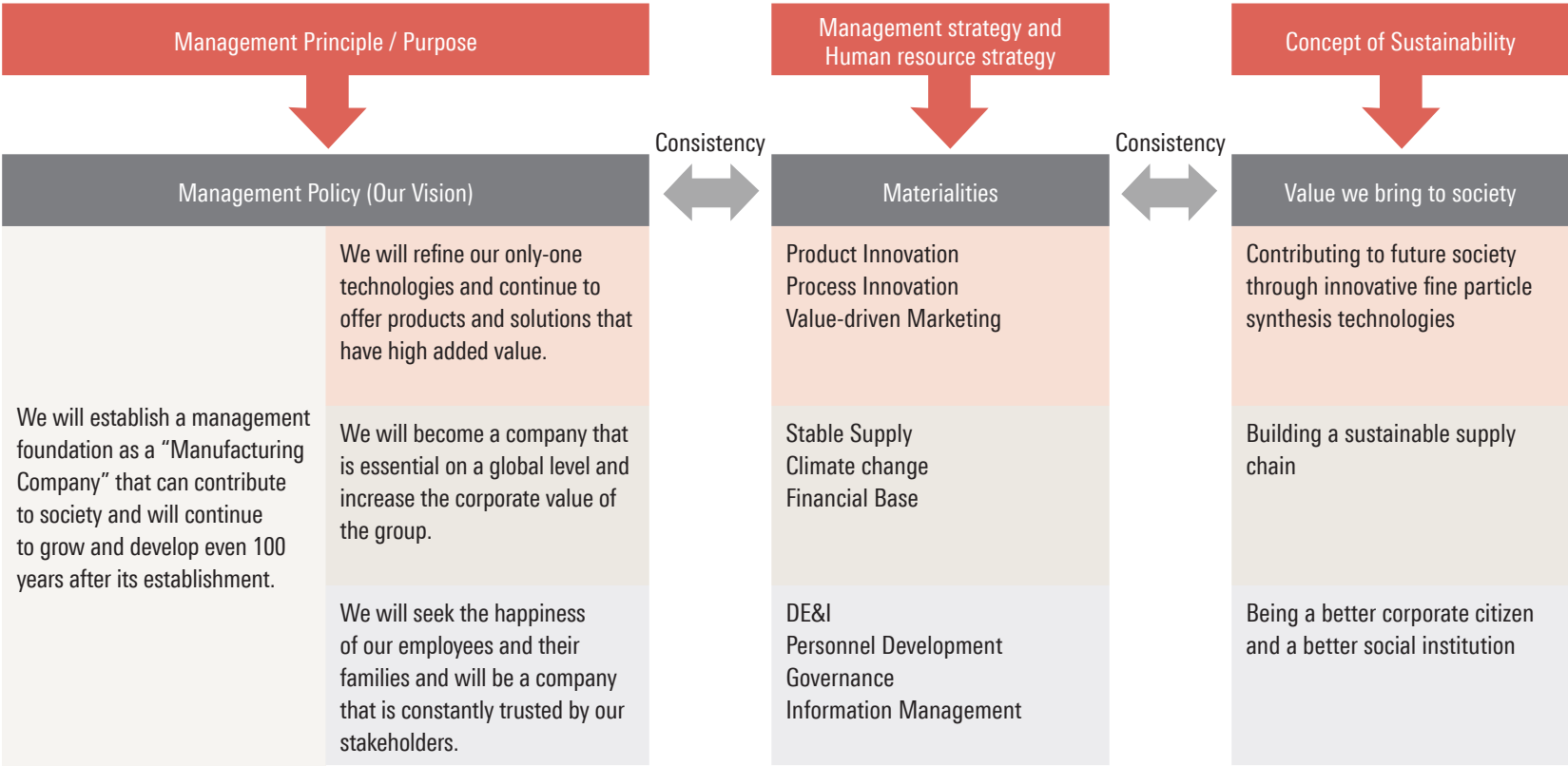


The Structure of Materiality

The ten materialities we have identified are consistent with the four management policy items designed to achieve our Management Principle. The materialities of the TODA Group serve not only to mitigate risks in our business activities but also as metrics of medium- and long-term management and human resource strategy. They also function as a guidepost for daily decision-making by all employees.

The TODA Group uses the term “lively growth and development” to reflect the idea that we will “always continue lively growth and development” as described in our Management Principle. As well as achieving lively growth and development as a company, we believe it is equally important to ensure that our technologies and activities contribute to the sustainable development of humanity and the global environment. To achieve this “lively growth and development,” the TODA Group has been offering materials that lead to solutions to social issues in the different eras it has existed in.

Today, issues facing human society and the global environment are becoming more complicated and changing more dramatically, and companies are faced with the challenge of determining how to address these issues. On the occasion of the 200th anniversary of its founding, the Group identified its materialities in view of its long-maintained principle of lively growth and development and the latest social trends.



Materiality formulation process

STEP 1 Understanding the internal and external environments

Based on reports issued by international organizations, the Japanese government and various governmental agencies, the representatives of each division verified the external environment in which the Group lies with regard to global trends and changes to the social environment. Next, they reviewed the values of the TODA Group, its business activities, and its relationships with stakeholders.

STEP 2 Identifying impacts

We considered risks that have materialized and potential risks from a medium- and long-term perspective. We organized the risk items according to our interests, categorizing them as either “impacts from external sources” or “impacts on external sources.” Moreover, in addition to negative impacts such as risks, we considered positive impacts such as customer expectations, and the Group’s unique ability to provide chemical materials.

STEP 3 Assessing the effect of the impact

We gauged the scale, extent and difficulty of responding to the effects of each impact, and prioritized them. In the process of prioritizing the impacts, we identified those impacts that were material in terms of both “impacts from external sources” and “impacts on external sources,” thus identifying them as materialities. To enhance the effectiveness of PDCA management, we defined specific measures, indicators and targets for the individual materialities identified.

STEP 4 Approval of the Board of Directors

After verifying their consistency with the values and management strategies of the TODA KOGYO Group in the Management Conference, the materialities were finalized upon receiving approval of the Board of Directors.



































List of Materialities

Purpose

We transform the potential of fine particles into new possibilities for our world.

Management Principle

Our group will further improve the fine particle synthesis technology we have developed with iron oxides and will always continue lively growth and development. We will work on a foundation built on sincerity and trust and we will bring together our creativity and manufacturing strength to make a contribution to society in general with attractive new materials and solutions that are full of originality.

Management Policy (Our Vision)		Value we bring to society	Materialities	Related SDGs	Initiatives aimed at achievement		Indicators	Year of achievement	Targets	FY2022	FY2023	FY2024			
We will establish a management foundation as a “Manufacturing Company” that can contribute to society and will continue to grow and develop even 100 years after its establishment.	We will refine our only-one technologies and continue to offer products and solutions that have high added value.	Contributing to future society through innovative fine particle synthesis technologies	Product Innovation	<div>7 AFFORDABLE AND CLEAN ENERGY</div> 	<div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> 	<div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> 	<div>13 CLIMATE ACTION</div> 	<div>17 PARTNERSHIPS FOR THE GOALS</div> 	Accelerating open innovation	Number of collaborative themes pursued with companies and universities	2025	At least 50 per year	45 per year	42 per year	31 per year
				Creating new products and technologies that contribute to the environment	Ratio of environmentally friendly/harmonious developed products	2030	70% or more	38%	37%	43%					
				Strengthening of intellectual property strategy	Number of applications	2030	At least 50 per year	20 per year	15 per year	9 per year					
			Process Innovation	<div>7 AFFORDABLE AND CLEAN ENERGY</div> 	<div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> 	<div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> 	<div>13 CLIMATE ACTION</div> 	Transitioning to new manufacturing methods	Number of commercialized projects	2030	3 or more	0	0	1	
				Reinforcing of infrastructure and facilities	Amount of investment in reinforcing infrastructure and facilities	2026	4.5 billion yen	0.4 billion yen	1.4 billion yen	2.0 billion yen					
				Circular economy	Commercialization of battery material recycling	2030	Commercialization	–	Under development	Under development					
			Value-driven Marketing	<div>8 DECENT WORK AND ECONOMIC GROWTH</div> 	<div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> 	Branding that utilizes our strengths	Number of news releases (cumulative)	2030	16 or more	3	6	9			
				Marginal profit rate (consolidated)	2030	50% or more	38%	43%	41%						
				Cultivating global market	Percentage of overseas sales (consolidated)	2030	70% or more	60%	49%	53%					
				Coordinating swiftly between manufacturing, development and sales	–	–	–	–	–	–					
	We will become a company that is essential on a global level and increase the corporate value of the group.	Building a sustainable supply chain	Stable Supply	<div>3 GOOD HEALTH AND WELL-BEING</div> 	<div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> 	<div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> 	<div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div> 	Pursuing zero quality defects	Number of defects occurrences	2030	10 per year or fewer	28 per year	24 per year	14 per year	
				Pursuing zero serious accidents	Occupational accident rate	2030	1.20 or less	1.39	3.47	0.00					
				Stable procurement	Excellent supplier ratio	2030	85% or more	72%	60%	60%					
			Climate change	<div>6 CLEAN WATER AND SANITATION</div> 	<div>7 AFFORDABLE AND CLEAN ENERGY</div> 	<div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> 	<div>13 CLIMATE ACTION</div> 	Encouraging carbon neutrality	GHG emissions (Japan, Scope 1 + 2)	2030	22,000 tons or less	41,067 tons	25,059 tons	32,470 tons	
				Specific energy consumption reduction rate (in Japan, vs. 2013 base year)	2030	At least 17%	18%		24%	28%					
				Renewable energy usage rate (Japan)	2030	At least 17%	0%		47%	29%					
				Repurposing and effective use of resources	<div>14 LIFE BELOW WATER</div> 	<div>15 LIFE ON LAND</div> 	Industrial waste reduction rate (in Japan, vs. 2013 base year)	2030	25% or more	19%	37%	40%			
					Repurposing crude materials and by-products into raw materials	2030	3 or more	0	0	0					
					Financial Base	<div>8 DECENT WORK AND ECONOMIC GROWTH</div> 	Optimizing the business portfolio	Stabilization of ROE (consolidated)	2030	10% or more	23.1%	-24.1%	-28.6%		
			Improving cash flows			Operating profit margin (consolidated)	2030	8% or more	3.9%	0.4%	-2.0%				
			Equity ratio (consolidated)	2030		40% or more	30.5%	25.8%	21.7%						
			We will seek the happiness of our employees and their families and will be a company that is constantly trusted by our stakeholders.	Being a better corporate citizen and a better social institution	DE&I	<div>3 GOOD HEALTH AND WELL-BEING</div> 	<div>5 GENDER EQUALITY</div> 	<div>10 REDUCED INEQUALITIES</div> 	<div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div> 	Developing workplaces that unlock its personnel’s fulfilled potential	Ratio of female employees	2030	25% or more	17%	17%
	Ratio of female managers	2030				10% or more	3%	2%	1%						
	Rate of childcare leave and leave for childcare purposes taken by eligible male employees	2030				95% or more	92%	100%	100%						
	Creating workplace environments enabling employees to display creativity	Employee engagement improvement				–	Start of measurements in 2023	–	4.66/7 points	–					
	Personnel Development	<div>4 QUALITY EDUCATION</div> 			<div>8 DECENT WORK AND ECONOMIC GROWTH</div> 	Human resource development supporting a company built upon technology	Cost of education per person (consolidated, base year: 2022)	2030	30,000 yen per person	19,800 yen per person	21,783 yen per person	32,727 yen per person			
		Number of participants in next-generation management candidate training			–	6 or more per year	–	6 per year	6 per year						
	Governance	<div>8 DECENT WORK AND ECONOMIC GROWTH</div> 			<div>10 REDUCED INEQUALITIES</div> 	<div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> 	<div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div> 	Improving transparency and effectiveness of Board of Directors	Analysis and functional improvement through ongoing evaluations of effectiveness	–	–	–	–	–	
		Strengthening compliance			Number of serious statutory or regulatory violations	–	Zero violations	0	0	0					
	Information Management	<div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> 			<div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div> 	Strengthening information security of the Group	Incident identification within 24 hours and expansion of response scopes	2030	Consolidated subsidiaries	Japan only	2 out of 9 overseas companies	4 out of 9 overseas companies			
Improving information literacy Groupwide		Number of digitalization projects led by user departments (cumulative)			2030	250	17	38	70						



section 02

07 Environmental Vision

08 Repurposing and Effective Use of
Resources

09 TCFD

11 TCFD Climate Transition Plan

Environment

In our history of being a pioneer in the field of iron oxide materials, we have been overcoming pollution problems and seeking harmony with nature through technology. At our location next to the quiet Setouchi Sea, we continue our endeavors to reduce environmental impact and realize a resource recycling-oriented society. We will capitalize on the strengths of materials to protect the Earth for the future. This is our mission.



Environmental Vision

The TODA KOGYO Group will be taking action to protect the environment on a groupwide scale. Our officers and employees are aware that our business activities and actions to protect the environment are inseparable. On that understanding, we will practice responsible environmental management in accordance with the ISO 14000 series of standards.

Environmental Code of Conduct

1. Set challenging environmental protection goals

Officers and employees will set ambitious goals that incorporate future public expectations and will strive to realize a sustainable society.

2. Learn actively to understand environmental impacts

Officers and employees will each learn actively with an open mind towards society and will endeavor to understand the environmental impacts of supply chains.

3. Develop technologies helpful to the environment and reduce the environmental impact of products

Officers and employees will endeavor to develop technologies that will address environmental issues while reducing the environmental impact of our products.

4. Pursue continuous improvement with all personnel involved

Officers and employees will all participate in activities to use resources effectively and to prevent environmental incidents.

5. Collaborate and communicate with stakeholders

Officers and employees will take action to protect the environment in collaboration with stakeholders and will communicate in a way that meets stakeholder expectations.

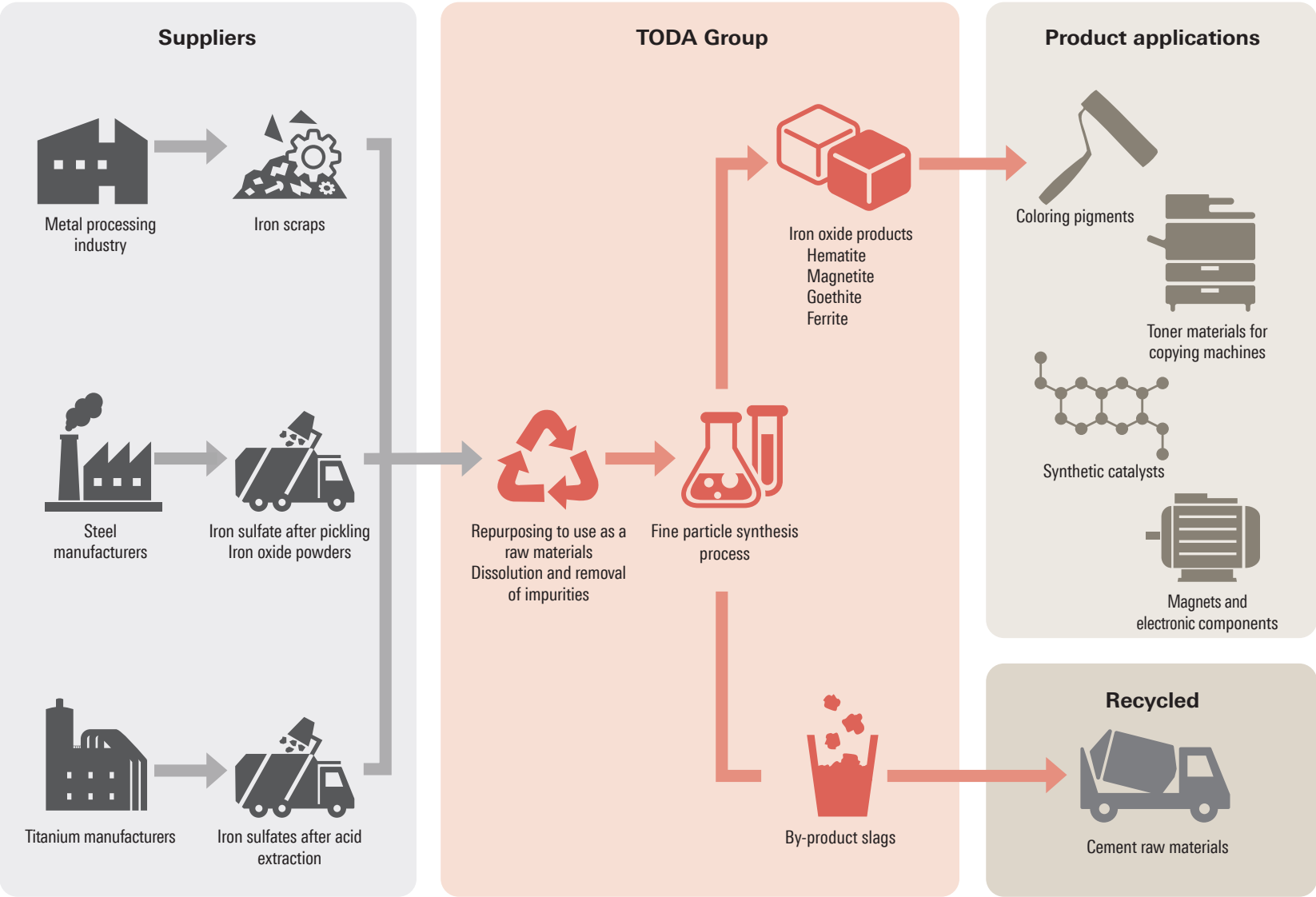


TODA website, Environmental Vision

<div>Conserving biodiversity</div> <div></div>	<div>Major initiatives</div> <div>1. Provide education to employees to deepen their understanding of biodiversity conservation</div> <div>2. Assess impacts on biodiversity in the development process</div> <div>3. Ask suppliers to conserve biodiversity in the procurement process</div> <div>4. Endeavor to reduce the environmental impact on surrounding areas in the production process</div> <div>5. Carry out regional cleanup, tree-planting and animal and plant preservation activities at individual offices and plants</div>
<div>Reduction of greenhouse gas emissions</div> <div></div>	<div>Targets (in Japan for 2030 in comparison with the 2013 levels)</div> <div>Scope 1 + 2 GHG emissions Reduce 75% (to total emissions of 22,000 t-CO₂)</div> <div>GHG emissions per unit of sales Reduce 70%</div> <div>Use of renewable energy At least 17%</div> <div></div> <div>TCFD, P09</div>
<div>Conserving water resources</div> <div></div>	<div>Major initiatives</div> <div>Reduce water consumption (by controlling water intake according to the state of production and advancing the cascade use of water)</div> <div>Implement the firm management of discharged water (by strictly observing the water discharge standards and thoroughly maintaining wastewater treatment facilities)</div> <div>Targets</div> <div>Water consumption per unit of production volume Less than or equal to the level in the previous fiscal year</div> <div>Water discharge per production volume Less than or equal to the level in the previous fiscal year</div> <div></div> <div>Energy and Water Resources, P35</div>
<div>Providing products and technologies that are in harmony with the environment</div> <div></div>	<div>Targets (2030)</div> <div>Ratio of environmentally harmonious/friendly* developed products 70% or more</div> <div>* Research and development subjects are evaluated based on the beneficial effect they have with respect to the environment into three categories (environmentally harmonized, environmentally friendly and standard subjects).</div> <div></div> <div>Product Innovation, P14</div>
<div>Acting to form a recycling-oriented society</div> <div></div>	<div>Targets (2030)</div> <div>Industrial waste: 25% reduction (in Japan from the 2013 level)</div> <div>Repurposing crude raw materials and by-products into raw materials 3 or more</div> <div>Commercialization of battery material recycling</div> <div></div> <div>Repurposing and Effective Use of Resources, P08</div>

Repurposing and Effective Use of Resources

TODA possesses technologies that enable it to internally produce iron sulfate by repurposing waste containing iron generated by companies in other sectors to use as raw materials. Slag is generated in our manufacturing process. It is recycled into a raw material for cement. TODA contributes to the establishment of a resource recycling-oriented society through our initiative to redirect iron-containing waste to use as our raw materials.

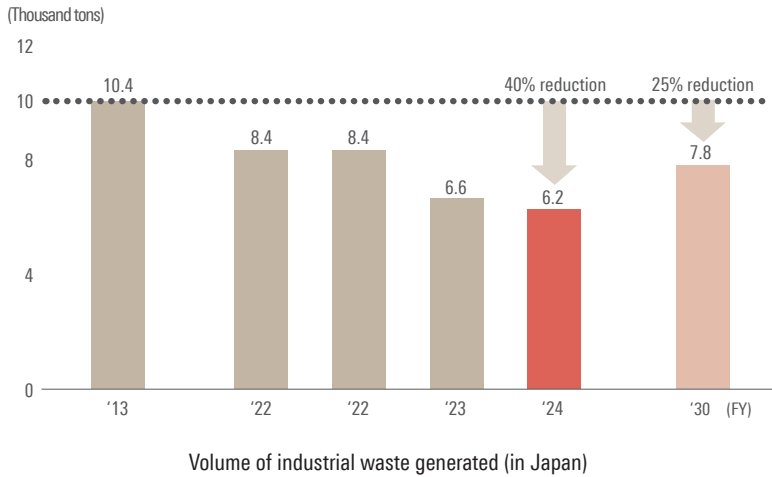


Repurposing crude materials and by-products into raw materials

TODA has a goal of implementing at least three projects of repurposing crude materials and by-product as raw materials by fiscal 2030. Currently, we dispose of iron- or aluminum-containing compounds as industrial waste. We are accelerating the development of technologies for reusing these compounds to increase cost competitiveness.

Industrial waste reduction rate

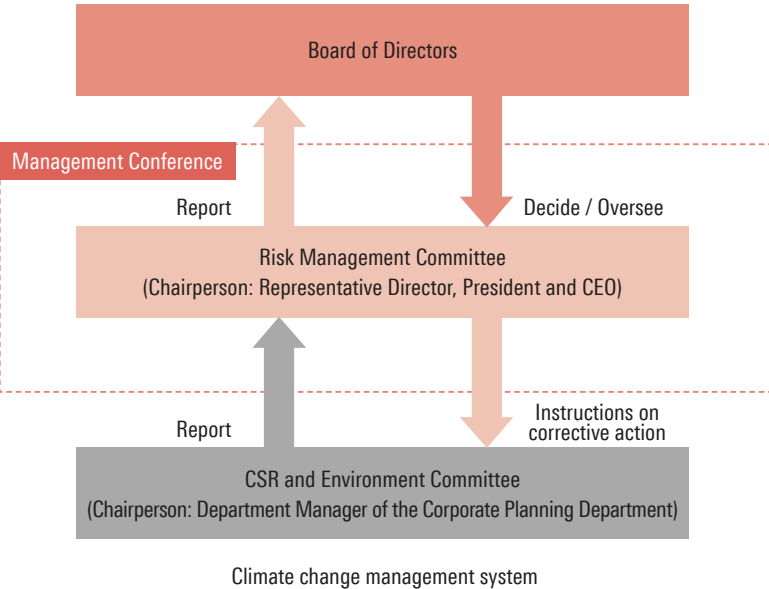
Our goal is to reduce industrial waste by 25% to reduce the environmental impact of our business activities as a whole. (in Japan for 2030 in comparison with the 2013 levels)



(1) Governance

To promote and manage action on climate change companywide, we have established the CSR and Environment Committee under the Risk Management Committee (Chairperson: Representative Director, President and CEO), and work through the committee to implement oversight and management of environmental matters for the Group in Japan.

The Board of Directors confirms the status of action on climate change through reports received from the Risk Management Committee, and makes decisions and supervises the development of the necessary systems and schemes. The Department Manager of the Corporate Planning Department serves as chairperson of the CSR and Environment Committee, whose members comprise managers and personnel from business sites across the Company.



The TODA KOGYO Group views climate change as a key management issue and we engage in measures to tackle global warming to create a sustainable economic society that enables future generations to live with peace of mind. In accordance with the framework recommended by the Task Force on Climate-related Financial Disclosures (TCFD), we disclose information on governance, strategy and risk management, and on our metrics and targets.

(2) Strategies

It is anticipated that a 4°C rise in global atmospheric temperature will cause irreversible and serious environmental destruction. In light of the Paris Agreement, which aims to limit the rise in global temperatures to less than 1.5°C, the Group has analyzed the risks and opportunities it faces under three scenarios of rising temperatures, the 1.5°C scenario, 2°C scenario and 4°C scenario.

(3) Risk management

The CSR and Environment Committee convenes monthly and implements its functions to oversee and manage environmental matters related to the Group in Japan, set annual targets for each business site, and manage progress through monthly activity reports from each business site.

In addition, reports on climate change action are submitted to the Board of Directors twice a year through the Risk Management Committee.

Major business risks and opportunities (for the TODA Group)

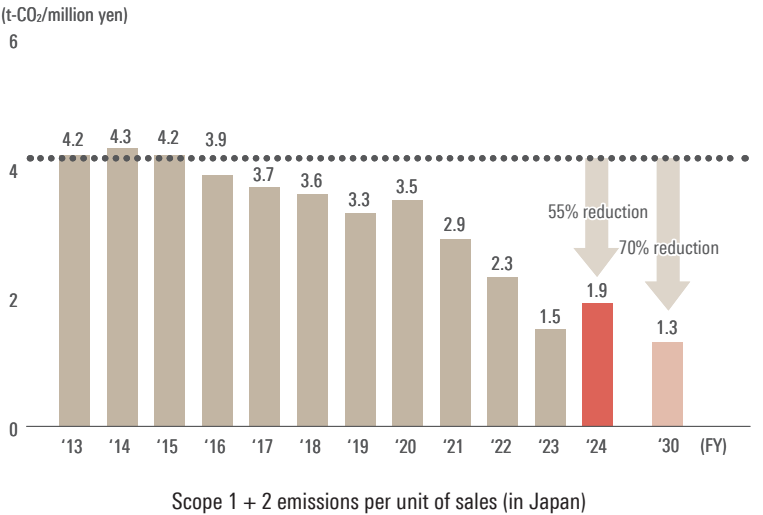
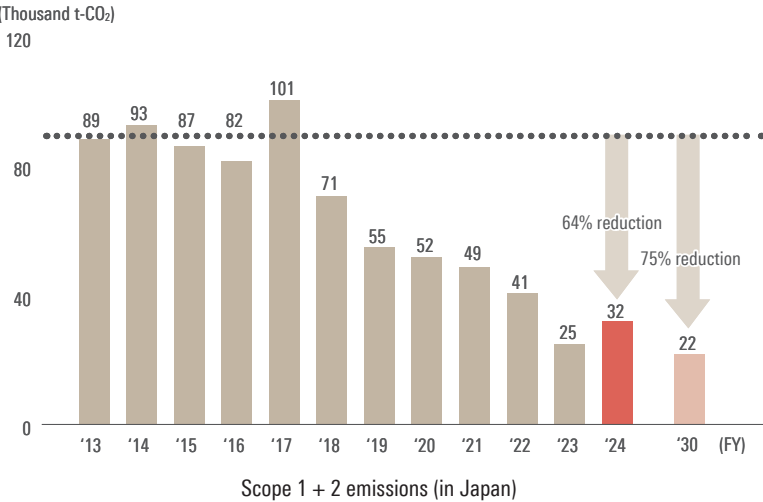
Category	Type	Impact on our business activities	Time span	Evaluation	Measures
Transition risks (1.5°C/2°C)	Policies and legal restrictions	Higher tax burden due to carbon pricing (carbon tax, emissions trading, etc.)	Medium to long term	Medium	- Reduction of Scope 1 + 2 greenhouse gas emissions due to the promotion of energy saving and expanded use of renewable energies - Use of internal carbon pricing in investment decisions
	Technology	Increased capital investment due to the switchover to low-carbonization equipment and low-carbon processes	Medium to long term	Medium	- Reduced lifecycle costs due to product development with low-carbonization in mind - Consideration of fine particle synthesis technologies with high energy efficiency
	Market	Increased raw material and energy procurement costs	Medium to long term	Medium	- Further loss reductions in manufacturing processes - Appropriate reflection of increased procurement costs in sales prices
		Reduced demand for toner due to the restricted use of copying machines and printers	Medium to long term	Medium	- Increase in toner market share by responding to increasingly diverse customer needs and energy saving measures - Development of applications for environmental materials utilizing functional pigment technologies
	Reputation	Loss of reputation among customers and investors in the case of insufficient efforts in response to climate change being recognized	Medium to long term	Medium	- Promotion of greenhouse gas emission reductions - Improved information disclosures
Physical risks (4°C)	Acute	Damage to buildings and equipment due to natural disasters	Medium to long term	Large	- Improvements to BCP and implementation of drills - Utilization of casualty insurance
		Reduced plant utilization rates due to supply chain disruptions	Medium to long term	Medium	- BCP enhancements - Development of multiple suppliers and transportation routes
	Chronic	Increased investments in coastal business site due to rising sea levels	Long-term	Large	- Monitoring of information about rising sea levels
Opportunities	Products and services	Higher demand for plastic magnets, barium titanate and parts for wireless power supplies due to the expansion of the EV market	Medium to long term	Large	- Development of supply structures that meet market needs - Expanded and enhanced R&D investments
	Market	Increased demand for CO ₂ solid sorbent associated with expansion of the CCUS market	Medium to long term	Large	- Development of business models utilizing open innovation - Expanded and enhanced R&D investments - Utilization of public support
		Increasing demand for the supply of hydrogen and carbon nanotubes through the direct methane reforming process	Medium to long term	Medium	

(4) Metrics and targets

With a view toward achieving net zero greenhouse gas (GHG) emissions in 2050, we have set challenging fiscal 2030 goals for Scope 1 + 2 GHG emissions, Scope 1 + 2 GHG emissions per unit of sales and the use rate of renewable energy. The scope of these goals is our operations in Japan. We are planning to expand their scope to the entire TODA Group.

1. Scope 1 + 2 GHG emissions
- 22,000 t-CO₂ or less (a 75% reduction from the fiscal 2013 level)
2. GHG emissions per unit of sales
- 1.3 t-CO₂/million yen or less (a 70% reduction from the fiscal 2013 level)
3. Use rate of renewable energy
- At least 17%

GHG emissions results in fiscal 2024 (in Japan)		
Indicators	Results	FY2030 targets
Scope 1 + 2 + 3	157,973 t-CO ₂	—
Scope 1 + 2	32,470 t-CO ₂	22,000 t-CO ₂ or less
Scope 1	21,535 t-CO ₂	—
Scope 2 (market-based)	10,935 t-CO ₂	—
Scope 3	125,502 t-CO ₂	—
Scope 1 + 2 emissions per unit of sales	1.9 t-CO ₂ /million yen	1.3 t-CO ₂ /million yen or less
Use rate of renewable energy	29%	At least 17%



Scope 3 emissions in fiscal 2024 (in Japan)

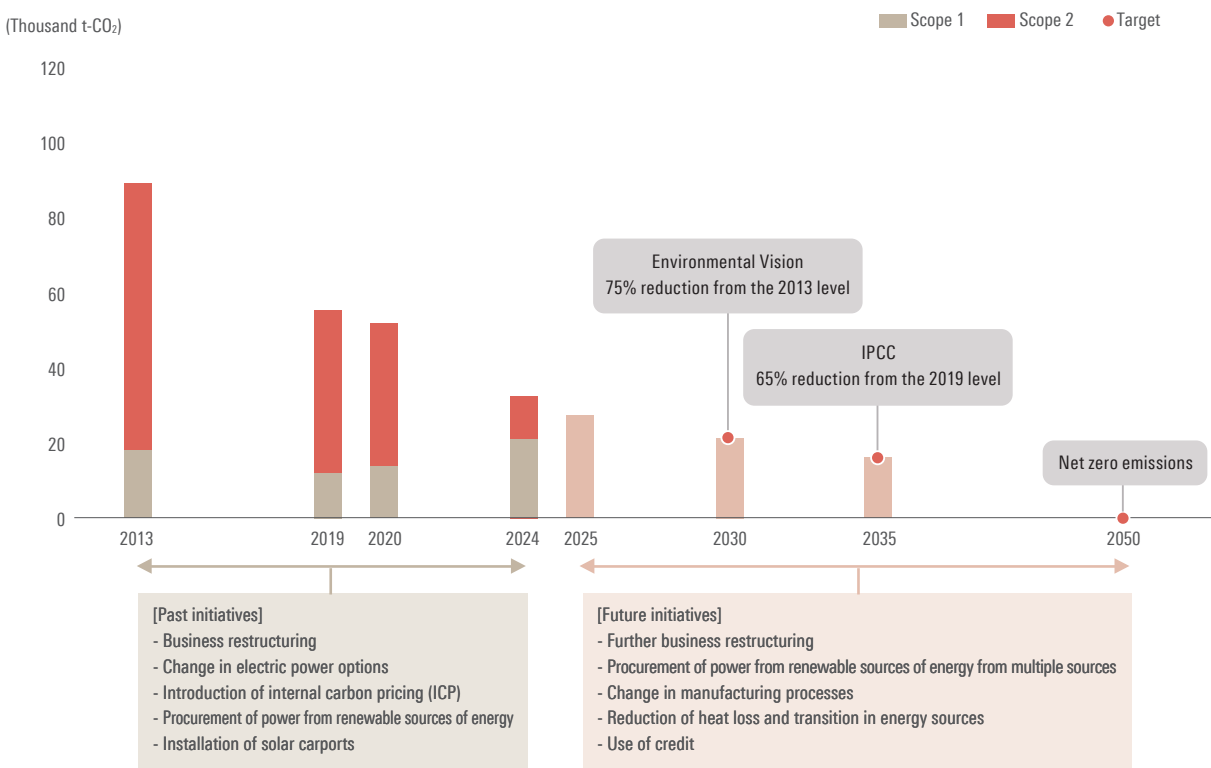
Category	Items	t-CO ₂	Calculated sites	Method for obtaining emission factor	Remarks
1	Purchased products and services	96,009	TODA TOKYO SHIKIZAI INDUSTRY	IDEA Ver.2.3	Expenses subject to calculation were at least the top 90% of procurement amounts
2	Capital goods	1,713	TODA	Ministry of the Environment Database of Emissions Unit Values	—
3	Upstream fuel procured	8,788	TODA TOKYO SHIKIZAI INDUSTRY	IDEA Ver.2.3 Ministry of the Environment Database of Emissions Unit Values	—
4	Transportation and distribution (Upstream)	4,833	TODA TOKYO SHIKIZAI INDUSTRY	Ministry of the Environment Database of Emissions Unit Values	At least the top 90% by procurement volume was subject to calculation
5	Waste generated by operations	264	TODA TOKYO SHIKIZAI INDUSTRY	IDEA Ver.2.3 Ministry of the Environment Database of Emissions Unit Values	Only production sites were subject to calculation.
6	Business travel	231	TODA	IDEA Ver.2.3 Ministry of the Environment Database of Emissions Unit Values	—
7	Employee commute	215	TODA TOKYO SHIKIZAI INDUSTRY Toda Fine Tech	Ministry of the Environment Database of Emissions Unit Values	Estimated based on the city classification, the number of employees and the number of working days
8	Leased assets (Upstream)	Not applicable	—	—	—
9	Transportation and distribution (Downstream)	1,299	TODA	Ministry of the Environment Database of Emissions Unit Values	Estimated based on the emissions from business partners with high transaction volumes
10	Processing of sold products	Not applicable	—	—	—
11	Use of sold products	Not applicable	—	—	—
12	End-of-life treatment of sold products	12,150	TODA TOKYO SHIKIZAI INDUSTRY	IDEA Ver.2.3 Ministry of the Environment Database of Emissions Unit Values	—
13	Leased assets (Downstream)	Not applicable	—	—	—
14	Franchises	Not applicable	—	—	—
15	Investment	Not applicable	—	—	—
—	Other (arbitrary)	Not applicable	—	—	—
	Total	125,502	—	—	—



TCFD Climate Transition Plan

The TODA Group has created a climate transition plan to achieve both the continuation of business and net zero GHG emissions in 2050. This climate transition plan applies to our operations in Japan. We are planning to expand its scope to the entire TODA Group. We will also manage and update it in consideration of the advancement of decarbonization technologies, increase of related infrastructure, tightening of environmental regulations and other factors.

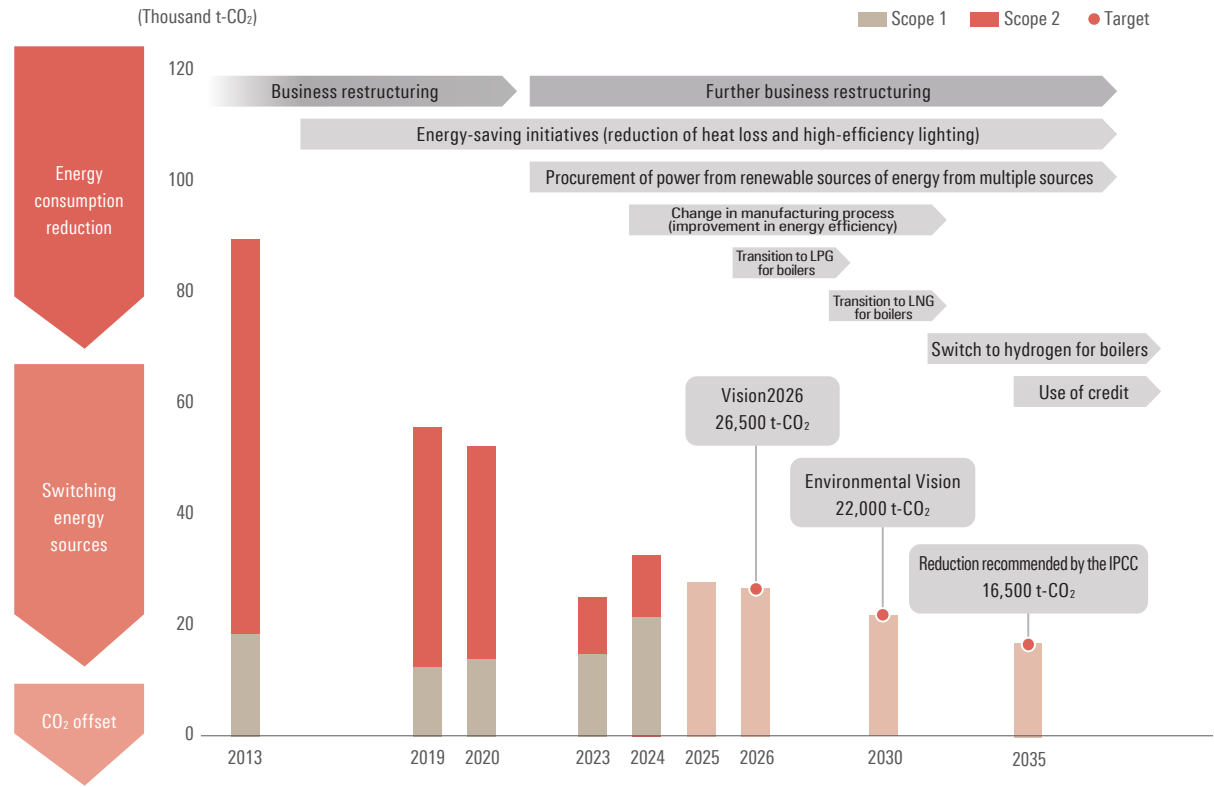
An overview of the plan up to 2050 is as follows.



Roadmap of Scope 1 + 2 greenhouse gas emissions (overview)

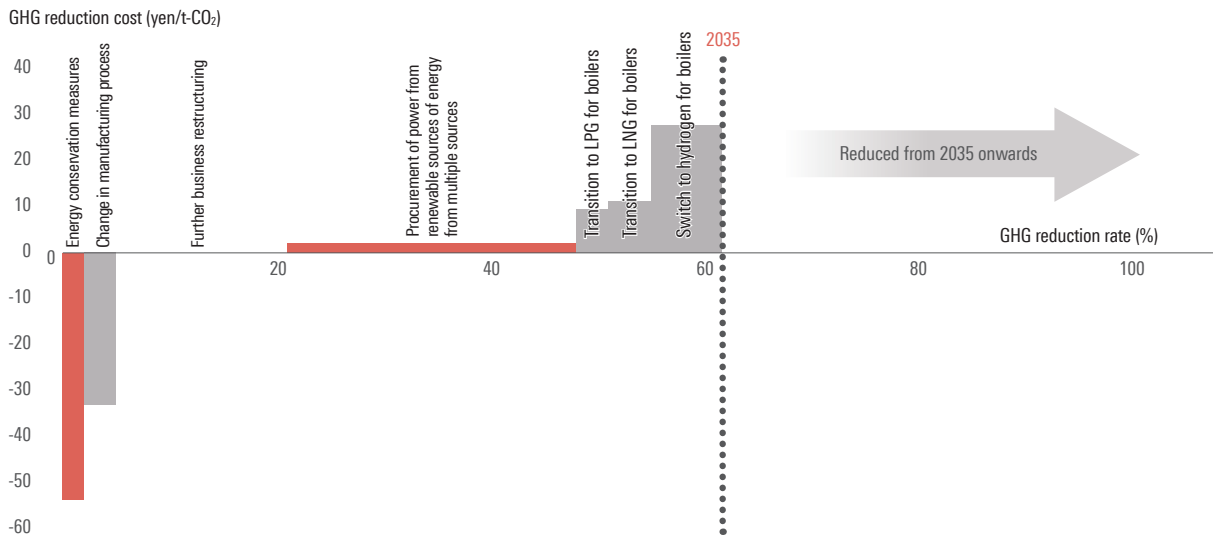
The Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) says that it is necessary to reduce CO₂ by 65% by 2035 from the 2019 level for the purpose of controlling the temperature rise to below 1.5°C. In light of this remark, the TODA Group preferentially carry out measures with high feasibility and with high cost-effectiveness. We have made the reduction of energy consumption through business restructuring and energy-saving initiatives. We will gradually work to change the energy sources used for boilers.

Specific measures until 2035 are as follows.



Roadmap for Scope 1 + 2 greenhouse gas emissions (details)

TCFD Climate Transition Plan



Initiatives and costs for GHG reduction until 2035 (in Japan)

Overview of investments and initiatives until 2035 (in Japan)

Investment plan	Business transformation - Further business restructuring
	Scope 1: Initial investment of approx. 1.3 billion yen - Energy-saving initiatives (reduction of heat loss) - Change in manufacturing processes (improvement in energy efficiency) - Transition to LPG for boilers - Transition to LNG for boilers - Switch to hydrogen for boilers (partly)
	Scope 2: Initial investment of approx. 0.1 billion yen - Energy conservation measures (high-efficiency lighting) - Procurement of power from renewable sources of energy from multiple sources
Funding plan	Using not only funds on hand but also positive impact financing and other sustainable financing

Scenario details

1.5/2°C scenario

Under these scenarios, regulations and policies aimed at achieving carbon neutrality by 2050 are strengthened, around the world, action on climate change that exceeds the current status quo is implemented, and the rise in mean temperatures compared with pre-industrial levels is kept to within 1.5-2.0°C.

- Costs will be incurred to respond to regulations and policies, and transition risks such as rising prices of electricity from renewable energy will increase.
- Although the physical risks are also expected to increase, the impact will be minor compared with the 4°C scenario.
- Information sources: IEA^{*1}, WEO^{*2} 2022 NZE Scenario^{*3} and IPCC^{*4} RCP^{*5} 1.9, RCP 2.6, etc.

4°C scenario

Under this scenario, action on climate change beyond the current status quo is not taken, and mean temperatures rise by around 4°C compared with pre-industrial levels.

- Physical risks will increase, including greater damage due to increasingly severe abnormal weather events, and rising costs to deal with heat caused by higher air temperatures.
- Although transition risks are also expected to increase, their effects will be minor compared with the 1.5°C and 2°C scenarios.
- Information sources: IEA WEO2022 STEPS scenario^{*6} and IPCC RCP 4.5, etc.

^{*1} IEA: International Energy Agency
^{*2} WEO: World Energy Outlook A report providing estimates on energy demand and technological development among other information.
^{*3} NZE Scenario: A net-zero emissions scenario. A scenario in which developed nations achieve net-zero emissions by rapidly increasing clean energy policies and investments.
^{*4} IPCC: Intergovernmental Panel on Climate Change
^{*5} RCP: Representative Concentration Pathway. A representative pathway for radiative forcing.
^{*6} STEPS Scenario: Existing government policy scenario. An energy system where only current policies are implemented and no new policies are introduced.



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03

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Society

Since our founding, we have been serving people and society as a company built upon technology. The growth of each of our employees builds trust with local communities and supports the sustainability of society. Our corporate culture of respecting people creates value that continues into the next generation.



Product Innovation

The TODA Group is carrying out open innovation, seeking to create new products and technologies that benefit the environment while strengthening upgrading our intellectual property strategy. We define them as materialities related to product innovation.

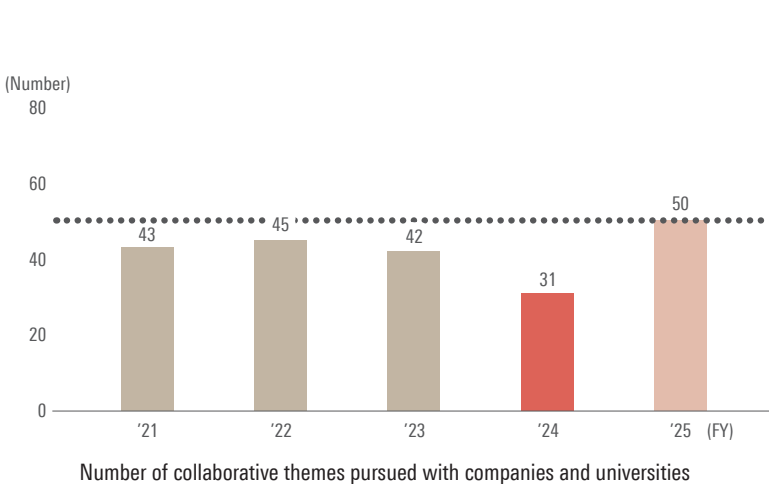
Accelerating open innovation

We have a goal of pursuing at least 50 collaborative themes with companies and universities by 2025. This is one of our materialities associated with open innovation.

The number of collaborative themes decreased to 31 in fiscal 2024. The main reason for the decline is that we revised the criteria for counting collaborative themes to significantly narrow the scope to those based on which additional value was continuously created.

We are strengthening efforts to increase collaborative themes to be pursued with other companies and universities in relation to next-generation and growth businesses in business portfolio management. One of them is a collaborative theme with the leverage of NanoTerasu, a next-generation synchrotron radiation facility at Tohoku University.

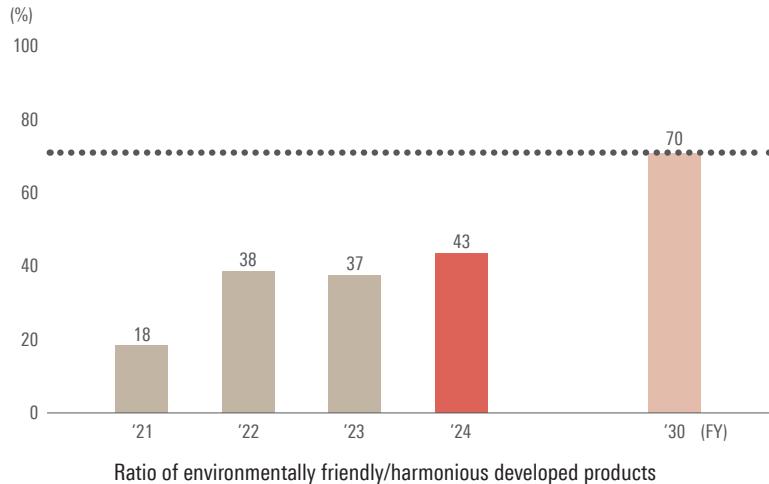
In fiscal 2025, we will continue to pursue initiatives aimed at increasing collaborative themes with companies and universities.



Creating new products and technologies that contribute to the environment

We have a goal of reaching 70% or more by 2030 in terms of the ratio of environmentally friendly/harmonious developed products to research and development themes. This is one of our materialities concerned with the creating new products and technologies that contribute to the environment.

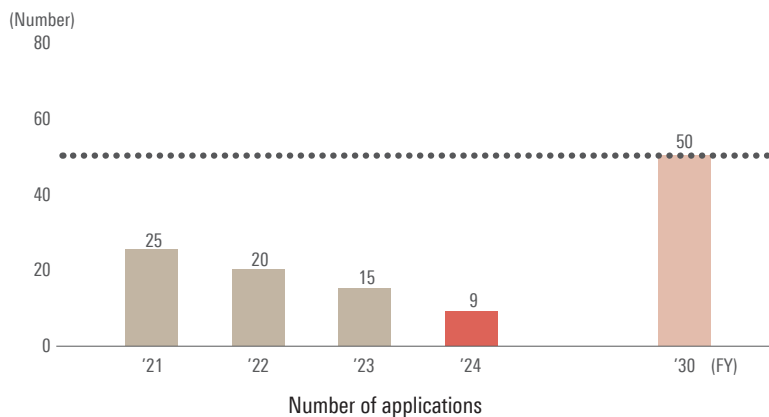
Development of fine particle dispersion products is an example of research and development themes in fiscal 2024. In our production of fine particle dispersion, we have adopted an energy-efficient dispersion process. Our supply of dispersion to customers removes their need to perform a powder dispersion process and reduces total energy consumption, not only on our part but on customers' part. In fiscal 2025, we will continue our efforts to increase the ratio of environmentally friendly/harmonious developed products.



Strengthening of intellectual property strategy

We believe that, to maintain and expand our business, we need to develop technologies that enable us to solve customers' issues, ahead of other companies, and secure intellectual property rights. To link the achievements from development efforts to comprehensive patent applications covering multiple aspects of the technology, we have set a target of increasing the annual number of patent applications to 50 by 2030 in our materialities.

In fiscal 2024, we filed nine new patent applications. We focused on patent applications related to dielectric materials, soft magnetic materials, and environmental related materials. These materials fall under the category of growth businesses. To consistently increase business revenue, we need to secure patent rights strategically. We analyze intellectual property information to clarify the positions of our own and other companies' intellectual properties and technologies, and strive to build the intellectual property portfolio that we need for our business activities. We provide intellectual property education tailored to the experience of developers to foster human resources who are committed to securing high-quality rights.



Process Innovation

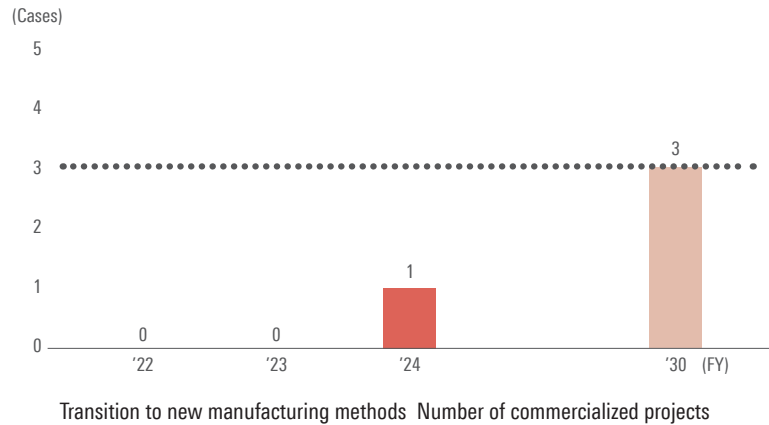
The TODA Group is working to transition to new manufacturing methods, to reinforce infrastructure and facilities and to realize a circular economy. They are materialities related to process innovation.

Transitioning to new manufacturing methods

We have a goal of bringing at least three new manufacturing methods into a commercial application by fiscal 2030. This is one of our materialities.

In fiscal 2024, we newly automated a process for rare earth magnet materials and constructed different pilot plants. In the future, we will work to identify issues for the purpose of future mass production.

- 1. Transition to iron material manufacturing method
We built a pilot plant for a purification technology.
- 2. Transition to the method of manufacturing dielectric materials
We built a pilot plant for a high purity next-generation product.
- 3. Transition to the method of manufacturing metal materials
We built a pilot plant for ultrafine particle reduced iron.
- 4. Transition to the method of manufacturing rare-earth magnetic materials
We introduced a robot to switch from the manual process to an automatic one.



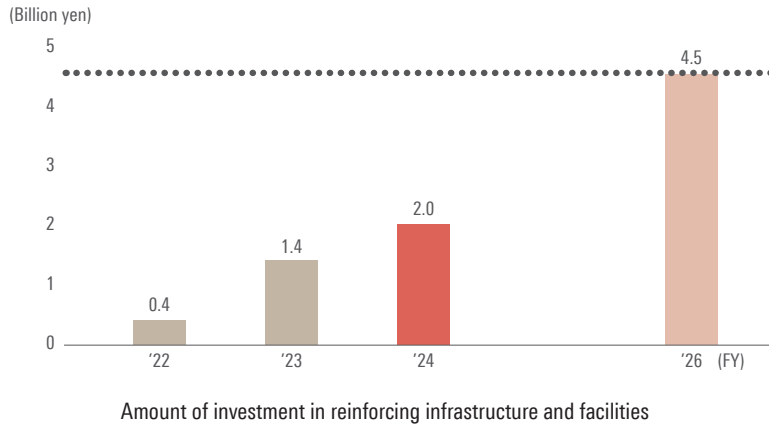
Reinforcing infrastructure and facilities

We have a plan to make capital investment of 4.5 billion yen (in total for fiscal 2022-2026) in reinforcing our infrastructure and facilities. We have determined this as one of our materialities.

As of the end of fiscal 2024, we had made 37% of the planned investment (1.6 billion yen out of 4.5 billion yen). Key initiatives are as follows:

- Consolidation and transfer of the functions of the building of production bases
- Introduction of thermal control systems as highly energy-efficient equipment
- Replacement of process control computers with the latest models
- In the initiative for “the consolidation and transfer of the functions of the building of production bases,” the improvements to production sites with considerations for safety and workability (labor saving and DX), we removed unused equipment to extend rare earth-related facilities.

Making considerations from the viewpoints of energy efficiency and productivity, we are working to evolve our production sites to make them more friendly to the environment and employees.

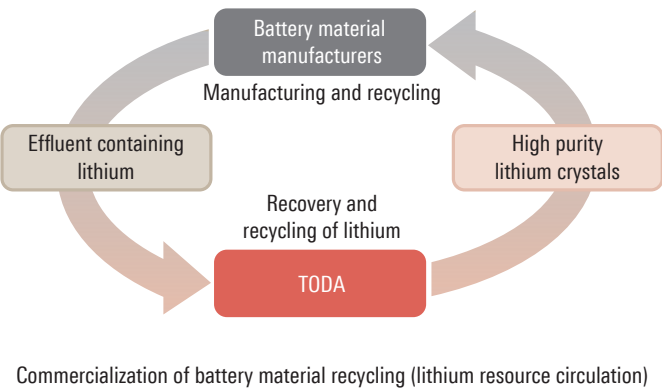


Circular economy

We aim to commercialize the recycling of battery materials. This is one of our materialities associated with the circular economy. Leveraging our expertise as an iron oxide manufacturer, we are working to develop technologies for recovering iron from slag and sludge and recovering lithium from waste lithium batteries.

In fiscal 2024, we succeeded in recycling recovered lithium into a battery material. In addition, we performed verification of the upscaling of the method and a process design. We are making preparations with a view to commercialization by fiscal 2030. This technology is applicable to Direct Lithium Extraction*, a technology that is currently drawing attention. We believe it will be helpful to the stable supply of lithium materials, which are expected to be in higher demand in the future.

* Direct Lithium Extraction: A technology that directly extracts lithium from saltwater (brine) drawn from salt lakes and geological layers



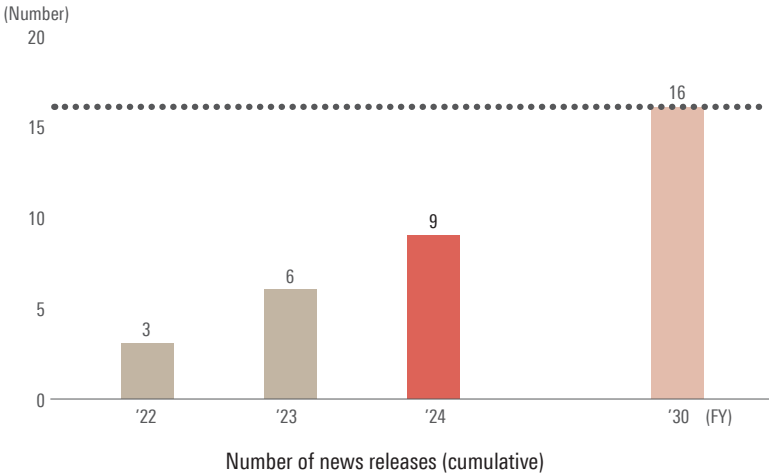
Marketing

The TODA Group is working to increase the number of news releases, the marginal profit rate and the percentage of overseas sales. These are all materiality indicators associated with marketing.

Number of news releases

At the TODA Group, we are working on branding to make ourselves known to markets and customers. As a relevant materiality indicator, we have set a target of increasing the cumulative number of news releases about products and technologies to 16 or more by fiscal 2030.

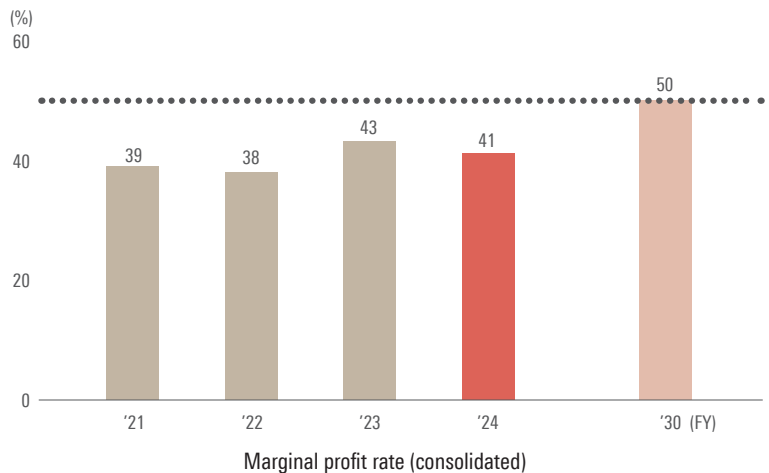
- In fiscal 2024, we published the following three news releases.
- TODA Begins Joint Research and Development with Tohoku University Using NanoTerasu 3GeV Synchrotron Radiation Facility (April 9, 2024)
 - TODA Exhibits CO₂ Management Technology Using Iron Oxide at the COP29 Japan Pavilion Virtual Showcase (November 8, 2024)
 - TODA and Sanyo Chemical Jointly Develop Two-Part Curable Magnetic Urethane Resin Suited to Thermal and Electromagnetic Interference (EMI) Protection of Electronic Devices (March 3, 2025)



Marginal profit rate

To provide high added value, the TODA Group is working to strengthen its businesses through M&A and to streamline them through business portfolio management. As a relevant materiality indicator, we have set a target of increasing consolidated marginal profit rate to 50% or more by fiscal 2030.

In fiscal 2024, the consolidated marginal profit rate fell from the previous fiscal year to 41%. There are two reasons for the decrease. First, we reorganized a Korea-based operating company specializing in soft magnetic materials from an associate accounted for using the equity method into a consolidated subsidiary. That increased the percentage of overseas companies with low marginal profit rates in the TODA Group. The other is that we decided to liquidate a Canada-based operating company specializing in battery materials, after its financial position had deteriorated following a slowdown in demand for EVs. We posted a negative marginal profit related to this.

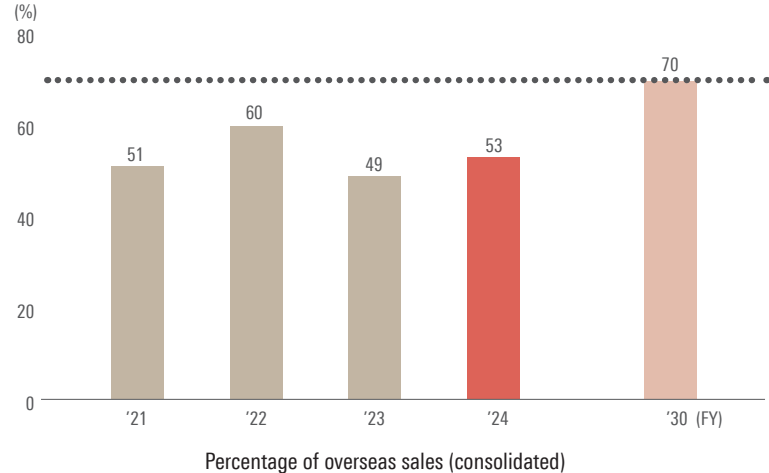


Percentage of overseas sales

As a materiality indicator related to overseas market cultivation, we have set a target of increasing the percentage of overseas sales to 70% or more by fiscal 2030.

In fiscal 2024, the percentage of overseas sales rose from the previous year to 53%. The increase in sales associated with the reorganization of the soft magnetic materials company in Korea into a consolidated subsidiary was larger than the decrease in sales following the liquidation of the battery materials company in Canada. That in turn resulted in the increase in percentage of overseas sales.

We will continue responding to needs in global markets to boost overseas sales of magnetic materials, dielectric materials, soft magnetic materials and environmental related materials. We have defined businesses concerning these materials as growth and next-generation businesses.



Initiatives for Safety

Toda Spirits—Manufacturing that creates a better future

- Manufacturing that puts safety and security first
- Manufacturing that seeks trust and satisfaction from customers and business partners
- Manufacturing that individuals endeavor to improve with the use of their capacity
- Manufacturing that creates originality and marketability
- Manufacturing that seeks stability, reproduction and efficiency of quality
- Manufacturing that is implemented on a global scale with environmental consideration

Safety Basics

In accordance with the first line of the Toda Spirits, the TODA Group endeavors to prevent occupational accidents in order to protect the happiness of individual employees and their family members.

- Article 1
- Human life and human safety are given top priority.
- Article 2
- Safety is achieved with the involvement of all personnel.
- Article 3
- We develop human resources for safety.
- Article 4
- We remove or improve unsafe situations without leaving them.
- Article 5
- Safety is based on “5S.”
- Article 6
- All workers work in accordance with established rules.
- Article 7
- We thoroughly investigate the causes of disasters and prevent recurrence.
- Article 8
- We aim for intrinsic safety with the risk assessment in advance.
- Article 9
- We seek the creation of comfortable workplaces.

The TODA Group gives top priority to the safety and health of its workers. We will enhance workplace environments to ensure that our staff can keep working safely and with peace of mind. At the same time, we also carry out personnel development.

Safety and health structure

We cooperate with individual offices and plants in activities related to safety and health of the overall TODA Group, mainly via the Safety and Health Committee.



Major initiatives

To evaluate the effectiveness of our safety and health activities, we have set key performance indicators (KPIs).

Major KPIs (in Japan)

Items	Target	FY2024 result	
Occupational accident rate	1.20 or less	○	0.00
Severity rate of occupational accidents	0.10 or less	○	0.00
Percentage of employees who receive general health checkups	100%	○	100%
Percentage of employees who receive special health checkups	100%	○	100%
Percentage of employees undergoing stress checks	98.5% or more	○	98.6%
Percentage of employees with high stress levels	15% or less	○	9.8%
General health risks	100 or less	○	90

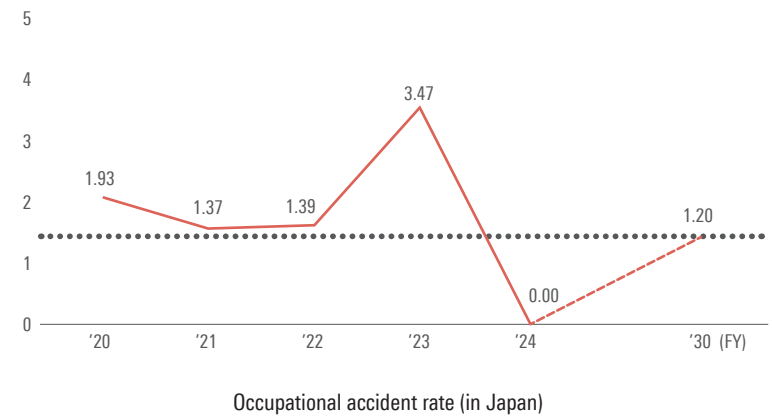
* The frequency of occupational accidents and the severity of occupational accidents are calculated for the period from January to December.
The other indicators are calculated for the period from April to March.

State in fiscal 2024

As one of the materialities related to the pursuit of zero serious accidents, we have set a target of decreasing the occupational accident rate* to 1.20 or less by fiscal 2030.

In fiscal 2024, the occupational accident rate was 0.00, since there were no accidents accompanied by lost work time. We achieved the status of zero accidents with lost work time for the first time since 2018, when we began taking statistics. While six accidents without lost work time occurred, there were no occupational injuries caused by chemicals (following contact with hazardous substances and suchlike).

In fiscal 2024, our initiatives included the appropriate use of protective equipment and fit tests based on a risk assessment following the tightening of regulations on chemicals under the Industrial Safety and Health Act. With regard to health, we placed particular emphasis on measures to prevent heat stroke. We were proactive in providing training and taking preventive action. These efforts resulted in zero heat stroke accidents and zero cases of near heat stroke.



Quality Assurance, Product Safety and Customers' Health

Quality Policy

- 1. We will provide quality to seek customers' trust and satisfaction.
- 2. We will strictly observe laws as well as social requirements to provide safe and secure goods.
- 3. Working with the TODA Group companies and with suppliers, we will conduct activities for continuous quality enhancement.

Policy on product safety and customers' health

Strive to ensure product safety by developing products with safety, health, and environmental considerations and providing information in response to changing needs.

Priority initiatives

- 1. Comply with and monitor laws and regulations in Japan and other countries.
- 2. Begin to manage hazard and toxicity information of chemical substances in the product design phase.
- 3. Provide customers with product safety information proactively and collect information from them.
- 4. Build a framework for responding to emergencies.
- 5. Provide employees with training on laws, regulations, and internal rules related to product safety.

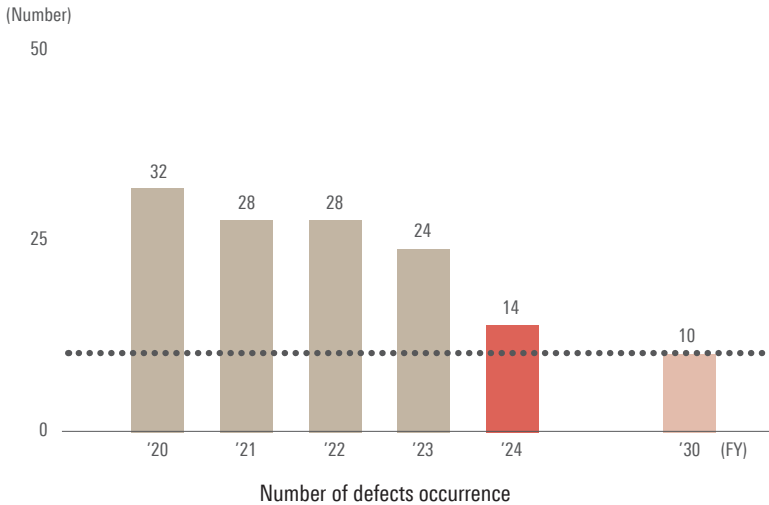
The TODA Group conducts ongoing improvement activities involving product safety, customers and health, and carries out quality assurance activities in accordance with its Quality Policy.

Number of defects occurrences

As one of the materialities related to quality assurance, the TODA Group has set a target of reducing the number of defects to ten or below by fiscal 2030. The number of defects occurrence is a combination of the number of claims and the number of process anomalies.

In fiscal 2024, the number of defects occurring decreased, mainly due to a fall in number of complaints. Meanwhile, the number of process anomalies was nearly the same as in the previous fiscal year.

In fiscal 2025, we will take steps to reduce operational errors through activities aimed at reducing the number of process anomalies. They include the introduction of error prevention mechanisms and the visualization of operational procedures.



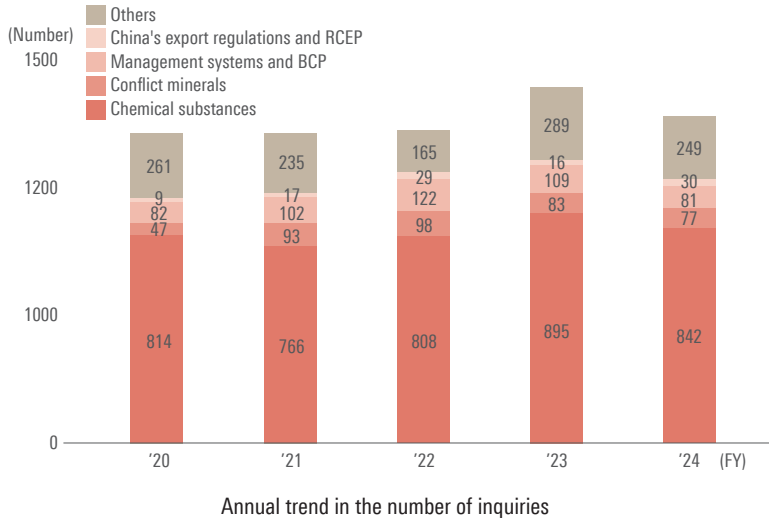
Provision of product-related information

The TODA Group takes a stance of responding quickly and politely to inquiries concerning the inclusion of dangerous or hazardous substances in products and their content, conflict minerals, management systems, business continuity plan (BCP) and other matters in accordance with its policy on product safety and customers' health.

We have a target of zero accidents related to product safety and a 100% rate of responding to customer inquiries.

In fiscal 2024, there were no accidents involving product safety.

Recent years have seen growing needs for tariff-related investigations, including China's export regulations and certificates of origin under the Regional Comprehensive Economic Partnership (RCEP).



Sustainable Procurement

The TODA Group has formulated the Procurement Code of Conduct in accordance with its Compliance Code of Conduct and internal rules.

Procurement Code of Conduct

- 1. Statutory compliance and fair trade
- 2. CSR activities and society contribution
- 3. Green procurement (protection of resources and conservation of the environment)
- 4. Fair and impartial standards for transactions
- 5. Selection of suppliers based on economic rationality
- 6. Avoidance of speculative transactions
- 7. Stricter information management
- 8. Responsibility for respecting human rights in procurement transactions
- 9. Resources management and efficiency of transactions

For the responsible sourcing of minerals

The issue of mining in conflict regions is today being taken more seriously around the world. The United States and the European Union are tightening their regulations. In the United States, information disclosures on minerals originating from the Democratic Republic of the Congo and other conflict regions are required under the Dodd-Frank Act of 2010. The EU introduced its conflict minerals regulation in 2021. The TODA Group asks its business partners to conduct procurement activities in accordance with the Responsible Minerals Assurance Process (RMAP). We deal not only with conflict mineral issues but with problems about extended minerals such as cobalt and natural mica.

The TODA Group places high priority on safety, the environment, human rights and quality in its procurement, development, production and sales activities. We work with partners who aspire to solve social issues in the same way, and strive to engage in fair trade, fulfill our supply responsibilities and contribute to society.

Major initiatives

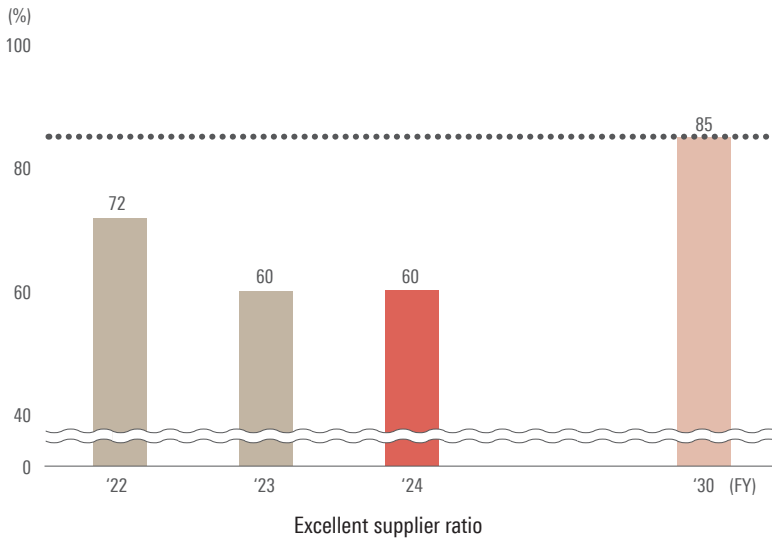
To conduct sustainable procurement, we ask our suppliers to make assessments using a check sheet. We distribute the CSR Self-Check Sheet (prepared in Japanese, English and Chinese) to our major suppliers and ask them to answer survey items on the sheet to confirm their strengths and improvements. We designate suppliers with a total score exceeding 85% in this survey as excellent suppliers. We commend suppliers who have achieved especially high scores and contributed to the TODA Group’s business and society. To have more suppliers designated as excellent suppliers, we regularly hold a session for explaining our policy and initiatives and support our suppliers through information provision and dialogues.

Major investigation items in the CSR Self-Check Sheet

Initiatives for quality	External certifications, such as ISO 9001 certification Supplier management
Environmental considerations	External certifications, such as ISO 14001 certification Carbon neutrality and water resources
Respect for human rights	Human rights due diligence Employment conditions and removal of discrimination and harassment
Safety and health	Safety for workers, consideration for workers raising children Preparations for emergencies and provision of hygiene equipment
Sound business management	Information security and intellectual property Responsible sourcing of minerals
Business continuity plan	Emergency structure and recovery projection Education and training and alternative strategies

State in fiscal 2024

As one of our materialities related to stable supply, we have set a target of increasing the percentage of excellent suppliers to 85% or more by 2030. In fiscal 2024, the excellent supplier ratio was 60%. Specifically, 50 suppliers out of our 84 were rated excellent. In recent years, the percentage of excellent suppliers has declined because we have raised the level of requirements about the environment, human rights and our business continuity plan for the purpose of visualizing business risks. We determine 40% of our suppliers, specifically 34 out of 84, which have particularly weak initiatives, as subject to risk management. We carry out on-site audits and document audits to urge them to redress their weaknesses.



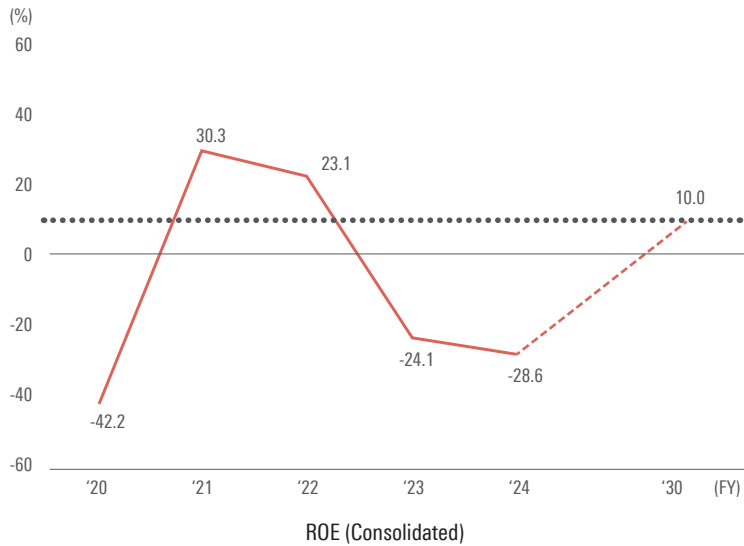
Financial Base

The TODA Group has identified its financial base as one of the materialities. To earn the trust of all stakeholders in an environment of volatility, uncertainty, complexity and ambiguity (VUCA), we believe it is essential to ensure sustainable revenue and maintain sound financial capital.

Stabilization of ROE (consolidated): A fiscal 2030 target of 10% or more

In fiscal 2024, ROE stood at negative 28.6%, far below the target level. This was due to a net loss following the considerable impacts of a non-consolidated operating loss in the first half and an operating loss posted by the operating company in Canada, as well as the posting of provisions for a loss on liquidation of a subsidiary.

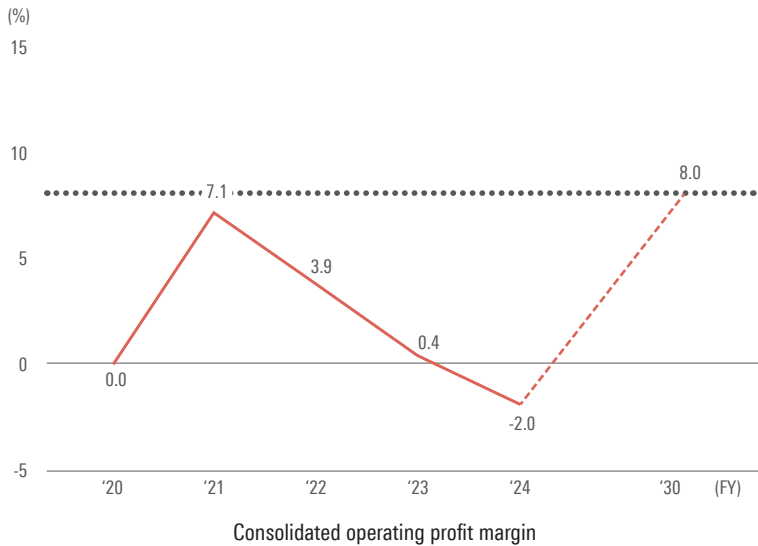
Starting from fiscal 2025, we will pursue initiatives to ensure that individual group companies achieve their operating profit targets in their respective core businesses and to remove special factors that would lead to the posting of extraordinary losses, aiming to achieve positive profit. In addition, we will shorten the cash conversion cycle, liquidate and sell off idle and non-operating assets and consider asset fluidization among others to compress our total assets and to achieve the ROE goal.



Operating profit margin (consolidated): A fiscal 2030 target of 8% or more

In fiscal 2024, operating companies in China and Korea marked positive operating profits, with strong sales of magnet and soft magnetic materials. On the other hand, the EV market growth slowed. That led to a substantial non-consolidated operating loss and the operating company in Canada. As a result, we posted a negative operating profit margin.

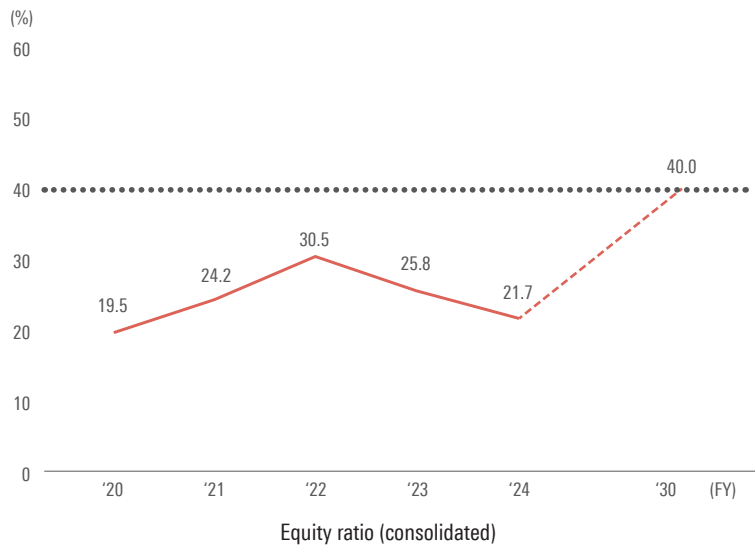
In the future, we will endeavor to expand the magnet and dielectric materials business, to make closer intra-group collaboration regarding soft magnetic materials, and to speedily commercialize environmental related materials. In addition, we will revise product prices and cut costs and expenses for coloring and toner materials to increase profitability in this area. We will pursue these initiatives to enhance our business portfolio management and meet the operating profit margin target.



Equity ratio (consolidated): A fiscal 2030 target of 40% or more

In fiscal 2024, the Japanese yen weakened against the renminbi from its level at the end of the previous fiscal year. The foreign currency translation adjustment was positive. Meanwhile, profit went negative, and the equity ratio dropped after the posting of provisions, other losses and impairment of non-current assets due to the liquidation of the Canada-based operating company as well as a delay in turnaround of non-consolidated financial results.

In fiscal 2025 and beyond, we will improve our product price strategy to increase revenue. We will also cut expenses and improve efficiency to bolster retained earnings. In addition, we will implement efficient asset management by selling and repositioning assets in order to increase the equity ratio.

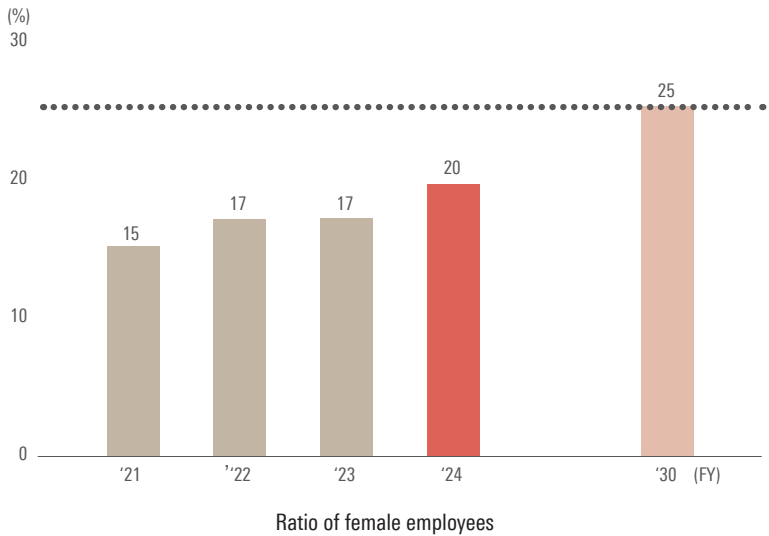


The TODA Group is working to create workplaces that unlock its personnel’s fulfilled potential and display their creativity. This is one of the materialities related to diversity, equity and inclusion (DE&I).

Ratio of female employees

As a materiality indicator, we have set a target of increasing the ratio of female employees to 25% or more by fiscal 2030.

In fiscal 2024, the ratio of female employees among new graduates was 36% (4 out of 11) and the ratio of female employees among mid-career recruits was 50% (7 out of 14). The ratio of female employees in total rose from 17% in the previous fiscal year to 20%. Our main facilities are situated in Hiroshima, Yamaguchi and other locations, which are seeing a significant outflow of young people. In order to recruit human resources even in this environment, we advertise a short working hours program for childcare and nursing care and positive achievements such as zero employees who leave their jobs after returning from maternity leave or childcare leave.

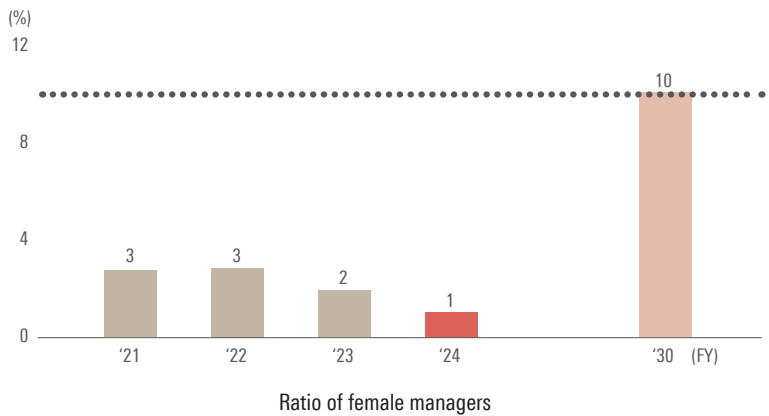


Ratio of female managers

As a materiality indicator, we have set a target of increasing the ratio of women among managers to 10% or more by fiscal 2030.

In fiscal 2024, this ratio dropped to 1%. This primarily reflected the age retirement of some female managers and a low ratio of female employees. We are currently supporting employees in accomplishing tough assignments, giving fast-track training to young personnel and accelerating their promotion in a bid to increase the number of female employees who will be future candidates for managers. In addition, we provide officers and managers with training for women’s career participation and advancement to change the existing organizational culture and the current state of management and to develop a workplace culture where female employees can play greater roles.

In the future, we will conduct career leadership training for female employees to help them with career building and to step up collaboration.



Rate of childcare leave and leave for childcare purposes taken by eligible male employees

As a materiality indicator, we have set a target of increasing the rate of childcare leave and leave for childcare purposes taken by eligible male employees to 95% or more by fiscal 2030.

In fiscal 2024, it reached 100%. Specifically, three male employees took childcare leave and one took leave for childcare purposes. We will continue raising awareness of the significance of taking childcare leave and encourage the construction of operational frameworks on the assumption that such leave is taken by someone in the workplace.

	FY2021 result	FY2022 result	FY2023 result	FY2024 result
Number of employees entitled to childcare leave	6	12	8	4
Number of employees taking childcare leave	2	11	8	4
Rate of acquisition (target: 95%)	33%	92%	100%	100%

Employee engagement improvement

We seek to improve employee engagement. This is one of the materialities.

In fiscal 2024, we did not conduct an engagement survey. We defined fiscal 2024 as a period for workplace improvement on the basis of the findings of the survey in fiscal 2023. We held a feedback meeting that gathered line managers from all of our facilities. In fiscal 2025, we are scheduled to conduct an engagement survey.

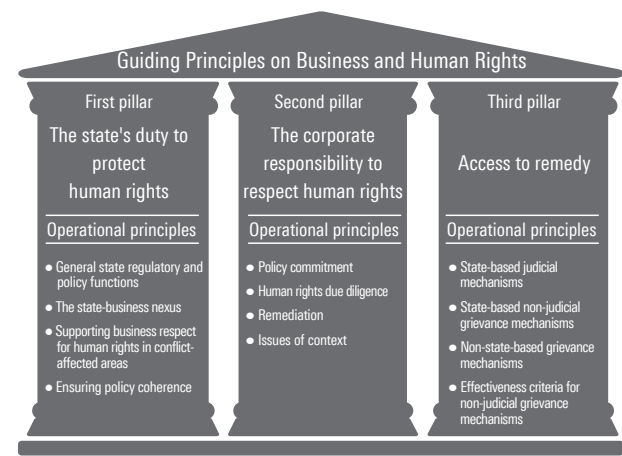


Respect for Human Rights

Human rights policy

The TODA Group has set its Purpose as “We transform the potential of fine particles into new possibilities for our world.” In our Management Principle, we are committed to “work on a foundation built on sincerity and trust and bring together our creativity and manufacturing strength to make a contribution to society in general with attractive new materials and solutions that are full of originality.” Under our Purpose and our Management Principle, we are determined to “be a company that is constantly trusted by our stakeholders” in our Management Policy, as well as to act with a strong sense of ethics as corporate citizens who are faithful and fair and to work for harmony and symbiosis with the local community and with the global environment in our Code of Conduct.

The TODA Group recognizes the importance of respecting the human rights of every individual affected by our business activities to achieve these commitments to society.



UN Guiding Principles on Business and Human Rights

The TODA Group has established the TODA Group Human Rights Policy based on the Guiding Principles on Business and Human Rights adopted by the United Nations.

Major initiatives

The TODA Group will actively work on the following items based on the United Nations Guiding Principles on Business and Human Rights:

Person in charge	President and Representative Director of the TODA KOGYO CORP. takes responsibility for practicing the Policy and will supervise the status of progress.
Education and training	We will provide our officers and employees with the necessary education and training.
Human rights due diligence	We will identify adverse human rights impacts in which we may be involved and strive to prevent and mitigate such impacts.
Remedy	We will institute appropriate remedial measures when it becomes clear that the TODA Group’s business activities produced or encouraged negative impacts on human rights.
Dialogue and consultation	We will use insiders’ and independent outsiders’ specialist knowledge on human rights and conduct dialogues and consultations with stakeholders.
Disclosure of information	We will disclose the progress and results of our efforts for respecting human rights on our website and through other media.

Identifying human rights themes that raise concern

The TODA Group identified six human rights themes that could potentially raise concern in its risk assessment in fiscal 2023.

- Migrant workers at domestic manufacturing sites
- Workers at overseas manufacturing sites
- Conflict minerals (Responsible sourcing of minerals)
- Workers at suppliers of raw materials and other materials and subcontractors
- 2024 problem in logistics
- Inappropriate use and disposal of products by customers and end consumers

State in fiscal 2024

In fiscal 2024, we selected migrant workers at domestic manufacturing sites as a priority theme from among the six human rights themes and carried out initiatives with a focus on technical intern trainees. We had an impact assessment of human rights issues conducted by third-party organizations*1 with respect to technical intern trainees employed by partner companies. The assessment of their working and living environments on the basis of the Dhaka Principles*2 found no problem with employment contracts, wage payments and the management of identification cards and dormitories. In group interviews with them, with the presence of interpreters of their mother languages, many of them expressed their satisfaction with systems for support from employers and the supervising organization and with their working and living environments. However, they revealed concerns about information provision in their mother tongues, measurement of the level of understanding about safety education and religious considerations. After we worked to redress these problems, a follow-up survey in January 2025 confirmed salary statements and cautions displayed in processes in their languages, the implementation of safety education, utilization of helpdesks and other improvements. We will continue holding dialogues with technical intern trainees to provide them with a better working environment.

In fiscal 2025 and later, we will be conducting on-site interview surveys as part of the impact assessment for workers at overseas manufacturing sites.

*1 Tokio Marine dR Co., Ltd. and Caux Round Table Japan
*2 Dhaka Principles: International principles formulated by the Institute for Human Rights and Business (IHRB) for responsible recruitment and employment of migrant workers



Personnel Development

The TODA Group is working to develop learning support programs that help its employees display their capacity and achieve growth for the purpose of creating and providing products and services that lead to customer satisfaction.

Personnel development policy

The TODA Group values the originality and diversity of its employees. It will continue working towards a bright future aiming to be a company that serves society with strengths in highly advanced development. To help employees develop their unlimited skills, we as a company will improve the working environment and support them in their learning to increase their expertise. In so doing, we aim to ensure that employees will lead happy lives full while securing proper revenue as a business entity so that we can return it to society and investors. At the time of the 200th anniversary of our founding and the 90th anniversary of our company establishment in 2023, we formulated our Purpose, which reads, “We transform the potential of fine particles into new possibilities for our world.” This was the organization’s reconfirmation of this goal. “Particles” was stated because of the fine particle synthesis technology that the TODA Group has nurtured since its founding. As is suggested by the Statement and the Slogan, by (fine) particles we also mean employees (personnel).

Ideal human resource image

People who have a positive impact on those around them by taking the initiative and setting an example

- Basic stance: Demonstrating leadership based on one’s role
- Technology-oriented mindset: Supporting the spirit of a company built upon technology and making constant efforts in personal improvement
- Organization-oriented mindset: Helping and developing each other
- Dignity: Constant cultivation of character

Next-generation management candidate training

As one of the materialities, we have set a target of keeping the number of participants in next-generation management candidate training at six or more per year.

Next-generation management candidate training is aimed at helping trainees acquire the knowledge and mindsets required of senior managers and at improving their management perspectives and leadership.

In fiscal 2024, six employees attended this training. The training confirmed their capabilities of drawing up a roadmap and leading members, capabilities that are essential leadership. It identified weaknesses in their ability to draw comments from others and to stimulate subordinates’ growth. To address these deficiencies, we will report the findings to and provide support for individual trainees.

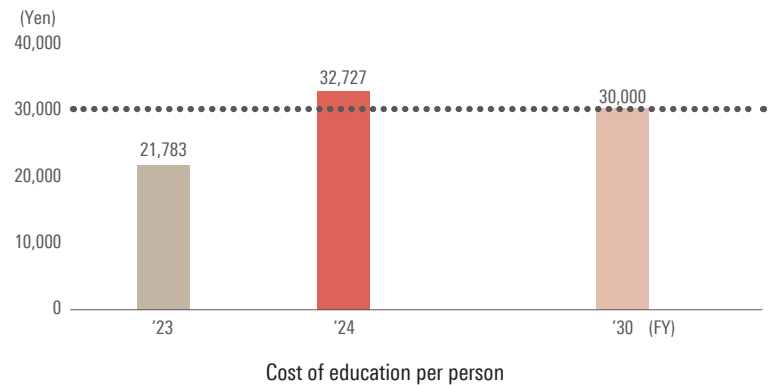
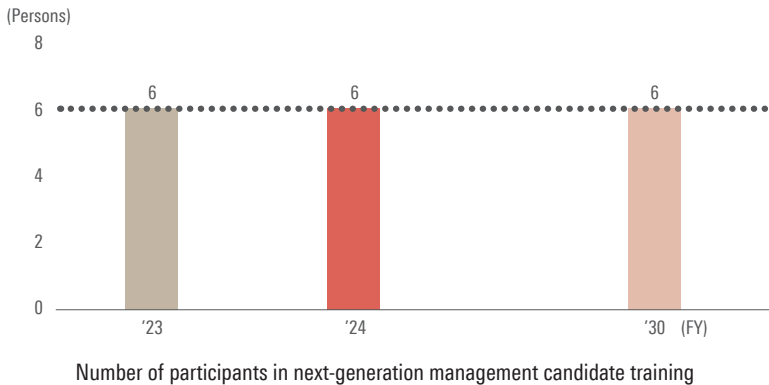
We will implement a succession plan, give tough assignments and take other measures to systematically discover and cultivate human resources that will benefit our management strategies.

Cost of education per person

As one of the materialities, we have set a target of increasing the cost of education per person to 30,000 yen or more by fiscal 2030.

In fiscal 2024, our cost of education per person stood at 32,727 yen. The cost increase resulted from the provision of unconscious bias training for encouraging women’s career participation and advancement, in addition to regular grade-specific training, correspondence courses, next-generation management candidate training and training for personnel assigned overseas.

In fiscal 2025, we will upgrade the grade-specific training. Its purpose is to strengthen the development of human resources who are aware of the roles expected from personnel at separate grades and who will play significant roles for the company in the future. In addition to that, we will conduct a management aptitude checkup. For optimizing quality and the cost of education, we will introduce online training and digitalization and take other innovative measures.



Contribution to Local Communities

As part of our contribution to local communities, we are engaged in a number of initiatives, including local cleanups, tree planting activities, cooperation in blood donation and the promotion of local sports and arts.

The Hiroshima Prefectural Government and the Hiroshima City Government run a wide range of initiatives aimed at nurturing the creativity of young people. As part of these initiatives, we help develop next-generation personnel in cooperation with local communities. For instance, our employees act as lecturers in science education support for elementary and junior high schoolers with the aim of interesting them in chemical technologies and research. In the Hiroshima Prefectural Science Seminar for senior high schoolers, we give academic advice on presentations of their studies. We also cooperate in various initiatives. One example is careers talks for junior high schoolers in Hiroshima City. These talks aim to deepen the students’ understanding of the significance of working and relationship with society. Another is the “Hiroshima Prefecture Career-Support Ambassadors” initiative, which communicates the appeal of working in Hiroshima.



Science education support

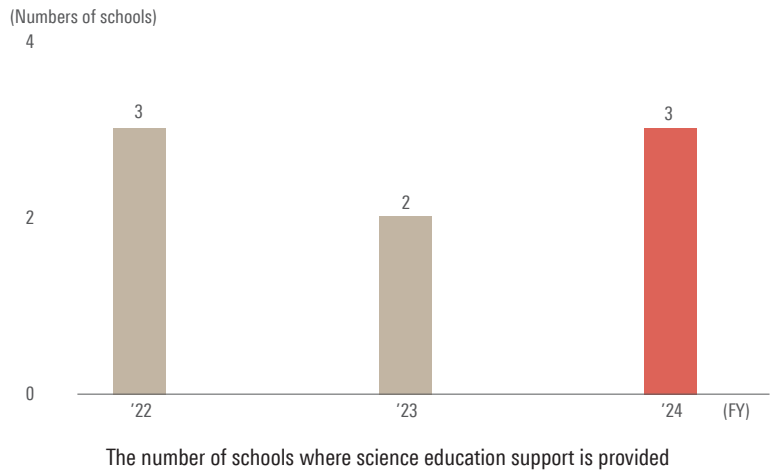
TODA gives visiting science classes and career education to junior high schoolers as part of its contribution to local communities. In addition, we strive to conserve the environment through local cleanup activities.

Science education support

In support of the objective of the activities of the Hiroshima Institute of Invention and Innovation, we are involved in the operation of its education support project and sponsor the Hiroshima Youth Invention Club.

Among other activities, we give science classes to elementary and junior high schoolers in the city of Hiroshima, aiming to encourage the rise of the next generation of innovators. In line with the science class content at elementary and junior high school, we explain the applications and functions of iron oxide. We also give children a task of making motors with permanent magnets or electromagnets.

In pursuing these activities, we hope that more children will be interested in the sciences and that they will go on to represent the future of science and technology.

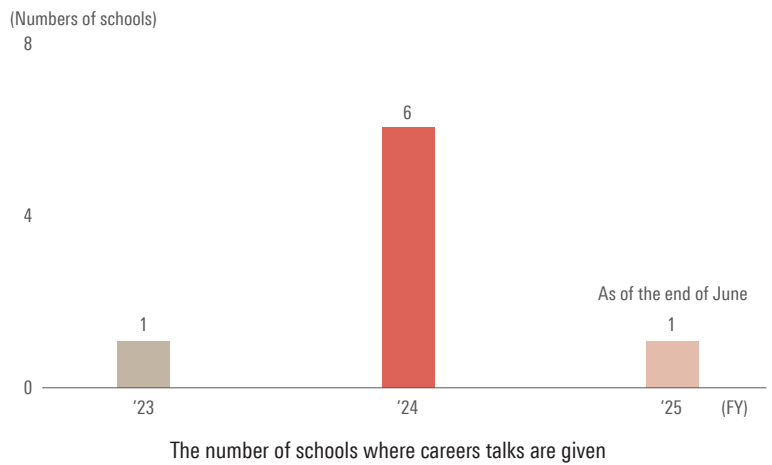


Careers talks for junior high schoolers

We have been providing careers talks since fiscal 2023, as part of our activities for career education support activities conducted in Hiroshima City. These activities help students learn about the significance, rewards and challenges of working. They give children the opportunity to gain a profound understanding about jobs, developing their views on working and increasing their willingness to choose their careers and to learn through stories told by people playing important roles in the career world.

The employees who give these talks offer plain explanations about their jobs to the junior high schoolers. They prepare elaborate materials and make thoughtful explanations. This process is a good opportunity for them to review their own jobs.

We hope that careers talks about jobs will inspire children to think about their own future and to take action for it.



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Governance

Throughout our history of more than 200 years, our approach to management has been based on sincerity and transparency.

We have solid governance that supports technological innovation.

In this era of change, we will continue to be a company that is worthy of the trust of our stakeholders.



Corporate Governance

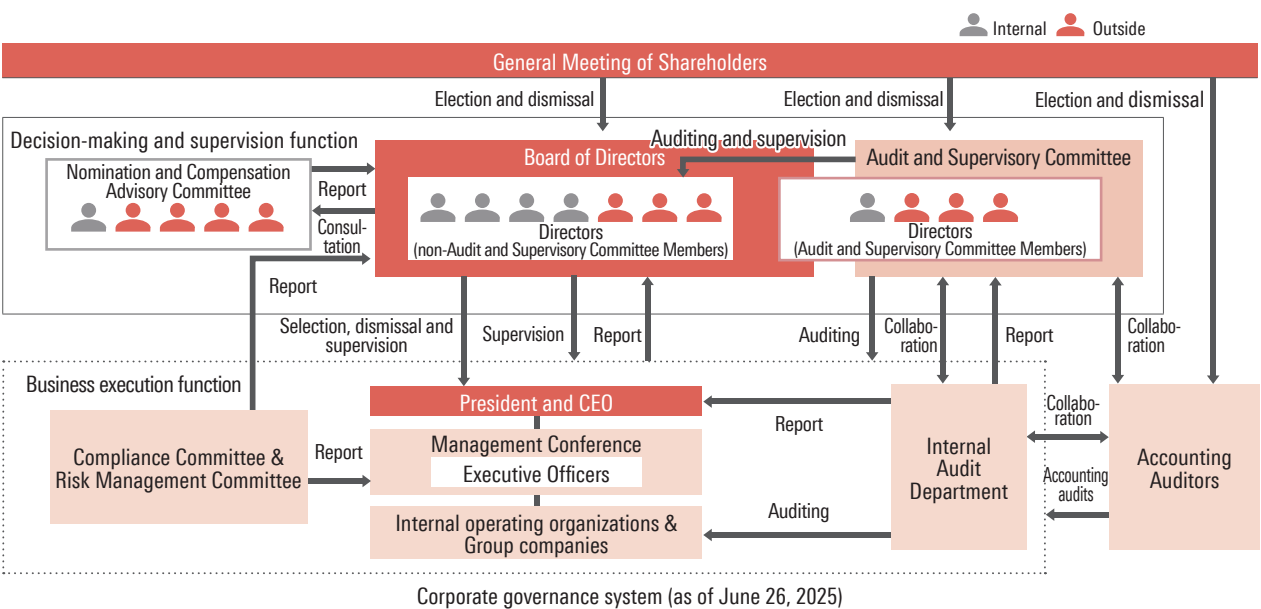
Basic stance on corporate governance

Aware that fulfilling its social responsibility as better citizens and as a better corporate citizen is a significant role, the TODA Group continues to base its business management on its Management Principle and its Management Policy, aspiring to achieve sound and continuous development towards the future. We will comply with relevant laws and ordinances, internal regulations and rules on the basis of the spirit of compliance. Our leaders will take the initiative in setting examples and ensuring that they are followed within the Company and known to companies in the TODA Group and to our business partners. In addition, we will not enter into any relationships with anti-social forces or groups.

We will bolster the Board of Directors’ function of monitoring business execution to ensure transparency in management. We will also seek to establish corporate governance that can swiftly respond to changes in circumstances. In addition, we will determine the principles set out below and endeavor to implement them for the purpose of equally protecting the rights and interests of shareholders and other stakeholders through the proper disclosure of information.

1. We will endeavor to protect shareholders’ rights.
2. We will endeavor to ensure equality among shareholders.
3. We will endeavor to build smooth relationships with non-shareholding stakeholders.
4. We will endeavor to ensure information disclosure and transparency.
5. We will endeavor to enhance supervision of management in a bid to ensure accountability to shareholders.

 TODA website, Corporate Governance

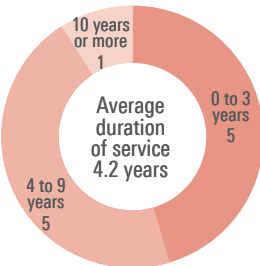
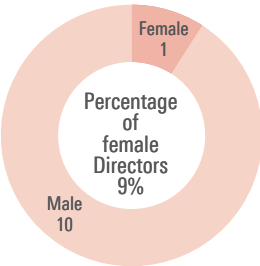
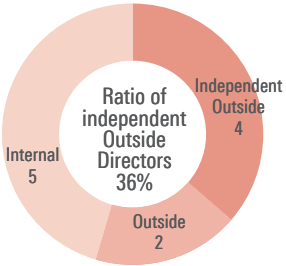


Board of Directors
It makes decisions and supervises business execution. It convenes at least once a month to discuss important matters and to make quick and appropriate decisions.

Nomination and Compensation Advisory Committee
It is a voluntary advisory body. In answer to consultations from the Board of Directors, it discusses the election and dismissal of Directors and Executive Officers and matters related to compensation for them, among other matters, and submits reports to the Board of Directors.

Executive Officers
They are appointed by the Board of Directors to conduct business execution for the Company. Business execution duties are divided and allocated to them according to instructions of the Representative Director. The Management Conference is held monthly to review and discuss business policies, business plans and their implementation of separate operating divisions as well as any problems they are facing.

Auditing and supervision
The Audit and Supervisory Committee Members and the accounting auditors hold regular meetings to collaborate with each other. The Audit and Supervisory Committee and the Internal Audit Department regularly exchange information with each other on the building, implementation and evaluation of the internal control system.



Composition of Directors (as of June 26, 2025)

Evaluations of the effectiveness of the Board of Directors

TODA conducts self-evaluations and analyses of the effectiveness of the Board of Directors, seeking to improve its decision-making and supervisory functions to maximize corporate value.

They were carried out for fiscal 2024 as outlined below. According to answers to the questionnaire, evaluations were largely positive and we understand that the overall effectiveness of the Board of Directors was maintained.

In view of the results of the evaluation, the Board of Directors will continue to fully discuss problems identified to respond swiftly and to conduct initiatives for improving its functions.

Implementation in fiscal 2024		
Subjects	All the Directors	
Method	Anonymous questionnaire	
Details	Questions were formulated and answers were analyzed with advice from an outside organization. The Board of Directors carried out an analysis, discussions and evaluations.	
Evaluations in fiscal 2023	Issues identified	Continuous enhancement of deliberations on the management strategies and management issues of the overall the TODA Group from a medium- and long-term perspective
	Major initiatives conducted	The Board of Directors and the Management Conference continued to discuss management strategies and issues concerning the entire the TODA Group and formulated a medium-term management plan and the Value Creation Process.
Evaluations in fiscal 2024	Issues identified	<ul style="list-style-type: none">• Full reports on dialogues with shareholders and investors to the Board of Directors and the incorporation of them into the Board of Directors’ deliberations• Efforts to continuously improve the functions of the Audit and Supervisory Committee and the Nomination and Compensation Advisory Committee
	Future initiatives	<ul style="list-style-type: none">• Use of feedback received in investor relations activities, such as business report meetings and briefings for individual investors, for deepening deliberations at the Board of Directors• Increase in information provided in timely and appropriate manners for each committee and strengthening of cooperation with relevant departments

Internal control

At the TODA Group, the President and CEO and all relevant officers and employees practice internal control by developing an environment conducive to increasing the effectiveness of governance and compliance initiatives.

In the development and practice of internal control, importance is attached to dialogues with Audit and Supervisory Committee Members and the Internal Audit Department. The Internal Audit Department evaluates management from a company-wide perspective, including management of the Group companies and departments of head office, in terms of the development and operation of internal regulations and the status of implementation of risk management and compliance initiatives, and provides feedback. Important control measures in work processes over the front lines of manufacturing, sales and administrative operations as well as operating companies in Japan and overseas are regularly audited. This is followed by on-site evaluations and reports on whether the measures are properly developed and implemented. In work sites, the department also gives advice from the viewpoint of improving the operational efficiency. The repetition of these evaluations and feedback instills internal control in the TODA Group’s management and operations and leads to the enhancement of governance.



Compliance

The TODA Group is working to maintain and improve its compliance on the basis of its Code of Conduct, according to which we will be corporate citizens who are faithful and fair and will act with a strong sense of ethics.

Behavior Standards

- We will observe laws and regulations, respect a fair social morality, and conduct activities in accordance with the behavior standards set out below.
- (1) We never provide, ask, pay, or accept any bribe.
 - (2) We never accept any gift, reward or entertainment which exceeds an ordinary social etiquette.
 - (3) We never have relationships with any anti-social forces and their relevant people/entities, and never aid and foment their activities.
 - (4) We will process all transactions with predetermined procedure, which will be properly recorded and subject to audit.
 - (5) We will refuse any offer from our customers or any others in the same trade when such offer violates any laws and regulations.
 - (6) Any officers or employees will honestly report all actual or suspected breaches of the laws and regulations immediately to Audit and Supervisory Committee Member or a Compliance Promotion Bureau.

 TODA website, Compliance Code of Conduct

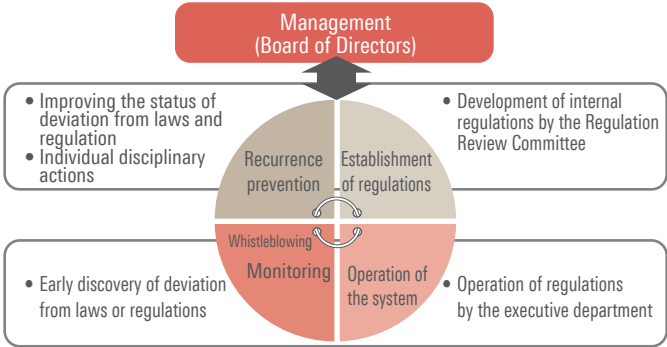
Management system

To promote and manage compliance initiatives in a companywide manner, we have established the Compliance Promotion Bureau under the Compliance Committee (Chairperson: President and CEO) and implement oversight and management. The Board of Directors confirms the status of action through reports received from the Compliance Committee, and makes decisions and supervises the development of the necessary systems and schemes. The Compliance Promotion Bureau is overseen by the Executive Officer in charge of compliance and consists of members of the administrative team from the head office and members from other offices and plants.

Major initiatives

The Compliance Promotion Bureau creates opportunities for deliberations on a monthly basis for ensuring more effective and flexible activities. It delivers reports on its discussions and the results of its activities so that the Board of Directors can oversee compliance operations effectively.

We believe that the ethics of each individual employee and the internal regulations as behavioral standards are important for ensuring regulatory compliance. We regularly provide compliance training to all officers and employees to help develop their ethics. We also provide harassment prevention training to increase their understanding of human rights. The Regulation Review Committee at the head office establishes internal regulations by reflecting necessary laws and regulations and making adjustments to prevent contradictions between internal rules. To ensure that our internal regulations are observed, we operate an internal portal that allows our personnel to learn about compliance in terms of laws, contracts, internal procedures and other areas.



Cycle of establishing and maintaining compliance

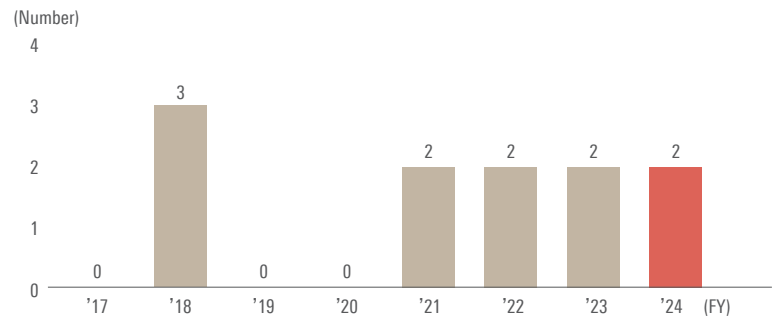
Number of serious statutory or regulatory violations

The TODA Group has set a goal of serious statutory or regulatory violations. It is one of our materialities relating to governance.

In fiscal 2024, we had no serious statutory or regulatory violations. We will continue our efforts to maintain and improve compliance.

Number of matters regarding which the compliance helpdesks were contacted

We operate a whistleblowing system in accordance with the Whistleblower Protection Act. To facilitate contacts and to protect those who do contact helpdesks, we provide a broad range of options for contact, including oral communication, phone, e-mail and writing. The helpdesks also accept anonymous contacts. The fact that any of the helpdesks is contacted and the information provided will be treated as confidential information and placed under strict control in order to prevent those who make contact from being disadvantaged. The trend in annual number of matters regarding which the compliance helpdesks were contacted over the past eight years shows that the figure has remained flat since fiscal 2021, when we enhanced external helpdesks.



Number of matters regarding which the compliance helpdesks were contacted



Risk Management

The TODA Group has set up the Risk Management Committee to appropriately address risks that may seriously affect its corporate activities and practices risk management in compliance with ISO 31000.

Stance on risk management

The TODA Group is engaged in day-to-day risk management and responses to incident risks, with a view to reducing business risks in anticipation of changes.

We have established the Risk Management Regulations and developed the necessary system and mechanisms to operate them. They are aimed at addressing risks that may have adverse impacts on our management to minimize the impacts. These regulations provide for a stance on risk management and our structure at normal times as well as for measures in the event of an emergency.

Management system

Chaired by the Representative Director, the Risk Management Committee is composed of Executive Officers and Full-time Audit and Supervisory Committee Members. It formulates risk management policies and discusses specific measures from a Group-wide and cross-organizational perspective. The Risk Management Committee has specified a responsible department for each one of the 14 types of risks managed by the TODA Group. The Risk Management Department has been established as an organization providing operational support to the Risk Management Committee. The Risk Management Department analyzes risks from a comprehensive, multilateral perspective and conducts activities that support departments responsible for different types of risks in assessing and addressing risks.

Major initiatives

Descriptions of initiatives

- Creation of risk maps based on frequency and severity
- Categorization (ESG, TCFD, and business risks)
- Risk level classification (five levels)
- Classification of risks by type and cause
- Verification of relationships with the TODA Group’s strengths and weaknesses, threats to it, and its opportunities

14 types of risks

Risk type	Examples
Safety	Occupational accidents
Quality	Product safety
Disaster	BCP measures
Social infrastructure and facilities	DX of production facilities
Climate change	Actions towards carbon neutrality
Legal affairs	Leakage of confidential information
Information security	2025 Digital Cliff
Procurement	2024 problems in logistics
Sales	Expansion of overseas sales
Finance and accounting	Foreign exchange rate fluctuations
Management and public relations	Delays in information disclosure
Intellectual property	Patent infringement
Overseas safety	Maintenance of security at overseas bases
Labor affairs	Actions for DE&I

State in fiscal 2024

In fiscal 2024, we stepped up our initiatives to address important risks related to the issues known as the “2024 problems in logistics” and the “2025 Digital Cliff.”

Transport disruptions arising from a shortage of drivers and workstyle reforms in the logistics industry emerged as a social issue. The TODA Group conducted a modal shift and utilized commercial warehouses to optimize logistical bases. We have thus readied ourselves to deliver our products in a timely manner.

The Ministry of Economy, Trade and Industry coined the phrase “2025 Digital Cliff” to call attention to the possibility of aged IT systems and a shortage of human resources with IT skills having a serious impact on corporate management. When the termination of support for mission-critical systems drew near, we identified risks such as a stalling of digital transformation and increasing difficulty in dealing with system failures. To address these risks, we have taken two measures. One is to set up the Digital Innovation Department. It reviews operations in separate divisions to streamline them with the use of digital technologies. The other is to innovate mission-critical systems. Concurrently, we are promoting the digital transformation of process management to improve accuracy in inventory control and quality management.

These initiatives were conducted in collaboration among different divisions at the initiative of management. They led to a strengthening of management foundations for sustainable growth.



Information Management

The TODA Group pushes forward with activities to manage information security by recognizing safe, reliable information management as a key management issue to properly and efficiently share and utilize all of its information assets related to its business activities.

Basic policy

The TODA Group defines the proper and secure management and utilization of information about customers, business partners and others handled in its business activities and information assets owned by the Group as a significant management issue. In accordance with the information security basic policy, we are conducting the following initiatives:

- Construct an information security management system
- Comply with laws, regulations and rules
- Implement information security measures
- Provide education and training continuously
- Conduct risk assessment and remediation activities
- Develop an incident response structure

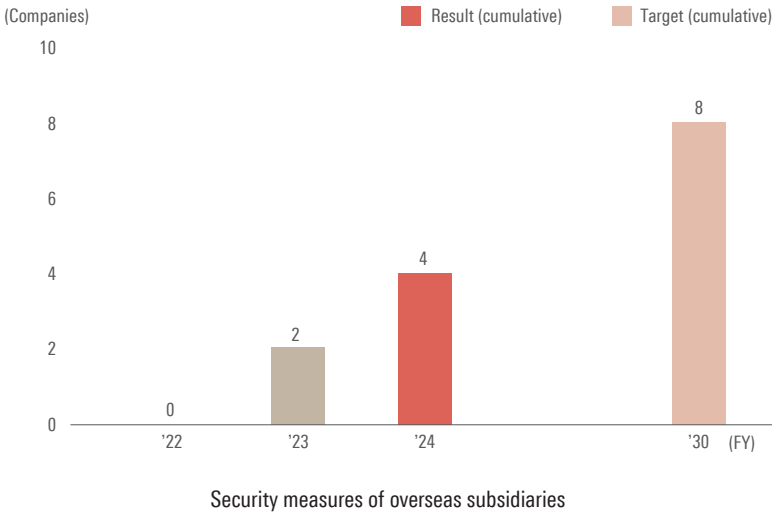
By taking these initiatives, we are striving to raise awareness throughout the organization and to build up the structures to ensure that all employees understand the importance of information management and that they take proper actions in day-to-day operations. We will continue enhancing information security and working on continuous improvement, flexibly adapting to changes in social circumstances and to technological innovation.



Enhancing the security measures of overseas subsidiaries

To counter the sophistication of cyberattacks and the growing risks of data leaks, the TODA Group defines the strengthening of the information security management system as one of its materialities. It strives for incident identification within 24 hours and an expanded response scope.

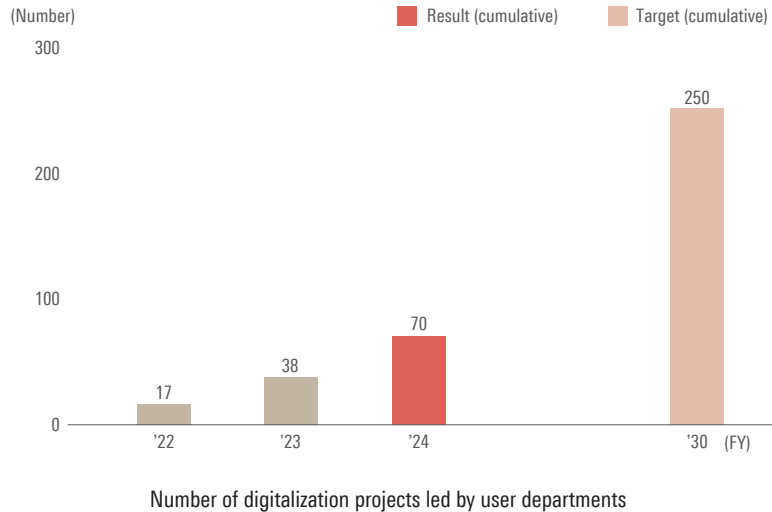
In fiscal 2024, we conducted measures to strengthen information security for two more overseas subsidiaries. The scope of response is steadily expanding from Japan to overseas facilities. The development of a global structure is in progress. Going forward, we will develop and entrench a uniform security standard to ensure the security level is the same across the whole TODA Group. In parallel, we will steadily carry out ongoing measures to strengthen security governance across the Group.



Number of digitalization projects led by user departments

The TODA Group positions improving information literacy as one of its materialities. This initiative is aimed at building up each employee's abilities to accurately understand and utilize information.

In fiscal 2024, there were 32 digitalization projects led by user departments, making a cumulative total of 70 projects. They made practical improvements on the initiative of on-site workers, including the introduction of cloud systems matched with operations and the creation of tools for automating routine processes. Meanwhile, some divisions were still at the stage of searching for ways to take advantage of digitalization. Unevenness was observed in the progress of initiatives. To address this problem, we will introduce successful examples and strengthen the support system to advance understanding and expand initiatives across the entire TODA Group.



Dialogues with Shareholders and Investors

Policy on dialogues with stakeholders

- To build long-term relationships of trust with our shareholders and investors, we will disclose accurate information fairly and impartially and have constructive dialogues with them.
- We will set up an IR department to have dialogues with our shareholders and investors.
- We will report the content of the dialogues to the Board of Directors.
- We will not provide insider information in the dialogues.

Information disclosure

TODA actively discloses information with the full understanding that appropriate, timely disclosures of corporate information form the basis of a sound securities market. We have established Corporate Governance Principles and Compliance Code of Conduct to stipulate how we should disclose information to each stakeholder. We enhance our internal systems to ensure prompt, accurate, fair and impartial disclosures of corporate information by maintaining the perspective of shareholders and investors at all times.

Our website has an Investor Relations page, where we disclose financial results, notices of the Annual General Meetings of Shareholders, and other information in Japanese and English. After a briefing on financial results or business matters, we publish the material used in the session and a video of the session. We take these and other initiatives in our efforts to ensure fair and impartial information disclosures.



TODA website, Investor Relations

TODA understands that the understanding and support of shareholders and investors are essential to its continuous growth and to the enhancement of its corporate value over the medium to long term. We are fully aware that timely and appropriate disclosures of corporate information constitute a core part of a sound securities market and we are proactive in disclosing information.

Major initiatives

The Corporate Planning Department plays a central role in our IR activities. At this department, sections in charge of public relations, finance and accounting, CSR and the environment, and others cooperate in activities related to the dialogues. In addition, it publishes materials for financial and business briefings and their transcripts (Japanese only), including question-and-answer sessions, on our website. We will continue our initiatives to enhance our information disclosures and communication with shareholders and investors.

Results of dialogues in fiscal 2024

	Event	Major spokesperson	FY2022	FY2023	FY2024
Institutional investors and analysts	Individual meetings	Department Manager of Corporate Planning Department, IR personnel	52	17	18
	Financial and business briefings	Representative Director, Department Manager of Corporate Planning Department	2	2	2
Individual investors	IR events	Representative Director, Department Manager of Corporate Planning Department, IR personnel	1	2	4
Shareholders	General Meeting of Shareholders	Representative Director	1	1	1

Initiatives for enhancing management through dialogues in fiscal 2025

The IR department reports quarterly the interests and expectations of shareholders and investors learned from its dialogues with them to the Board of Directors. TODA regards the feedback received through the dialogues as key suggestions to the Board of Directors’ deliberations for increasing our corporate value and we use it in management decision-making and developing measures.



section

05

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Data Section

Data are more than just records.
They are unspoken evidence of how we have faced and addressed the environment, society and corporate responsibility. We have fostered trust with society through information disclosures based on facts.
Our commitment to respecting transparency remains steadfast.



Key Financial Data for 11 Years (consolidated)

	Unit	FY3/15	FY3/16	FY3/17	FY3/18	FY3/19	FY3/20	FY3/21	FY3/22	FY3/23	FY3/24	FY3/25
Profit and loss status												
Net sales	million yen	34,045	28,510	27,889	32,781	34,354	33,147	29,024	35,332	34,934	26,234	31,667
Operating profit	million yen	912	1,051	(151)	1,370	299	(611)	11	2,519	1,367	117	(648)
Ordinary profit	million yen	963	(1,440)	(1,116)	1,195	412	(1,307)	(600)	4,184	3,349	1,168	(1,141)
Profit attributable to owners of parent	million yen	559	(6,865)	(2,926)	981	(0)	(5,285)	(4,142)	3,116	3,268	(3,581)	(3,563)
Comprehensive income	million yen	1,923	(7,574)	(3,025)	1,708	(691)	(5,681)	(3,195)	4,810	4,089	(1,866)	(2,776)
Financial position												
Net assets	million yen	29,334	21,297	18,029	19,542	18,408	12,590	9,375	13,958	16,559	14,525	11,777
Total assets	million yen	60,524	49,334	46,356	47,918	48,262	43,870	41,783	51,292	52,016	53,714	50,672
Equity ratio	%	46.5	41.1	36.7	38.4	36.1	26.2	19.5	24.2	30.5	25.8	21.7
Cash flows												
Cash flows from operating activities	million yen	1,794	(18)	2,100	1,652	128	2,259	612	903	833	(645)	3,820
Cash flows from investing activities	million yen	2,129	(150)	(2,694)	(226)	(1,747)	(239)	(1,219)	(1,138)	(375)	(1,429)	(1,890)
Free cash flow	million yen	3,923	(168)	(594)	1,426	(1,619)	2,020	(607)	(235)	458	(2,074)	1,930
Cash flows from financing activities	million yen	(3,497)	(1,131)	(474)	(1,962)	1,146	(120)	1,416	913	187	1,184	(2,131)
Cash and cash equivalents at end of period	million yen	6,405	6,028	4,824	4,328	3,760	5,542	6,492	7,527	8,476	7,943	7,837
Information per share												
Net assets per share	yen	4,889.34	3,519.11	2,954.46	3,194.17	3,021.81	1,997.25	1,411.60	2,155.82	2,744.37	2,399.20	1,904.96
Earnings per share	yen	97.13	(1,192.10)	(508.13)	170.43	(0.08)	(917.09)	(718.76)	540.59	566.5	(620.00)	(616.44)
Other indicators												
Return on equity (ROE)	%	2.1	-28.4	-15.7	5.5	-0.0	-36.6	-42.2	30.3	23.1	-24.1	-28.6
Number of employees	persons	883	905	1,188	1,186	1,206	1,188	1,208	1,303	846	1,112	1,067

* We switched to a new revenue recognition standard in April 2021.
 * Effective on October 1, 2017, we conducted a 1-for-10 consolidation of stocks.
 Net assets per share and earnings per share were calculated by assuming that the above consolidation of stocks was conducted at the beginning of the fiscal year ended March 2015.



Key Financial Data for 11 Years (non-consolidated)

	Unit	FY3/15	FY3/16	FY3/17	FY3/18	FY3/19	FY3/20	FY3/21	FY3/22	FY3/23	FY3/24	FY3/25
Profit and loss status												
Net sales	million yen	27,379	20,607	19,408	24,740	23,841	20,957	17,284	17,033	16,636	15,431	
Operating profit	million yen	616	384	78	1,720	(19)	(1,177)	(760)	833	(168)	(1,552)	
Ordinary profit	million yen	1,142	(2,054)	405	1,776	217	(1,601)	(650)	1,231	194	(75)	
Profit	million yen	(23)	(5,867)	(3,815)	699	(351)	(4,544)	(3,541)	1,598	1,319	(5,228)	(2,987)
Financial position												
Net assets	million yen	25,694	19,193	15,291	16,046	15,289	10,503	7,556	9,022	10,416	5,910	
Total assets	million yen	53,276	43,303	40,054	40,339	41,533	36,549	35,299	38,647	41,446	37,350	
Equity ratio	%	48.2	44.3	38.1	39.7	36.7	28.6	21.2	23.1	24.9	15.6	8.5
Other indicators												
Number of employees	persons	349	348	344	343	352	351	348	374	374	377	

* We switched to a new revenue recognition standard in April 2021.
 * Effective on October 1, 2017, we conducted a 1-for-10 consolidation of stocks.
 Net assets per share and earnings per share were calculated by assuming that the above consolidation of stocks was conducted at the beginning of the fiscal year ended March 2015.



Energy and Water Resources

Energy

	Unit	FY2021	FY2022	FY2023	FY2024
Total in Japan	GJ	971,450	875,445	761,536	745,911
Onoda Plant	GJ	617,655	555,323	486,852	474,183
Otake Plant	GJ	312,201	280,675	244,095	236,308
Okayama Plant	GJ	18,812	18,525	15,332	14,554
TOKYO SHIKIZAI INDUSTRY	GJ	21,920	20,483	14,843	20,427
Hiroshima Head Office	GJ	216	210	201	208
Tokyo Office	GJ	645	229	213	232
Procurement - LPG	t	2,013	1,654	1,799	1,775
Procurement - Heavy oil A	kL	1,495	3,153	2,598	5,157
Procurement - Kerosene	kL	955	825	755	676
Procurement - Light oil	kL	58	53	44	48
Procurement - Gasoline	kL	1	1	1	1
Procurement - Power	MWh	48,804	44,895	41,624	40,957
Power from fossil energy sources	MWh	48,804	44,895	462	15,807
Power from renewable energy sources	MWh	0	0	41,162	25,150
Procurement - Steam	GJ	294,304	196,645	155,107	64,821
Procurement - Cold water	GJ	163	0	0	0
Use rate of renewable energy	%	0	0	47	29

Water resources

	Unit	FY2021	FY2022	FY2023	FY2024
Total water consumption	ML	558	658	693	653
Onoda Plant	ML	358	472	557	519
Otake Plant	ML	137	136	94	94
Okayama Plant	ML	63	50	42	39
TOKYO SHIKIZAI INDUSTRY	ML	0	0	0	0
Total water intake	ML	2,353	2,193	2,096	2,118
Water intake source - Clean water	ML	77	75	65	72
Water intake source - Industrial water	ML	2,151	2,015	1,939	1,959
Water intake source - River water	ML	124	103	92	87
Water intake source - Groundwater	ML	0	0	0	0
Total wastewater volume	ML	1,795	1,534	1,403	1,464
Discharge destination - Sea	ML	1,618	1,384	1,252	1,309
Discharge destination - Rivers	ML	66	57	54	51
Discharge destination - Urban wastewater systems	ML	111	94	96	103



Waste and PRTR Substances

Waste

	Unit	FY2021	FY2022	FY2023	FY2024
Industrial waste emissions	t	8,381	8,432	6,568	6,199
Onoda Plant	t	5,716	5,899	4,490	3,975
Otake Plant	t	2,492	2,380	1,933	2,045
Okayama Plant	t	100	89	101	115
TOKYO SHIKIZAI INDUSTRY	t	73	64	51	63
Amount recycled	t	5,586	6,857	4,899	3,954
Amount landfilled outside the premises	t	2,795	1,575	1,676	2,245
Amount landfilled on the premises of our plants	t	0	0	0	0
Recycling rate	%	67	81	75	64

Transfer and release of substances subject to the PRTR system

	Unit	FY2021	FY2022	FY2023	FY2024
Atmospheric emissions	kg	11,611	10,401	5,825	3,894
Toluene	kg	9,291	9,000	4,800	1,700
Xylene	kg	2,160	1,158	820	1,847
Methylnaphthalene	kg	81	176	146	292
1,2,4-Trimethylbenzene	kg	78	66	58	54
Boron compounds	kg	1.0	1.0	1.1	1.1
Emissions to water	kg	7,682	6,318	4,324	4,341
Boron compounds	kg	7,366	4,400	4,100	4,200
Manganese and its compounds	kg	21	64	153	125
Water-soluble copper salts	kg	0	0	46	0
Nickel compounds	kg	144	0	20	11
Zinc water-soluble compounds	kg	151	6	5	5
Aluminum compounds (water-soluble salts)	kg	0	1,849	0	0
Transfer	kg	79,287	82,470	37,741	25,954
Nickel compounds	kg	50,568	49,860	21,889	5,120
Manganese and its compounds	kg	25,219	28,563	14,752	19,247
Xylene	kg	0.2	0.2	0.2	0.1
Chromium and trivalent chromium compounds	kg	103	82	370	940
Bisphenol A	kg	0	0	240	220
Cobalt and its compounds	kg	2,917	3,407	180	120
Boron compounds	kg	166	140	130	130
4,4'-Diaminodiphenyl methane	kg	0	0	110	120
Vanadium compounds	kg	15	85	70	57
Toluene	kg	0.0	0.0	0.3	0.3
4,4'-Isopropylidenediphenol	kg	206	210	0	0
4,4'-Methylenedianiline	kg	93	95	0	0
Aluminum compounds (water-soluble salts)	kg	0	28	0	0



Data on Employees (consolidated)

	Unit	FY2021	FY2022	FY2023	FY2024
Number of employees	persons	1,303	846	1,112	1,067
Japan	persons	558	550	549	546
China	persons	683	237	238	241
Korea	persons	1	3	267	221
Thailand	persons	25	24	23	25
North America	persons	32	28	31	29
Europe	persons	4	4	4	5
Ratio of males	%	77	78	77	80
Ratio of females	%	23	22	23	20
Number of non-regular employees	persons	16	14	46	83
Ratio of non-regular employees	%	1.23	1.65	4.14	7.78
Average age	years	42.9	43.0	43.1	44.3
Male	years	44.0	43.8	44.1	45.2
Female	years	40.3	40.1	40.5	40.5
Average duration of continued service	years	10.7	13.9	15.1	15.4
Male	years	12.6	15.4	16.9	16.5
Female	years	6.1	8.5	10.0	10.9
Cost of education and training	million yen	—	16.8	24.2	34.9
Average annual training cost per person	yen	—	19,800	21,783	32,727

	Unit	FY2021	FY2022	FY2023	FY2024
Number of occupational accidents	cases	11	19	12	11
Accidents without lost workdays	cases	7	13	3	6
Accidents accompanied by lost worktime	cases	4	6	9	5
Number of serious accidents	cases	0	1	2	2
Japan	cases	9	15	9	7
China	cases	2	4	3	4
Korea	cases	0	0	0	0
Thailand	cases	0	0	0	0
North America	cases	0	0	0	0
Europe	cases	0	0	0	0



Data on Employees (non-consolidated)

	Unit	FY2021	FY2022	FY2023	FY2024
Number of employees	persons	374	374	377	368
Ratio of males	%	84.6	82.9	82.8	80.4
Ratio of females	%	15.4	17.1	17.2	19.6
Workers who are not employees	persons	308	322	327	303
Temporary workers	persons	90	95	96	98
Contractors	persons	151	154	150	145
Subcontractors	persons	67	73	81	60
Average age	years	47.2	47.3	47.1	46.4
Male	years	48.7	48.8	48.7	48.3
Female	years	39.7	39.8	39.5	38.2
Average duration of continued service	years	20.1	20.2	19.9	18.8
Male	years	21.9	21.8	21.6	20.8
Female	years	11.1	12.0	11.7	10.2
Number of new graduates recruited	persons	7	7	8	11
Ratio of males	%	71.4	85.7	62.5	63.6
Ratio of females	%	28.6	14.3	37.5	36.4
Number of mid-career recruited	persons	5	11	13	14
Ratio of males	%	80	91	84.6	50
Ratio of females	%	20	9	15.4	50
Labor union membership rate	%	50.0	47.6	46.9	47.6
Turnover (voluntary retirement only)	%	3.1	3.2	2.1	1.6
Ratio of those who retire within three years included in the above	%	7.3	10.0	5.1	6.9

	Unit	FY2021	FY2022	FY2023	FY2024
Number of employees who took childcare leave and leave for childcare purposes	persons	4	15	10	6
Ratio of males	%	50	80	80	67
Ratio of females	%	50	20	20	33
Ratio of employees who returned to work after childcare leave	%	100	100	100	100
Rate of childcare leave and leave for childcare purposes taken by eligible male employees	%	33	92	100	100
Average length of annual paid leave taken	days	13	13	14	13
Ratio of employees who took paid leave	%	65	61	74	67
Monthly average overtime work	hours	10.3	8.2	10.0	9.2
Average wages	thousand yen	–	6,694	6,444	6,416
Male	thousand yen	–	7,173	6,812	6,671
Female	thousand yen	–	4,637	4,752	5,213
Ratio of employees' average wage to the average wage in Hiroshima Prefecture	%	–	226	217	205
Ratio of the standard wage for new employees to the living wage in Hiroshima Prefecture	%	–	105	111	106
Ratios of the standard wages for new employees to the local minimum wage in Hiroshima Prefecture	%	–	144	149	144
Male	%	–	144	154	148
Female	%	–	146	149	144
Ratio of women at management positions	%	2.7	2.8	1.9	1.0
Ratio of women in positions at the level of assistant managers	%	–	17.1	19.3	24.1
Ratio of employees at senior management positions hired from local communities in Hiroshima Prefecture	%	–	58	67	79
Proportion of persons with disabilities employed (based on actual headcount)	%	2.7	3.2	2.7	2.2
Proportion of persons with disabilities employed (calculated using statutory method)	%	2.5	2.9	2.4	2.0
Cost of education and training	million yen	–	14.8	20.4	28.5
Average annual training cost per person	yen	–	39,654	54,166	77,446
Response rate of employee engagement surveys	%	–	–	91.3	–
Average score of employee engagement surveys	points	–	–	4.66/7.00	–



Governance Data

Officers

	Unit	FY2020	FY2021	FY2022 ^{*2}	FY2023	FY2024
Number of Directors ^{*1} (excluding Audit and Supervisory Committee Members)	persons	7	7	5	5	6
Male	persons	7	7	5	5	5
Female	persons	0	0	0	0	1
Outside Director	persons	3	3	3	2	2
Ratio of females	%	0	0	0	0	17
Number of Corporate Auditors ^{*1} (including Audit and Supervisory Committee Members)	persons	4	4	4	4	4
Male	persons	4	4	4	4	4
Female	persons	0	0	0	0	0
Outside Corporate Auditors	persons	3	3	3	3	3
Ratio of females	%	0	0	0	0	0
Number of Executive Officers ^{*1}	persons	10	10	10	11	10
Male	persons	10	10	10	11	10
Female	persons	0	0	0	0	0
Non-Japanese	persons	1	1	1	1	1
Ratio of females	%	0	0	0	0	0
Board of Directors	meetings	18	18	17	20	19
Number of meetings						
Attendance rate of Outside Directors (excluding Audit and Supervisory Committee Members)	%	100	100	100	100	95
Attendance rate of Outside Corporate Auditors (including Audit and Supervisory Committee Members who are Outside Directors)	%	100	100	100	100	98
Board of Corporate Auditors (including Audit and Supervisory Committee)	meetings	10	8	8	4	8
Number of meetings						
Attendance rate of Outside Corporate Auditor	%	96	100	96	100	100

^{*1} Number of those who were assigned based on resolutions passed at the annual general meeting of shareholders (Directors and Corporate Auditors) held each fiscal year or at meetings of the Board of Directors (Executive Officers) held thereafter

^{*2} Following a resolution at the 89th Annual General Meeting of Shareholders on June 28, 2022, TODA transitioned to being a company with an audit and supervisory committee.

Changes in compensation for officers (total amount)

	Unit	FY2020	FY2021	FY2022 ^{*3}	FY2023	FY2024
Directors (excluding Audit and Supervisory Committee Members)	million yen	110	105	114	99	111
Outside Directors included in the above	million yen	14	14	14	10	10
Directors (Audit and Supervisory Committee Members)	million yen	–	–	17	22	24
Outside Directors included in the above	million yen	–	–	10	14	14
Corporate Auditors	million yen	18	18	4	–	–
Outside Corporate Auditors included in the above	million yen	10	10	2	–	–

^{*3} Following a resolution at the 89th Annual General Meeting of Shareholders on June 28, 2022, TODA transitioned to being a company with an audit and supervisory committee.

Corporate Ethics

	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Number of serious incidents related to TODA KOGYO’s Compliance Code of Conduct	cases	0	0	0	0	0
Number of matters regarding which the compliance helpdesks were contacted	cases	0	2	2	2	2



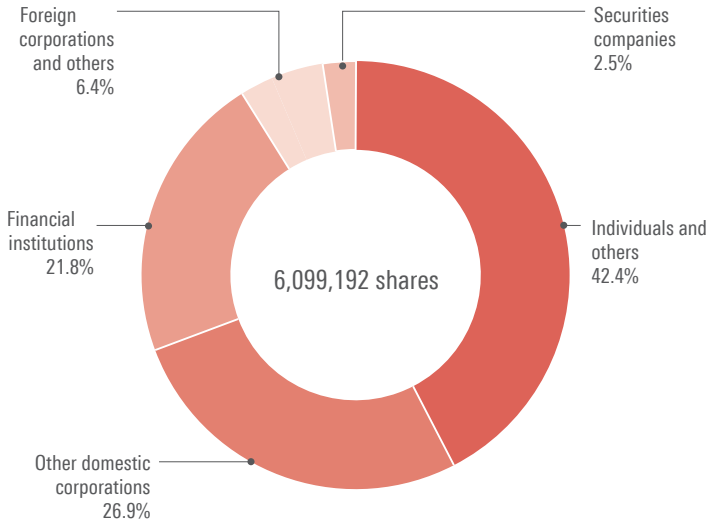
Stock Information and Price

Stock and shareholder information (as of March 31, 2025)

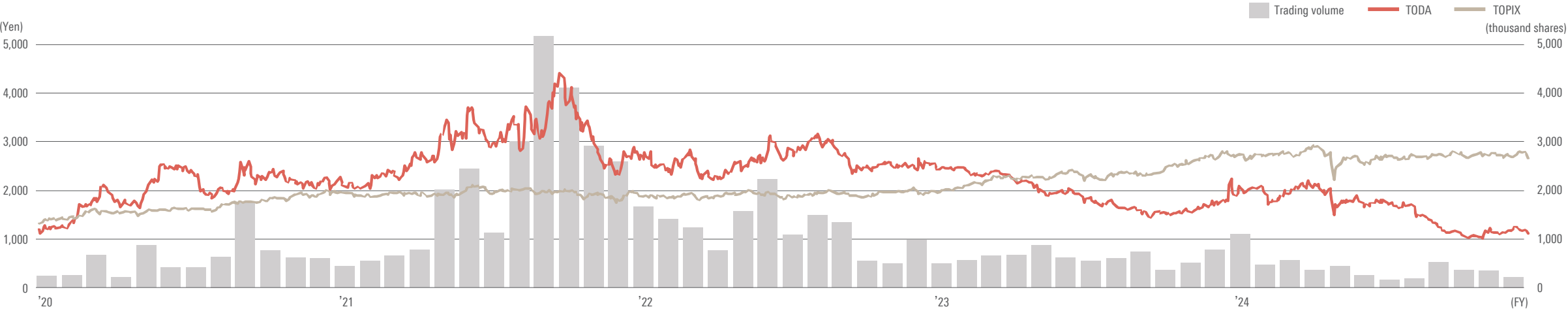
Basic stock information	
Securities Code	4100
Stock Exchange Market	Standard Market, Tokyo Stock Exchange
Fiscal year	April 1 to March 31 of the following year
Annual General Meeting of Shareholders	June of each year
Record date	Annual General Meeting of Shareholders
	March 31 of each year
	Year-end dividend
	March 31 of each year
	Interim dividend
	September 30 of each year
Total number of authorized shares	19,300,000 shares
Total number of issued shares	6,099,192 shares
Number of shareholders	5,795
Share unit number	100 shares
Shareholder register administrator	Sumitomo Mitsui Trust Bank, Limited

Major shareholders	Number of shares held (thousand shares)	Shareholding ratio (%)
TDK Corporation	1,260	21.8
The Master Trust Bank of Japan, Ltd. (trust account)	598	10.3
The Hiroshima Bank, Ltd.	217	3.8
Koji Tsutsumi	200	3.5
Custody Bank of Japan, Ltd. (portion entrusted with Sumitomo Mitsui Trust Bank under a saishintaku (re-trust) arrangement for the retirement benefit trust account of TDK Corporation)	199	3.4
UBS AG SINGAPORE	137	2.4
Custody Bank of Japan, Ltd. (trust account)	92	1.6
Yoshiki Yokota	70	1.2
Meiji Yasuda Life Insurance Company	58	1.0
Nippon Life Insurance Company	57	1.0

* In addition to the above, there are 317 thousand shares of treasury stock that we own.
* Shareholding ratio was calculated by excluding treasury stock.



Stock distribution by shareholder category (shareholding ratio)



Offices, Plants and Group Companies (as of March 31, 2025)

	Company Name	Location	Business	Since	Number of employees	ISO Certifications			
						ISO9001	ISO14001	ISO45001	IATF16949
Consolidated	TODA Head office	Minami-ku, Hiroshima		1933	39				
	TODA Onoda Plant	Sanyo-Onoda, Yamaguchi	Manufacturing of functional pigments, dielectric materials, and others	1959	108	●	●	●	
	TODA Otake Plant	Otake, Hiroshima	Manufacturing of magnet materials and functional pigments	1984	73	●	●	●	●
	TODA Otake Creative R&D Center	Otake, Hiroshima	R&D and marketing	1991	116	●	●	●	●
	TODA Okayama Plant	Kita-ku, Okayama	Manufacturing of inorganic pigments	1954	34	●	●		
	TODA Tokyo Office	Minato-ku, Tokyo	Marketing and sales		29				
	TOKYO SHIKIZAI INDUSTRY CO., LTD.	Itabashi-ku, Tokyo	Manufacturing and sales of organic pigments	2008	28				
	TODA PLASTIC MAGNET MATERIAL (ZHEJIANG) CORP.	Zhejiang, China	Manufacturing and sales of ferrite magnetic compounds and others	2003	42	●	●		●
	TODA (CHINA) CO.,LTD.	Shanghai, China	Marketing and sales in Asia		5				
	Toda Magnequench Magnetic Material (Tianjin) Co., Ltd.	Tianjin, China	Manufacturing and sales of rare earth magnetic compounds and others	2007	50	●	●		
	Jiangmen & Partner’s Magnetic Product Co., Ltd	Guangdong, China	Manufacturing and sales of injection molded magnets and others	2021	144		●		●
	Toda Korea Seoul Co., LTD.	Anyang-City, Gyeonggi-do, South Korea	Marketing and sales in Korea		2				
	TODA materials Inc.	Wonju -Si, Gangwon State, South Korea	Manufacturing and sales of soft magnetic materials	2008	219	●	●		●
	Toda Kogyo Asia (Thailand) Co., Ltd.	Ayutthaya, Thailand	Manufacturing and sales of ferrite magnetic compounds and others, and import and sales of coloring pigments	2016	25	●	●		
	Toda America Incorporated	United States			–				
	Toda Advanced Materials Inc.	Ontario, Canada		2007	29	●	●		
	Toda Kogyo Europe GmbH	Düsseldorf, Germany	Marketing and sales in Europe		5				
Subject to equity method	Central Battery Materials Co., Ltd.	Sakai, Osaka	Manufacturing and sales of cathode material precursors for lithium ion batteries	2011	–	●	●		
	BASF TODA Battery Materials LLC	Sanyo-Onoda, Yamaguchi	Manufacturing and sales of cathode materials for lithium ion batteries	2015	–	●	●		
	ZHEJIANG HUAYUAN NEW MATERIAL CO., LTD.	Zhejiang, China	Manufacturing and sales of inorganic pigments	2003	–	●	●		
	ZHEJIANG TODA DMEGC MAGNETICS CO., LTD.	Zhejiang, China	Manufacturing and sales of bonded ferrite materials	2004	–	●	●		



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