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Securities Code: 4100

June 10, 2022

To our shareholders:

**Shigeru Takaragi**  
President and Representative Director  
**TODA KOGYO CORP.**  
1-23 Kyobashi-cho, Minami-ku,  
Hiroshima

## Notice of the 89th Annual General Meeting of Shareholders

We are pleased to announce the 89th Annual General Meeting of Shareholders of TODA KOGYO CORP. (the “Company”), which will be held as described below.

From the standpoint of preventing the spread of the novel coronavirus disease (COVID-19), the Company requests that you exercise your voting rights prior to the Meeting in writing (by postal mail) or via the Internet and other means if possible, and carefully decide whether or not to attend the Meeting in person after taking careful consideration of your physical condition.

Please exercise your voting rights no later than 5:30 p.m. on Monday, June 27, 2022 (JST), after reviewing the attached Reference Documents for the General Meeting of Shareholders.

1. **Date and Time:** Tuesday, June 28, 2022, at 10:00 a.m. (JST)
2. **Venue:** Banquet Hall “Fuyo,” 2F, Hiroshima Grand Intelligent Hotel  
1-4 Kyobashi-cho, Minami-ku, Hiroshima  
The number of available seats will be limited as the space between seats will be expanded to prevent the spread of COVID-19, and your entry may be refused upon having arrived at the venue on the day of the Meeting. We greatly appreciate your understanding in advance.
3. **Purpose of the Meeting:**  
**Matters to be reported:**
  1. The Business Report and the Consolidated Financial Statements for the 89th fiscal year (from April 1, 2021 to March 31, 2022), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Board of Corporate Auditors
  2. The Non-consolidated Financial Statements for the 89th fiscal year (from April 1, 2021 to March 31, 2022)

**Matters to be resolved:**

- Proposal No. 1: Amendment to the Articles of Incorporation
- Proposal No. 2: Election of Five Directors (Excluding Those Who Are Audit and Supervisory Committee Members)
- Proposal No. 3: Election of Four Directors Who Are Audit and Supervisory Committee Members
- Proposal No. 4: Determination of Remuneration, etc. for Directors (Excluding Those Who Are Audit and Supervisory Committee Members)
- Proposal No. 5: Determination of Remuneration, etc. for Directors Who Are Audit and Supervisory Committee Members
- Proposal No. 6: Determination of Specific Terms of Share Options for Share-based Remuneration for Directors (Excluding Outside Directors and Directors Who Are Audit and Supervisory Committee Members)

1. When attending the Meeting in person, please present the enclosed voting form to the reception counter.  
Reception will open at 9:00 a.m. (JST)
2. Of the documents that should be provided with this Notice of Annual General Meeting of Shareholders, pursuant to the provisions of laws and regulations and Article 13 of the Articles of Incorporation of the Company, the following matters are posted on the Company's website (<https://www.todakogyo.co.jp/>) (Japanese only) and are therefore not attached to this Notice: "Systems to Ensure Appropriate Business Operations and Overview of Its Operational Status" of the Business Report, "Notes to Consolidated Financial Statements" and "Notes to Non-consolidated Financial Statements."  
Accordingly, the documents attached to this Notice of Annual General Meeting of Shareholders are part of the Business Report that was audited by the Corporate Auditors, and the Consolidated Financial Statements and the Non-consolidated Financial Statements that were audited by the Corporate Auditors and the Financial Auditor, when preparing the Audit Reports.
3. For any revisions to the contents of the Reference Documents for the General Meeting of Shareholders, the Business Report or the Consolidated and Non-consolidated Financial Statements prior to the day before the Meeting, please understand in advance that we will notify you of the revisions either by mail or via the Company's website, which is stated above.

## &lt;Requests to prevent the spread of COVID-19&gt;

- The following matters may be revised depending on the status of the spread of infection ahead of the day of the Meeting and the details of further announcements by the government, etc. Please confirm the latest information on the Company's website, which is stated above.
- Alcohol-based hand sanitizer for shareholders will be available near the reception counter at the venue. (Shareholders attending the meeting in person need to wear face masks.)
- The temperature of attending shareholders will be measured near the entrance of the venue. Note that persons who have a high temperature, appear to be feeling unwell or have returned from overseas within 14 days prior to the Meeting may be refused entry and asked to leave the venue. Please inform the receptionist if you have returned from overseas within 14 days.
- Doors and windows at the venue will be opened for ventilation.
- The Company will check physical conditions of staff in charge of organizing the Meeting beforehand including temperature checks, and the staff will wear face masks.
- Given that the meeting time should be shortened to prevent the spread of COVID-19, the Company is not going to offer detailed explanation for matters to be reported (including reports on results of audits) and proposals at the Meeting. Shareholders are advised to look through this Notice of the Annual General Meeting of Shareholders in advance.

## Reference Documents for the General Meeting of Shareholders

### Proposals and Reference Information

#### Proposal No. 1: Amendment to the Articles of Incorporation

##### 1. Reasons for the Amendment

- (1) We intend to migrate from a company with a Board of Corporate Auditors to a company with an Audit and Supervisory Committee in order to further enhance corporate governance by enhancing our supervision system and strengthening the supervisory function of the Board of Directors by making the Audit and Supervisory Committee members, who are in charge of auditing the execution of Director duties, part of the Board of Directors. Therefore, changes will be made such as adding articles regarding the Audit and Supervisory Committee and the Directors who are Audit and Supervisory Committee members, and deleting articles regarding the Corporate Auditors and the Board of Corporate Auditors.
- (2) The business purpose of the Company will be changed in accordance with the businesses that the Company is currently involved in, and Article 2 of the current Articles of incorporation will be changed to meet the needs of future business expansion.
- (3) Since the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, the Company proposes to make the following changes in preparation for the introduction of the system for providing informational materials for the General Meeting of Shareholders in electronic format.
  - (i) Article 13, paragraph 1 in “Proposed amendments” below will stipulate that the Company shall take measures for providing information that constitutes the content of reference documents for the General Meeting of Shareholders, etc. in electronic format.
  - (ii) Article 13, paragraph 2 in “Proposed amendments” below will establish the provision to limit the scope of the items to be stated in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents.
  - (iii) Since the provisions for Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc. (Article 13 of the current Articles of Incorporation) will no longer be required, they will be deleted.
  - (iv) Accompanying the aforementioned establishment and deletion of provisions, supplementary provisions regarding the effective date, etc. will be established.
- (4) In order to flexibly ensure corporate governance, the revision and abolition of directors with special titles and election and dismissal of Executive Advisors and Corporate Advisors, which are not systems in the Companies Act, will be deleted from paragraphs 2 and 3 of Article 22 of the current Articles of Incorporation.
- (5) Other required changes will be made, such as editing current wording in accordance with the above changes.

## 2. Description of Change

A description of the change is indicated below.

Changes to the Articles of Incorporation in this proposal shall take effect at the conclusion of this General Meeting of Shareholders.

(Changes are underlined.)

Current Articles of Incorporation	Proposed amendments
<p style="text-align: center;">Section 1 General Provisions</p> <p>Article 2 (Purpose)</p> <p>The purpose of the Company is to carry out the following business.</p> <ol style="list-style-type: none"> <li>1. <u>Manufacturing, processing, and sales of pigments</u></li> <li>2. <u>Manufacturing, processing, and sales of magnetic materials</u></li> <li>3. <u>Manufacturing, processing, and sales of other inorganic chemicals</u></li> <li>4. <u>Design, construction, and sales of environmental conservation equipment</u></li> <li>5. <u>Manufacturing, processing, and sales of recording media</u></li> <li>6. <u>Contracting, planning, design, supervision, and consulting for civil engineering work, scaffolding/earth work, steel structure construction, and pavement construction</u></li> </ol> <p style="text-align: center;">(New)</p> <p>7. <u>All work contingent to the previous items</u></p>	<p style="text-align: center;">Section 1 General Provisions</p> <p>Article 2 (Purpose)</p> <p>The purpose of the Company is to carry out the following business.</p> <ol style="list-style-type: none"> <li>1. <u>Manufacturing, sales, and import/export of functional pigments and electronic materials</u></li> <li>2. <u>Manufacturing, sales, and import/export of products that apply or process the previous item</u></li> <li>3. <u>Design/production, sales, and import/export of devices regarding the previous two items</u></li> <li>4. <u>Processing of industrial waste and sales of regenerated products</u></li> <li>5. <u>Worker dispatching</u></li> <li>6. <u>Renting of real estate</u></li> <li>7. <u>Provision and sales of electricity, steam, and other utilities</u></li> <li>8. <u>All work contingent to the previous items</u></li> </ol>
<p style="text-align: center;">Section 3 General Meeting of Shareholders</p> <p>Article 13 <u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u></p> <p><u>When the Company convenes a General Meeting of Shareholders, if it discloses information that is to be stated or presented in the reference documents for the General Meeting of Shareholders, business report, financial statements and consolidated financial statements through the internet in accordance with the provisions prescribed by the Ministry of Justice Order, it may be deemed that the Company has provided this information to shareholders.</u></p> <p style="text-align: center;">(New)</p>	<p style="text-align: center;">Section 3 General Meeting of Shareholders (Deleted)</p> <p>Article 13 <u>(Measures, etc. for Providing Information in Electronic Format)</u></p> <ol style="list-style-type: none"> <li>1. <u>When the Company convenes a General Meeting of Shareholders, it shall take measures for providing information that constitutes the content of reference documents for the General Meeting of Shareholders, etc. in electronic format.</u></li> <li>2. <u>Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></li> </ol>

Current Articles of Incorporation	Proposed amendments
<p style="text-align: center;">Section 4 Directors and Board of Directors</p> <p>Article 18 (Number of Members) The Company shall have nine or fewer Directors.</p> <p style="text-align: center;">(New)</p> <p>Article 19 (Election and Dismissal)</p> <p>1. The Directors of the Company shall be elected and dismissed at the General Meeting of Shareholders.</p> <p>2. (Article text omitted)</p> <p>3. (Article text omitted)</p> <p>4. (Article text omitted)</p> <p>Article 20 (Terms of Office) The term of office of a Director expires at the end of the General Meeting of Shareholders for the last fiscal year that concludes within one year after the election of that Director.</p> <p style="text-align: center;">(New)</p> <p style="text-align: center;">(New)</p> <p style="text-align: center;">(New)</p> <p>Article 21 (Board of Directors)</p> <p>1. When calling a meeting of the Board of Directors, the Directors <u>and Corporate Auditors</u> must be notified three days in advance of the meeting date. However, this can be shortened in an emergency.</p> <p>2. (Article text omitted)</p> <p>3. (Article text omitted)</p> <p>Article 22 (<u>Representative Directors, Directors with Special Titles, Executive Advisors, and Corporate Advisors</u>)</p> <p>1. (Article text omitted)</p> <p>2. <u>The Company may appoint a Chairperson and President and Representative Director, and several Vice President and Directors, Senior Managing Directors, and Managing Directors.</u></p>	<p style="text-align: center;">Section 4 Directors and Board of Directors</p> <p>Article 18 (Number of Members)</p> <p>1. <u>The Company shall have nine or fewer Directors (excluding Directors who are Audit and Supervisory Committee members).</u></p> <p>2. <u>The Company shall have four or fewer Directors who are Audit and Supervisory Committee members.</u></p> <p>Article 19 (Election and Dismissal)</p> <p>1. The Directors of the Company shall be elected and dismissed at the General Meeting of Shareholders, <u>with a distinction made between Directors who are Audit and Supervisory Committee members and other Directors.</u></p> <p>2. (As before)</p> <p>3. (As before)</p> <p>4. (As before)</p> <p>Article 20 (Terms of Office)</p> <p>1. <u>The term of office of a Director (excluding Directors who are Audit and Supervisory Committee members) expires at the end of the General Meeting of Shareholders for the last fiscal year that concludes within one year after the election of that Director.</u></p> <p>2. <u>The term of office of a Director who is an Audit and Supervisory Committee member expires at the end of the General Meeting of Shareholders for the last fiscal year that concludes within two years after the election of that Director.</u></p> <p>3. <u>The term of office for a Director who is Audit and Supervisory Committee member elected to replace an Audit and Supervisory Committee member that steps down before their term of office has expired expires when the term of office of the member that stepped down expires.</u></p> <p>4. <u>The resolution pertaining to the election of a substitute Director who is an Audit and Supervisory Committee member elected in accordance with Article 329 paragraph (3) of the Companies Act shall be effective until the start of the Annual General Meeting of Shareholders for the last fiscal year that concludes within two years after the election of that Director.</u></p> <p>Article 21 (Board of Directors)</p> <p>1. When calling a meeting of the Board of Directors, the Directors must be notified three days in advance of the meeting date. However, this can be shortened in an emergency.</p> <p>2. (As before)</p> <p>3. (As before)</p> <p>Article 22 (Representative Directors)</p> <p>1. (As before)</p> <p style="text-align: center;">(Deleted)</p>

Current Articles of Incorporation	Proposed amendments
<p><u>3. The Company may appoint several executive advisors and corporate advisors upon a resolution by the Board of Directors.</u></p>	(Deleted)
<p>Article 23 (Method for Making Resolutions)</p> <ol style="list-style-type: none"> <li>1. Resolutions of the Board of Directors are made <u>by</u> a majority of attending Directors when the majority of Directors that can take part in a resolution have attended.</li> <li>2. When a Director proposes a matter regarding the purpose of a resolution of the Board of Directors, the Board of Directors is deemed to have made a resolution allowing the proposed matter if all Directors (only those that are able to participate in a decision on the matter) express their agreement on the matter in writing or via electromagnetic recording <u>and a Corporate Auditor does not express disagreement on the matter.</u></li> </ol>	<p>Article 23 (Method for Making Resolutions)</p> <ol style="list-style-type: none"> <li>1. Resolutions of the Board of Directors are made <u>by means of</u> a majority of attending Directors when the majority of Directors that can take part in a resolution have attended.</li> <li>2. When a Director proposes a matter regarding the purpose of a resolution of the Board of Directors, the Board of Directors is deemed to have made a resolution allowing the proposed matter if all Directors (only those that are able to participate in a decision on the matter) express their agreement on the matter in writing or via electromagnetic recording.</li> </ol>
(New)	<p><u>Article 24 (Delegation of Decisions on Execution of Important Business)</u>  <u>As provided for in Article 399-13, paragraph (6) of the Companies Act, the Company may delegate some or all decisions on the execution of important business (excluding the items outlined in paragraph (5) of the same article) to Directors, upon a resolution by the Board of Directors.</u></p>
<p>Article <u>24</u> (Minutes)</p> <p>Minutes shall be taken regarding the resolutions of the Board of Directors, which record the proceedings, their results, and other items stipulated by laws and regulations, and the minutes shall be signed and stamped by the chairperson and attending Directors <u>and Corporate Auditors.</u></p>	<p>Article <u>25</u> (Minutes)</p> <p>Minutes shall be taken regarding the resolutions of the Board of Directors, which record the proceedings, their results, and other items stipulated by laws and regulations, and the minutes shall be signed and stamped by the chairperson and attending Directors.</p>
<p>Article <u>25</u> (Remuneration, etc.)</p> <p>The financial benefits received from the Company as remuneration, bonuses, and other compensation for performing Director duties (hereinafter “remuneration, etc.”) are determined upon a resolution at the General Meeting of Shareholders.</p>	<p>Article <u>26</u> (Remuneration, etc.)</p> <p>The financial benefits received from the Company as remuneration, bonuses, and other compensation for performing Director duties (hereinafter “remuneration, etc.”) are determined upon a resolution at the General Meeting of Shareholders, <u>with a distinction made between Directors who are Audit and Supervisory Committee members and other Directors.</u></p>
<p>Article <u>26</u> (Director Exemption from Liability)</p> <ol style="list-style-type: none"> <li>1. (Article text omitted)</li> <li>2. The Company can enter a contract with Directors (excluding <u>persons</u> who are Executive Directors, etc.) limiting liability for damages as stipulated by the law in Article 423, paragraph (1) of the Companies Act. However, the lower bound of the limit to liability based on the contract is the minimum liability stipulated in Article 425, paragraph (1) of the Companies Act.</li> </ol>	<p>Article <u>27</u> (Director Exemption from Liability)</p> <ol style="list-style-type: none"> <li>1. (As before)</li> <li>2. The Company can enter a contract with Directors (excluding <u>those</u> who are Executive Directors, etc.) limiting liability for damages as stipulated by the law in Article 423, paragraph (1) of the Companies Act. However, the lower bound of the limit to liability based on the contract is the minimum liability stipulated in Article 425, paragraph (1) of the Companies Act.</li> </ol>
<p><u>Section 5</u>  <u>Corporate Auditors and Board of Corporate Auditors</u></p>	(Deleted)
<p><u>Article 27 (Establishment of Corporate Auditors and Board of Corporate Auditors)</u>  <u>The Company shall establish Corporate Auditors and a Board of Corporate Auditors.</u></p>	(Deleted)

Current Articles of Incorporation	Proposed amendments
<p><u>Article 28 (Number of Members)</u>  <u>The Company shall have four or fewer Corporate Auditors.</u></p>	(Deleted)
<p><u>Article 29 (Election and Dismissal)</u></p> <ol style="list-style-type: none"> <li><u>1. The Corporate Auditors of the Company shall be elected and dismissed at the General Meeting of Shareholders.</u></li> <li><u>2. Resolutions for electing Corporate Auditors are made by means of a majority of shareholders that can exercise voting rights, when at least one third of shareholders that can exercise voting rights have attended.</u></li> <li><u>3. Resolutions for dismissing Corporate Auditors are made by means of a two thirds of shareholders that can exercise voting rights, when at least one third of shareholders that can exercise voting rights have attended.</u></li> <li><u>4. The Company can elect a substitute Corporate Auditor at the General Meeting of Shareholders to make up the required number of Corporate Auditors in case the number of Corporate Auditors falls below that stipulated by the laws and regulations, in Article 329, paragraph (3) of the Companies Act.</u></li> <li><u>5. The resolution regarding the election of a substitute Corporate Auditor described in the previous item is effective until the start of the Annual General Meeting of Shareholders for the last fiscal year that concludes within four years of that resolution.</u></li> </ol>	(Deleted)
<p><u>Article 30 (Terms of Office)</u></p> <ol style="list-style-type: none"> <li><u>1. The term of office of a Corporate Auditor expires at the end of the General Meeting of Shareholders for the last fiscal year that concludes within four years after the election of that Corporate Auditor.</u></li> <li><u>2. A Corporate Auditor that is elected to replace a Corporate Auditor that is dismissed before their term of office expires is elected for the remaining term of office of the Corporate Auditor that was dismissed. However, when a substitute Corporate Auditor is elected as indicated in paragraph (4) of the previous article, their term of office cannot exceed the end of the General Meeting of Shareholders for the last fiscal year that concludes within four years after the election of that member.</u></li> </ol>	(Deleted)
<p><u>Article 31 (Full-Time Corporate Auditor)</u>  <u>The Board of Corporate Auditors shall select a full-time Corporate Auditor upon a resolution of the Board of Corporate Auditors.</u></p>	(Deleted)
<p><u>Article 32 (Board of Corporate Auditors)</u></p> <ol style="list-style-type: none"> <li><u>1. When calling a meeting of the Board of Corporate Auditors, the Corporate Auditors must be notified three days in advance of the meeting date. However, this can be shortened in an emergency.</u></li> <li><u>2. When all Corporate Auditors agree, a meeting of the Board of Corporate Auditors can be conducted without following the procedure for calling a meeting.</u></li> </ol>	(Deleted)

Current Articles of Incorporation	Proposed amendments
<p><u>Article 33 (Method for Making Resolutions)</u>  <u>Resolutions of the Board of Corporate Auditors are made by means of a majority of Corporate Auditors, except in special circumstances specified under the laws and regulations.</u></p>	(Deleted)
<p><u>Article 34 (Minutes)</u>  <u>Minutes shall be taken regarding the resolutions of the Board of Corporate Auditors, which record the proceedings, their results, and other items stipulated by laws and regulations, and the minutes shall be signed and stamped by the attending Corporate Auditors.</u></p>	(Deleted)
<p><u>Article 35 (Remuneration, etc.)</u>  <u>The remuneration, etc. of Corporate Auditors is determined based on a resolution at the General Meeting of Shareholders.</u></p>	(Deleted)
<p><u>Article 36 (Corporate Auditor Exemption from Liability)</u>  1. <u>The Company can exempt the Corporate Auditors from the liability indicated in Article 423, paragraph (1) of the Companies Act, upon a resolution of the Board of Directors, as stipulated in Article 426, paragraph (1) of the Companies Act.</u>  2. <u>The Company can enter a contract with Corporate Auditors limiting liability for damages as stipulated by the law in Article 423, paragraph (1) of the Companies Act. However, the lower bound of the limit to liability based on the contract is the minimum liability stipulated in Article 425, paragraph (1) of the Companies Act.</u></p>	(Deleted)
(New)	<p><u>Section 5</u>  <u>Audit and Supervisory Committee</u></p>
(New)	<p><u>Article 28 (Establishment of Audit and Supervisory Committee)</u>  <u>The Company shall establish an Audit and Supervisory Committee.</u></p>
(New)	<p><u>Article 29 (Full-time Audit and Supervisory Committee Members)</u>  <u>The Audit and Supervisory Committee can appoint full-time Audit and Supervisory Committee members upon a resolution by the Audit and Supervisory Committee.</u></p>
(New)	<p><u>Article 30 (Audit and Supervisory Committee)</u>  1. <u>When calling a meeting of the Audit and Supervisory Committee, the Audit and Supervisory Committee members must be notified three days in advance of the meeting date. However, this can be shortened in an emergency.</u>  2. <u>When all Audit and Supervisory Committee members agree, a meeting of the Audit and Supervisory Committee can be conducted without following the procedure for calling a meeting.</u></p>



Current Articles of Incorporation	Proposed amendments
(New)	<u>Article 31 (Method for Making Resolutions)</u> <u>Resolutions of the Audit and Supervisory Committee are made by a majority of attending Audit and Supervisory Committee members when the majority of Audit and Supervisory Committee members that can take part in a resolution have attended.</u>
(New)	<u>Article 32 (Minutes)</u> <u>Minutes shall be taken regarding the resolutions of the Audit and Supervisory Committee, which record the proceedings, their results, and other items stipulated by laws and regulations, and the minutes shall be signed and stamped by the chairperson and attending Audit and Supervisory Committee members.</u>
Section 6 Financial Auditor	Section 6 Financial Auditor
Article <u>37</u> (Establishment of Financial Auditor) (Article text omitted)	Article <u>33</u> (Establishment of Financial Auditor) (As before)
Article <u>38</u> (Election) (Article text omitted)	Article <u>34</u> (Election) (As before)
Article <u>39</u> (Terms of Office) (Article text omitted)	Article <u>35</u> (Terms of Office) (As before)
Article <u>40</u> (Remuneration, etc.) The remuneration, etc. of the Financial Auditor is determined by the Representative Director upon receiving the approval of the <u>Board of Corporate Auditors</u> .	Article <u>36</u> (Remuneration, etc.) The remuneration, etc. of the Financial Auditor is determined by the Representative Director upon receiving the approval of the <u>Audit and Supervisory Committee</u> .
Article <u>41</u> (Financial Auditor Exemption from Liability) (Article text omitted)	Article <u>37</u> (Financial Auditor Exemption from Liability) (As before)
Section 7 Calculation	Section 7 Calculation
Article <u>42</u> (Fiscal Year) (Article text omitted)	Article <u>38</u> (Fiscal Year) (As before)
Article <u>43</u> (Body Determining Distribution, etc. of Surplus Funds) (Article text omitted)	Article <u>39</u> (Body Determining Distribution, etc. of Surplus Funds) (As before)
Article <u>44</u> (Distribution of Surplus Funds) (Article text omitted)	Article <u>40</u> (Distribution of Surplus Funds) (As before)
Article <u>45</u> (Period of Exclusion for Dividends, etc.) (Article text omitted)	Article <u>41</u> (Period of Exclusion for Dividends, etc.) (As before)

Current Articles of Incorporation	Proposed amendments
(New)	<u>Supplementary Provisions</u>
(New)	<p><u>Article 1 (Transitional Measures Regarding Corporate Auditor Exemption from Liability)</u></p> <p><u>The Company can exempt the Corporate Auditors from the liability for damages stipulated in Article 423, paragraph (1) of the Companies Act regarding actions taken before the conclusion of the 89th Annual General Meeting of Shareholders, upon a resolution of the Board of Directors, as stipulated in Article 426, paragraph (1) of the Companies Act.</u></p>
(New)	<p><u>Article 2 (Transitional Measures for Providing Informational Materials for the General Meeting of Shareholders in Electronic Format)</u></p> <ol style="list-style-type: none"> <li><u>1. The deletion of Article 13 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) in the current Articles of Incorporation and the establishment of the new Article 13 (Measures, etc. for Providing Information in Electronic Format) in the amended Articles of Incorporation shall be effective from the date of enforcement (September 1, 2022) of the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter referred to as the “Date of Enforcement”).</u></li> <li><u>2. Notwithstanding the provisions of the preceding paragraph, Article 13 of the pre-amended Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) shall remain effective regarding any General Meeting of Shareholders held on a date within six months from the Date of Enforcement.</u></li> <li><u>3. Article 2 of these Supplementary Provisions shall be deleted on the date when six months have elapsed from the Date of Enforcement or three months have elapsed from the date of the General Meeting of Shareholders in the preceding paragraph, whichever is later.</u></li> </ol>

**Proposal No. 2: Election of Five Directors (Excluding Those Who Are Audit and Supervisory Committee Members)**

If the “Amendment to the Articles of Incorporation” in Proposal No. 1 is approved as drafted, the Company will become a company with Audit and Supervisory Committee, and the terms of office of all seven Directors will expire at the same time. Therefore, the Company proposes the election of five Directors (excluding Directors who are Audit and Supervisory Committee members, which is also the case for the main proposal hereinafter) after the company becomes a company with Audit and Supervisory Committee.

This proposal shall be effective if the “Amendment to the Articles of Incorporation” in Proposal No. 1 is made effective.

The nomination of the candidates for Director has been deliberated at the Nomination Advisory Committee, whose membership is made up of a majority of Independent Officers.

The candidates for Director are as follows:

Candidate No.	Name	Position and responsibility in the Company	Attendance at Board of Directors meetings for the current fiscal year
1	Shigeru Takaragi      Reelection	President and Representative Director - General Manager of Research & Development Division	100% (18/18)
2	Tsuneaki Kubo      Reelection	Director and Executive Officer - General Manager of Core Business Division and in charge of Procurement and Logistics Department	100% (14/14)
3	Takafumi Mizuno      Reelection Outside Independent	Outside Director	100% (18/18)
4	Dai Matsuoka      Reelection Outside	Outside Director	100% (18/18)
5	Taro Ikushima      Reelection Outside	Outside Director	100% (18/18)

(Note) As Tsuneaki Kubo was newly elected at the 88th Annual General Meeting of Shareholders held on June 25, 2021, the above number of Board of Directors meetings that he could attend is different from those of other Directors.

Candidate  
No.  
1

**Shigeru Takaragi**  
(Date of birth: May 19, 1960)  
Reelection

Number of the Company's shares owned	3,300
Number of years in office as a Director	9 years
Attendance at Board of Directors meetings	18/18
Relationship of special interest in the Company	None

**Career summary, and position and responsibility in the Company**

Apr. 1984	Joined the Company
May 2007	General Manager of Otake Plant
July 2007	Executive Officer
Apr. 2012	Representative Director of TODA ISU CORPORATION
Apr. 2013	Senior Managing Executive Officer of the Company
June 2013	Vice President and Director
Oct. 2013	Vice President and Representative Director
June 2014	President and Representative Director
<b>June 2019</b>	<b>President and Representative Director (current position)</b>
<b>Apr. 2021</b>	<b>General Manager of Research &amp; Development Division (current position)</b>

**Reasons for nomination as a candidate for Director**

Shigeru Takaragi has accumulated abundant business experience and achievements in the research division, production division, etc. over many years and has insight and global knowledge regarding corporate management, which was cultivated at an operating company in South Korea. He has experience in overall management as Vice President and Director since June 2013 and President and Representative Director since June 2014. The Company judges him as suitable to continue to lead the Group, and proposes his reelection as Director.

[Message to shareholders from this candidate for Director]

Our performance recovered significantly in fiscal 2021 and we would like to express our gratitude. This was made possible due to the growth of multiple businesses we have been focusing on and because of favorable performance of Group companies. We will diligently work to improve our financial foundation so that we can promptly resume the paying of dividends.

Going forward, while expanding our existing business, we will also continue developing new businesses as well as taking countermeasures for aging equipment, keeping BCP in mind. In our continuous endeavor to grow as a respected global company well beyond our 200th anniversary, which will arrive in 2023, we are particularly accelerating the development of environment-related technologies to contribute to carbon neutrality, which is increasing in global presence. We ask for your continued understanding and support.

Candidate  
No.  
2

**Tsuneaki Kubo**  
(Date of birth: October 7, 1964)  
Reelection

Number of the Company's shares owned	100
Number of years in office as a Director	1 year
Attendance at Board of Directors meetings	14/14
Relationship of special interest in the Company	None

**Career summary, and position and responsibility in the Company**

Apr. 1988	Joined the Company
Mar. 2009	General Manager of Zhejiang Toda DMEGC Magnetic Co., Ltd.
June 2012	General Manager of TODA MAGNET (SHENZHEN) Co., Ltd.
Apr. 2016	General Manager of Onoda Plant, Production Division of the Company
Apr. 2018	Corporate Officer
Oct. 2018	General Manager of Production Division, General Manager of Onoda Plant, and Department Manager of Procurement and Logistics Department
<b>June 2019</b>	<b>Executive Officer (current position)</b>
<b>Apr. 2021</b>	<b>General Manager of Core Business Division and in charge of Procurement and Logistics Department (current position)</b>
<b>June 2021</b>	<b>Director (current position)</b>

**Reasons for nomination as a candidate for Director**

Tsuneaki Kubo has abundant experience and achievements in the production technology division and the production division, etc. since joining the Company as well as global knowledge regarding corporate management, which was cultivated at operating companies in China. In addition, he has been in charge of overall operations in the production division since 2018. In April 2021, he was appointed as General Manager of the Core Business Division, which will cover and penetrate all the functions of the Company from the viewpoint of Core Business. The Company judges him as suitable to utilize his experience and capabilities for the Company's management, and proposes his reelection as a Director.

[Message to shareholders from this candidate for Director]

The Group was able to surpass our plans for fiscal 2021 in the strategic businesses of magnetic materials, dielectrics materials, and lithium ion battery materials. We will also strive to achieve our medium-term plan for fiscal 2022.

Due to the multitude of risks affecting our business, including the recent economic sanctions on Russia, the impact of Zero-COVID policies in China on the economy, supply chain disorder stemming from semiconductor shortages, and increasing energy costs due to the rising prices of coal and crude oil, etc., we believe risk management that looks ahead to the future is necessary. I will work to achieve our goals outlined in the Environmental Vision 2033, as well as address medium-term challenges. I ask for your continued support as we move forward.

Candidate  
No.  
3

**Takafumi Mizuno**

(Date of birth: February 27, 1948)

Reelection      Outside      Independent      Relationship of special interest in the Company      None

Number of the Company's shares owned      —  
Number of years in office as a Director      4 years  
Attendance at Board of Directors meetings      18/18

**Career summary, and position and responsibility in the Company**

Apr. 1971      Joined Toyota Motor Co., Ltd. (currently Toyota Motor Corporation)  
Jan. 1996      General Manager of Development Management Division  
June 2007      Senior Managing Director of TOKAI RIKA CO., LTD.  
June 2011      Advisor  
July 2013      Advisor of TOYO Corporation  
**June 2018      Outside Director of the Company (current position)**

**Reasons for nomination as a candidate for outside Director and outline of expected role**

Takafumi Mizuno was involved in the technology division of Toyota Motor Corporation for many years, and also has abundant experience as a business manager of TOKAI RIKA CO., LTD. The Company nominated with the expectation that he will continue to supervise the Company's management and offer advice on overall management from a perspective that is not tied to conventional frameworks, based on his advanced knowledge and insight. Moreover, if he is elected, it is planned that he will continue to be involved in decisions on selection of candidates for the Company's officers and remuneration, etc. for Officers from an objective and neutral standpoint as a member of the Nomination Advisory Committee.

[Message to shareholders from this candidate for Director]

Fiscal 2021 saw the formulation of our long-term outlook, including our "Vision 2023" medium-term business plan and "Go Beyond 200" plan for fiscal 2024 and beyond. The Company promoted development and production technology based on "Toda Spirits," which sums up the starting point for *monozukuri*, and also disseminated the "5S + S (standard)," which is key for product quality and safety. However, we are facing transformations of a scale that happen once in a century, due to the effects of the protracted COVID-19 pandemic and semiconductor shortages, as well as the acceleration toward decarbonization and electrification. The Company is expected to further develop as a manufacturer of the key materials for motors, batteries, sensors, and environmentally-friendly technologies. I will endeavor to contribute to improving the corporate value of the Company via the wide-ranging perspectives and ideas I have gained from my experience in the automobile industry.

Candidate  
No.  
4

**Dai Matsuoka**  
(Date of birth: May 13, 1963)  
Reelection      Outside

Number of the Company's shares owned	—
Number of years in office as a Director	3 years
Attendance at Board of Directors meetings	18/18
Relationship of special interest in the Company (Note 2)	

**Career summary, and position and responsibility in the Company**

Apr. 1991	Joined TDK Corporation
Jan. 2016	Manager, Advanced Agriculture Development Group, New Business Promotion Center
July 2016	General Manager, Technology HQ
June 2017	Corporate Officer and General Manager of Technology and Intellectual Property HQ
<b>June 2019</b>	<b>Outside Director of the Company (current position)</b>
<b>Apr. 2021</b>	<b>Corporate Officer and Chief Officer of Quality, Safety &amp; Environment of TDK Corporation (current position)</b>

**Significant concurrent positions outside the Company**

Corporate Officer and Chief Officer of Quality, Safety & Environment of TDK Corporation (current position)

**Reasons for nomination as a candidate for outside Director and outline of expected role**

Dai Matsuoka was involved for many years in the technology and development divisions of TDK Corporation, and he was appointed as its Chief Officer of Quality, Safety & Environment in April 2021. The Company nominated with the expectation that he will utilize his experience and wide-ranging knowledge and insight in supervision of the Company's management, and that he will continue to offer advice to ensure the legality and appropriateness of decision-making by the Company's Board of Directors.

[Message to shareholders from this candidate for Director]

The market for electronic components which support Digital Transformation (DX) and the electrification of automobiles is expanding exponentially. The TODA KOGYO Group is improving on the strengths of its fine particle control technology cultivated through wet synthesis of iron oxides to meet market demand for further miniaturization and high performance. In fiscal 2021, we were able to achieve our business plan despite rising costs for raw materials, fuels, and transport. This was thanks to the support we received from all of our stakeholders, including our shareholders. I sincerely thank you.

I will further contribute to the continued growth of the TODA KOGYO Group this fiscal year by utilizing my knowledge and experience in the development and production of electronic components. I am committed to striving toward the creation of new value for the TODA KOGYO Group by overseeing the management of the Company as I represent its shareholders.

Candidate No. 5	<b>Taro Ikushima</b>	Number of the Company's shares owned	—
	(Date of birth: December 9, 1969)	Number of years in office as a Director	3 years
	Reelection	Attendance at Board of Directors meetings	18/18
	Outside	Relationship of special interest in the Company (Note 2)	

#### Career summary, and position and responsibility in the Company

Apr. 1993	Joined TDK Corporation
Apr. 2015	General Manager of Corporate Planning Department, Electronic Components Business Company
Apr. 2017	General Manager of Corporate Planning Group, Corporate Strategy HQ
<b>June 2019</b>	<b>Outside Director of the Company (current position)</b>
<b>Apr. 2021</b>	<b>Corporate Officer and CEO, Electronic Components Business Company of TDK Corporation (current position)</b>

#### Significant concurrent positions outside the Company

Corporate Officer and CEO, Electronic Components Business Company of TDK Corporation

#### Reasons for nomination as a candidate for outside Director and outline of expected role

Taro Ikushima was involved for many years in the corporate planning of TDK Corporation, and he was appointed as Corporate Officer and CEO at its Electronic Components Business Company in April 2021. The Company nominated with the expectation that he will utilize his abundant knowledge and insight related to overall management in supervision of the Company's management, and that he will continue to offer advice to ensure the legality and appropriateness of decision-making by the Company's Board of Directors.

[Message to shareholders from this candidate for Director]

Fiscal 2021 saw a recovery in the business environment compared to fiscal 2020 which was largely affected by COVID-19, and our performance greatly exceeded targets. Strengthening ESG is an important concern of our investors, and we have been working to enhance corporate governance in order to position ourselves in the Prime Market in line with the restructuring of the Tokyo Stock Exchange that occurred in April 2022. The establishment of a Nomination Advisory Committee and transition to a company with Audit and Supervisory Committee are big steps toward enhancing the future corporate governance of the Company. Other issues the Board of Directors debated including risks in the management of our subsidiaries around the world and a revision of decision-making authorities, in order to ensure the effectiveness of debates at the Board of Directors meetings. As an Outside Director, I am committed to contributing to the further evolution of TODA KOGYO in the future.

- (Notes)
1. Takafumi Mizuno, Dai Matsuoka and Taro Ikushima are candidates for outside Director.
  2. Relationship of special interest in the Company  
TDK Corporation is a major shareholder of the Company, holding 21.86% of the Company's shares (Ownership ratio excluding the Company's 334 thousand shares of treasury stock). There are trading relationships between TDK Corporation and the Company involving the sales of products, etc.
  3. In accordance with the provisions of Article 427, paragraph (1) of the Companies Act, the Company's Articles of Incorporation stipulate that it may enter into agreements that limit liability for damages provided in Article 423, paragraph (1) of the Companies Act, and the Company has entered into such liability limitation agreements with Takafumi Mizuno, Dai Matsuoka, and Taro Ikushima. If their reelection is approved, the Company plans to renew the aforementioned agreements with them. Pursuant to this agreement, the defined maximum amount of liability for damages, if the non-executive Director has acted in good faith and without gross negligence in performing his duties, is the minimum liability amount provided for under Article 425, paragraph (1) of the Companies Act.
  4. The Company has entered into a directors and officers liability insurance policy provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company, and an outline of the main details of the insurance policy is as described on page 52 of the Business Report (Japanese only). If the election of each candidate for Director is approved, they will be included as insured persons under the insurance policy. The Company also plans to renew the insurance policy with the same details at the next renewal.
  5. Takafumi Mizuno meets the requirements of an Independent Officer as defined by Tokyo Stock Exchange, Inc., and the Company has submitted notification that he is an Independent Officer. If his reelection is approved, the Company plans to continue having him as an Independent Officer.



### Proposal No. 3: Election of Four Directors Who Are Audit and Supervisory Committee Members

If the “Amendment to the Articles of Incorporation” in Proposal No. 1 is approved as drafted, the Company will become a company with Audit and Supervisory Committee, and proposes the election of four Directors to be Audit and Supervisory Committee members.

The consent of the Board of Corporate Auditors has been obtained for this proposal.

This proposal shall be effective if the “Amendment to the Articles of Incorporation” in Proposal No. 1 is made effective.

The candidates for Directors to be Audit and Supervisory Committee members are as follows:

Candidate No.	Name	Position and responsibility in the Company	Attendance at Board of Directors meetings for the current fiscal year
1	Kunihiro Kochi New election	Full-Time Corporate Auditor	100% (14/14)
2	Shinsuke Hasegawa New election Outside Independent	Outside Corporate Auditor	100% (18/18)
3	Koji Kanazawa New election Outside Independent	Outside Corporate Auditor	100% (18/18)
4	Kazuya Uraisami New election Outside Independent	Outside Corporate Auditor	100% (18/18)

(Note) As Kunihiro Kochi was newly elected as Corporate Auditor at the 88th Annual General Meeting of Shareholders held on June 25, 2021, the above number of Board of Directors meetings that they could attend is different from those of other Directors who are Audit and Supervisory Committee members.

Candidate No. 1	<b>Kunihiro Kochi</b> (Date of birth: January 21, 1957) New election	Number of the Company's shares owned	—
		Number of years in office as a Director	—
		Attendance at Board of Directors meetings	14/14
		Relationship of special interest in the Company	None

**Career summary, and position and responsibility in the Company**

Apr. 1979	Joined the Company
Feb. 2009	Executive Officer, General Manager of Onoda Plant
Apr. 2010	Representative Director and President of Toda Material Corp.
Apr. 2015	Department Manager of Personnel and General Affairs Department, Corporate Administration Division of the Company
Apr. 2016	Corporate Officer
Apr. 2019	Counsellor, Department Manager of Human Resources Development Department, Corporate Administration Division
<b>June 2021</b>	<b>Full-Time Corporate Auditor (current position)</b>

**Reasons for nomination as a candidate for Director who is an Audit and Supervisory Committee member**

Since joining the Company, Kunihiro Kochi has gained experience in the production technology and production divisions and been involved in overall management of plant operations including being present at a manufacturing site as General Manager. He has also served as President of an operating company in Japan and as a Department Manager in the Company's corporate administration division. Based on this experience, he has a wide range of knowledge spanning the Company's operations and insight related to corporate management. The Company proposes his election as Director who is an Audit and Supervisory Committee member, judging him suitable to be responsible for ensuring the soundness of management from a neutral and objective perspective.

[Message to shareholders from this candidate for Director who is an Audit and Supervisory Committee member]

I believe that many of our shareholders expect us to achieve both short-term results and flexibly transform our business structure with a medium to long-term vision, despite the dramatic changes occurring throughout the world. In order to achieve this goal, I believe it is important for diverse human resources to carry out their duties and provide safe, secure, and high quality services via a global network, and we must make swift decisions according to a management awareness, conduct, and management foundation rooted in a spirit of *monozukuri*, which was the origin of TODA KOGYO. I will make the utmost efforts to sincerely work on improving our governance, and I ask for your continued support as we move forward.

Candidate No.	2	<b>Shinsuke Hasegawa</b> (Date of birth: January 8, 1966)	Number of the Company's shares owned	—
			Number of years in office as a Director	—
			Attendance at Board of Directors meetings	18/18
		New election	Outside	Independent
			Relationship of special interest in the Company	None

**Career summary, and position and responsibility in the Company**

Oct. 1989      Joined Arthur Andersen LLC (currently KPMG AZSA LLC)  
Apr. 2001      Joined Nomura Securities Co., Ltd.  
Aug. 2005      Joined Morgan Stanley Japan Securities (currently Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.)

**Dec. 2008      Representative of Hasegawa CPA Office (current position)**  
**Mar. 2014      Outside Auditor of Hinokiya Group Co., Ltd. (current position)**  
**June 2017      Outside Corporate Auditor of the Company (current position)**

**Significant concurrent positions outside the Company**

Representative of Hasegawa CPA Office  
Outside Auditor of Hinokiya Group Co., Ltd.

**Reasons for nomination as a candidate for outside Director who is an Audit and Supervisory Committee member and outline of expected role**

Shinsuke Hasegawa has abundant experience and broad insight as a certified public accountant. Since June 2017, he has contributed as outside Corporate Auditor to strengthening the functions of the Board of Directors and supervising the execution of business, by checking and identifying risks particularly in finance and accounting. He has also contributed to enhancing the effectiveness of audits by the Board of Corporate Auditors. The Company proposes his election as outside Director who is an Audit and Supervisory Committee member.

[Message to shareholders from this candidate for Director who is an Audit and Supervisory Committee member]

From 2021, the TODA KOGYO Group has been working to implement various measures to improve performance based on the Vision 2023 medium-term business plan, and has achieved steady results in fiscal 2021.

With continuing uncertainties in the external environment, including COVID-19, the Ukraine crisis, and recent concerns of a global rise in inflation, we are required to make various management decisions in a more strict and timely manner.

We keep an eye on the impact that the above and other risk factors have on the management of the Company from various perspectives, and check whether management is being conducted based on appropriate risk management, from the point of view of the shareholder. I will continue to strive to fulfill my duties as a member of the audit and supervisory committee so that I can contribute to improving the corporate value of the Company.

Candidate  
No.  
3

**Koji Kanazawa**

(Date of birth: April 20, 1979)

New election      Outside      Independent      Relationship of special interest in the Company      None

Number of the Company's shares owned      —  
Number of years in office as a Director      —  
Attendance at Board of Directors meetings      18/18

**Career summary, and position and responsibility in the Company**

Oct. 2004      Joined Chuo Sogo Law Office, P.C.  
Nov. 2012      Secondment at Rodyk & Davidson LLP (currently Dentons Rodyk)  
Aug. 2013      Admitted to the New York State Bar  
Jan. 2014      Deputy Director of Supervisory Coordination Division, Supervisory Bureau, Financial Services Agency  
**Jan. 2016      Partner of Chuo Sogo Law Office, P.C. (current position)**  
**June 2018      Outside Corporate Auditor of the Company (current position)**  
**June 2018      Outside Corporate Auditor of Rakuten General Insurance Co., Ltd. (current position)**

**Significant concurrent positions outside the Company**

Partner of Chuo Sogo Law Office, P.C.  
Outside Corporate Auditor of Rakuten General Insurance Co., Ltd.

**Reasons for nomination as a candidate for outside Director who is an Audit and Supervisory Committee member and outline of expected role**

Koji Kanazawa has rich experience as an attorney and a wide range of knowledge regarding the law. Since June 2018, he has contributed as outside Corporate Auditor to strengthening the functions of the Board of Directors and supervising the execution of business, by observing and identifying risks in contracts and the law. He has also contributed to enhancing the effectiveness of audits by the Board of Corporate Auditors. The Company proposes his election as outside Director who is an Audit and Supervisory Committee member.

[Message to shareholders from this candidate for Director who is an Audit and Supervisory Committee member]

Since being appointed as an Outside Corporate Auditor in fiscal 2018, I have strongly felt increasing expectations from society regarding the enhancement of corporate governance towards Japanese companies, including TODA KOGYO. In fiscal 2021, we managed to emerge from the harsh conditions of the previous few years and secure profits, but could not give back to our shareholders, which was extremely unfortunate. While it is now or never to address sustainability issues such as climate change, the future outlook is remarkably uncertain with the social and economic environment facing tumultuous disturbances on a global scale. In this highly uncertain business environment, I will endeavor to establish a management foundation for the entire TODA KOGYO Group that enables us to execute appropriate and swift decision-making.

Candidate No.	4	<b>Kazuya Uraisami</b> (Date of birth: November 28, 1957)	Number of the Company's shares owned	—
			Number of years in office as a Director	—
			Attendance at Board of Directors meetings	18/18
		New election      Outside      Independent	Relationship of special interest in the Company	None

**Career summary, and position and responsibility in the Company**

Apr. 1981	Joined The Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation)
Dec. 1993	General Manager of Credit Department of Union Bank of Switzerland (currently UBS) and other positions
May 1997	General Manager of Credit Department of Merrill Lynch Securities Co., Ltd. and other positions
Feb. 2005	General Manager of Head Office Financial Evolution Planning and Promotion Division of SANYO Electric Co., Ltd. and other positions
June 2011	President of MBK Co., Ltd. and other positions
May 2013	Executive Vice President of Kameichi Co., Ltd.
May 2014	Senior Managing Director of Asahi Techno Plant Co., Ltd.
<b>Mar. 2018</b>	<b>Representative of Marginal LLC (current position)</b>
<b>June 2020</b>	<b>Outside Corporate Auditor of the Company (current position)</b>

**Significant concurrent positions outside the Company**

Representative of Marginal LLC

**Reasons for nomination as a candidate for outside Director who is an Audit and Supervisory Committee member and outline of expected role**

Kazuya Uraisami was involved in the credit departments of financial institutions for many years and also has abundant experience and broad insight as a corporate manager. Since June 2020, he has contributed as outside Corporate Auditor to strengthening the functions of the Board of Directors and supervising the execution of business, by checking and identifying risks from a wide-ranging perspective not only in terms of finance and accounting. He has also contributed to enhancing the effectiveness of audits by the Board of Corporate Auditors. The Company proposes his election as outside Director who is an Audit and Supervisory Committee member.

[Message to shareholders from this candidate for Director who is an Audit and Supervisory Committee member]

TODA KOGYO explores and exploits the seeds of innovation that arise internally from its own long-developed business story. The Company, a chemical material specialist with nearly 200 years of business history, is proud of the products and the services created out of such exploration and exploitation, and it shall continue and further develop its contributions to its customers. There may appear many difficult moments when it is necessary to judge the best allocation of our human, technological and financial resources, and we work to maintain the proper governance and compliance at each and every moment.

- (Notes)
1. Shinsuke Hasegawa, Koji Kanazawa, and Kazuya Uraisami are candidates for outside Director who are Audit and Supervisory Committee members.
  2. In accordance with the provisions of Article 427, paragraph (1) of the Companies Act, the Company's Articles of Incorporation stipulate that it may enter into agreements that limit liability for damages provided in Article 423, paragraph (1) of the Companies Act, and the Company has entered into such liability limitation agreements with Kunihiko Kochi, Shinsuke Hasegawa, Koji Kanazawa, and Kazuya Uraisami. If their election is approved, the Company plans to enter the aforementioned agreements with them. Pursuant to this agreement, the defined maximum amount of liability for damages, if the non-executive Director has acted in good faith and without gross negligence in performing his duties, is the minimum liability amount provided for under Article 425, paragraph (1) of the Companies Act.
  3. The Company has entered into a directors and officers liability insurance policy provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company, and an outline of the main details of the insurance policy is as described on page 52 of the Business Report (Japanese only). If the election of each candidate for Director who is an Audit and Supervisory Committee member is approved, they will be included as insured persons under the insurance policy. The Company also plans to renew the insurance policy with the same details at the next renewal.
  4. Shinsuke Hasegawa, Koji Kanazawa, and Kazuya Uraisami meet the requirements of Independent Officers as defined by Tokyo Stock Exchange, Inc., and the Company has submitted notification that they are Independent Officers. If their election is approved, the Company plans to continue having them as Independent Officers.

(For reference)

Structure of Board of Directors after election and skill matrix

If Proposal No. 2 and Proposal No. 3 are approved as drafted, the structure of the Board of Directors and the major skills, experience, and knowledge of each Director shall be as indicated below.

Position in the company Name	Corporate/ Business Manage- ment	Internation- ality Global Experience	Production/ Procure- ment	Quality Control	Technology R&D	Sales Marketing	Finance Accounting	Legal Compliance	Personnel Labor Relations Human Resource Develop- ment	ESG
President and Representative Director Shigeru Takaragi	•	•	•		•	•			•	•
Director and Executive Officer Tsuneaki Kubo	•	•	•		•	•				
Outside Director Takafumi Mizuno Outside Independent	•	•	•	•	•					
Outside Director Dai Matsuoka Outside		•	•	•	•					•
Outside Director Taro Ikushima Outside	•	•				•	•			•
Director (Audit and Supervisory Committee member/full-time) Kunihiro Kochi	•		•	•	•			•	•	
Outside Director (Audit and Supervisory Committee member) Shinsuke Hasegawa Outside Independent	•	•					•			
Outside Director (Audit and Supervisory Committee member) Koji Kanazawa Outside Independent	•	•						•		•
Outside Director (Audit and Supervisory Committee member) Kazuya Uraisami Outside Independent	•	•					•		•	•

\*The above table is not an exhaustive list of the expertise and experience of the candidates.

**Proposal No. 4: Determination of Remuneration, etc. for Directors (Excluding Those Who Are Audit and Supervisory Committee Members)**

A total annual remuneration, etc. for Directors of 180 million yen or less (not including the employee salary of a director-employee) was approved at the 56th Annual General Meeting of Shareholders held on June 29, 1989, but if the “Amendment to the Articles of Incorporation” in Proposal No. 1 is approved as drafted, the Company will become a company with Audit and Supervisory Committee, and will request approval for setting total annual remuneration, etc. for Directors (excluding those who are Audit and Supervisory Committee members, which is also the case for the main proposal hereinafter) to be 180 million yen or less (with 40 million yen or less for outside Directors), taking into consideration the circumstances such as the recent economic situation. If this proposal is approved, the Company plans to change the wording “Director” to “Director (excluding Directors who are Audit and Supervisory Committee members)” at a Board of Directors meeting after this General Meeting of Shareholders has concluded, according to the policy for determining individual Director remuneration, etc., but the remuneration, etc. in this proposal is paid as fixed remuneration and performance-linked remuneration based on that policy, and is deemed to be appropriate. This remuneration, etc. does not include the employee salary of a director-employee.

Although there are currently seven Directors (with three being outside Directors), if the “Amendment to the Articles of Incorporation” in Proposal No. 1 and “Election of Five Directors (Excluding Those Who Are Audit and Supervisory Committee Members)” in Proposal No. 2 are approved as drafted, the number of Directors will be five (with three being outside Directors).

This proposal shall be effective if the “Amendment to the Articles of Incorporation” in Proposal No. 1 is made effective.

**Proposal No. 5: Determination of Remuneration, etc. for Directors Who Are Audit and Supervisory Committee Members**

If the “Amendment to the Articles of Incorporation” in Proposal No. 1 is approved as drafted, the Company will become a company with Audit and Supervisory Committee, and requests approval for setting total annual remuneration, etc. for Directors who are Audit and Supervisory Committee members to be 30 million yen or less, taking into consideration the circumstances such as the recent economic situation. The remuneration, etc. in this proposal is deemed to be appropriate to the duties of the Directors who are Audit and Supervisory Committee members.

If the “Amendment to the Articles of Incorporation” in Proposal No. 1 and “Election of Four Directors Who Are Audit and Supervisory Committee Members” in Proposal No. 3 are approved as drafted, the number of Directors who are Audit and Supervisory Committee members will be four.

This proposal shall be effective if the “Amendment to the Articles of Incorporation” in Proposal No. 1 is made effective.



## **Proposal No. 6: Determination of Specific Terms of Share Options for Share-based Remuneration for Directors (Excluding Outside Directors and Directors Who Are Audit and Supervisory Committee Members)**

The Company had its remuneration amount and details for share options for share-based remuneration for Directors (excluding outside Directors), and the allocation of share acquisition rights as share options for share-based remuneration, approved at the 88th Annual General Meeting of Shareholders held on June 25, 2021. If the “Amendment to the Articles of Incorporation” in Proposal No. 1 is approved as drafted, the company will become a company with Audit and Supervisory Committee. Therefore, the Company requests approval for redefining the current share options for share-based remuneration for Directors (excluding outside Directors and Directors who are Audit and Supervisory Committee members, which is also the case for the main proposal hereinafter). (The total amount and details on the remuneration are separate to the remuneration that the Company is requesting approval for in Proposal No. 4: “Determination of Remuneration, etc. for Directors (Excluding Those Who Are Audit and Supervisory Committee Members).”)

This proposal is part of the procedure for migrating to a company with Audit and Supervisory Committee, and the actual remuneration will be the same as the share options for share-based remuneration approved in the 88th Annual General Meeting of Shareholders held on June 25, 2021, the purpose of which is indicated in 1 below.

If this proposal is approved, the Company plans to change the policy for determining the individual director remuneration, etc. as indicated in Proposal No. 4: “Determination of Remuneration, etc. for Directors (Excluding Those Who Are Audit and Supervisory Committee Members)” at a Board of Directors meeting after this Annual General Meeting of Shareholders has concluded. This proposal is necessary for determining the individual Director remuneration, etc. according to the policy after these changes are made, and is deemed to be appropriate.

There are currently four target Directors, but if the “Amendment to the Articles of Incorporation” in Proposal No. 1 and “Election of Five Directors (Excluding Those Who Are Audit and Supervisory Committee Members)” in Proposal No. 2 are approved as drafted, the number of target Directors will be two.

Details concerning the distribution of share option remuneration to each Director, and the timing of such payment shall be left to the discretion of the Board of Directors in line with the policy on decisions regarding the content of remuneration, etc. for individual Directors.

The maximum remuneration amount for share options remains the amount that was approved at the 88th Annual General Meeting of Shareholders, and that remuneration amount for Directors, which must be no more than ¥50 million per year, is the amount obtained by multiplying the total number of allotted share acquisition rights by the fair value of one share acquisition right, which is calculated on the day the total number of share acquisition rights are allotted.

This proposal shall be effective if the “Amendment to the Articles of Incorporation” in Proposal No. 1 is made effective.

### 1. Reasons for allotting share acquisition rights as remuneration for Directors

The Company will allot share acquisition rights to Directors with the purpose of having them share in the merits of increasing and risks of decreasing the share price with the shareholders and raising the willingness to contribute to improving the corporate value.

### 2. Details of share acquisition rights as share options

#### (1) Class and number of shares that are the subject of the share acquisition rights

The shares to be delivered upon exercise of share acquisition rights shall be the Company’s common shares, and the number of shares to be delivered upon exercise of each share acquisition right (hereinafter the “Number of Shares Granted”) shall be 10 shares.

Provided that, if the Company implements a share split (including an allotment of common shares of the Company without contribution; the same shall apply to the description of the share split hereinafter), or share consolidation with respect to its common shares after the date on which the

share acquisition rights are allotted (hereinafter referred to as the “Allotment Date”), the Company shall make an adjustment to the Number of Shares Granted in regard to the share acquisition rights that have not been exercised as of the date of such share split or share consolidation, by the following formula:

Number of Shares Granted after adjustment = Number of Shares Granted before adjustment × Ratio of split or consolidation

In addition, upon the occurrence of any unavoidable event that requires the adjustment of the Number of Shares Granted other than those set forth above, the Company may adjust the Number of Shares Granted as deemed necessary by the Board of Directors.

Fractional shares less than one share resulting from the above adjustment shall be rounded down.

(2) Total number of share acquisition rights

The number of share acquisition rights to be allotted within one year from the date of the Annual General Meeting of Shareholders for each business year shall not exceed 1,500 units.

(3) Amount to be paid in for share acquisition rights

The amount to be paid in for each share acquisition right shall be determined by the Board of Directors based on the fair value of the share acquisition rights, which is computed by a fair calculation method including the Black-Scholes model, upon the allotment of the share acquisition rights.

The recipient of the allotment of share acquisition rights (hereinafter the “Share Acquisition Rights Holder”) shall not be required to pay in money as the remuneration claims from the Company shall be offset against the amount to be paid in.

(4) Value of property to be contributed upon exercise of share acquisition rights

The amount of property to be contributed upon exercise of share acquisition rights shall be obtained by multiplying the Number of Shares Granted by ¥1, which is the amount per share receivable through delivery by exercise of share acquisition rights.

(5) Exercise period of share acquisition rights

The exercise period of share acquisition rights shall be determined by the Board of Directors of the Company within the scope of 30 years from the date immediately following the Allotment Date.

(6) Conditions for exercise of share acquisition rights

(i) The Share Acquisition Rights Holder may only exercise his/her share acquisition rights at one time, during a period of ten days (if the tenth day is a holiday, the next business day) from the day immediately following the date on which a Director or Executive Officer of the Company ceased to hold any of such positions.

(ii) If the Share Acquisition Rights Holder dies, that person’s heir can only exercise the share acquisition rights in one lump transaction.

(iii) Other conditions for exercise of share acquisition rights shall be determined by the Board of Directors meeting that decides the subscription requirements for share acquisition rights.

(7) Restriction on acquisition of share acquisition rights by transfer

Acquisition of share acquisition rights by transfer shall require approval of the Board of Directors of the Company.

(8) Terms and conditions for acquiring share acquisition rights

(i) In the event that before the Share Acquisition Rights Holders exercise such rights, share acquisition rights can no longer be exercised under the provisions stipulated in (6) above or under the provisions of a share acquisition rights allotment agreement, the Company may acquire those share acquisition rights for no consideration on a day separately determined by the Board of Directors of the Company.

(ii) In the event that a proposal of below-mentioned a), b), c), d) or e) is approved at the General Meeting of Shareholders of the Company (if a resolution by the General Meeting of Shareholders

is not necessary, it is read as “in the event that such item is approved by the Board of Directors of the Company), the Company may acquire share acquisition rights for no consideration on the date separately determined by the Board of Directors of the Company.

- a) Proposal for approval of a merger agreement in which the Company is the disappearing company
  - b) Proposal for approval of a corporate split agreement or corporate split plan in which the Company is the splitting company
  - c) Proposal for approval of a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary
  - d) Proposal for approval of an amendment to the Articles of Incorporation of the Company to provide that the acquisition by transfer of all shares issued or to be issued by the Company is subject to the approval of the Company
  - e) Proposal for approval of an amendment to the Articles of Incorporation of the Company to provide that the acquisition by transfer of shares of a certain class purposed for delivery by share acquisition rights is subject to the approval of the Company, or that all of the shares of such class may be acquired by the Company by a resolution of a General Meeting of Shareholders of the Company.
- (9) Other details of share acquisition rights

Any other details related to share acquisition rights shall be decided at the meeting of the Board of Directors that decides the subscription requirements for share acquisition rights.

**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

As of March 31, 2022

Assets	
Current assets	
Cash and deposits	7,962
Notes and accounts receivable - trade	10,524
Merchandise and finished goods	4,423
Work in process	1,973
Raw materials and supplies	3,023
Other	1,480
Allowance for doubtful accounts	(6)
Total current assets	29,381
Non-current assets	
Property, plant and equipment	
Buildings and structures, net	2,324
Machinery, equipment and vehicles, net	1,707
Land	6,320
Construction in progress	224
Other, net	783
Total property, plant and equipment	11,361
Intangible assets	
Goodwill	1,992
Other	154
Total intangible assets	2,147
Investments and other assets	
Investment securities	2,607
Investments in capital of subsidiaries and associates	4,443
Long-term loans receivable	1,027
Retirement benefit asset	161
Other	165
Allowance for doubtful accounts	(3)
Total investments and other assets	8,401
Total non-current assets	21,910
Total assets	51,292

(Millions of yen)

As of March 31, 2022

Liabilities	
Current liabilities	
Notes and accounts payable - trade	5,714
Short-term borrowings	8,601
Current portion of long-term borrowings	3,278
Income taxes payable	278
Provision for bonuses	295
Provision for environmental measures	67
Provision for loss on factory closings	11
Other	2,029
Total current liabilities	20,276
Non-current liabilities	
Long-term borrowings	12,782
Long-term accounts payable - other	940
Retirement benefit liability	1,912
Deferred tax liabilities	974
Other	446
Total non-current liabilities	17,056
Total liabilities	37,333
Net assets	
Shareholders' equity	
Share capital	7,477
Capital surplus	4,358
Retained earnings	(112)
Treasury shares	(1,507)
Total shareholders' equity	10,215
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	633
Foreign currency translation adjustment	1,320
Remeasurements of defined benefit plans	258
Total accumulated other comprehensive income	2,211
Share acquisition rights	88
Non-controlling interests	1,443
Total net assets	13,958
Total liabilities and net assets	51,292

## Consolidated statements of income

	(Millions of yen)
	Fiscal year ended March 31, 2022
Net sales	35,332
Cost of sales	27,328
Gross profit	8,003
Selling, general and administrative expenses	5,484
Operating profit	2,519
Non-operating income	
Interest income	42
Dividend income	40
Rental income	38
Foreign exchange gains	151
Share of profit of entities accounted for using equity method	1,520
Subsidies for employment adjustment	20
Miscellaneous income	155
Total non-operating income	1,969
Non-operating expenses	
Interest expenses	206
Miscellaneous losses	97
Total non-operating expenses	304
Ordinary profit	4,184
Extraordinary income	
Gain on disposal of non-current assets	13
Gain on sale of investment securities	40
National subsidies	20
Compensation income	90
Total extraordinary income	165
Extraordinary losses	
Loss on disposal of non-current assets	72
Loss on tax purpose reduction entry of non-current assets	16
Loss on sale of investment securities	4
Impairment losses	178
Loss on liquidation of subsidiaries	46
Total extraordinary losses	318
Profit before income taxes	4,031
Income taxes - current	385
Income taxes - deferred	153
Profit	3,492
Profit attributable to non-controlling interests	376
Profit attributable to owners of parent	3,116

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,477	4,344	(3,224)	(1,513)	7,083
Cumulative effects of changes in accounting policies			(4)		(4)
Restated balance	7,477	4,344	(3,228)	(1,513)	7,079
Changes during period					
Profit attributable to owners of parent			3,116		3,116
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares		(4)		8	4
Change in ownership interest of parent due to transactions with non-controlling interests		17			17
Net changes in items other than shareholders' equity					
Total changes during period	–	13	3,116	6	3,135
Balance at end of period	7,477	4,358	(112)	(1,507)	10,215

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	779	281	(9)	1,052	66	1,173	9,375
Cumulative effects of changes in accounting policies							(4)
Restated balance	779	281	(9)	1,052	66	1,173	9,371
Changes during period							
Profit attributable to owners of parent							3,116
Purchase of treasury shares							(2)
Disposal of treasury shares							4
Change in ownership interest of parent due to transactions with non-controlling interests							17
Net changes in items other than shareholders' equity	(146)	1,038	267	1,159	22	269	1,451
Total changes during period	(146)	1,038	267	1,159	22	269	4,587
Balance at end of period	633	1,320	258	2,211	88	1,443	13,958

**Non-consolidated financial statements**  
**Non-consolidated balance sheets**

(Millions of yen)

As of March 31, 2022

Assets	
Current assets	
Cash and deposits	3,999
Notes receivable - trade	727
Accounts receivable - trade	5,082
Merchandise and finished goods	2,376
Work in process	1,366
Raw materials and supplies	1,424
Prepaid expenses	11
Accounts receivable - other	263
Short-term loans receivable	1,339
Current portion of long-term loans receivable	802
Other	126
Allowance for doubtful accounts	(506)
Total current assets	17,015
Non-current assets	
Property, plant and equipment	
Buildings	1,275
Structures	146
Machinery and equipment	830
Tools, furniture and fixtures	141
Construction in progress	198
Land	5,674
Other	14
Total property, plant and equipment	8,280
Intangible assets	
Software	124
Other	27
Total intangible assets	151
Investments and other assets	
Investment securities	1,798
Shares of subsidiaries and associates	1,930
Investments in capital of subsidiaries and associates	7,878
Long-term loans receivable from subsidiaries and associates	1,558
Other	70
Allowance for doubtful accounts	(36)
Total investments and other assets	13,200
Total non-current assets	21,632
Total assets	38,647



(Millions of yen)

As of March 31, 2022

Liabilities	
Current liabilities	
Accounts payable - trade	2,265
Short-term borrowings	7,913
Current portion of long-term borrowings	3,250
Accounts payable - other	244
Accrued expenses	349
Income taxes payable	100
Advances received	30
Deposits received	56
Unearned revenue	8
Provision for bonuses	235
Accounts payable - facilities	222
Other	16
Total current liabilities	14,694
Non-current liabilities	
Long-term borrowings	12,572
Deferred tax liabilities	315
Provision for retirement benefits	1,715
Provision for loss on guarantees	290
Other	36
Total non-current liabilities	14,930
Total liabilities	29,624
Net assets	
Shareholders' equity	
Share capital	7,477
Capital surplus	
Legal capital surplus	1,869
Other capital surplus	2,415
Total capital surplus	4,284
Retained earnings	
Other retained earnings	
Reserve for tax purpose reduction entry of non-current assets	86
Retained earnings brought forward	(2,040)
Total retained earnings	(1,953)
Treasury shares	(1,507)
Total shareholders' equity	8,301
Valuation and translation adjustments	
Valuation difference on available-for-sale securities	633
Total valuation and translation adjustments	633
Share acquisition rights	88
Total net assets	9,022
Total liabilities and net assets	38,647

**Non-consolidated statements of income**

(Millions of yen)

	Fiscal year ended March 31, 2022
Net sales	17,033
Cost of sales	12,331
Gross profit	4,701
Selling, general and administrative expenses	3,868
Operating profit	833
Non-operating income	
Interest income	48
Dividend income	279
Rental income	38
Foreign exchange gains	188
Reversal of allowance for doubtful accounts	34
Subsidies for employment adjustment	19
Miscellaneous income	64
Total non-operating income	672
Non-operating expenses	
Interest expenses	179
Provision for loss on guarantees	41
Miscellaneous losses	54
Total non-operating expenses	275
Ordinary profit	1,231
Extraordinary income	
Gain on sale of investment securities	0
Gain on disposal of non-current assets	8
National subsidies	20
Gain on extinguishment of tie-in shares	435
Compensation income	90
Gain on reimbursement of capital reduction	39
Total extraordinary income	594
Extraordinary losses	
Loss on disposal of non-current assets	57
Loss on tax purpose reduction entry of non-current assets	16
Loss on sale of investment securities	4
Loss on valuation of investments in capital of subsidiaries and associates	77
Total extraordinary losses	155
Profit before income taxes	1,670
Income taxes - current	72
Profit	1,598

## Non-consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
					Reserve for tax purpose reduction entry of non-current assets	Retained earnings brought forward	
Balance at beginning of period	7,477	1,869	2,419	4,288	86	(3,628)	(3,541)
Cumulative effects of changes in accounting policies						(10)	(10)
Restated balance	7,477	1,869	2,419	4,288	86	(3,639)	(3,552)
Profit						1,598	1,598
Purchase of treasury shares							
Disposal of treasury shares			(4)	(4)			
Net changes in items other than shareholders' equity							
Total changes during period	–	–	(4)	(4)	–	1,598	1,598
Balance at end of period	7,477	1,869	2,415	4,284	86	(2,040)	(1,953)

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	(1,513)	6,710	779	779	66	7,556
Cumulative effects of changes in accounting policies		(10)				(10)
Restated balance	(1,513)	6,700	779	779	66	7,546
Profit		1,598				1,598
Purchase of treasury shares	(2)	(2)				(2)
Disposal of treasury shares	8	4				4
Net changes in items other than shareholders' equity			(146)	(146)	22	(124)
Total changes during period	6	1,600	(146)	(146)	22	1,476
Balance at end of period	(1,507)	8,301	633	633	88	9,022