

TODA KOGYO CORP.

Integrated Report 2025

Fine particles for a fine future.



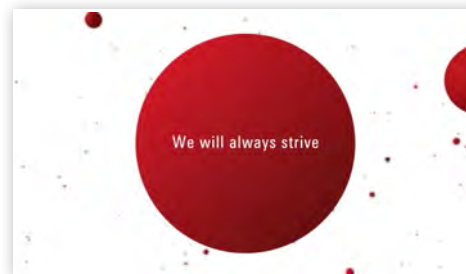
Disclosure System

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

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.

About the cover

Artwork entitled: Bounty of the Sea
Created by: Yumeji



TODA KOGYO CORP. (hereinafter, "TODA") sponsors Paralymp Art, a project for participation of artists with disabilities in society and for their economic independence. As an official partner, the Group supports Paralymp artists.



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TODA KOGYO CORP. Integrated Report 2025

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)

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section 01 Purpose

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

Throughout Toda's 200-year history, we have always believed in the infinite potential contained in small particles. With the technology that we have mastered over a great many years and our passion to never give up, we will use the power of fine particle to respond to the challenges of the future and support a diverse and evolving society.



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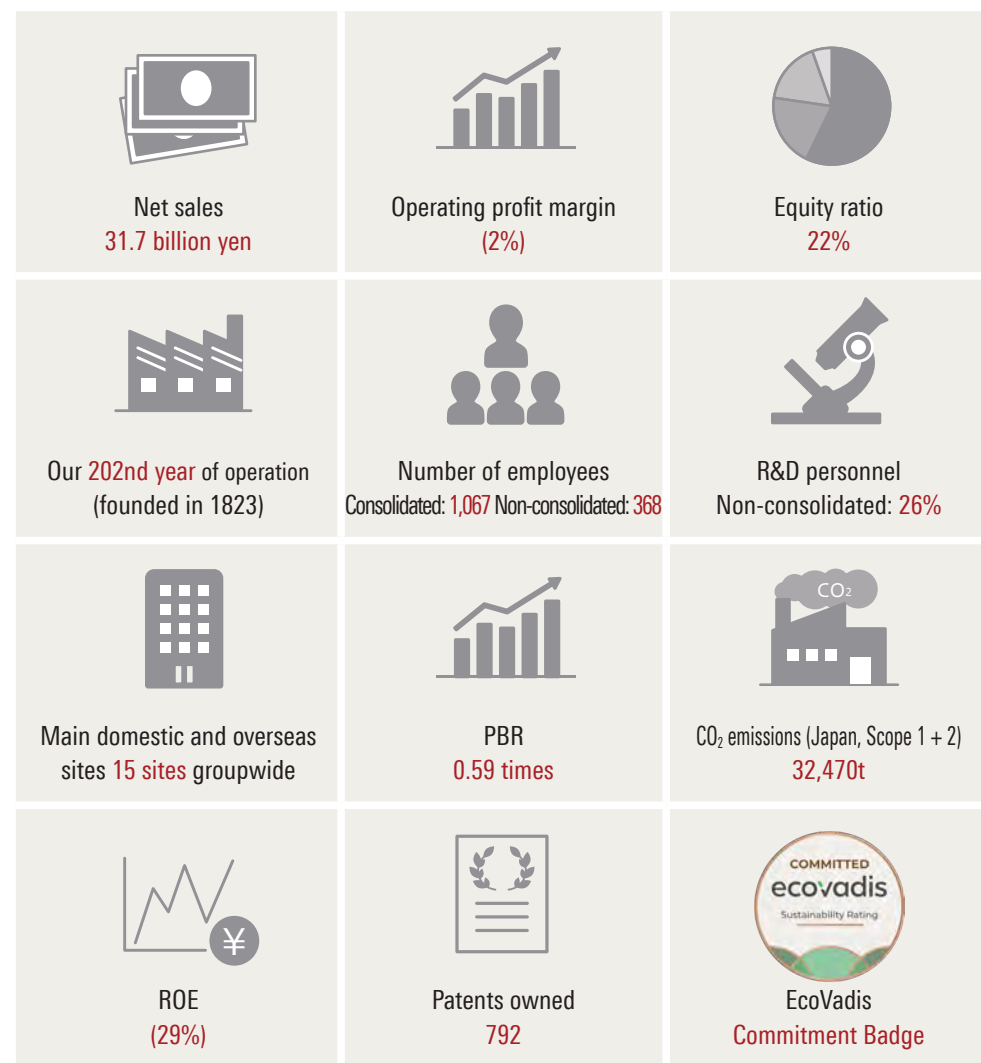
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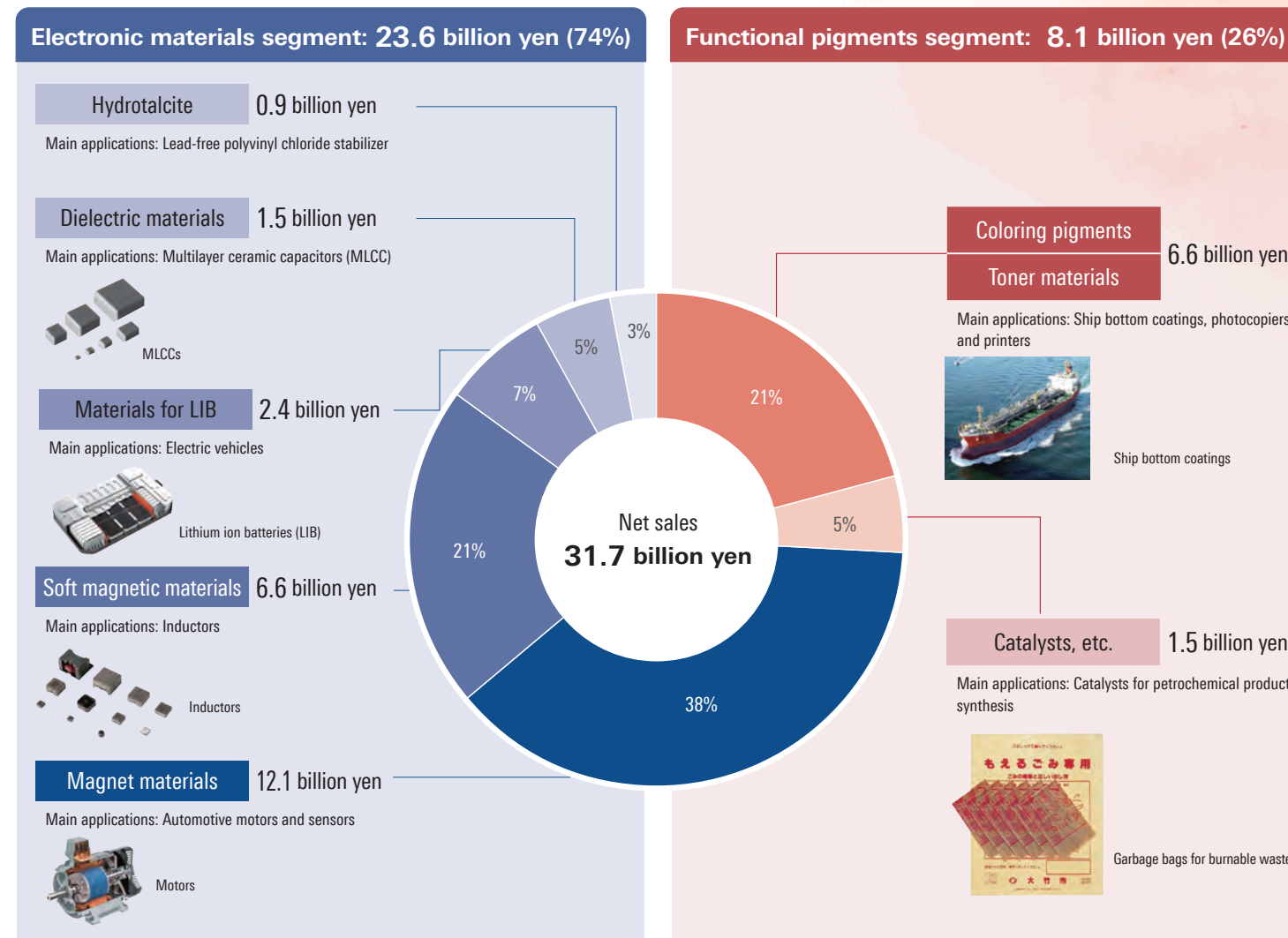
TODA Group Overview

TODA was founded in 1823 as a manufacturer of Bengala, a red pigment that is essential for the painting of building materials and ceramics. Since that time, in addition to pigments, we have been supplying the world's leading companies with materials and parts that leverage the properties of various inorganic materials such as magnetic materials, dielectric materials and soft magnetic materials. Our product development is always driven by customer needs. We collaborate closely with customers to develop advanced solutions that meet evolving market needs.

At a Glance (As of March 31, 2025, Consolidated)



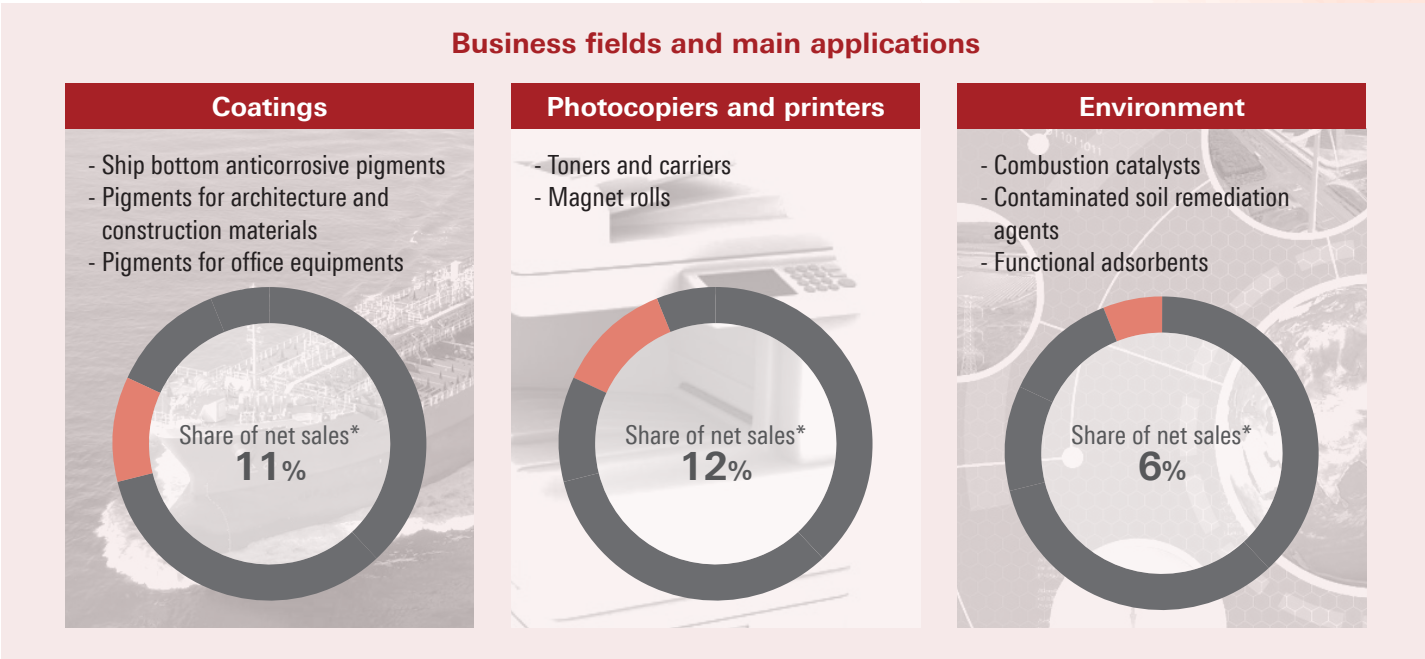
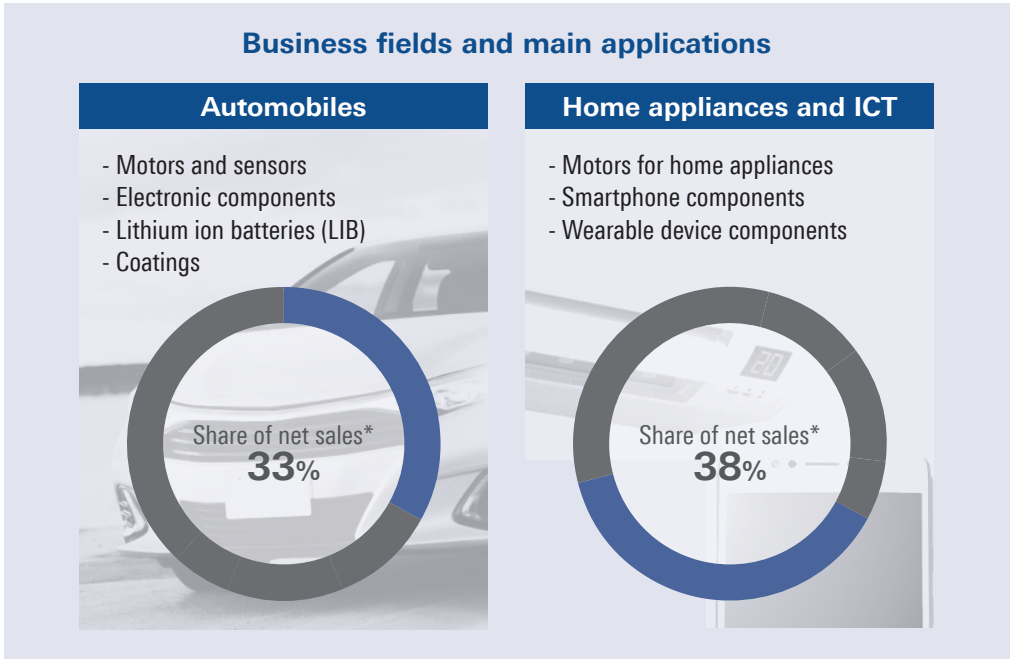
Fiscal 2024 consolidated net sales (breakdown by material type)



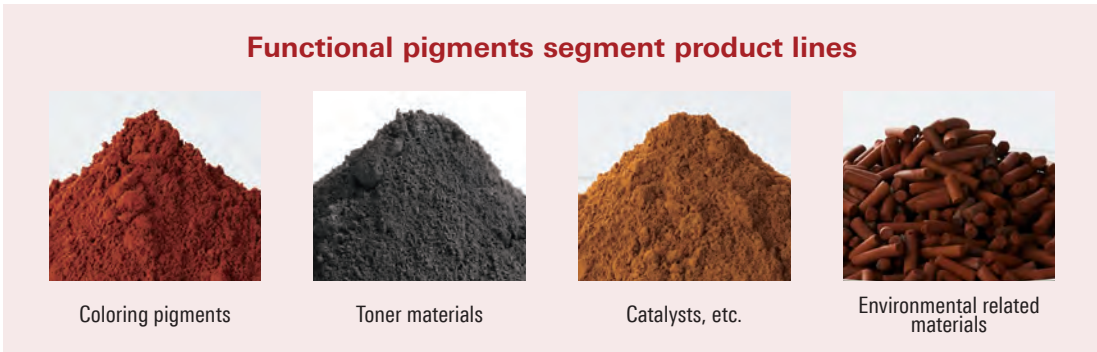
TODA Group’s Business

The materials produced by the TODA Group are used in five markets, namely automobiles, home appliances and communication devices, coatings, photocopiers and printers, and the environment. The electronic materials segment deals chiefly with materials for automobiles and ICT equipment. The markets for these products are expected to grow further. The functional pigments segment deals with iron oxide and other materials.

Business fields and material product lines



* Percentage of total consolidated net sales in fiscal 2024







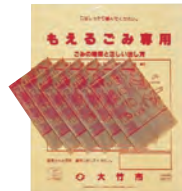
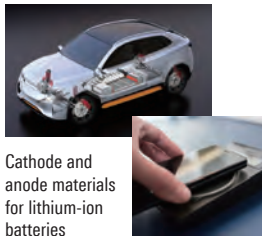
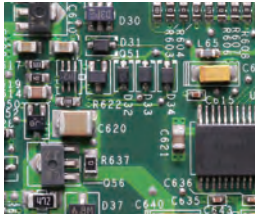


History Begins with Bengala

The TODA Group's business dates back to 1823, when we commenced handicraft manufacturing of Bengala. It is the oldest pigment in human history and is indispensable for painting on ceramics and for the coloring of historical architecture. More than 200 years have passed since then. We have been able to overcome the changing times and survive to the present day because we have always pioneered new possibilities for chemical materials and continued to produce products that meet prevailing needs.

Trend in the Group's net sales



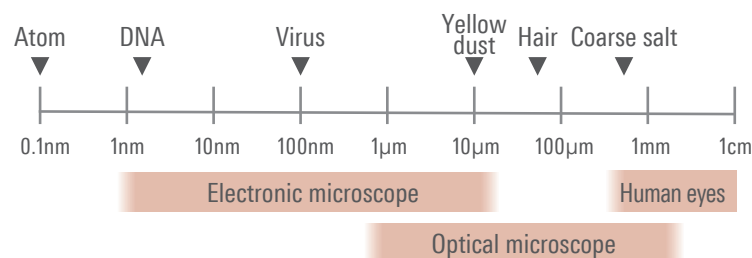
1823	1933	1960s	1970s	1980s	1990s	2000s	From 2010		
Founding Seikinsha, TODA's predecessor, was established in Nishiebara, Shitsuki District (now known as Ibara City), Okayama Prefecture. Operations began as a family business industrially manufacturing Bengala, a pigment with a long history of use.	Date of incorporation With the shift from a cottage industry to modern industry, in 1933 TODA KOGYO CORP. was established in Hiroshima City for the purpose of manufacturing and selling Bengala.	Development of the wet synthesis method To deal with the issue of sulfur dioxide released during the manufacturing of iron oxide, the wet synthesis method was developed. This method, which does not produce sulfur dioxide, enables the manufacturing of high-quality iron oxides by controlling synthesis conditions.	Period of prosperity for magnetic recording materials Enabling the manufacturing of fine and uniform particles through the wet synthesis method. The technology was applied to magnetic recording materials for audiotape and videotapes. TODA established a solid position in the global market for magnetic iron oxides.	Entry into the markets for photocopier and printer materials, and bonded magnet materials As materials for photocopiers and printers, we began manufacturing magnetite for magnetic toner, and began production of magnetic powder for bonded ferrite as a new business development for ferrite magnets.	Taking on the challenge of environmental issues TODA took on the challenge of new fields utilizing nanotechnology. As a solution to environmental issues using iron oxide, we developed activated iron oxide (TIC®), which controls the release of dioxins during waste incineration.	Expansion to non-ferrous materials We accelerated the development of inorganic compounds other than iron oxide. We began the development of battery materials and dielectric materials (barium titanate).	Business expansion through alliances with business partners For the further growth of the Electronic materials segment, in 2015 we established an alliance with BASF, and launched a broad alliance with TDK in 2019.		
 Coloring for building materials and ceramics	 Ship bottom coatings		 Magnetic recording	 Magnetic tickets	 Toners and carriers	 Motors for home appliances	 Garbage bags for burnable waste	 Cathode and anode materials for lithium-ion batteries	 Multilayer ceramic capacitors (MLCC)
Evolution of technologies									
Dry synthesis method		Dry synthesis method → Wet synthesis method			Ferrous materials → Composite materials		Ferrous materials + Non-ferrous materials		

Technology Cultivated over Two Centuries

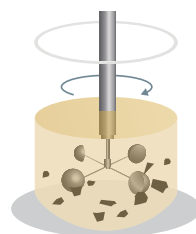
Roles of fine particles

The sizes of the fine particles we handle range from several nanometers to tens of micrometers. They are so small that it is difficult for us to distinguish each particle with our eyes. We need to use an electronic microscope to clearly see each one of them.

Created in nature or through an artificial synthetic process, these fine particles are playing important roles around us. For example, they create vivid colors of pigments and cosmetics. They are also used to protect the skin from ultraviolet rays. In addition, reduced size and larger capacity are required of multilayer ceramic capacitors used in electronic equipment, and fine particles play an important role in enabling thinner dielectric layers and electrode layers. Applied in a wide range of fields other than the above, fine particles are supporting our everyday life.

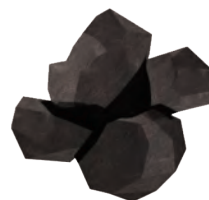


Wet synthesis method



This is a method to synthesize fine particles through chemical reactions in a solution liquid. Type, shape, size, distribution, surface structure, and other fine particle features can be controlled by optimizing reaction conditions such as temperature, pH, and substance concentration in the solution liquid.

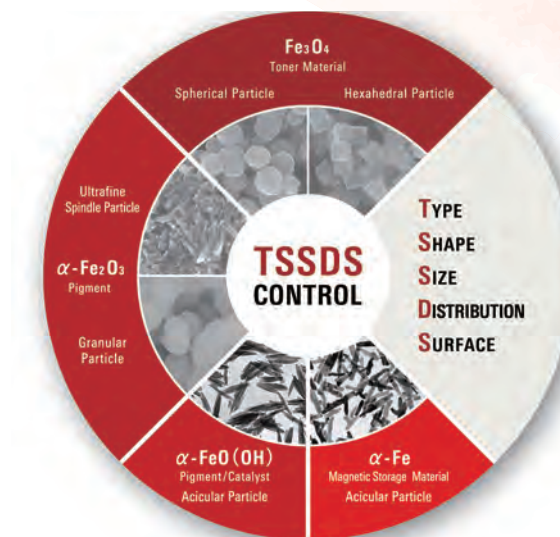
Dry synthesis method



This is a method to synthesize substances within particles or between particles through chemical reactions. As the substances are manufactured by mixing and sintering raw materials, the particles with the desired type can be obtained with a high yield. Depending on the application, the particles obtained are then milled into fine particles.

TSSDS CONTROL

At TODA, the technology for controlling Type, Shape, Size, Distribution, and Surface is called TSSDS CONTROL, which encompasses important properties in powder design and particle design. This technology is also applied in new product development.



Refining



Increase purity by removing impurities

Sintering



Cause particles to react at high temperatures to obtain target particles

Pulverization



Reduce the particle size

De-agglomeration



Break down agglomerated particles

Surface modification



Add functions to the particle surface

Dispersion



Achieve homogeneous dispersion of particles in solvent

Paint formulation



Optimize viscosity and color from particles and a solvent

Granulation



Create granules by adding a resin or other binder to particles

Composite



Produce resin pellets by kneading powders and resin

Sheet casting



Make powders into sheets with various thicknesses

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section 02

**Building a reliable revenue base despite challenging financial results
Toward a more robust management structure through strengthened business portfolio management**

Tsuneaki Kubo

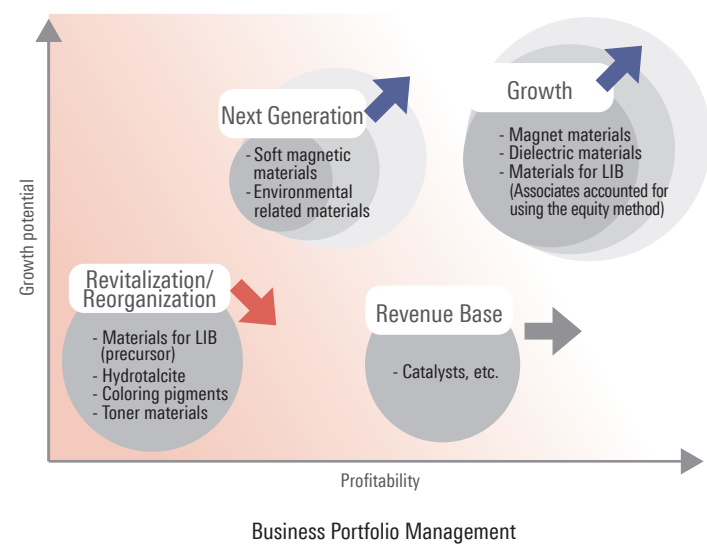
Representative Director
President and CEO

TOP MESSAGE

The TODA Group has been providing a wide range of inorganic materials that meet the needs of the times since its founding in 1823. A red pigment known as Bengala, the origin of our business, was an essential coloring pigment for construction materials and ceramics at the time of our founding. And today, we support society by supplying magnetic materials, dielectric materials, soft magnetic materials and other materials in the growing fields of mobility, AI and the environment. The key to the TODA Group having continued to operate for more than two centuries lies in its establishment of proprietary technologies for manufacturing iron oxide, the raw material used to produce Bengala. Looking ahead, we will continue to refine wet synthesis and other fine particle synthesis technologies in greater depth, contributing to society by providing the materials to meet the needs of the times.

Navigating challenging results in the first year from the launch of Vision2026

To achieve its Ideal Vision for fiscal 2030, the TODA Group is in the process



of implementing Vision2026, a three-year medium-term management plan beginning fiscal 2024. We are repositioning each business for profitability and growth potential, and engaging in a process of selection and concentration for business growth under our most important stated mission: strengthening business portfolio management.

We have also set management targets under Vision2026. In relation to our targeted operating profit margin of 2%, ROE of 6% and equity ratio of 26%, in fiscal 2024 we recorded an operating profit margin of negative 2%, ROE of negative 29% and equity ratio of 22%.

Despite having pledged to achieve these targets with a strong resolve when Vision2026 was formulated, we encountered challenging results in the first year of the plan, for which I feel a deep sense of responsibility. Internally, there were even suggestions to revise our targets given the gap between our targets and actual results. However, profitability has steadily recovered as a result of business portfolio management, and we have made the decision to leave the targets as-is and devote even more efforts to achieving them.

Vision2026 Management Targets			
Fiscal year	FY2024 target	FY2024 result	FY2026 target
Operating profit margin	2%	(2%)	5%
ROE	6%	(29%)	11%
Equity ratio	26%	22%	29%
CO ₂ emissions (Domestic Scope 1 + 2)	28,500t Equivalent to a 68% reduction compared to FY2013	32,470t Equivalent to a 64% reduction compared to FY2013	26,500t Equivalent to a 70% reduction compared to FY2013

Focusing all our strengths on achieving Vision2026




TOP MESSAGE

Regarding fiscal 2024 as a transition period to regaining profitability

Looking at our financial results for fiscal 2024, consolidated net sales totaled 31.7 billion yen, our operating loss was 600 million yen, our ordinary loss was 1.4 billion yen, and we posted a loss attributable to owners of parent of 3.6 billion yen. Despite a year-on-year increase in net sales, both operating profit and ordinary profit recorded significant declines year over year.

Investments of management resources in Growth and the Next Generation were key factors behind the increase in net sales. As one example, the Korea-based TODA materials Inc. (hereafter, “TDMI”), which had previously been an associate accounted for using the equity method, was made a consolidated subsidiary, thereby strengthening business coordination. As a result, sales of soft magnetic materials saw significant growth, contributing to consolidated net sales.

However, there were two main factors behind the decline in operating profit.

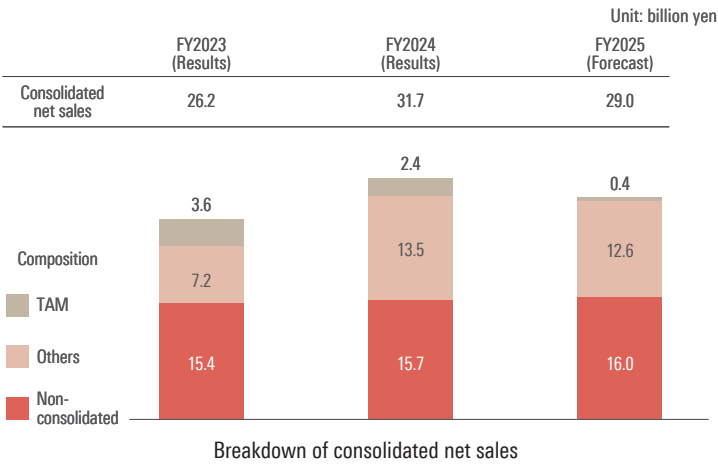
TDMI Corporate Profile	
Name	TODA materials Inc.
Location	236 Munmakgongdan-Gil, Munmak-Eup, Wonju-Si, Gangwon State, Korea
Representative	Hwang Youngkyun, Representative Director
Capital	34.3 billion KRW
Established	February 20, 2008
Net sales	Approx. 6 billion yen
Business	<div>Manufacturing and sales of soft magnetic materials and parts</div> <div>   </div> <div>Soft magnetic metal powders Inductors</div>

The first factor was that profit recovery at TODA at the non-consolidated level (not including consolidated subsidiaries) was insufficient. A decline in demand for functional pigments and soaring raw material and energy prices factored into the decline in profitability.

Secondly, sales of precursor materials for lithium ion batteries (hereafter, “LIB”) contracted more than expected. LIB precursor materials are manufactured by the TODA Group’s Canadian subsidiary Toda Advanced Materials Inc. (hereafter, “TAM”), and have mainly been provided as EV materials for Europe. TAM’s stable net sales have long supported the TODA Group, but in recent years, orders have dropped off steeply due to automobile model changes, reducing profitability.

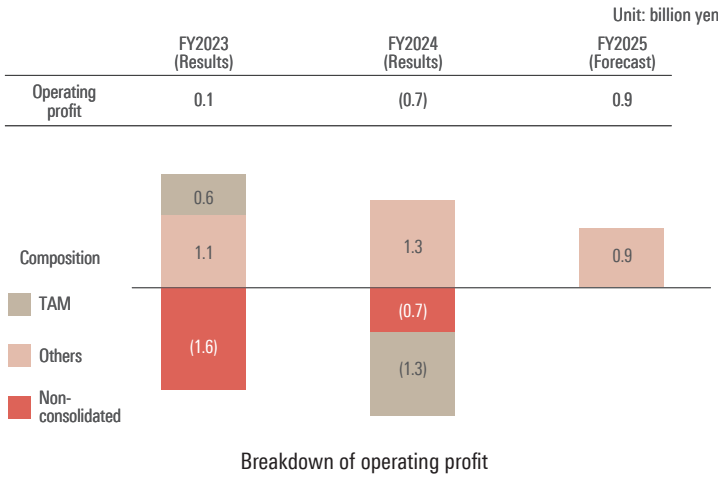
Under Vision2026, we positioned both businesses as being in the Revitalization/Reorganization business and have been directing activities aimed at improvements.

On a non-consolidated basis, we have worked on areas including product pricing optimization action and expense reductions, set the target of shortening the cash conversion cycle in particular, and strived to optimize inventory reductions. As a result, operating profit on a non-consolidated basis improved 900 million yen year on year, while consolidated inventory was reduced by 3.9 billion yen over the same period. Cash flows from operating activities have



also steadily recovered, and we are working to transition to a more robust management structure, using the capital gained from the streamlining of working capital.

In the TAM business, amid declining demand, we spent considerable time reviewing and discussing a range of options, including expanding sales to new customers, the prospects of collaboration with partners, and future synergies through continued business operations. Ultimately, at its meeting in March 2025, the Board of Directors resolved to dissolve and liquidate TAM. While I believe the resolution was the right decision from the perspective of halting further losses, in the financial results for fiscal 2024, we recorded an extraordinary loss of approximately 1.1 billion yen as expenses expected to be incurred in relation to the dissolution and related procedures. We reflect with regret not having made this decision earlier, before losses had accumulated to this point. We also feel a deep sense of responsibility for not having been able to appropriately acknowledge the dedication of the employees who devoted themselves in the belief that operations could continue despite the business contracting. So that these reflections do not go to waste, we will review our analysis tools and decision-making criteria, and make every effort to balance quality and speed in our analyses of management conditions and decision-making processes.



TOP MESSAGE

The key to achieving our management targets is the development of products for mobility, AI and the environment



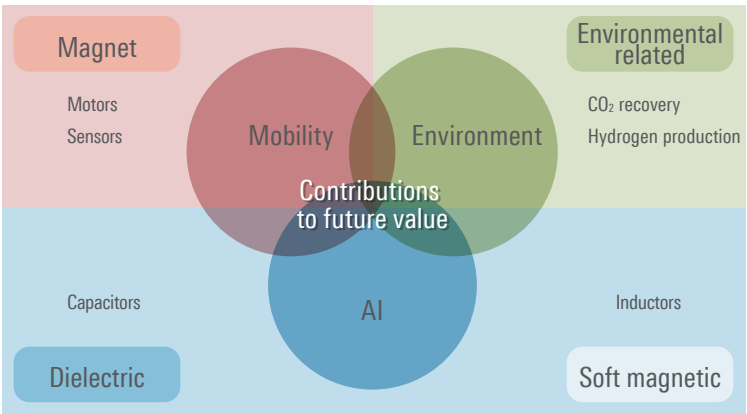
In implementing its most important mission of Vision2026, strengthening business portfolio management, the TODA Group is advancing efforts to develop products for mobility, AI and the environment, which it considers growth fields.

Demand for magnetic materials is expected to expand for use in motors and sensors in the EV market, and we provide these materials in various forms, from powders to compounds and molded products, to meet customer needs. In the area of molded products, the mold design and injection molding technologies possessed by our Chinese subsidiary have contributed to earnings, and we are looking to further expand them across the Group.

Dielectric materials are used in multi-layer ceramic capacitors (hereafter, “MLCCs”), which are essential for the mobility and AI sectors. We will expand our business fields from powders to dispersions* in response to market needs.

These magnetic materials and dielectric materials face market expansion along with intensifying competition. We will closely watch the gap between the growth rates of the market and TODA, and continue to invest the management resources necessary to secure competitiveness and build barriers to entry.

* An even dispersion of powder in a solvent. This enables a balance between shortened processes and improved quality.



Growth fields and product ranges

Soft magnetic materials are mainly used in inductors. By stepping up coordination with TDMI, which contributed to increased sales in fiscal 2024, we will reliably capture demand from the steadily growing inductor market in an effort to expand the business.

In the area of environmental related materials, we have started to see results from development and demonstration testing through collaboration between industry, academia and government. We have conducted demonstration testing of systems to recover carbon dioxide and systems that produce hydrogen from methane gas, and have made progress in obtaining the data needed for commercialization. Over the duration of Vision2026, these environmental related materials are not expected to contribute significantly to earnings, but I believe they will do so further into the future.

We are currently devoting all our strengths to optimizing the businesses categorized for Revitalization/Reorganization in our business portfolio. In addition to the dissolution and liquidation of TAM, as noted earlier, we have also dissolved our collaboration with Sakai Chemical Industry Co., Ltd. in the field of hydrotalcite, and are now seeking the adoption of our products in other markets including healthcare and semiconductors. In the area of toner and coloring pigments, we have been working to consolidate our product range and implement product pricing optimization action to reflect the market trend of declining demand. This has yielded tangible results.

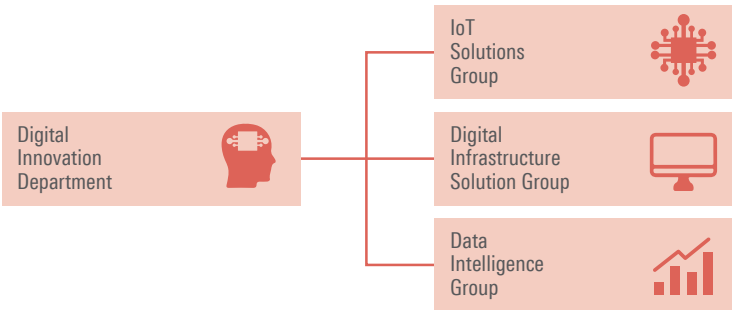
In fiscal 2025, scale of sales generated by the TODA Group will temporarily decline due to the restructuring of these businesses targeted for Revitalization/Reorganization. We will restructure our systems and facilities to reflect this scale of sales and aim to achieve the management targets set out in Vision2026.

TOP MESSAGE

Human capital strategy × DX strategy: Developing an organization playing a core role in transformation

Since fiscal 2024, the Human Capital Development Committee, which comprises internal directors and members of the Personnel & General Affairs Department, has been meeting regularly to coordinate on management strategy and human capital strategy. Given the fast-changing business environment, in the future we will need personnel who can correctly recognize the current situation, question it, and won't hesitate to change it. At the same time, the TODA Group aspires to be an organization that embraces challenges. These aspirations are at the foundation of organizational development for the TODA Group as a company built upon technology. This message will be repeatedly communicated to employees and we will have those in leadership positions always keep them in mind.

We are also developing an environment to cultivate human capital equipped to drive the implementation of DX. We have newly established the Digital Innovation Department as the department responsible for DX implementation. By establishing a dedicated DX implementation department, we hope to create a framework to acquire digital skills at both the individual and organizational levels, to pass on that accumulated know-how as explicit knowledge, and to utilize it in every aspect of our operations. DX is essential to realizing our Ideal Vision, and I expect that the members of the Digital Innovation Department will be a major driving force at the core of TODA's transformation.



Dedicated DX implementation department

The newly established Digital Innovation Department has a clear mandate. In the short-term, that is to introduce new core information systems and develop more sophisticated operations. In terms of developing more sophisticated management operations, we will integrate each of the systems, such as production control, HR management and accounting, which were previously used separately for each business process. Migrating to the new system will not only streamline operations and reduce labor needs, but also facilitate value chain analysis using data that is integrated from inventory control through to sales. In terms of developing more sophisticated manufacturing operations, we will introduce automated processing and AI support for the manufacturing expertise supported by experienced workers, with the aim of reducing employee workloads, eliminating individual dependency, and facilitating the transfer of knowledge and skills.

In the medium-term, we will combine digital tools with TODA's own technologies, leading to the formulation of technology strategies and business creation.

Extending co-creation capability: Three goals we hope to achieve

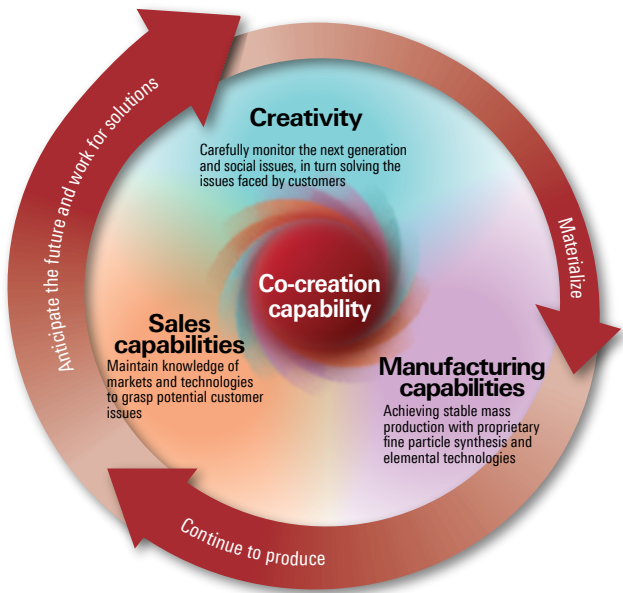
At the TODA Group, we describe our strength as our co-creation capability, which is the ability to integrate creativity, manufacturing capabilities and sales capabilities. This is the ability to turn continuously refined technologies into value, the ability to link theories of natural science with the real world, and the ability to launch new products with customers and business partners.

In developing products, the TODA Group engages in extensive dialogue with customers, verifying how customers will use the TODA Group's products, and what challenges customers face. The TODA Group also wants to understand how our products are experienced, not only by our direct customers, but also their end customers. In addition, after we have released a product, we want to continue dialogue with customers, making ongoing improvements.

Continually operating to the same high standards as our customers, and continuing to meet those standards, are what drives the competitiveness of our products. We are sought after for new value creation and new development, by customers who recognize our advanced technological capabilities, regardless of whether they operate in growth or mature markets. I believe this is precisely the result of our co-creation capability.

Going forward, the TODA Group will extend this co-creation capability to accomplish the following three objectives.

1. Building a recycling-oriented society
2. Switching to high value-added products and small-lot production
3. Creating materials that represent game-changers for society



The Strength of the TODA Group: Co-creation capability

TOP MESSAGE

1. Building a recycling-oriented society

While the worldwide population continues to climb and our living standards keep improving, the resources that can be extracted from nature are finite. This imbalance is causing future uncertainty and conflicts between nations. To attain sustainable levels of social activity, it is essential that we utilize untapped resources and waste.

Leveraging TODA's technological expertise, the TODA Group has been turning iron-containing industrial waste and by-products from other industries into its own raw materials, creating valuable materials. Continuing to play a part in a recycling-oriented society with these technological capabilities is both our mission and strength. By extending our co-creation capability, we hope to become a company that is able to provide economically feasible solutions to the issues of waste, its recovery and utilization throughout the supply chain.

2. Switching to high value-added products and small-lot production

In the material and chemical industry of which TODA is a part, large capital investment is often a barrier to market entry. The general structure of this industry is that companies reduce costs by producing in large quantities, requiring large facilities.

By shifting away from this approach and gaining expertise in the design of plants that require minimal initial investment, we want to transform into an organization that can generate profits even through small lot production. To develop cost competitiveness, we will demonstrate comprehensive capabilities in facility design, including low-cost equipment procurement, IoT utilization, process shortening, energy recovery, and cost reductions during business expansion, conversion and withdrawal. As the number of employees who have been successful overseas is also on the rise, I think this is achievable if we can effectively bring together strengths from both inside and outside the Group.

3. Creating materials that represent game-changers for society

The golden age of magnetic recording materials for audio and video tapes were supported by our facility design and mass production technologies. In today's world with its constant model changes, there are limits to how well we can compete using our existing facilities and technologies.

At the same time, we can now access and utilize a range of cutting-edge technologies through cooperation between industry, academia and government, such as NanoTerasu, as well as through open innovation. As an environment where new materials can be created even without significant capital outlays is forming, I believe "the discovery of a world-first material related to iron" is no longer a dream.

* A next-generation synchrotron radiation facility on the campus of Tohoku University (Sendai). The facility houses a massive microscope capable of clearly visualizing the properties of materials at the nano-level using synchrotron radiation.



Exterior of NanoTerasu (image courtesy of Tohoku University)

Striving to regain profitability and meet the expectations of stakeholders

Since I assumed the position of President and CEO in June 2024, engaging in dialogue with a wide range of stakeholders has given me a renewed appreciation for how the TODA Group is supported by its many stakeholders. In particular, our shareholders and investors have not only offered harsh feedback and recommendations, but also shared their expectations and provided encouragement. While this is deeply gratifying, at the same time I feel a deep sense of remorse over our recent financial results and this continued period of no dividends. To meet your expectations, we will devote all our energies to regaining profitability and achieving sustainable growth, with the strengthening of business portfolio management playing an integral role.

Pooling our technology and human capital, we will continue to be a unique manufacturing company that is needed by society. I am certain that a bright future is in store for the TODA Group. We extend our heartfelt appreciation for your ongoing understanding and support, which continue to be the foundation of our growth and progress.



Medium-term Management Plan Vision2026

Overview of medium-term management plan Vision2026

The TODA Group has formulated and is currently implementing Vision2026, its medium-term management plan which runs three years from fiscal 2024 (fiscal year ending March 2025) to fiscal 2026 (fiscal year ending March 2027), aiming to attain its Ideal Vision for fiscal 2030, which was set as one of the Group's materialities.

In formulating Vision2026, we selected four of the materiality management targets—operating profit margin, ROE, equity ratio and CO₂ emissions—as management targets, and set target values for each fiscal year.



TODA website, Materiality

Period covered	FY2021 to FY2023	FY2024 to FY2026	To FY2030
Positioning			
Final year	FY2023 results	FY2026 targets	FY2030 targets
Operating profit margin	0.4%	5%	8% or more
ROE	(24%)	11%	10% or more
Equity ratio	26%	29%	40% or more
CO ₂ emissions (Domestic Scope 1 + 2)	25,059t Equivalent to a 72% reduction compared to FY2013*	26,500t Equivalent to a 70% reduction compared to FY2013*	22,000t or less Equivalent to a 75% reduction compared to FY2013*

* CO₂ emissions in fiscal 2013: Approx. 89,000t

Overview of our Ideal Vision and medium-term vision

Concept of medium-term management plan Vision2026

Under Vision2026, we are advancing initiatives to strengthen business portfolio management, which we set as our mission for achieving the plan. We formulated medium-term business plan Vision2023, the previous plan which ran for three years from fiscal 2021 to fiscal 2023, and worked on business growth and structural transformation over this period. However, we decided to strengthen business portfolio management further, understanding that continued improvement of corporate value is essential for achieving the Ideal Vision. We aim to achieve the plan by clarifying the positioning of each material in our operating segments in terms of profitability and growth potential in order to map out strategies.

Three strategies for accelerating selection and concentration

Based on its mission to “strengthen our business portfolio management,” the TODA Group aims to achieve business growth by accelerating selection and concentration.

To support this initiative, we formulated a financial strategy and a human capital strategy in addition to a business strategy. We recognize the importance of further enhancing coordination in terms of finance and human capital in the optimization of our business portfolio.

We will aim to achieve the plan by organically integrating these three strategies, that is, (1) business strategy, (2) financial strategy, and (3) human capital strategy.

Mission

“Strengthen Our Business Portfolio Management”


—Business growth through accelerated selection and concentration—

1 Business Strategy

Segment	Material	Positioning			
		Growth	Revenue Base	Next Generation	Revitalization/ Reorganization
Electronic materials	Magnet materials	●			
	Dielectric materials	●			
	Soft magnetic materials			●	
	Materials for LIB (associates accounted for using the equity method)	●			
	Materials for LIB (precursor)				●
Functional pigments	Hydrotalcite				●
	Coloring pigments and toner materials				●
	Catalysts, etc.		●		
	Environmental related materials (development)			●	

2 Financial Strategy

- Operate business with an awareness of a stable financial base and capital efficiency




Message from the Department Manager of the Corporate Planning Department

3 Human Capital Strategy

- Strengthen succession plans for key divisions

- Develop the careers of women and minorities

- Foster human capital to promote DX implementation



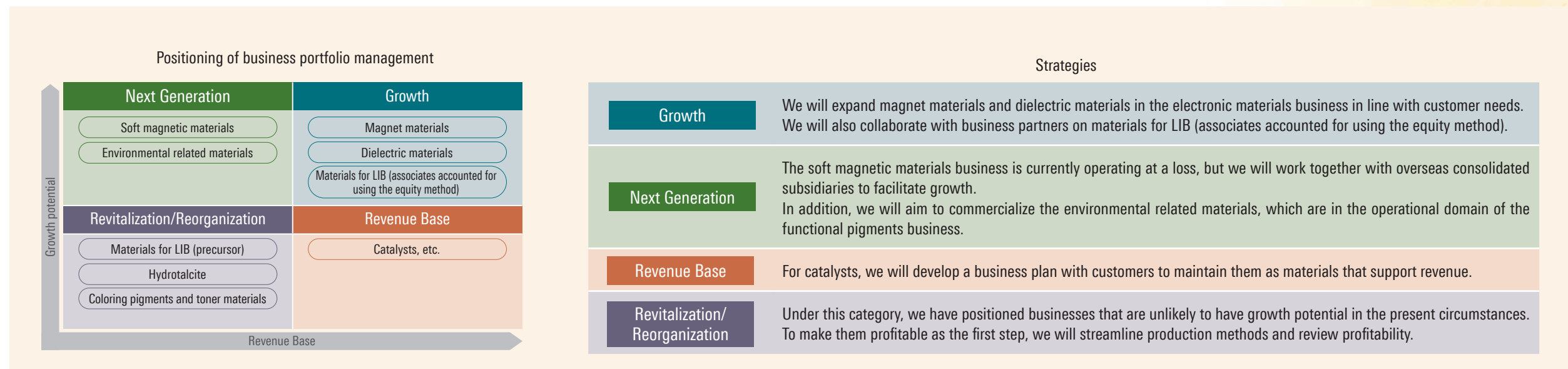
Message from the General Manager of the Corporate Administration Division



Medium-term Management Plan Vision2026

Business portfolio management initiatives

We have clarified the positioning of each material in terms of profitability and growth potential and are implementing a three-year plan.



Progress made in fiscal 2024

In fiscal 2024, the first year of Vision2026, we recorded net sales of 31.7 billion yen, a 20.7% year-on-year increase.

However, on the profit side, our financial results were unfavorable, with an operating loss of 600 million yen, an ordinary loss of 1.4 billion yen, and a loss attributable to owners of parent amounting to 3.6 billion yen.

Although the business performed solidly overall, due to a slowdown in growth of the EV market, sales and profit from related materials declined significantly, leading to the posting of an extraordinary loss.

As a result, profit declined considerably in the consolidated business results, and we failed to meet the management targets laid out in Vision2026.

In fiscal 2025, which is the mid-way point of Vision2026, we expect the

business environment to remain uncertain, given the rising uncertainty surrounding the global economy driven by trends in US trade policy along with rising prices and interest rates.

Despite operating under these management conditions, the TODA Group will further accelerate its selection and concentration initiatives aimed at achieving its Ideal Vision for fiscal 2030 and meeting the management targets set in Vision2026, with the aim of realizing sustainable growth through strengthened business portfolio management.

	FY2023	FY2024 (Results)	FY2025 (Forecasts)	FY2026 (Targets)	
Net sales	26.2	31.7	29.0	38.5	
Operating profit	0.1	(0.6)	0.9	1.9	
Ordinary profit	1.2	(1.4)	0.6	3.1	
Profit	(3.6)	(3.6)	0.2	2.2	
					FY2024 management targets
Operating profit margin	0.4%	(2.0%)	3.1%	5.0%	2%
ROE	(24%)	(29%)	2%	11%	6%
Equity ratio	26%	22%	23%	29%	26%
CO ₂ emissions	25,059t	32,470t	27,500t	26,500t	28,500t or less



Medium-term Management Plan Vision2026

Review of fiscal 2024

Looking at consolidated business results for fiscal 2024, despite posting an increase in net sales, operating profit declined, resulting in higher sales combined with a decline in profits.

In our business portfolio, the businesses classified as “growth,” “revenue base” and “next generation” all recorded increased sales and profits. This is due to the conversion of equity-method associates into consolidated subsidiaries and success in steadily capturing strong demand, in addition to the ongoing investment of management resources.

However, materials classified as “revitalization/reorganization” suffered declines in sales and profits. Among these materials, precursors for LIB saw a rapid decrease in orders due to slowing growth in the EV market, and we were

forced to post a significant decline in profit as a result. In addition, coloring pigments, toner materials and hydrotalcite were also affected by a decline in demand and sharply rising raw material and energy prices. Despite reducing the losses by a certain degree through revenue improvement efforts, we were not able to move these businesses into the black.

As a result, the sluggish performance of the materials under revitalization/reorganization had an impact on overall business results, leading to the posting of an operating loss.

[1] Main factor behind increased in sales: turning businesses under “next generation” into subsidiaries

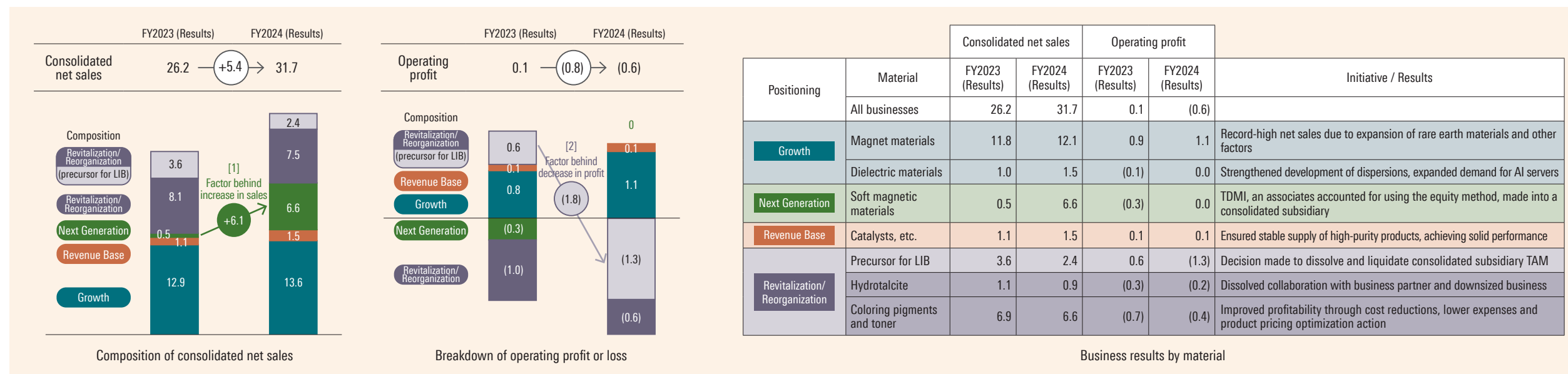
In soft magnetic materials, which are positioned as “next generation,” in fiscal 2024 we turned the South Korea-based TODA materials Inc. (hereafter, “TDMI”),

an associate accounted for using the equity method that manufactures and sells the material, into a consolidated subsidiary. The consolidation increased sales by 6.1 billion yen year on year, greatly contributing to the growth of the business.

[2] Main factor behind decrease in profit: dissolution of a business under “revitalization/reorganization”

The Canada-based Toda Advanced Materials Inc. (hereafter, “TAM”), which handled the production and sale of precursors for LIB and was classified under “revitalization/ reorganization,” reported an operating loss against the backdrop of slowing growth in the EV market. As there were no prospects for a short-term market recovery, TODA decided to dissolve and liquidate TAM, and related costs were also recorded. As a result, profit declined by 1.8 billion yen.

Progress of business portfolio management (unit: billion yen)



Medium-term Management Plan Vision2026

Fiscal 2025 outlook

Considering the economic outlook for fiscal 2025, due to the impact of ongoing inflation and rising interest rates on consumption, combined with the impact on the global economy from US trade policies, we expect the business environment to remain uncertain.

Operating under these conditions, we project a decrease in net sales and increase in profits in the consolidated results for fiscal 2025.

The decrease on the sales side will be due to a loss of 2.1 billion yen resulting from the dissolution and liquidation of TAM, the LIB precursor production company that was positioned as a “revitalization/reorganization” business. Meanwhile, the increase in operating profit will be due to the improvement effects associated with

that same dissolution and liquidation, amounting to 1.2 billion yen. In addition, we expect profitability to improve thanks to the solid performance from other materials.

The TODA Group will work to expand its business by solving emerging customer issues with the materials it positions in the “growth” category. For those in the “revitalization/reorganization” category, we aim to improve profitability by rationalizing production methods and reviewing financial viability.

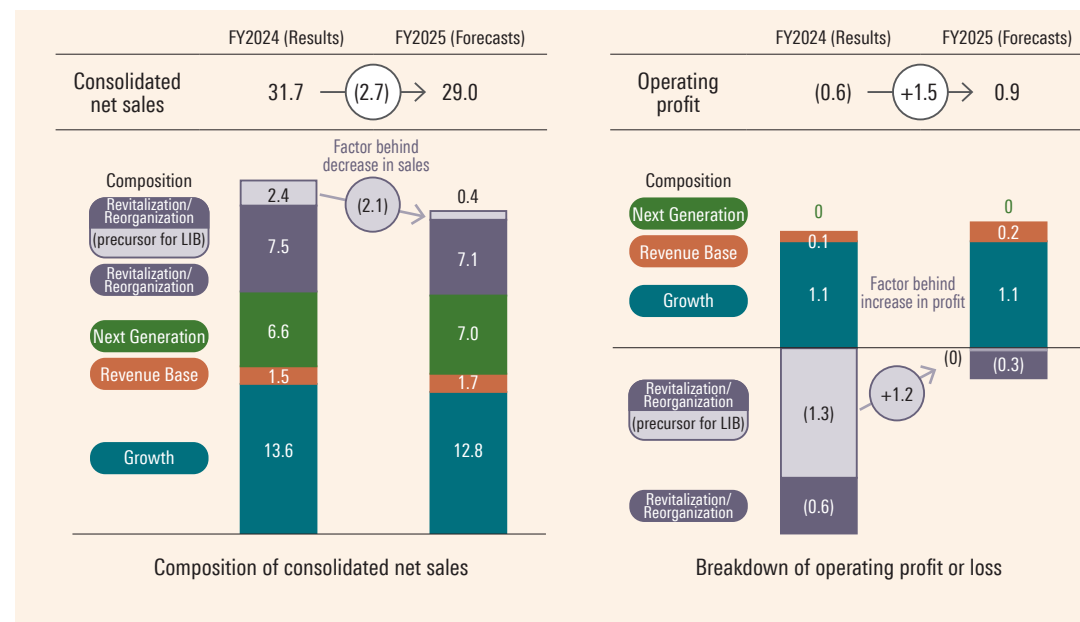
In addition, even if we fall far short of the target values for net sales set out in Vision2026, we will aim to maintain operating profit margin, one of the management targets, at a level of 5% or more.

The TODA Group will continue to accelerate its selection and concentration initiatives aimed at achieving its Ideal Vision for fiscal 2030 and meeting the

management targets set in Vision2026, striving to realize business growth through strengthened business portfolio management.

In particular, we expect to expand the magnetic materials and dielectric materials businesses that fall under the “growth” category, and will also drive the business expansion of soft magnetic materials, under “next generation.” Further, we aim to achieve commercialization at an early stage through the intensive investment of management resources in environmental related materials.

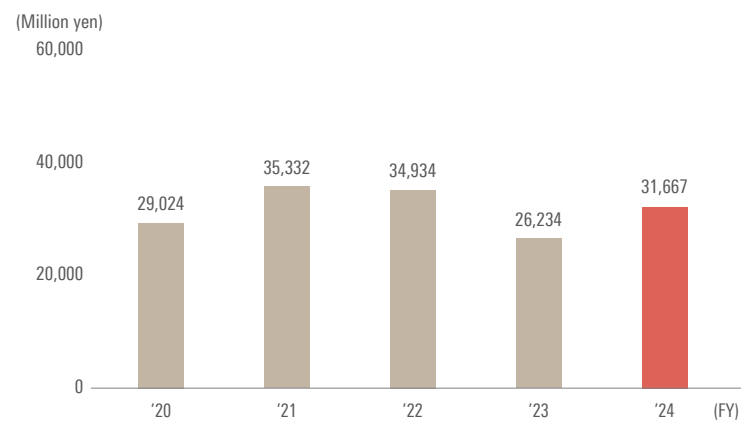
Progress of business portfolio management (unit: billion yen)



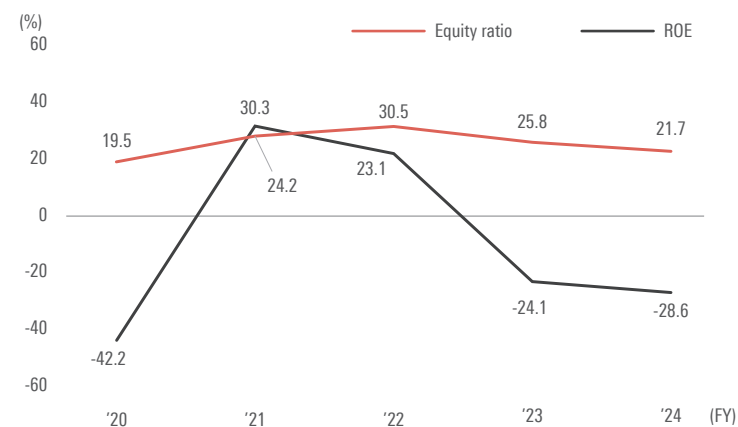
Positioning	Material	Consolidated net sales		Operating profit		Initiative
		FY2024 (Results)	FY2025 (Forecasts)	FY2024 (Results)	FY2025 (Forecasts)	
	All businesses	31.7	29.0	(0.6)	0.9	
Growth	Magnet materials	12.1	11.1	1.1	1.1	Maintain profit by strengthening the development of high-magnetic-force and high-heat-resistant materials
	Dielectric materials	1.5	1.7	0.0	(0.1)	Launch the mass production process for dispersions and step up development investment
Next Generation	Soft magnetic materials	6.6	7.0	0.0	0.0	Collaborate with TDMI on business expansion focusing on metal materials
Revenue Base	Catalysts, etc.	1.5	1.7	0.1	0.2	Maintain profitability by ensuring stable supply
Revitalization/Reorganization	Precursor for LIB	2.4	0.4	(1.3)	(0.0)	Continue with TAM dissolution and liquidation procedures
	Hydrotalcite	0.9	0.4	(0.2)	(0.2)	Strengthen revenue improvement activities by expanding into new areas
	Coloring pigments and toner	6.6	6.6	(0.4)	(0.1)	Drive rationalization activities including cost reductions and lower expenses

Forecast business results by material

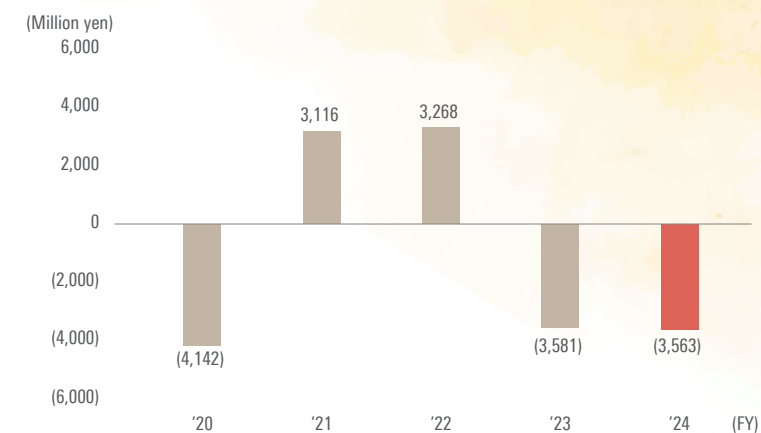
Financial Highlights (Consolidated)



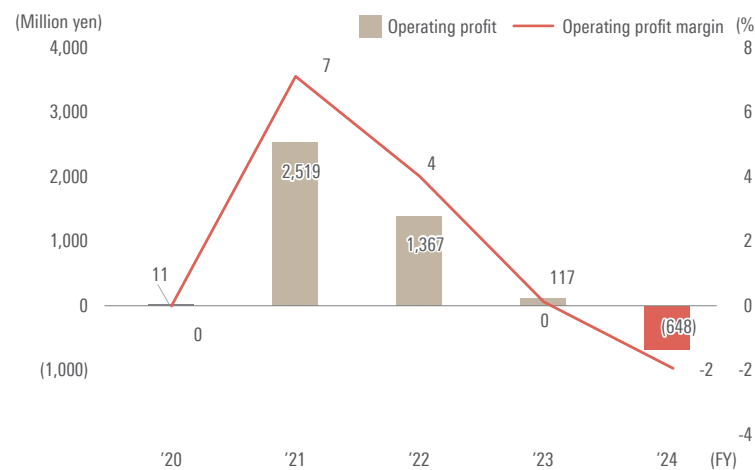
Net sales



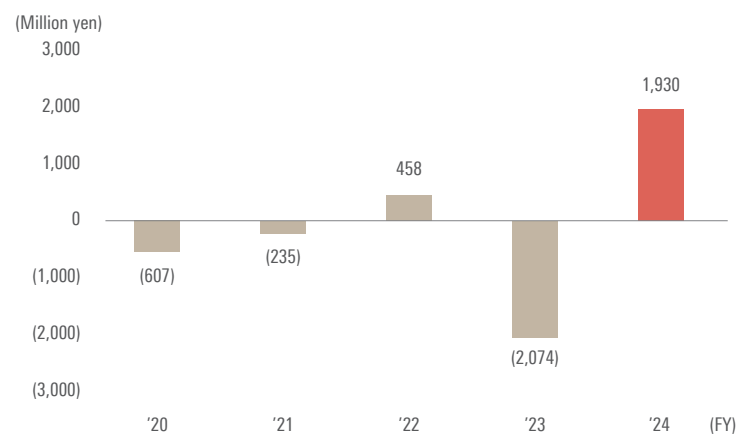
Equity ratio/ROE



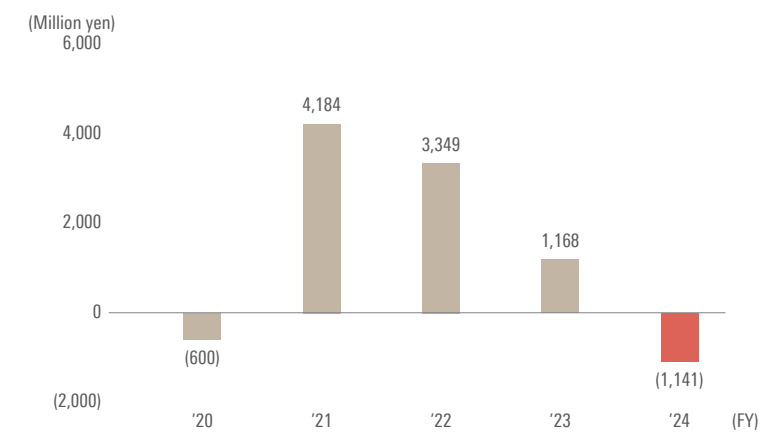
Profit attributable to owners of parent



Operating profit/Operating profit margin



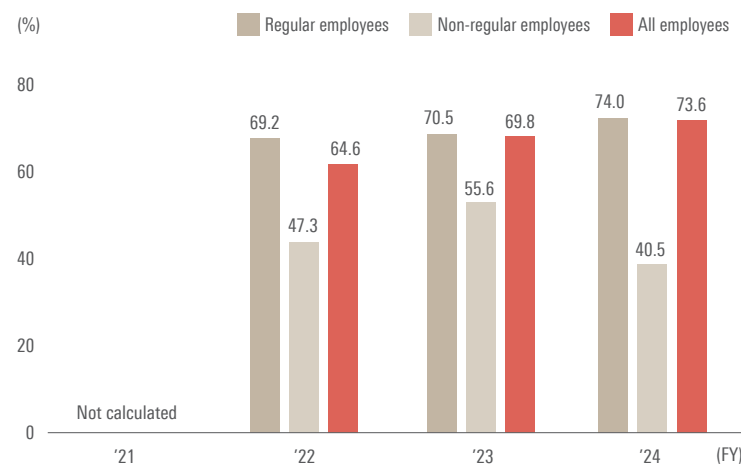
Free cash flow



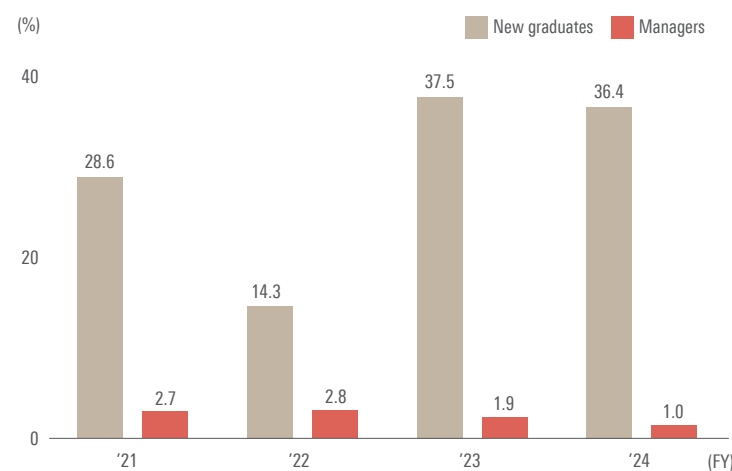
Ordinary profit



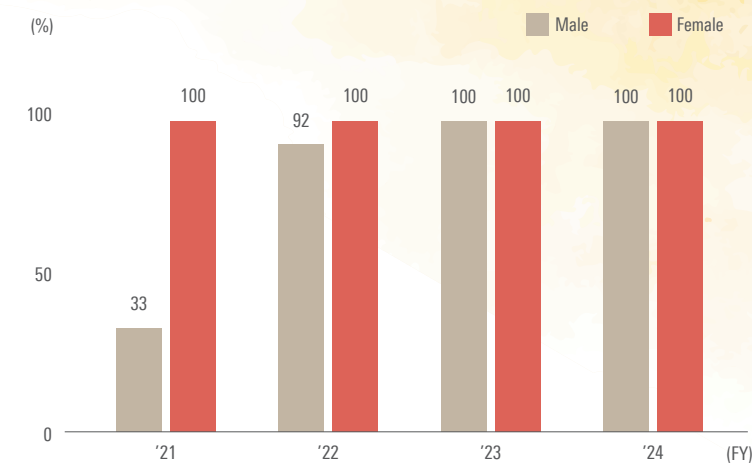
Non-financial Highlights (Non-consolidated)



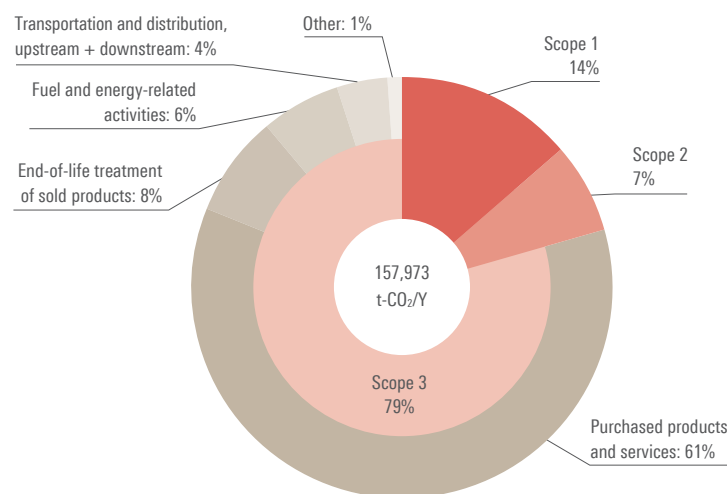
Gender wage gap



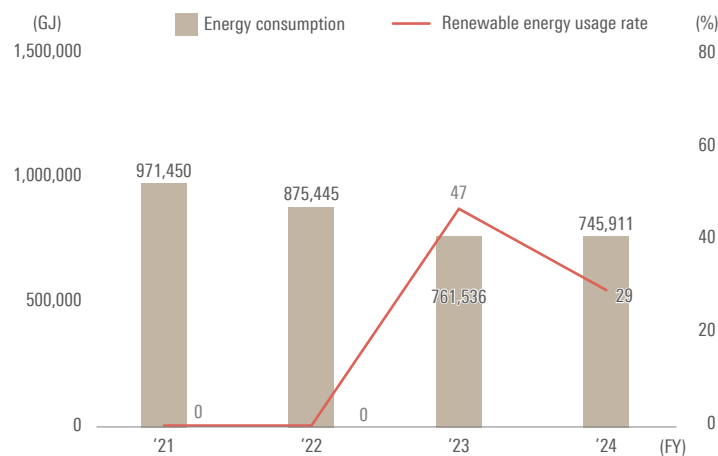
Ratio of female employees (new graduates / managers)



Percentage of eligible employees taking childcare leave or leave for childcare purposes



GHG emissions (Japan, fiscal 2024)



Energy consumption and renewable energy usage rate

External evaluations

	FY2021	FY2022	FY2023	FY2024
CDP	Climate change		C	C
	Water security		—	C
EcoVadis	2022 ecovadis Sustainability Rating		2023 ecovadis Sustainability Rating	2024 ecovadis Sustainability Rating
	BRONZE		SILVER Top 15%	COMMITTED



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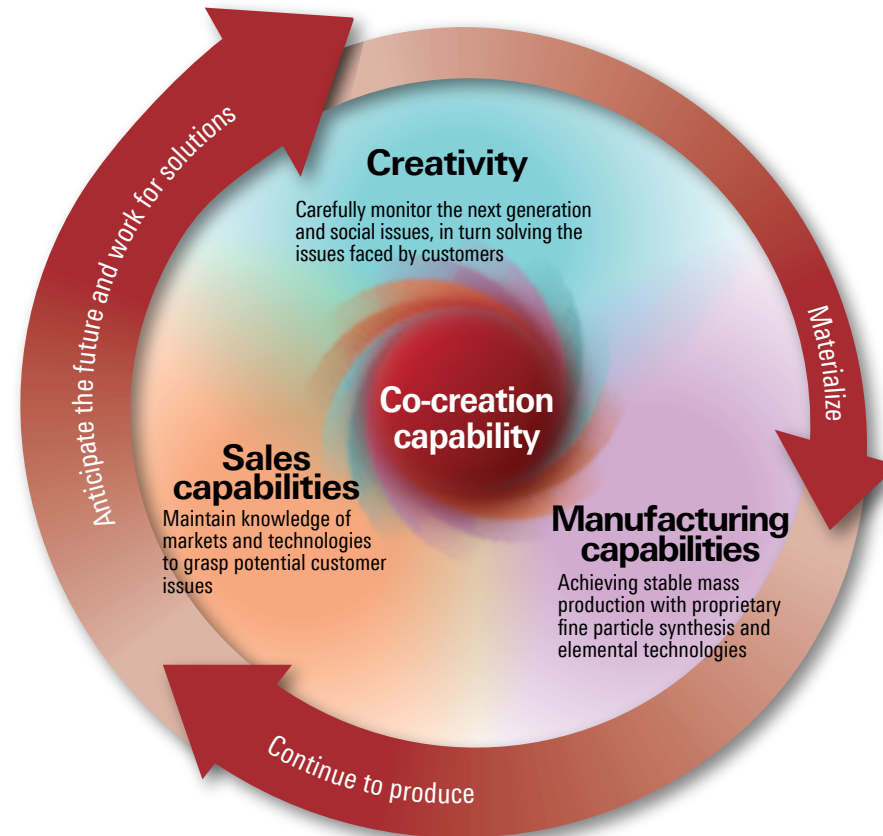
29 Business Strategies

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Co-creation capability is ...

The ability to integrate creativity, manufacturing capabilities and sales capabilities

The ability to leverage continually refined technologies

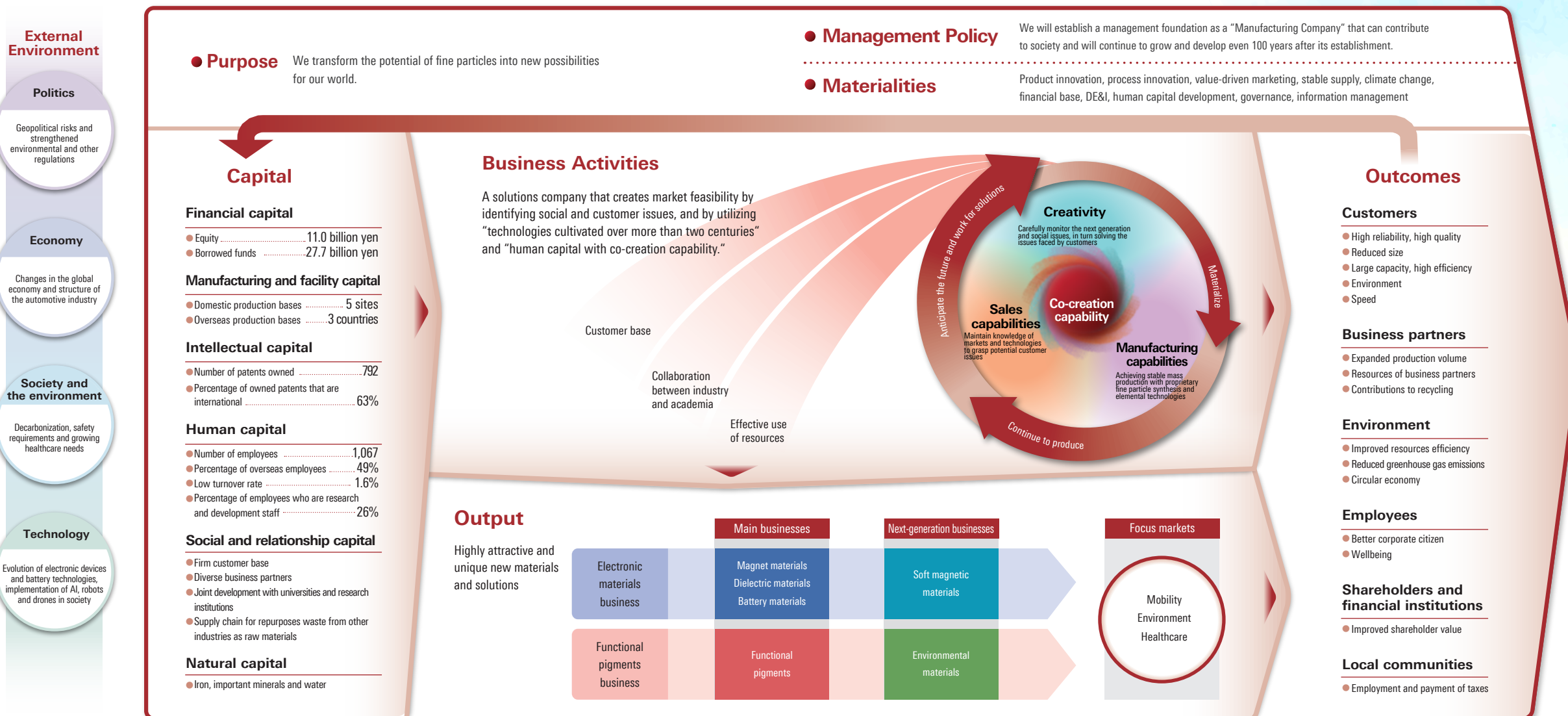
The ability to link the theory of the natural sciences with the real world

The ability to introduce new products to the world together with customers and business partners

Value Creation Process

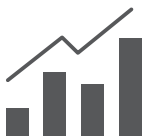


The TODA Group positions its Management Principle and Management Policy as the foundations of its decision making and action to adapt to a continually changing social environment.




All of the Group's officers and employees believe in the potential of technology and people, and tackle innovation through dialogue with customers.



Management Capital

To realize the Management Principle of “broadly contributing to society through solutions,” we have strived to expand management capital as the source of value creation.

<p>Financial capital</p> 	<ul style="list-style-type: none"> - Investment strategy through portfolio management - Credibility built through dialogue with financial markets <p>Challenge: Increased borrowed funds due to reduced earning power and business restructuring</p>
<p>Manufacturing and facility capital</p> 	<ul style="list-style-type: none"> - Large-scale iron oxide manufacturing facilities - Global production sites (magnetic materials) - Production technologies tailored to customer requirements and quality control technologies that encourage improvements <p>Challenge: Renovation for aging facilities</p>
<p>Intellectual capital</p> 	<ul style="list-style-type: none"> - Expertise concerning fine particle synthesis - Patents covering fine particles to their application <p>Challenge: Fusing research and development with digital technology</p>

<p>Human capital</p> 	<ul style="list-style-type: none"> - Widely instilled Management Principle and the mindset of a company built upon technology - Employees who perform their duties with integrity <p>Challenge: Promoting the success of women and seniors</p>
<p>Social and relationship capital</p> 	<ul style="list-style-type: none"> - Track record and credibility as a manufacturer of iron oxide - Sales track record as a leading manufacturer in each industry - Collaboration between industry-academia with a diverse range of partners - Supply chain that repurposes industrial waste from other industries as raw materials <p>Challenge: Development of overseas customers</p>
<p>Natural capital</p> 	<ul style="list-style-type: none"> - Energy and fresh water used in manufacturing - Mineral-derived inorganic resources <p>Challenge: Further greenhouse gas emission reductions</p>

Global network and main business activities

Japan (5 companies)	China (6 companies)	Korea (2 companies)	Thailand (1 company)	Germany (1 company)
<p>General product manufacturing, development and sales (non-consolidated)</p> <p>Manufacturing and sales of organic pigments (1 company)</p> <p>Manufacturing and sales of materials for LIB (2 companies)</p> <p>Contract manufacturing (1 company)</p>	<p>Manufacturing and sales of magnetic materials (4 companies)</p> <p>Manufacturing and sales of inorganic pigments (1 company)</p> <p>Marketing and sales in Asia (1 company)</p>	<p>Manufacturing and sales of soft magnetic materials (1 company)</p> <p>Marketing and sales in Korea (1 company)</p>	<p>Manufacturing and sales of magnetic materials</p>	<p>Marketing and sales in Europe</p>

Message from the Department Manager of the Corporate Planning Department

Atsushi Tomokawa

Director,
Managing Executive Officer,
Department Manager of
the Corporate Planning Department



Strengthening Business Portfolio Management
and Thoroughly Improving Cash Flows

Taking the fiscal 2024 financial results seriously and reflecting deeply on them

To realize its Ideal Vision for fiscal 2030, the TODA Group formulated Vision2026, its three-year medium-term management plan starting in fiscal 2024. As a key measure of the plan, we have been working to strengthen our business portfolio management. However, the fiscal 2024 financial results ended up diverging significantly from our initial forecasts. I would like to offer a heartfelt apology for the great concern these results caused our valued stakeholders.

The divergence in our financial results is related to two businesses categorized for revitalization/reorganization in our business portfolio management.

One of them is functional pigments. To improve earnings, we have been promoting rationalizations such as product pricing optimization action and reductions to costs and various expenses. However, these efforts have failed to produce the expected results.

Another business is the TODA Group’s Canadian subsidiary Toda Advanced Materials Inc. (hereafter, “TAM”), which manufactures precursor materials for LIB. Demand in this business fell more than expected due to existing products entering a declining phase in the product lifecycle, in addition to a slowdown of growth in the EV market. In light of these external and internal factors, we made the decision to dissolve and liquidate TAM. As a result, we recorded a loss of 2.6 billion yen (ordinary loss of 1.5 billion yen + future expected costs of 1.1 billion yen) for TAM, and this had a significant negative impact on the consolidated results for the TODA Group.

Performance targets in Vision2026

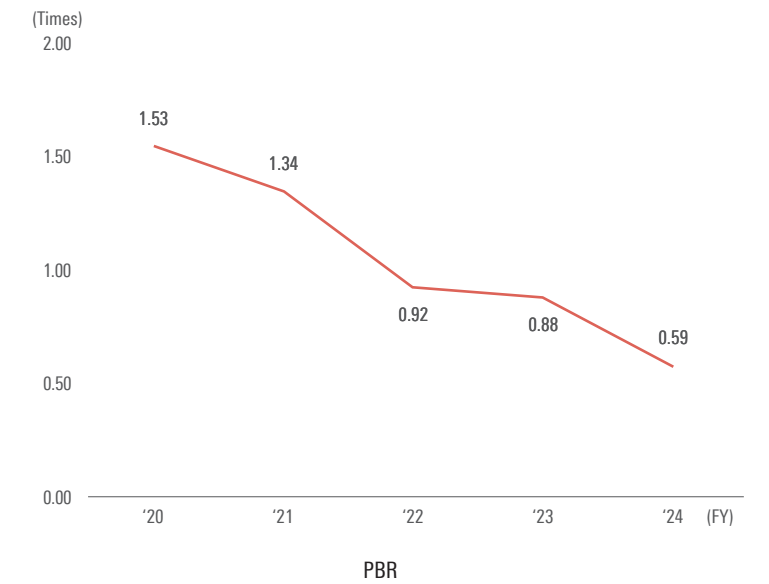
	FY2024 management targets	FY2024 result	Ideal Vision for fiscal 2030
Operating profit margin	2%	(2%)	8%
ROE	6%	(29%)	10% or more
Equity ratio	26%	22%	40%
Scope 1 + 2 emissions (in Japan)	28,500t	32,470t	22,000t

Message from the Department Manager of the Corporate Planning Department

Promoting management that is conscious of the cost of capital and stock price

To promote management that is conscious of the cost of capital, the TODA Group set ROE and other metrics as performance targets in its medium-term management plan, and has estimated the cost of capital when reviewing its business plans and formulating capital investment plans. However, in fiscal 2024, the TODA Group was unable to meet its performance targets, and failed to improve corporate value and PBR.

We take these results seriously, and based on thorough reflection, we will place renewed emphasis on business portfolio management and accelerating management reforms. In addition, to improve PBR, we believe it is necessary to not only raise profitability but to have shareholders and investors understand the initiatives we are pursuing. To that end, we will step up the dissemination of information about our sustainability efforts and other initiatives.



Steadily advancing business portfolio management

We have implemented two specific mechanisms promoting business portfolio management. First, we created the Business Unit Management Department, a dedicated department tasked with managing businesses in a cross-sectional manner, as well as formulating and implementing strategy. Second is the use of net present value (hereafter, “NPV”) to determine the validity of investments and verify resource allocations.

Magnetic materials and dielectric materials, which we categorize as growth businesses, have shown greater than expected growth, and we have continued to invest in production capacity.

For soft magnetic materials, which is categorized as a next-generation business, we are aiming to maximize business synergy with the Korea-based TODA materials Inc. (hereinafter, “TDMI”), which we have made a wholly owned subsidiary.

Main activities related to business portfolio management

Concentration (growth / next generation)		Fiscal year	Selection (revitalization / reorganization)	
Environment	Started development of CO ₂ solid sorbents	2021	Magnet	Closed Korean plant operated by TODA Ferrite KOREA CO., LTD. (now Toda Korea Seoul Co., Ltd.)
Environment	Adopted for NEDO’s advancement of hydrogen technologies and utilization project		Magnet	Dissolved TODA MAGNET (SHENZHEN) CO., LTD.
Dielectric	Improved development of barium titanate powder and dispersion			
Magnet	Made Jiangmen & Partner’s Magnetic Product Co., Ltd a consolidated subsidiary			
Dielectric	Increased production capacity of barium titanate powder (Onoda)	2022	Pigment	Transferred equity in Toda United Industrial (Zhejiang) Co., Ltd.
Environment	Started a project to build supply chains of a local CO ₂ -free hydrogen utilizing unharnessed natural gas (Toyotomi Town, Hokkaido)	2023		
Soft magnetic	Made TODA ISU CORPORATION (now TODA materials Inc.) a wholly owned subsidiary			
Magnet	Increased rare earth compound production capacity (Otake, Tianjin)			
Environment	Made the decision to establish a mass production plant for CO ₂ solid sorbent (Onoda)	2024	Hydrotalcite	Dissolved partnership with Sakai Chemical Industry Co., Ltd.
			Batteries	Transferred all shares held in Mechema Toda Corporation
			Batteries	Decided to dissolve and liquidate Toda Advanced Materials Inc.

For environmental related materials, another next-generation business, we are aiming to build systems to recycle unutilized resources and collaborate between industry, academia and government. Positioning the utilization of CO₂ and methane gas as a key theme, we are working toward commercialization through demonstration and verification activities.

For businesses categorized as revitalization/reorganization, we are taking the necessary measures to quickly rebuild underperforming businesses other than TAM and functional pigments, as mentioned earlier. In the hydrotalcite business, we had been collaborating with Sakai Chemical Industry Co., Ltd. on its application in vinyl chloride stabilizer but in response to the rapid fall of market prices due to the emergence of Chinese manufacturers, we decided to dissolve the partnership. Looking ahead, we will aim to shift to areas expected to produce high added value through the technologies cultivated in this business.



Message from the Department Manager of the Corporate Planning Department

Making no compromises on improving cash flow

Amid continued weak earnings, we have taken actions such as cost reduction, controlling SG&A expenses and reducing inventory, and worked to improve profitability. Among those efforts, we have positioned the cash conversion cycle (hereafter, “CCC”) as a key management indicator in our medium-term management plan, and focused on reducing inventories.

First, starting with a strong commitment from top management, we shared the significance of reducing inventories across the TODA Group. Next, we implemented unified company-wide activities by visualizing and strictly managing CCC through monthly figures.

As a result, CCC was shortened by around 2.3 months from 8.9 months in the fiscal year ended March 31, 2024 to 6.6 months in the fiscal year ended March 31, 2025.

By improving this CCC metric, cash flows from operating activities rose significantly from 410 million yen in the fiscal year ended March 31, 2024 to around 4.97 billion yen in the fiscal year ended March 31, 2025, an increase of around 4.56 billion yen.

Going forward, we will use the generated cash for strategic investment in growth businesses and next-generation businesses, and for investing in R&D aimed at future growth.

Initiatives to enhance corporate value

We have not met the performance targets set out in the Vision2026 medium-term management plan, and many challenges still remain. However, business portfolio management has driven earnings growth, and we are confident in our strategic direction. Looking ahead, we will strengthen business portfolio management through the following three activities, striving to produce even greater results even faster.

First, for revitalization/reorganization businesses, we will face the changes and approach rationalization with courage. We will also work to eliminate revenue-reducing factors through rigorous cost reductions and improvements to the CCC.

Second, we will concentrate the investment of management resources in growth and next-generation businesses, making them the driving force behind sustained growth. To facilitate the investment decisions associated with this activity, we will utilize NPV as a key indicator, ensuring our ability to respond to risks through scenario analysis and sensitivity analysis.

Third, we will continue to invest management resources in research and development to promote the commercialization of creative products. As a company built upon technology, TODA recognizes that research and development, as well as co-creation with partners, are vital foundations for growth.

By thoroughly implementing the cycle of sincere reflection (Check), persistent improvements (Action), building a clear growth story (Plan) and steadfast, rigorous execution (Do), we aim to enhance earnings power and corporate value while retaining the trust of stakeholders.

Status of cash flows

Cash		FY2023		FY2024		Q1 of FY2025	
Cash flows from operating activities	Inflows	1.23 billion yen	Collection of loans, etc.	4.97 billion yen	CCC improvements Decrease in trade receivables	0.71 billion yen	CCC improvements Decrease in trade receivables
	Outflows	0.82 billion yen	Decrease in trade payables	—	—	—	—
Subtotal		0.41 billion yen		4.97 billion yen		0.71 billion yen	
Cash flows from investing activities		2.48 billion yen	<div>Dielectric</div> <div>: Increased production capacity</div> <div>Magnet</div> <div>: Increased production capacity</div> <div>Pigment</div> <div>: Streamlining, energy conservation</div>	3.04 billion yen	<div>Environment</div> <div>: Hydrogen supply chain development project</div> <div>Magnet</div> <div>: Increased production capacity</div> <div>Pigment</div> <div>: Streamlining, energy conservation</div> <div>Soft magnetic</div> <div>: Purchase of land by TDMI</div>	0.87 billion yen	<div>Environment</div> <div>: Hydrogen supply chain development project</div> <div>Magnet</div> <div>: Increased production capacity</div> <div>DX</div> <div>: Upgrading of core systems</div>
Adjusted free cash flow		(2.07 billion yen)		1.93 billion yen		(0.16 billion yen)	



Message from the General Manager of the Corporate Administration Division

Koso Aoki

Managing Executive Officer,
General Manager of Corporate
Administration Division

Believing in the Potential of People That Is the Key to Unleashing the Potential of Fine Particles

The aspiration built into our purpose

The TODA Group has set materialities with a view toward its vision for fiscal 2030, and is in the process of implementing Vision2026, a three-year medium-term management plan running from fiscal 2024 to fiscal 2026. As part of these efforts, in 2023 we established a purpose, reaffirming what TODA's existence means for society.

Our purpose, "We transform the potential of fine particles into new possibilities for our world," reflects our commitment to tackle increasingly diverse future challenges and social needs through the fine particle synthesis technologies we have cultivated since our founding. The term "fine particles" also incorporates the meaning of "people." Throughout TODA's long history, it has overcome countless trials to continue its business, and it owes this success to the power of people who have tirelessly worked with customers and stakeholders to tackle the challenges of each era. Even as we build and develop future businesses, TODA regards people as its most important capital, driving advances in its business activities. We aspire to be a company that expands possibilities for our world and its future, in which each employee works with passion, flourishes with vitality, and maximizes their individual potential.

Message from the General Manager of the Corporate Administration Division

Our value creation process: Co-creation capability

To realize its purpose, the TODA Group attaches great importance to co-creation capability, positioning it at the center of its value creation process. To provide new value including products and services that delight customers, we value three key points: (1) solving challenges through focused technical dialogue at the front lines of development, (2) ensuring ongoing improvement activities and quality assurance through coordination between production, engineering and quality assurance departments on the front lines of manufacturing, and (3) identifying the true challenges customers face and proposing appropriate solutions on the front lines of sales.

To anticipate future changes, grasp the challenges they pose to customers and guide them toward solutions, we select junior employees to take part in internal and external exchange opportunities and continue collaborating with related parties, thereby cultivating human capital imbued with co-creation capability. Through this co-creation capability, the TODA Group seeks to continue to be a solutions company that creates new market potential.

Looking back on our history and linking it with the future

The co-creation capability that is positioned at the core of our value creation process has been cultivated throughout TODA's long history. Confronting the pollution issues of the 1960s head-on, TODA needed to find new ways to manufacture iron oxide. Pursuing research and development through industry-academia collaboration with Kyoto University, the wet synthesis method for iron oxide was discovered and established as an industrial manufacturing method. Elaborate technical discussions with people from many companies have driven the development of new applications, with magnetic recording materials being used in audio and video tapes, and print recording materials being used for printer and copier toner. A wide range of other applications has been made possible by probing the depths of technologies and engaging in co-creation so that it functions as various products.

The TODA Group has organized and shared these historical achievements in the form of a training program on its corporate history. Through this corporate history training, participants can relive how the company's forerunners, through effort and endeavor, made decisions in times of crises threatening business continuity, and demonstrated their co-creation capability. Our training program shares the importance of having a strong passion for driving forward-looking activities through collaboration with related partners, serving as an opportunity for employees to reflect on their own values, attitudes toward work and decision-making principles.

TODA's challenges with human capital

TODA faces three challenges related to human capital.

First is the cultivation of human capital involved with business creation and business management. To generate continuous, stable profits, TODA needs to change its business portfolio as early as possible. To do so, we require human

capital who can build next-generation businesses and follow through with the revitalization or reorganization of existing businesses.

Second is the promotion of DE&I. TODA tackles challenges with the advanced age of our employees (averaging 46.4 years in fiscal 2024) and the low ratio of female managers (1.0% in fiscal 2024).

Third is the development of human capital to drive digital transformation (DX). To deliver the products and services required in an ever-changing society in a timely manner, we need to accelerate the transformation of business structures through DX.

To solve these three challenges for human capital, TODA has established a Human Capital Development Committee which discusses human capital strategies that align with our management strategy. The committee is currently pursuing three human capital strategies.



Message from the General Manager of the Corporate Administration Division

1. Strengthen succession plans for key divisions

To cultivate human capital capable of managing businesses within an ever-changing business environment, we have formulated and are operating succession plans. Based on these succession plans, we rotate candidates for executive management through management positions at domestic and overseas affiliate companies and positions of responsibility in each business field, providing them with opportunities to acquire business management skills. We also identify management and next-generation management candidates from among junior and mid-career employees, and conduct next-generation management candidate training to solve departmental challenges with management perspectives.

Going forward, we will continue to proactively hire human capital with passion and enterprising spirit, as well as mid-career human capital with specialist expertise, as part of efforts to enhance our workforce to create new business.

2. Develop the careers of women and minorities

The TODA Group believes that to build new businesses, it is important to secure human capital with diverse ways of thinking. Our activities to support the success of female employees include the development of a workplace environment with systems for shortened working hours, maternity leave, and childcare leave. We also encourage male employees to deepen their understanding of childcare

Materiality indicators	FY2022 (Results)	FY2023 (Results)	FY2024 (Results)	FY2030 (Targets)
Ratio of female employees	17%	17%	20%	25% or more
Ratio of female managers	3%	2%	1%	10% or more
Rate of childcare leave and leave for childcare purposes taken by eligible male employees	92%	100%	100%	95% or more

responsibilities and support the use of childcare leave and leave for childcare purposes. Additionally, to increase the number of female managers, we conduct career leadership training and promote the development of an environment enabling employees to demonstrate their capabilities through participation in various training programs. We also proactively recruit female employees to increase the female-to-male employee ratio. In fiscal 2024, 36% of new graduate hires and 50% of mid-career hires were women. Going forward, we plan to further increase the ratio of female employees and develop an environment that will encourage women to aspire to management positions.

3. Foster human capital to promote DX

To deal with the increasing age of employees while covering personnel shortages and ensuring swift business execution and decision making, it is essential to introduce digital technologies and implement DX in each area of business. TODA transferred the activities previously prepared under the DX Project to the Digital Innovation Department, which was established in January 2025. Members assembled from each department have started to take stock of the work performed in each department and create mechanisms to perform the work efficiently with the use of digital technologies. Through these activities combined with intra- and inter-departmental workshops and training sessions, we aim to increase human capital with DX capabilities.

Aiming to realize our ideal vision

By expanding our human capital, we aim to drive business activities to help achieve our financial and non-financial goals. By implementing a cycle that reinvests the financial and non-financial base we have built back into human capital, we hope to realize the ideal vision for fiscal 2030 that was set forth in our materialities.

“We attempt to create new possibilities that bring hope to the future. Supporting life and society through nanotechnology.”
Anticipating the Future with the TODA Group.



Business Strategies

Magnet materials

Contributing to Next-generation Mobility

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Nobuhiro Katayama

Magnet Materials Business Group
Business Unit Management
Department



Main applications

Motors, sensors, magnet rolls

Business opportunities

- Expanded demand due to the electrification of vehicles
- Rising demand for high-efficiency magnets against the backdrop of decarbonization

Strengths

- Extensive lineup and large market share
- Supply network spanning Japan, China and Thailand
- Integrated production system from powders to molded products
- In-house support service for injection-molded products

Risks

- Rising resource prices driven by geopolitics
- Restrictions on imports and exports due to economic and trade policies
- Demand decline due to strengthened regulation of plastics

Growth strategies

01 Increasing compound production capacity

We will preserve and expand our competitive advantage as a company with the leading market share (50%) in ferrite materials for bonded magnets

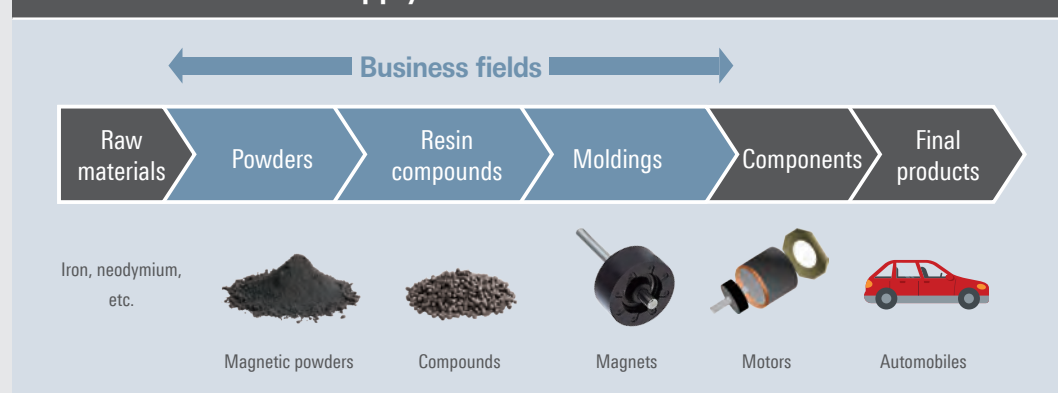
02 Avoiding geopolitical risks

We will develop multiple production sites and raw material sources to reduce supply risks to customers.

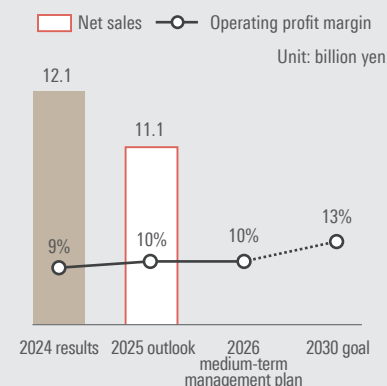
03 Development of high-performance magnets that help make components smaller and lighter

We will drive the development of high-magnetic force and high-heat-resistant materials which help reduce size and weight to meet the demands of the automotive market.

Supply chain and business field



Business plan



Topics

- Acquired business covering new themes, particularly in the Chinese market, achieving record-high sales (11.8 billion yen in fiscal 2023, 12.1 billion yen in fiscal 2024)
- Achieved a 7% improvement in the magnetic force of anisotropic NdFeB compounds compared with existing products at the laboratory equipment level (goal: 30% increase by fiscal 2027)
- Increased production capacity from 700 tons/year to 900 tons/year with the addition of a new NdFeB compound manufacturing line



Business Strategies

Dielectric materials Building an Ultra-Smart Society



Main applications

Multilayer ceramic capacitors (MLCC)

Business opportunities

- Expanded MLCC demand due to the electrification of vehicles and the spread of AI
- Microparticulation and higher quality of barium titanate due to reduced size and the improved performance of MLCCs

Strengths

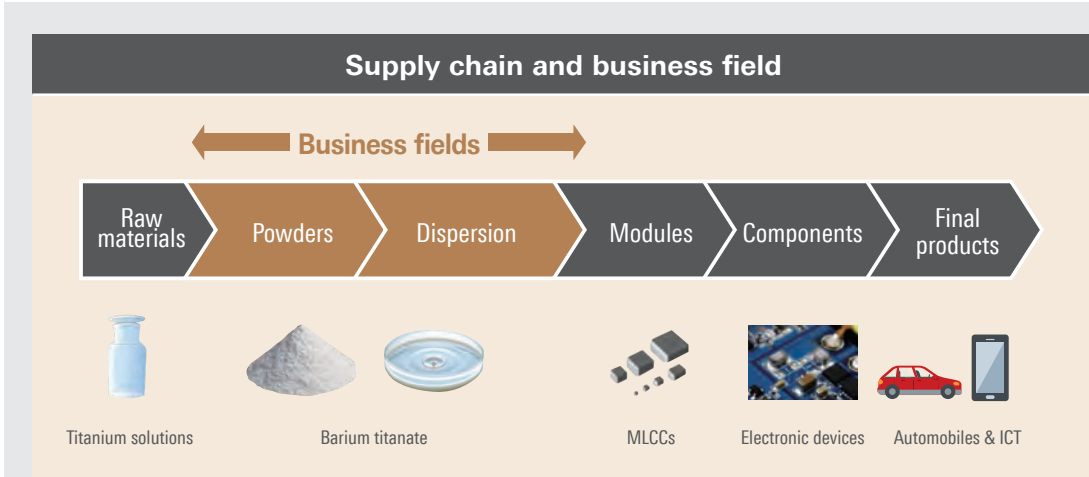
- Hydrothermal synthesis technology for manufacturing 150-nanometer or smaller fine particles
- Manufacturing fine particles technologies with high crystallinity and homogeneous composition
- Dispersion processing technologies utilizing the features of hydrothermal synthesis

Risks

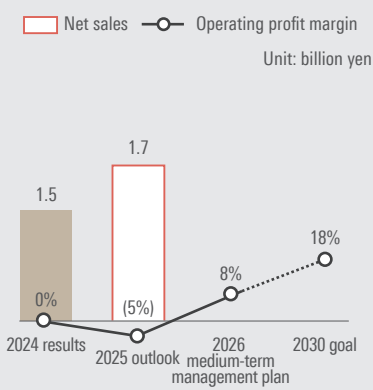
- Stagnation of raw material supply due to destabilizing international developments
- Increased procurement costs due to exchange rate and tariff fluctuations
- Prolonged slowdown of the EV market

Growth strategies

- 01 Development and manufacturing focused on fine particles**
We aim to solidify our position as a niche company supplying co-materials for inner electrode layers, achieving an operating profit margin of 18% by fiscal 2030.
- 02 Provision of materials as dispersions utilizing hydrothermal synthesis**
By providing the materials in a dispersion form, we help shorten process times for customers and lower defects caused by chipping particles.
- 03 Increased production capabilities**
We will increase our production capacity for barium titanate fine particles to respond to growing demand.



Business plan



Topics

- Rise in demand for AI servers
- Increased demand for fine particle materials due to the reduced size of MLCCs
- Awarded the 6th "Noboru Ichinose Award" for "Synthesis and Control of Barium Titanate Fine Particles" hosted by the Electronic Ceramic Process Meeting
- Dispersion process scheduled to begin operation in fiscal 2025 (Otake Plant)

Business Strategies

Soft magnetic materials Building an Ultra-Smart Society

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Makoto Sadai
Soft Magnetic Materials
Business Group
Business Unit Management
Department



Main applications
Inductors, noise suppression components

- Business opportunities**
- Expanded demand due to the electrification of vehicles
 - Microparticulation of materials due to the reduced size of power supply modules
- Strengths**
- Fine particle reduction method for obtaining uniform magnetic metal powders with sizes of 1 μm or smaller
 - Water atomization method for obtaining magnetic metal powders with particle sizes of several μm or greater
 - Fine surface modification technologies and technologies for compounding with resins
- Risks**
- Trade friction against the background of economic security
 - Overheating cost competition with competitors
 - Impact on production activities due to raw material supply network disruptions

- Growth strategies**
- 01 One-stop provision of soft magnetic metal materials**
We customize magnetic metal powders and soft magnetic compounds to customer needs.
- 02 Coordination with overseas production bases**
We will coordinate with our subsidiary TDMI, which produces magnetic powders and materials for wireless power transfer, to achieve an operating profit margin of 7% by fiscal 2030.
- 03 Proposals of electromagnetic compatibility (EMC) solutions**
We will strengthen cooperation with automakers and tier-1 manufacturers to make progress with the development of noise suppression parts designed for specific use cases.

Supply chain and business field

Business fields

Raw materials

Powders

Resin compounds

Parts

Components

Final products

Iron, nickel, etc.

Magnetic metal powder

Compounds

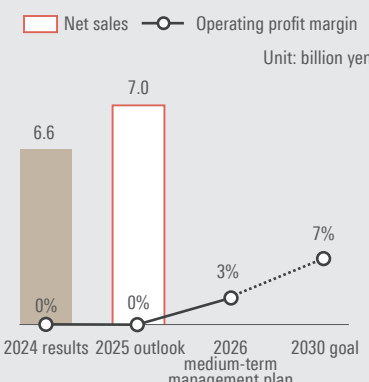
Inductors

Electronic devices

Automobiles & ICT

Business plan

Net sales Operating profit margin
Unit: billion yen



Year	Net sales (billion yen)	Operating profit margin (%)
2024 results	6.6	0%
2025 outlook	7.0	0%
2026 medium-term management plan	-	3%
2030 goal	-	7%

Topics

- Rising demand for low-loss metal materials due to the expanded AI server market
- Rising demand for electromagnetic compatibility (EMC) materials due to the increased performance of automotive electronic devices



Business Strategies

Functional pigments

Business Streamlining and Ensuring Sustainable Profitability

Shinji Uemoto

Iron Oxide Business Group
Business Unit Management
Department



Main applications

Ship bottom coatings, toner for photocopiers, colorants for resins

Business opportunities

- Microparticulation of materials due to the reduced size of various products
- Demands for design quality and durability in coatings and coloring resin

Strengths

- Technologies for internal manufacturing of iron sulfate to repurpose iron-containing waste as a raw material
- Fine particle technologies through TSSDS CONTROL
- Technologies to increase purity for catalyst and cosmetic applications

Risks

- Market contraction due to the shift to paperless processes
- Sharply rising prices of iron-containing waste products due to changing resource recycling policies
- Overheating cost competition with competitors

Streamlining strategies

01 Reinforcing the cost-effective structure

We will make progress in reducing raw material costs by developing technologies to maintain and improve the purity of iron oxide regardless of the type of iron-containing waste

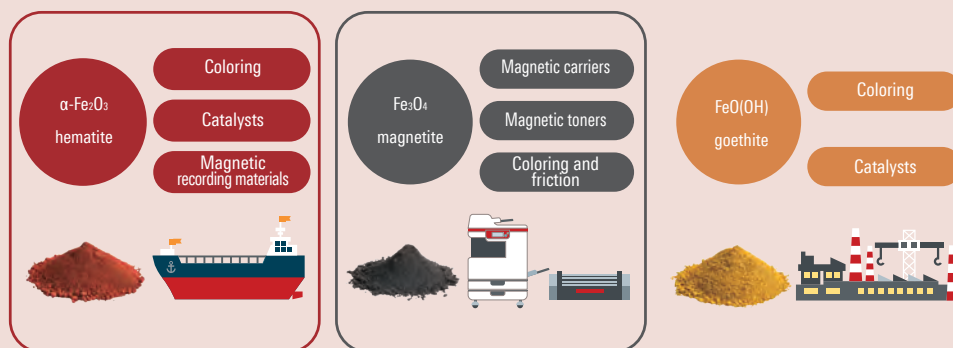
02 Price revision activities

We will carry out product pricing optimization action, including the introduction of formula systems linked with raw material and energy market prices

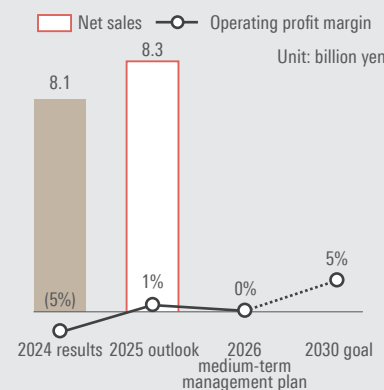
03 Expanding sales overseas

We will expand sales of transparent iron oxide, resin and coating coloring pigments, and cosmetic-grade iron oxide to Southeast Asia and other emerging markets.

Main products and their applications



Business plan



Topics

- Consolidating brands for pigment products at the Okayama site and promoting production streamlining
- Developing technologies aimed at reducing energy costs
- Recreating the Bengala color of Shuri Castle through joint research with the Okinawa Churashima Foundation

Business Strategies

Environmental related materials

Realizing a Sustainable Society

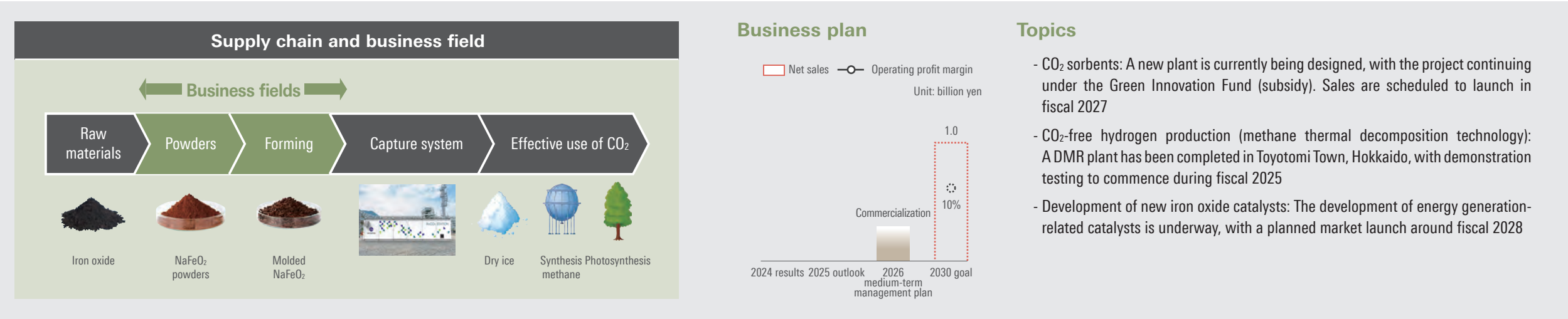
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Main applications
Direct air capture (DAC) technologies,
carbon dioxide capture, utilization and storage (CCUS),
CO₂-free hydrogen production

- Business opportunities**
- Rising expectations and demands for DAC and CCUS
 - Expanding infrastructure investment in hydrogen energy
- Competing technologies**
- CO₂ capture technologies: chemical absorption method, membrane separation method, low temperature separation method, etc.
 - Hydrogen production technologies: water electrolysis, photolysis, etc.
- Strengths**
- Iron oxide expertise and manufacturing equipment
 - Patent portfolio for low-cost CO₂ sorbents made from sodium and iron
 - CO₂-free hydrogen production technologies using iron catalysts
- Risks**
- Contraction of investments in decarbonization due to the relaxing of environmental regulations
 - Market uncertainty affected by consumer sentiment

- Commercialization strategies**
- 01** Social implementation of CO₂ solid sorbent
We aim to enhance CO₂ capture performance and handleability and bring down the costs of CO₂ separation and capture technologies to 2,000 yen/t-CO₂
- 02** Building a supply chain of CO₂-free hydrogen
At our demonstration plant in Toyotomi Town, Teshio-gun, Hokkaido, we aim to manufacture high-purity and low-cost CO₂-free hydrogen and supply it to nearby companies.
- 03** Developing new iron oxide catalysts
Using catalyst technologies, we will develop new catalysts that create environmentally-sound energy.



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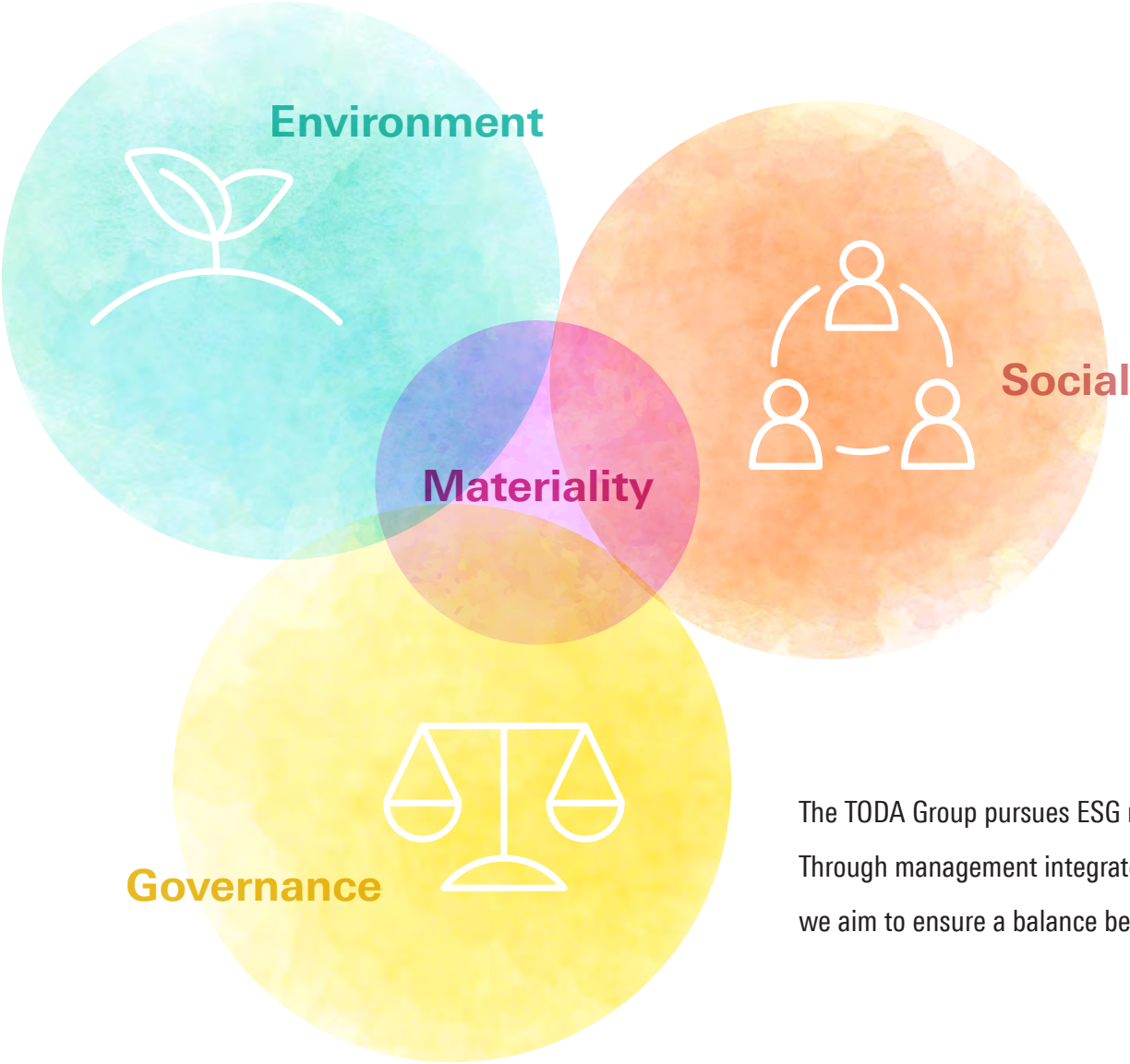
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The TODA Group pursues ESG management.
Through management integrated with materialities that clearly define indicators and goals,
we aim to ensure a balance between social and economic value to achieve sustainable growth.



Environment

The TODA 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 Vision	Major initiatives and goals (fiscal 2030)	FY2024 result
Conserving biodiversity	Provide education to employees to deepen their understanding of biodiversity conservation Assess impacts on biodiversity in the development process Ask suppliers to conserve biodiversity in the procurement process Endeavor to reduce the environmental impact on surrounding areas in the production process Carry out regional cleanup, tree-planting and animal and plant preservation activities at individual offices and plants	Conducted internal training: “Corporate Responsibility on Biodiversity” Surveyed water risks using the WWF’s Biodiversity Risk Filter Took part in local community cleanup activities and flower planting campaigns
Reduction of greenhouse gas emissions <div>Materialities</div>	Scope 1 + 2 GHG emissions Reduce 75%* GHG emissions based on net sales Reduce 70%* Use of renewable energy At least 17%	Reduced 64%* Reduced 55%* 29% Purchased power from renewable sources of energy + installed solar carports, etc. <div>ESG BOOK, TCFD, P09</div>
Conserving water resources	Water consumption per unit of production volume Less than or equal to the level in the previous fiscal year Water discharge per production volume Less than or equal to the level in the previous fiscal year	8% increased, failed to achieve goal 2% decreased, achieved goal
Providing products and technologies that are in harmony with the environment <div>Materialities</div>	Ratio of environmentally friendly/harmonious developed products 70% or more * 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).	43% Developed fine particle dispersion products, etc. <div>ESG BOOK, Product Innovation, P14</div>
Acting to form a recycling-oriented society <div>Materialities</div>	Industrial waste Reduce 25%* Repurposing crude raw materials and by-products into raw materials 3 or more Commercialization of battery material recycling	Reduced 40%* Development of technologies to reuse iron- and aluminum-containing compounds is underway Succeeded in recycling recovered lithium into battery materials at the laboratory scale <div>ESG BOOK, Repurposing and Effective Use of Resources, P08</div>



Society

The TODA Group prioritize safety, human rights and quality in its business activities. We work with partners who aspire to solve social issues in the same way, and strive to engage in fair trade and fulfill our supply responsibilities. We believe in the potential of people, and build an organizational culture that maximizes the myriad values produced from connections between people.

Management challenges	Major initiatives and goals (fiscal 2030)	FY2024 result
Pursuing zero serious accidents Materialities	Occupational accident rate 1.20 or less	0.00 Recorded first zero lost-time injuries since starting to track statistics ESG BOOK, Initiatives for Safety, P17
Health and safety of customers	Number of accidents involving product safety 0 Response rate to inquiries from customers 100%	0 100% Increased inquiries regarding Chinese export regulations and certificates of origin under the Regional Comprehensive Economic Partnership (RCEP) ESG BOOK, Quality Assurance, Product Safety and Customers' Health, P18
Unlocking people’s potential Materialities	Ratio of female employees 25% or more Ratio of female managers 10% or more Rate of childcare leave and leave for childcare purposes taken by eligible male employees 95% or more	20% Increased recruitment of women 1% Mandatory retirement of female managers 100% Continued building an operational framework assuming leave acquisition and streamlining ESG BOOK, DE&I, P21
Creating workplace environments enabling employees to display creativity Materialities	Employee engagement improvement	Engagement survey not conducted Conducted a feedback meeting based on the fiscal 2023 survey results ESG BOOK, DE&I, P21
Human resource developments supporting a company built upon technology Materialities	Cost of education per person (consolidated) 30,000 yen per person Number of participants in next-generation management candidate training 6 or more per year	32,727 yen per person Conducted unconscious bias training Number of participants 6 ESG BOOK, Personnel Development, P23
Respect for human rights	Engage in due diligence, remedy, dialogue and information disclosures in accordance with the United Nations Guiding Principles on Business and Human Rights	Selected foreign workers at domestic manufacturing sites as a priority theme, engaged in dialogue with a focus on technical intern trainees, and implemented improvements ESG BOOK, Respect for Human Rights, P22



Governance

The TODA Group adheres to global rules and compliance requirements by taking the initiative from the top down.
We endeavor to strengthen our corporate governance structure, engaging in appropriate financial management and disclosures while ensuring information security.

Management challenges	Major initiatives and goals (fiscal 2030)	FY2024 result
Improving transparency and effectiveness of Board of Directors <div>Materialities</div>	Analysis and functional improvement through ongoing evaluations of effectiveness	Continued discussion on the challenge recognized in the fiscal 2023 assessment, “enhancing management strategies from a medium- to long-term perspective,” and formulated a medium-term management plan and the Value Creation Process Recognized “providing feedback on dialogue with shareholders and investors” and “enhancing the functioning of the Audit and Supervisory Committee and Nomination and Compensation Advisory Committee” as challenges in the fiscal 2024 assessment <div>ESG BOOK, Corporate Governance, P26</div>
Compensation for officers	Enhance fairness, transparency and objectivity in the Nomination and Compensation Advisory Committee	Reduced the compensation of executive directors and officers to clarify management responsibility for downward revisions to the full-year consolidated financial results forecast for the fiscal year ended March 31, 2025 <div>ESG BOOK, Governance Data, P39</div>
Internal control	Assess and provide feedback on the development and operational status of internal regulations, and the implementation status of risk management and compliance	Conducted audits of the development and operational status of internal controls at 12 sites (no major deficiencies found) <div>ESG BOOK, Corporate Governance, P26</div>
Strengthening compliance <div>Materialities</div>	Number of serious statutory or regulatory violations Zero violations	0 Launched a learning portal site for laws, contracts and internal procedures <div>ESG BOOK, Compliance, P28</div>
Risk Management	Engage in ISO 31000-compliant risk management	Took action on delays in digitalization and 2024 problem in logistics (the logistics labor shortage) <div>ESG BOOK, Risk management, P29</div>
Strengthening information security of the Group <div>Materialities</div>	Incident identification within 24 hours and expanded scope of response Consolidated subsidiaries	Two new companies have been implemented and a cumulative total of 4/8 companies have been addressed <div>ESG BOOK, Information Management, P30</div>
Improved information literacy Group-wide <div>Materialities</div>	Number of digitalization projects led by user departments (cumulative) 250	Implemented 32 new digitalization projects, amounting to 70 such projects to date <div>ESG BOOK, Information Management, P30</div>



Officers (As of July 1, 2025)

Board of Directors



Shigeru Takaragi
Director and Chairman
Appointment of Director: June 2013
Number of the Company's shares owned: 4,600 shares

He has accumulated abundant business experience and achievements in the research division, production division, etc. and has knowledge and global insight regarding corporate management, which was cultivated at an operating company in South Korea.



Tsuneaki Kubo
Representative Director
Nomination and Compensation Advisory Committee Member
Appointment of Director: June 2021
Number of the Company's shares owned: 400 shares

He has abundant experience and achievements in the production technology division and the production division, etc. as well as global knowledge regarding corporate management, which was cultivated at operating companies in China.



Dai Matsuoka
Director
Appointment of Director: June 2019
Number of the Company's shares owned: 500 shares

He was involved for many years in the technology and development divisions of TDK Corporation, and has abundant experience and wide range of knowledge and insight acquired as Chief Officer of Quality, Safety & Environment. He has served as an outside Director of TODA since 2019, and as Director since April 2023.



Atsushi Tomokawa
Director
Appointment of Director: June 2024
Number of the Company's shares owned: -

He has abundant experience and achievements in the sales division. He has broad experience and insight as supervisor and manager of the finance and accounting, IR, legal, and other divisions.

Outside Director



Shuichi Hashiyama
Outside Director
Appointment of Director: June 2023
Number of the Company's shares owned: -

He has been involved in expanding the electronic components business within the development and sales divisions (including experience overseas) of TDK Corporation as the chief officer of management strategy and technology and corporate strategy. He has contributed to overseeing management at TODA through his extensive insight and knowledge.



Reiko Sodeno Independent
Outside Director
Nomination and Compensation Advisory Committee Member
Appointment of Director: June 2024
Number of the Company's shares owned: -

She has insight and experience as a researcher focusing on environmental issues such as waste management and SDGs, and is currently engaged in research and teaching as a university professor. She provides beneficial advice, particularly in the environmental field, based on her advanced expertise and broad knowledge.

Outside Director



Taro Ikushima
Outside Director
Appointment of Director: June 2025
Number of the Company's shares owned: -

He was involved for many years in the corporate planning of TDK Corporation, and he has served as Corporate Officer and CEO for its Electronic Components Business. He possesses considerable insight and knowledge into general management and has contributed to overseeing management at TODA.

Full-time Audit and Supervisory Committee Member



Kazumi Okimoto
Director who is an Audit and Supervisory Committee Member (fulltime)
Appointment of Director: June 2024
Number of the Company's shares owned: 4,470 shares

He has been engaged in a wide range of business activities at a bank for many years, and since joining TODA, he has been involved in finance and accounting and has served as chief risk officer and internal control officer, as well as General Manager at manufacturing plants, and President of an operating company in Japan. He has abundant experience and knowledge regarding corporate management.

Audit and Supervisory Committee Member



Shinsuke Hasegawa Independent
Outside Director who is an Audit and Supervisory Committee Member
Nomination and Compensation Advisory Committee Member
Appointment of Director: June 2022
Number of the Company's shares owned: -

He has abundant experience and broad insight as a certified public accountant. He has contributed to strengthening the functions of the Board of Directors and supervising the execution of business as outside Corporate Auditor since 2017, and as outside Director who is an Audit and Supervisory Committee member since 2022.



Koji Kanazawa Independent
Outside Director who is an Audit and Supervisory Committee Member
Nomination and Compensation Advisory Committee Member
Appointment of Director: June 2022
Number of the Company's shares owned: -

He has rich experience as an attorney and a wide range of knowledge regarding the law. He has contributed to strengthening the functions of the Board of Directors and supervising the execution of business, as outside Corporate Auditor since 2018, and as outside Director who is an Audit and Supervisory Committee member since 2022.



Kazuya Uraisami Independent
Outside Director who is an Audit and Supervisory Committee Member
Nomination and Compensation Advisory Committee Member
Appointment of Director: June 2022
Number of the Company's shares owned: -

He was involved in the credit departments of financial institutions for many years and also has abundant experience and broad insight as a corporate manager. He has contributed to strengthening the functions of the Board of Directors and supervising the execution of business as outside Corporate Auditor since 2020, and as outside Director who is an Audit and Supervisory Committee member since 2022.

Executive Officers

President and CEO	Tsuneaki Kubo
Senior Managing Executive Officer	Dai Matsuoka
Managing Executive Officer	Atsushi Tomokawa
	Mitsunori Nagase
	Tetsuo Tsurui
	Koso Aoki
	Hwang Youngkyun
Executive Officers	Minoru Ohsugi
	Kazuyoshi Kawato
	Toshinari Kadomitsu
	Taichi Murayama



Directors' Skills Matrix

(As of July 1, 2025)

To achieve the continuous growth of the TODA Group and enhance corporate value over the medium to long term, TODA positions its directors' participation in decision-making at Board of Directors meetings as well as the importance of their advisory and supervisory functions as key responsibilities.

To ensure these responsibilities are fulfilled, we have organized the necessary expertise and skills into ten items which are utilized when examining candidates for director.

		Corporate Business management	Internationality Global experience	Production procurement	Quality control	Technology R&D	Sales Marketing	Finance/ Accounting	Legal Compliance	Personnel labor relations Human resource development	ESG	Position and assigned area at TODA, significant concurrent positions, etc.
Shigeru Takaragi Director and Chairman		●	●	●		●	●			●	●	
Tsuneaki Kubo Representative Director		●	●	●		●	●					President and CEO, in charge of Procurement & Logistics Department
Dai Matsuoka Director			●	●	●	●					●	Senior Managing Executive Officer, General Manager of Research & Development Division, Deputy Department Manager of the Business Unit Management Department, in charge of Intellectual Property Group
Atsushi Tomokawa Director		●					●	●	●		●	Managing Executive Officer, Department Manager of Corporate Planning Department, in charge of Sales Division and Business Unit Management Department
Shuichi Hashiyama Outside Director	Outside	●	●			●	●				●	Director, Corporate Officer, CTO and General Manager of Technology & Intellectual Property HQ at TDK Corporation
Reiko Sodeno Outside Director	Outside Independent		●			●					●	Professor, Planning Architecture and Environmental Systems, Faculty of Systems Engineering and Science, Shibaura Institute of Technology
Taro Ikushima Outside Director	Outside	●	●				●	●			●	Corporate Officer, General Manager of Corporate Strategy HQ at TDK Corporation
Kazumi Okimoto Director who is an Audit and Supervisory Committee Member (fulltime)		●		●	●			●		●		
Shinsuke Hasegawa Outside Director who is an Audit and Supervisory Committee Member	Outside Independent	●	●					●				Representative of Hasegawa CPA Office Outside Auditor of Hinokiya Group Co., Ltd.
Koji Kanazawa Outside Director who is an Audit and Supervisory Committee Member	Outside Independent	●	●						●		●	Partner of Chuo Sogo Law Office, P.C. Outside Corporate Auditor of Rakuten General Insurance Co., Ltd.
Kazuya Uraisami Outside Director who is an Audit and Supervisory Committee Member	Outside Independent	●	●					●		●	●	Representative of Marginal LLC Audit & Supervisory Board Member at Kuramoto Manufacturing Co., LTD.



Financial Statements

Consolidated balance sheets

	(Million yen)	
	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	8,164	8,078
Notes and accounts receivable - trade	8,712	8,295
Merchandise and finished goods	4,662	4,130
Work in process	2,476	2,001
Raw materials and supplies	4,718	1,853
Others	1,587	1,469
Allowance for doubtful accounts	(11)	(21)
Total current assets	30,309	25,807
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,583	1,848
Machinery, equipment and vehicles, net	1,686	1,636
Land	4,887	5,529
Construction in progress	210	989
Other, net	492	461
Total property, plant and equipment	8,860	10,465
Intangible assets		
Goodwill	2,497	2,708
Others	13	55
Total intangible assets	2,510	2,763
Investments and other assets		
Investment securities	3,290	3,374
Investments in capital of subsidiaries and associates	8,016	7,572
Long-term loans receivable	4	4
Retirement benefit asset	553	597
Others	170	89
Allowance for doubtful accounts	(3)	(3)
Total investments and other assets	12,033	11,634
Total non-current assets	23,404	24,864
Total assets	53,714	50,672

	(Million yen)	
	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,507	3,364
Short-term borrowings	9,113	8,428
Current portion of long-term borrowings	4,712	4,796
Income taxes payable	148	138
Provision for bonuses	314	275
Provision for loss on liquidation of subsidiaries and associates	—	955
Others	3,832	2,219
Total current liabilities	21,629	20,179
Non-current liabilities		
Long-term borrowings	13,490	14,540
Long-term accounts payable - other	112	—
Retirement benefit liability	2,342	2,268
Deferred tax liabilities	1,427	1,751
Others	186	154
Total non-current liabilities	17,559	18,715
Total liabilities	39,189	38,894
Net assets		
Shareholders' equity		
Capital	7,477	7,477
Capital surplus	4,306	4,297
Retained earnings	(425)	(3,988)
Treasury shares	(1,447)	(1,428)
Total shareholders' equity	9,910	6,357
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,389	1,475
Foreign currency translation adjustment	2,016	2,785
Remeasurements of defined benefit plans	543	394
Total accumulated other comprehensive income	3,950	4,655
Share acquisition rights	97	114
Non-controlling interests	567	650
Total net assets	14,525	11,777
Total liabilities and net assets	53,714	50,672



Financial Statements

Consolidated statements of income

(Million yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	26,234	31,667
Cost of sales	20,368	26,032
Gross profit	5,865	5,634
Selling, general and administrative expenses		
Freight-out	417	535
Employees' salaries and allowances	1,338	1,497
Provision for bonuses	77	68
Retirement benefit expenses	102	101
Depreciation	112	55
Research and development expenses	1,514	1,502
Others	2,185	2,522
Total selling, general and administrative expenses	5,748	6,283
Operating profit (loss)	117	(648)
Non-operating income		
Interest income	70	76
Dividend income	64	74
Rental income	40	38
Foreign exchange gains	447	—
Outsourcing service income	35	55
Share of profit of entities accounted for using equity method	673	—
Miscellaneous income	71	108
Total non-operating income	1,403	353

(Million yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Non-operating expenses		
Interest expenses	321	449
Foreign exchange losses	—	194
Share of loss of entities accounted for using equity method	—	427
Miscellaneous losses	30	45
Total non-operating expenses	352	1,116
Ordinary profit (loss)	1,168	(1,411)
Extraordinary income		
Gain on disposal of non-current assets	17	62
Gain on sale of shares of subsidiaries and associates	—	148
Gain on sale of investment securities	76	—
Gain on step acquisitions	475	—
National subsidies	23	335
Compensation income	187	92
Total extraordinary income	780	638
Extraordinary losses		
Loss on disposal of non-current assets	64	20
Loss on tax purpose reduction entry of non-current assets	—	226
Impairment losses	4,869	822
Provision for loss on liquidation of subsidiaries and associates	—	1,003
Others	0	117
Total extraordinary losses	4,934	2,189
Loss before income taxes	(2,985)	(2,962)
Income taxes - current	345	406
Income taxes - deferred	133	171
Total income taxes	479	578
Loss	(3,464)	(3,540)
Profit attributable to non-controlling interests	116	22
Loss attributable to owners of parent	(3,581)	(3,563)



Financial Statements

Cash flows

	(Million yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Loss before income taxes	(2,985)	(2,962)
Depreciation	802	499
Impairment losses	4,869	822
Amortization of goodwill	383	535
Increase (decrease) in provision and allowance	(29)	(29)
Decrease (increase) in retirement benefit asset	10	(8)
Increase (decrease) in retirement benefit liability	(147)	(83)
Interest and dividend income	(135)	(150)
Interest expenses	321	449
Foreign exchange losses (gains)	(364)	230
Share of loss (profit) of entities accounted for using equity method	(673)	427
Loss (gain) on step acquisitions	(475)	—
Loss (gain) on disposal of non-current assets	47	(41)
Loss on tax purpose reduction entry of non-current assets	—	226
Provision for loss on liquidation of subsidiaries and associates	—	1,003
Decrease (increase) in trade receivables	(122)	563
Decrease (increase) in inventories	(84)	3,951
Increase (decrease) in trade payables	(819)	(214)
Subsidy income	(23)	(335)
Others	(793)	(641)
Subtotal	(221)	4,243
Income taxes refund (paid)	(423)	(423)
Net cash provided by (used in) operating activities	(645)	3,820

	(Million yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from investing activities		
Interest and dividends received	212	508
Payments for investments in shares of subsidiaries and associates	(1,015)	—
Proceeds from sale of shares of subsidiaries and associates	—	10
Purchase of property, plant and equipment	(1,381)	(2,920)
Proceeds from sale of property, plant and equipment	17	221
Purchase of intangible assets	(88)	(116)
Net decrease (increase) in time deposits	(219)	(0)
Proceeds from collection of loans receivable	1,020	0
Subsidies received	23	335
Others	2	69
Net cash provided by (used in) investing activities	(1,429)	(1,890)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	389	(702)
Proceeds from long-term borrowings	4,560	6,370
Repayments of long-term borrowings payable and others	(4,402)	(5,235)
Interest paid	(321)	(369)
Proceeds from sale of treasury shares	10	9
Purchase of treasury shares	(0)	(0)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(777)	(220)
Proceeds from other financial liabilities	1,852	—
Repayments of other financial liabilities	(80)	(1,931)
Others	(44)	(50)
Net cash provided by (used in) financing activities	1,184	(2,131)
Effect of exchange rate change on cash and cash equivalents	285	95
Net increase (decrease) in cash and cash equivalents	(604)	(105)
Cash and cash equivalents at beginning of period	8,476	7,943
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	71	—
Cash and cash equivalents at end of period	7,943	7,837

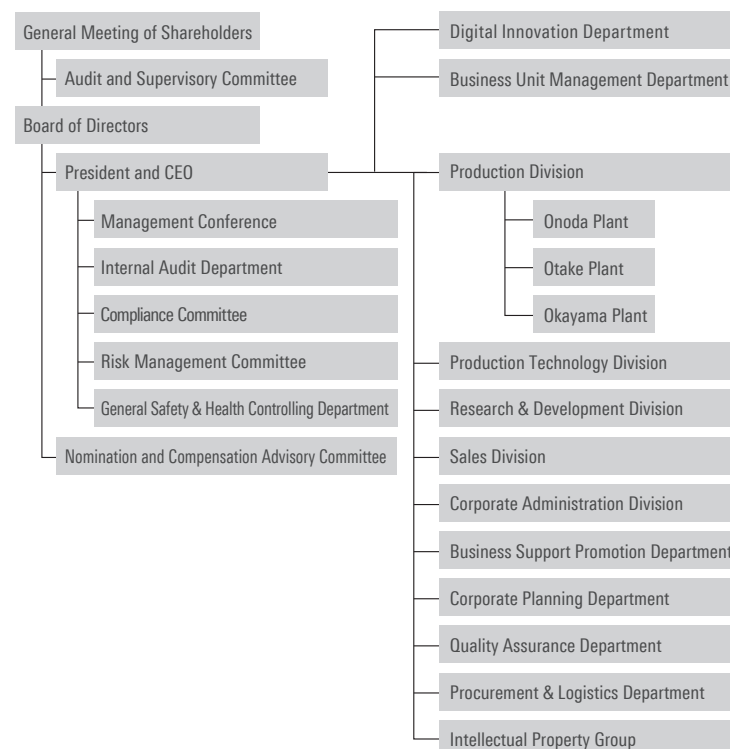


Company Information

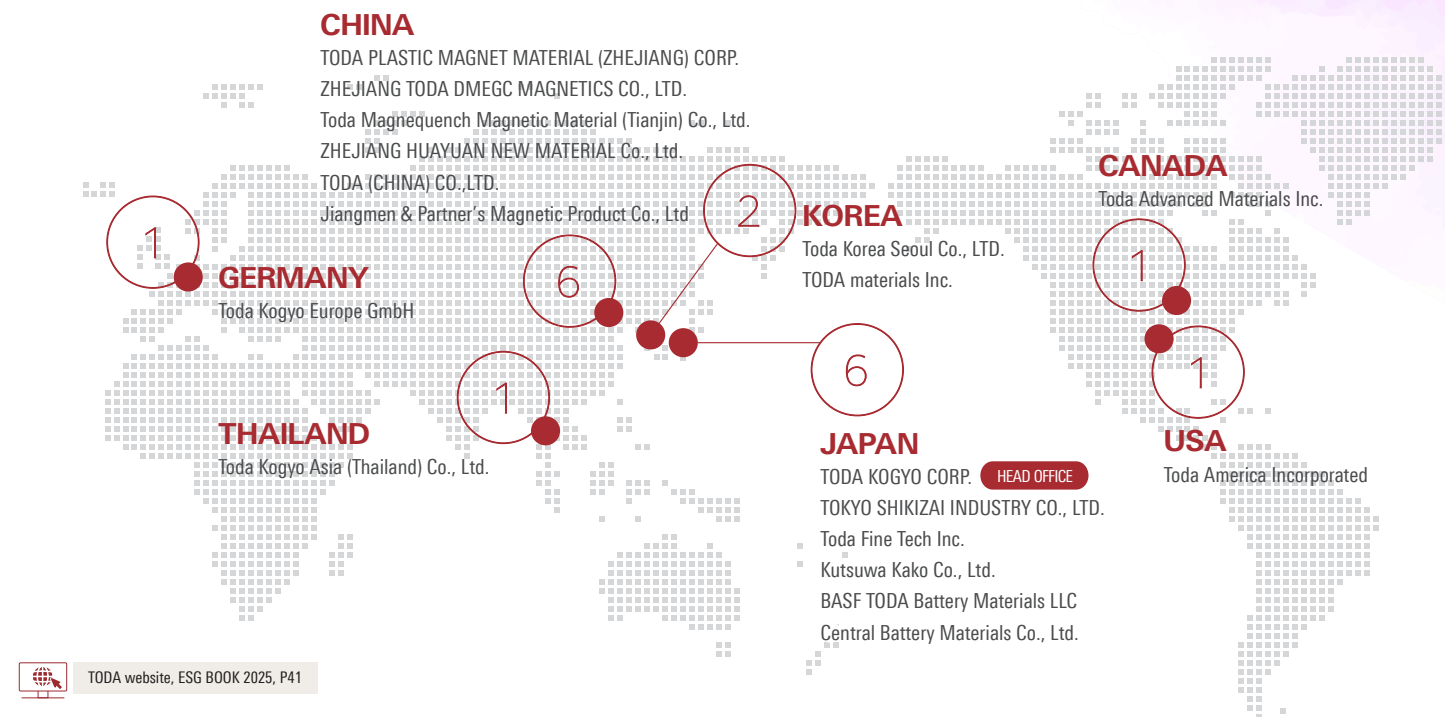
Corporate profile (As of March 31, 2025)

Company name	TODA KOGYO CORP.
Head office location	1-23 Kyobashi-cho, Minami-ku, Hiroshima 732-0828
Founding	1823
Date of incorporation	November 30, 1933
Capital	7,477 million yen
Number of employees	1,067 (consolidated), 368 (non-consolidated)

Organization chart (As of July 1, 2025)



Offices and plants (As of March 31, 2025)

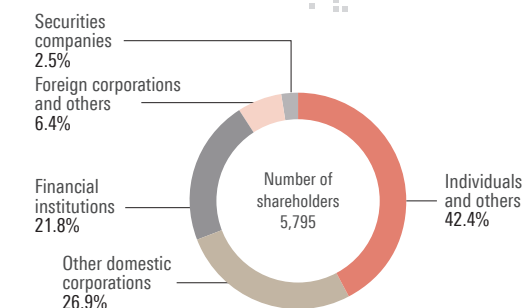


TODA website, ESG BOOK 2025, P41

Stock information (As of March 31, 2025)

Total number of authorized shares	19,300,000 shares
Total number of issued shares	6,099,192 shares
Listed stock exchange market	Standard Market, Tokyo Stock Exchange
Securities Code	4100

TODA website, the Securities Report for the fiscal year ended March 31, 2025 (Japanese Only), P34



Stock distribution by shareholder category (shareholding ratio)