

Full-Year Results for the Fiscal Year Ended March 31, 2025

Financial and Business Briefings

June 3, 2025

TODA KOGYO CORP.

Representative Director

Tsuneaki Kubo

Fine particles for a fine future.



- | Overview of the Strategies for the Medium-term Management Plan “Vision2026”
- | Report on the Consolidated Financial Results for the Full-Year of FY2024
- | Forecast of Full-year Consolidated Financial Results for FY2025
- | The Progress of the Three Strategies and the Growth Story

Overview of the Strategies for the Medium-term Management Plan “Vision2026”

Our Vision

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

We formulate a medium-term management plan based on the sustainability and aim to achieve our Vision for FY2030.



Vision2023 FY2023 Result

Operating profit margin	0.4%
ROE	-24%
Equity ratio	26%
CO ₂ emissions (Domestic·Scope1+2)	25,059t <small>*Equivalent to a 72% reduction compared to FY2013</small>

Vision2026 FY2026 Plan

Operating profit margin	5%
ROE	11%
Equity ratio	29%
CO ₂ emissions (Domestic·Scope1+2)	26,500t <small>*Equivalent to a 70% reduction compared to FY2013</small>

Ideal Vision

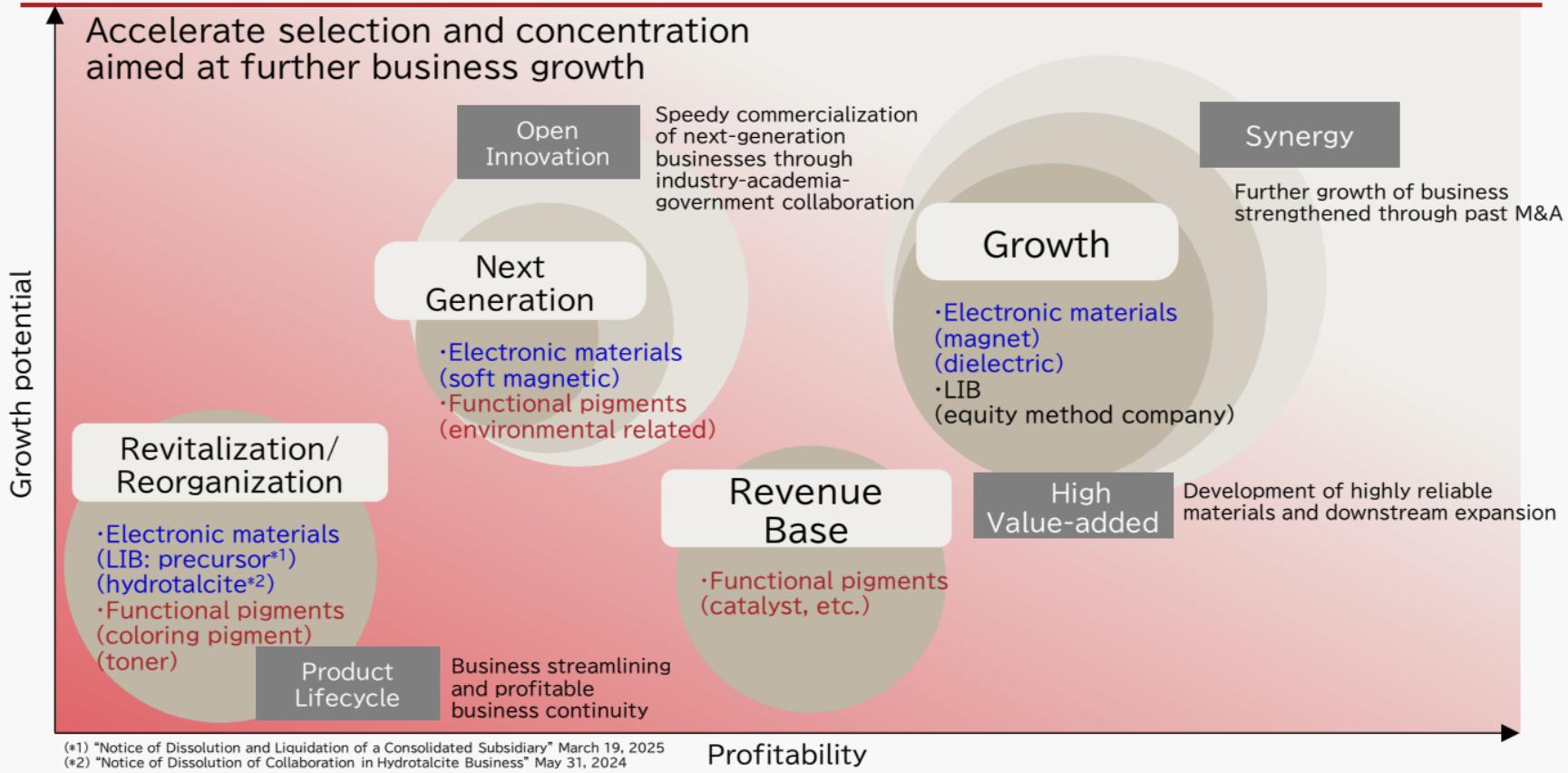
FY2030 Goal (Materiality KPIs)

Operating profit margin	8% or more
ROE	10% or more
Equity ratio	40% or more
CO ₂ emissions (Domestic·Scope1+2)	22,000t or less <small>*Equivalent to a 75% reduction compared to FY2013</small>

Mission
“Strengthen Our Business Portfolio Management”

*CO₂ emissions FY2023: about 89,000 tons

Strengthen Business Portfolio Management



Concept of Medium-term Management Plan “Vision2026”

We will promote our business portfolio management strongly to realize our Vision for FY2030.

Mission : “Strengthen Our Business Portfolio Management”

~ Business growth through accelerated selection and concentration ~

1 Business Strategies

Electronic materials segment

High Value-added	Development of highly reliable materials and downstream expansion
Synergy	Further growth of business strengthened through past M&A

Magnet

Dielectric

Soft magnetic

LIB

Functional pigments segment

Product Lifecycle	Business streamlining and profitable business continuity
Open Innovation	Speedy commercialization of next-generation businesses through industry-academia-government collaboration

Pigment

Environment related

2 Financial Strategies

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

KPIs: operating profit margin, ROE, equity ratio, cash conversion cycle

3 Human Capital Strategies

Strengthen succession plans for key divisions, develop the careers of women and minorities, and foster human capital to promote DX

KPIs: promoting next-generation managers, educational costs per person

Report on the Consolidated Financial Results for the Full-Year of FY2024

Consolidated Financial Results for the Full-Year of FY2024 Cause Analysis

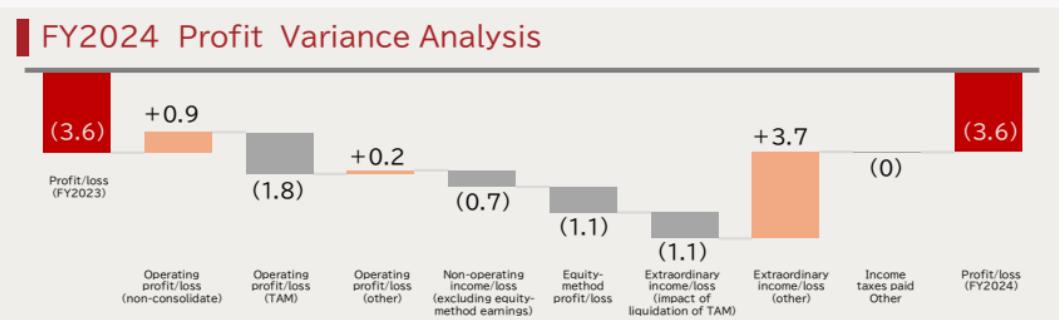
Billions of yen

- Demand for magnet, dielectric, and soft magnetic materials has been strong. Revenue increased due to the consolidation of TODA materials Inc. (hereafter, "TDMI") as a subsidiary.
- Due to the slowdown in the EV market, the performance of the consolidated subsidiary, Toda Advanced Materials Inc. (TAM), which manufactures materials for lithium-ion batteries (LIBs), has deteriorated, leading to the decision to dissolve and liquidate the company. Furthermore, the performance of our equity-method affiliates also declined, resulting in a decrease in profits.

	FY2023	FY2024	Year on Year
Net sales	26.2	31.7	+5.4
Operating profit	0.1	(0.6)	(0.8)
Ordinary profit	1.2	(1.4)	(2.6)
Profit	(3.6)	(3.6)	(0)

Capital investment (PPE & IA)	1.8	3.0	+1.3
Depreciation	0.8	0.5	(0.3)
Research and development expenses	1.5	1.5	(0)

Operating profit margin	0.4%	(2.0%)	(2.4 points)
ROE	(24%)	(29%)	(5 points)
Equity ratio	26%	22%	(4 points)
CO ₂ emissions (Domestic·Scope1+2)	25,059t	32,470t	+7,411t



FY2024 Plan	FY2030 Goal
2%	8% or more
6%	10% or more
26%	40% or more
28,500t or less	22,000t or less

USD Exchange Rates for FY2024

Beginning of the period
151.41 yen
End of the period
149.52 yen
Average during the period
152.58 yen

Foreign exchange sensitivity (during the period of Vision2026)

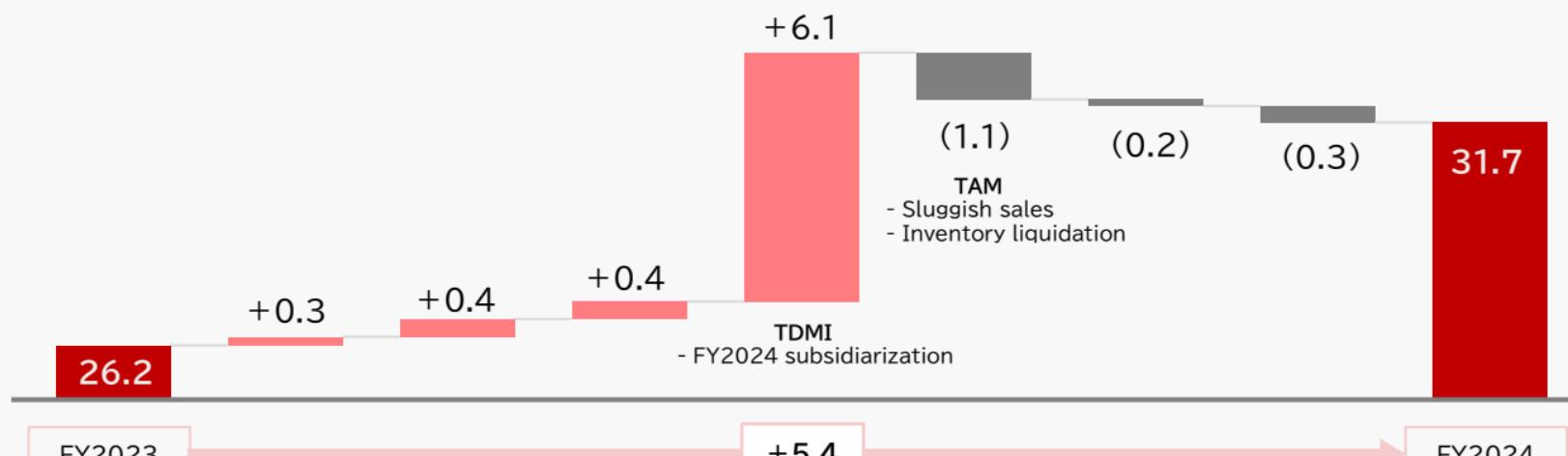
Impact of a 1 Yen Depreciation
•Net sales: Approx. an increase of 0.1 billion yen
•Operating profit: Approx. an increase of 0.01 billion yen

Year-on-Year Analysis of Consolidated Net Sales for FY2024

Consolidated Net Sales Variance

Billions of yen

	Growth		Revenue Base	Next Generation	Revitalization/Reorganization				Total
	Magnet	Dielectric	Catalyst	Soft magnetic	Precursor for LIBs	Hydrotalcite	Coloring pigment-toner materials		
FY2023 result	11.8	1.0	1.1	0.5	3.6	1.1	6.9	26.2	
FY2024 result	12.1	1.5	1.5	6.6	2.4	0.9	6.6	31.7	

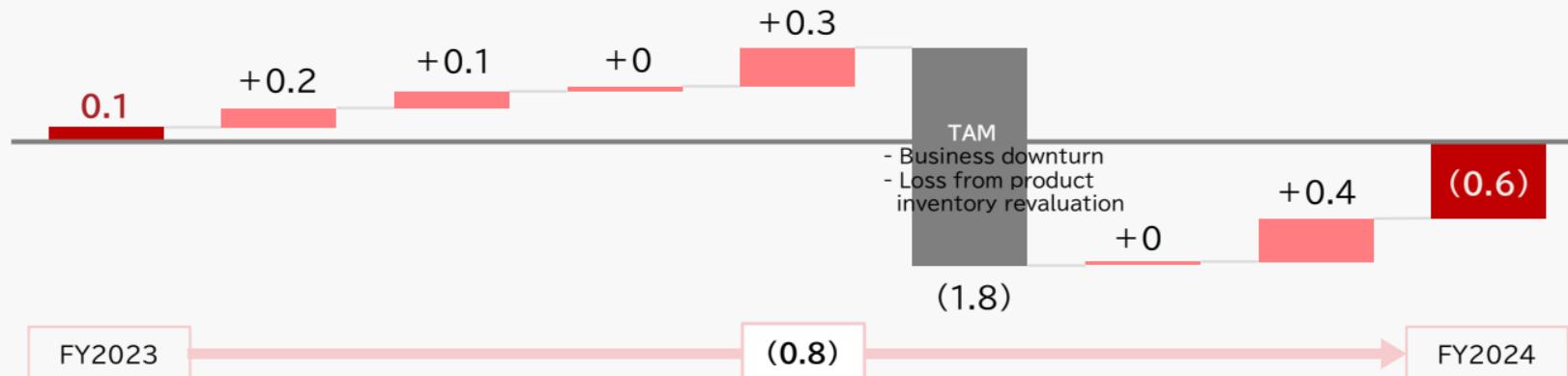


Year-on-Year Analysis of Consolidated Operating Profit for FY2024

Consolidated Operating Profit Variance

Billions of yen

		Growth		Revenue Base	Next Generation	Revitalization/Reorganization			Total
		Magnet	Dielectric	Catalyst	Soft magnetic	Precursor for LIBs	Hydrotalcite	Coloring pigment-toner materials	
FY2023 result	Operating profit	0.9	(0.1)	0.1	(0.3)	0.6	(0.3)	(0.7)	0.1
	Operating profit margin	8%	(12%)	7%	(60%)	16%	(25%)	(10%)	0%
FY2024 result	Operating profit	1.1	0	0.1	0	(1.3)	(0.2)	(0.4)	(0.6)
	Operating profit margin	9%	0%	8%	0%	(52%)	(27%)	(5%)	(2%)



Forecast of Full-Year Consolidated Financial Results for FY2025

Consolidated Financial Forecast for the Full-Year of FY2025 Cause Analysis

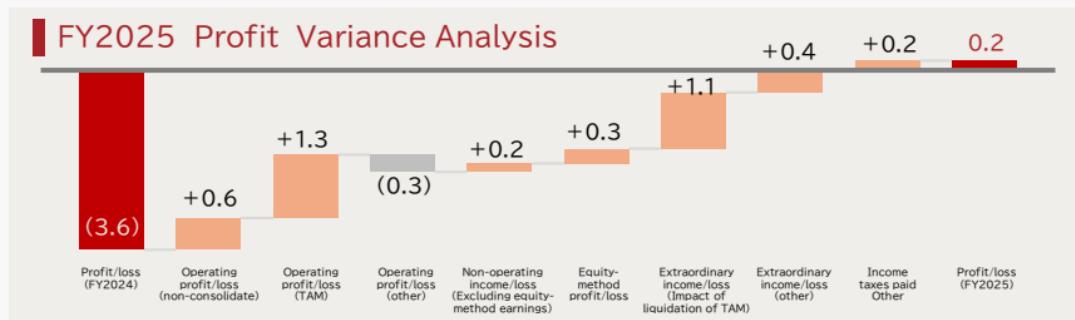
Billions of yen

- The business portfolio management to be strengthened, with concentrating resources in magnet and dielectric materials positioned as growth businesses; improvement of non-consolidated profitability also to be accelerated. Losses related to TAM in FY2024 are merely one-off and temporary, and its effects to decline from FY2025 onward, leading to improved profitability.
- The direct impact on the company from U.S. trade policy is expected to be limited. Due to the difficulty in assessing its effects on overall market conditions and the supply chain, such factors have not been incorporated into the forecast.

	FY2024 (Result)	FY2025 (Forecast)	Year on Year
Net sales	31.7	29.0	(2.7)
Operating profit	(0.6)	0.9	1.5
Ordinary profit	(1.4)	0.6	2.0
Profit	(3.6)	0.2	3.8

Capital investment (PPE & IA)	3.0	1.3	(1.7)
Depreciation	0.5	0.5	(0)
Research and development expenses	1.5	1.5	0

Operating profit margin	(2.0%)	3.1%	+5.1 points
ROE	(29%)	2%	+31 points
Equity ratio	22%	23%	+1 Points
CO ₂ emissions (Domestic Scope 1+2)	32,470t	27,500t	-4,970t



FY2025 Plan		FY2030 Goal	
4%	8% or more		
11%	10% or more		
27%	40% or more		
27,500t or less	22,000t or less		

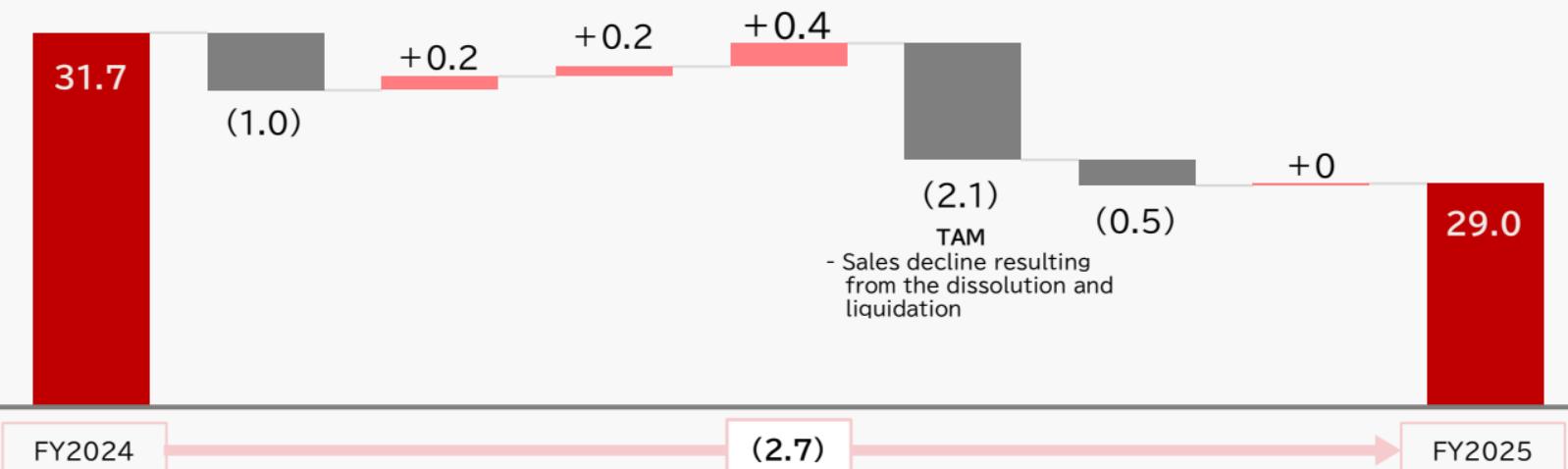
*USD Exchange Rates for FY2025: 145 yen

Year-on-Year Analysis of Forecast for Consolidated Net Sales for FY2025

Consolidated Net Sales Variance

Billions of yen

	Growth		Revenue Base	Next Generation	Revitalization/Reorganization			Total
	Magnet	Dielectric	Catalyst	Soft magnetic	Precursor for LIBs	Hydrotalcite	Coloring pigment-toner materials	
FY2024 result	12.1	1.5	1.5	6.6	2.4	0.9	6.6	31.7
FY2025 forecast	11.1	1.7	1.7	7.0	0.4	0.4	6.6	29.0

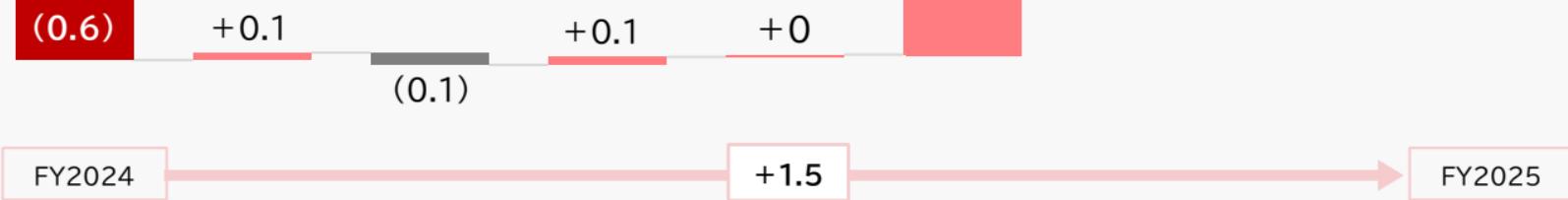


Year-on-Year Analysis of Forecast for Consolidated Operating Profit for FY2025

Consolidated Operating Profit Variance

Billions of yen

		Growth		Revenue Base	Next Generation	Revitalization/Reorganization			
		Magnet	Dielectric	Catalyst	Soft magnetic	Precursor for LIBs	Hydrotalcite	Coloring pigment-toner materials	Total
FY2024 result	Operating profit	1.1	0	0.1	0	(1.3)	(0.2)	(0.4)	(0.6)
	Operating profit margin	9%	0%	8%	0%	(52%)	(27%)	(5%)	(2%)
FY2025 forecast	Operating profit	1.1	(0.1)	0.2	0	(0)	(0.2)	(0.1)	0.9
	Operating profit margin	10%	(5%)	11%	0%	(12%)	(42%)	(2%)	3%



Vision2026

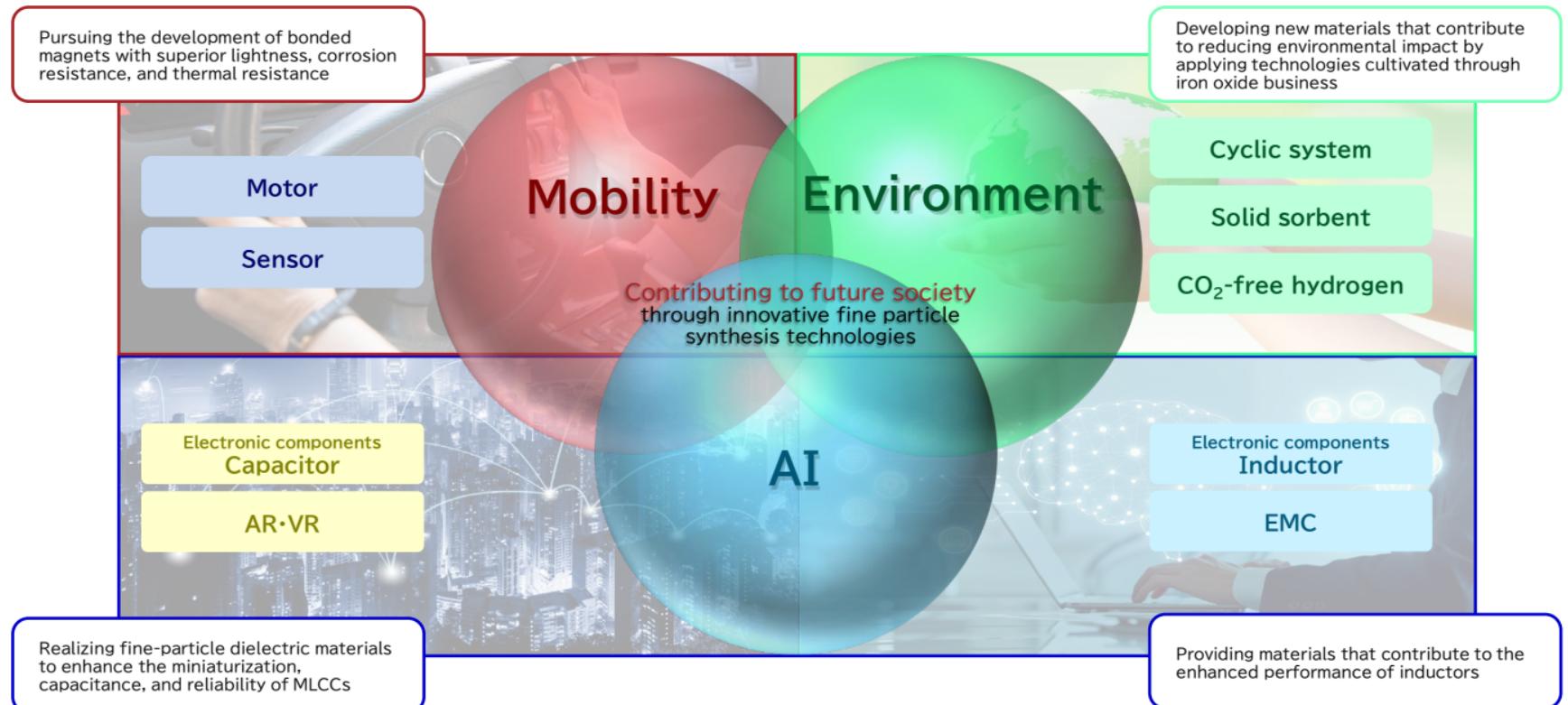
The Progress of the Three Strategies and the Growth Story

1. Business Strategies
2. Financial Strategies
3. Human Capital Strategies

Growth Story

1. Business Strategies

1. Business Strategies: Growth Fields to Which TODA KOGYO Contributes



Growth Story of Magnetic Materials Supplying Bonded Magnets to the Motor Market

Growth Keyword



Target Market Needs

- Thermal management
Preventing heat-induced degradation and ensuring system reliability in applications such as xEVs and data centers
- Miniaturization and weight reduction
Reducing the total weight of components to improve energy efficiency

Market Needs for Materials

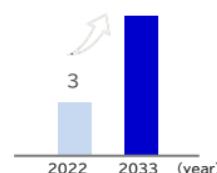
- High magnetic performance
- Thermal durability
- Global sourcing for stable supply
- Corrosion resistance



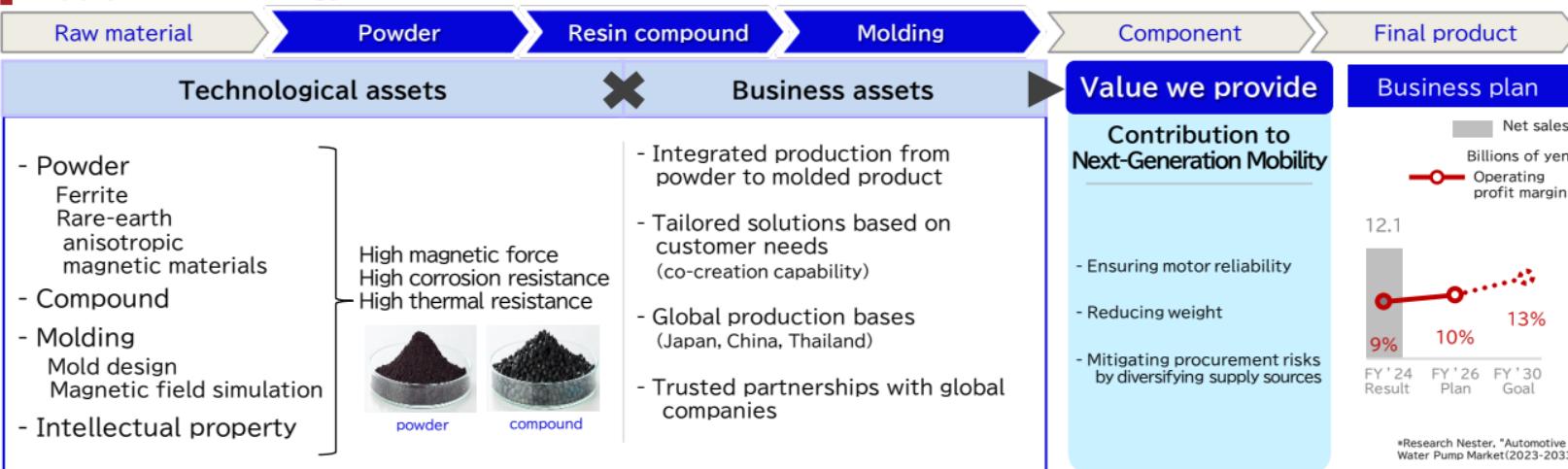
Electric Water Pump Market* (Billion USD)

CAGR 14%

8



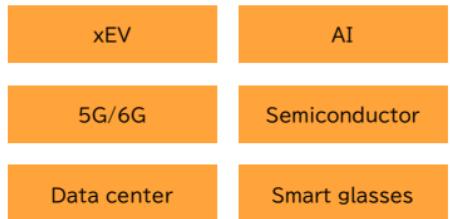
Supply Chain Strategy



*Research Nester, "Automotive Electric Water Pump Market(2023-2033)"

Growth Story of Dielectric Materials Supplying Fine Dielectric Materials to Support the MLCC Market

Growth Keyword



Target Market Needs

- Faster and more stable communication
- Semiconductors
(Electronic components that maximize the performance of high-performance semiconductors)



MLCC Market*
(Billion USD)

CAGR 21.5%

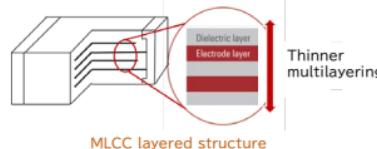
61.1

23.0

2024 2029 (year)

Market Needs for Materials

- Fine particles - High crystallinity
- Homogeneous composition
- Stable supply



Supply Chain Strategy



Technological assets

- Powder
Synthesizing fine particles with high crystallinity and homogeneous composition under 150nm (wet synthesis)
- Dispersion
Processing directly into a dispersion without a drying step

Business assets

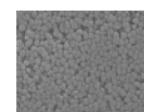
- Production bases
Powder
Onoda Plant (Yamaguchi Pref.)



- Dispersion
Otake Plant (Hiroshima Pref.)
(Planned to be operational in 2025)



Integrated production system



Value we provide

Toward the Realization of a Society 5.0

- Enhancing the performance of electronic components
<MLCCs>
Improved reliability
Smaller size
Higher current capacitance
- Supporting shorter manufacturing processes for customers
- Ensuring stable quality and stable supply

Business plan

Net sales

Billions of yen

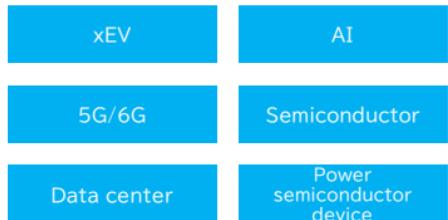
Operating profit margin



*Mordor Intelligence, "MLCC Market Size - Industry Report on Share, Growth Trends & Forecasts Analysis Up to 2029"

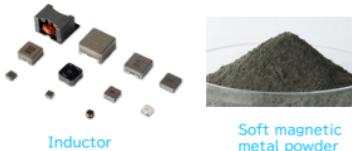
Growth Story of Soft Magnetic Materials Supplying Soft Magnetic Metal Materials to Support the Inductor Market

Growth Keyword



Target Market Needs

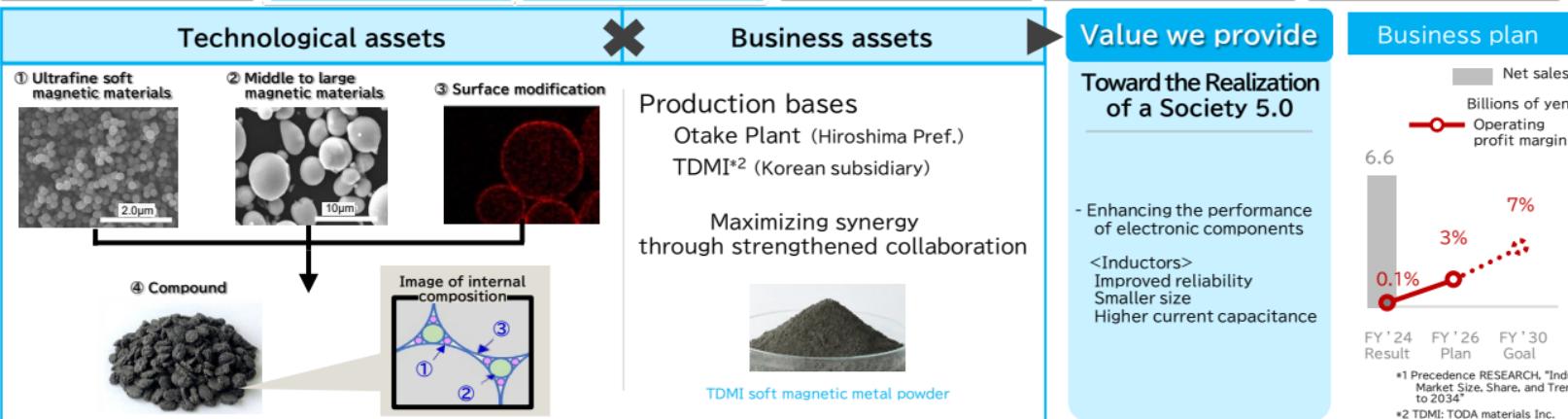
- Miniaturization of power modules
→ Miniaturization of inductors
- Faster and more stable communication
→ High current capability of inductors
(Efficient handling of large currents)



Market Needs for Materials

- High saturation magnetic flux density (Soft magnetic metal materials)
- High packing density (Ultrafine soft magnetic materials)
- Low core loss materials

Supply Chain Strategy



Growth Story of Functional Pigments Business

Providing new materials for the decarbonization market through open innovation

Growth Keyword

Low-carbon society

Hydrogen society

Circular society

Target Market Needs

- Reduction of greenhouse gas emissions
- Effective utilization of unused resources
- Circular economy



Global emission reduction targets
Global emission reduction targets*
(Gt-CO₂)

Target -60%

43

↓

17

2019 2035 (year)

Market Needs for Materials

- Efficient CO₂ capture materials
- Efficient catalysts for hydrogen production

Supply Chain Strategy

Unharnessed gas (CO₂, CH₄)

Systems and materials (reaction – adsorption – catalysis)

Recycling into valuable resources

Technological assets

Iron oxide production technology and powder control technology

- CCUS (CO₂ utilization technologies)
- Formed bodies of Na-Fe-based oxides

Application of DMR (Direct Methane Reforming)
(A method for producing hydrogen from methane)

- Highly active iron-based catalyst



Na-Fe Oxide

Business assets

Industry-Academia-Government Collaboration

Air Water Inc.
Saitama University
NEDO



DMR hydrogen manufacturing plant

Production base

Onoda Plant (Yamaguchi Pref.)

- Facilities utilizing wet synthesis methods

New energy-saving manufacturing process

Purification technology

Conversion of low-cost

Iron oxide-based raw material into high-performance materials



Highly active iron-based catalyst

Value we provide

Toward the Realization of a Sustainable Society

- **CO₂ Capture System**
Minimizing energy consumption
Improving CO₂ capture efficiency
Reducing cost
Current: ¥4,000
→ Target: ¥2,000

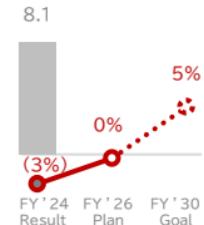
- **Hydrogen Production System**
Generating clean hydrogen with higher output
Reducing cost (below ¥30/Nm³)

Business plan

Net sales

Billions of yen

Operating profit margin



* IPCC AR6 Report — "A 60% global reduction is needed by 2035"

Growth Story

2. Financial Strategies

2. Financial Strategies

- Setting operating profit margin, ROE, equity ratio and cash conversion cycle as management targets (KPIs)

TODA KOGYO Website
Materiality

- Pursuing business operations with a focus on financial stability and capital efficiency



Materiality indicator	FY2023 (Result)	FY2024		FY2025		FY2030 (Goal)
		Vision2026 KPI	Result	Vision2026 KPI	Forecast	
Operating profit ratio (consolidated)	0.4%	2.0%	-2.0%	4.0%	3.1%	8% or more
Stabilization of ROE (consolidated)	-24%	6%	-29%	11%	2%	10% or more
Equity ratio (consolidated)	26%	26%	22%	27%	23%	40% or more

Results of FY2024 Implementation

Activities Toward KPI Achievement

- Implemented initiatives such as product pricing optimization action, cost reductions, and expense savings
- Recorded extraordinary losses, leading to performance falling significantly short of KPI targets

Improvement of Working Capital Turnover Period

- Optimized inventory in response to changes in market conditions, resulting in a ¥3.8 billion reduction in inventory assets

Planned Implementation for FY2025

Ensuring Achievement of Planned Targets

- Accelerated the strengthening of business portfolio management to improve capital efficiency
- Continued initiatives to enhance earning power, contributing to profit generation

Further Improvement of Cash Conversion Cycle

- Optimizing inventory levels, shortening accounts receivable collection periods, and improving payment terms

Shareholder Return

We place the greatest emphasis on continuing to pay stable dividends. However, we have been suspending dividends because we have yet to complete the foundation for continuing to pay stable dividends. We will focus our efforts on establishing a structure for resuming the payment of dividends within the period of this medium-term management plan and take initiatives to maintain a stable return of profits.

Growth Story

3. Human Capital Strategies

3. Human Capital Strategies

- Executing human capital strategies aligned with business strategies
- Promoting human capital development to support a company built upon technology by implementing six key initiatives: recruitment, development, staffing, engagement, DE&I (Diversity, Equity & Inclusion), and health

TODA KOGYO Website
Materiality



Materiality indicator	FY2023 (Result)	FY2024 (Result)	FY2030 (Goal)
Ratio of female employees	17.2%	19.6%	25% or more
Ratio of female managers	1.9%	1.0%	10% or more
Rate of childcare leave and leave for childcare purposes taken by eligible male employees	100%	100%	95%
Improvement of employee engagement	4.66 out of 7 points	-	-

Strengthen Succession Plans for Key Divisions

- Regular holding of human capital development committee meetings involving Executive Officers and the Human Resources Department for the alignment of management and human capital strategies
- Selection of successor candidates and formulation of development plans for key management and business roles, aimed at fostering leaders capable of responding to a changing business environment

Foster Human Capital to Promote DX

- Development of a DX implementation environment through information security training, establishment and promotion of guidelines, and creation of a dedicated department
- Enhancement of employee skills and improvement of group-wide productivity led by the specialized department, with a focus on overall optimization

Develop the Careers of Women and Minorities

- Implementation of educational programs to promote internal mindset transformation
- Promotion of female managerial appointments through career support that considers individual life plans



Trying to connect with each other and combine our abilities as we attempt to create new possibilities that bring hope to the future.

Supporting life and society through nanotechnology:

Fine particles for a fine future

Note: The figures contained in this document such as business forecasts have been calculated based on judgments and assumptions in light of currently available information. Due to the inherent uncertainty in judgments and assumptions as well as the possibility of fluctuations due to future business operations and changes in domestic and international circumstances, actual business performance may differ significantly from the forecast figures.

In addition, sales figures for each material that constitutes our business segments are disclosed voluntarily and have not been audited, thus please understand that they are for reference purposes only.