

First Half of the FY2025 (Fiscal Year Ending March 31, 2026)

Financial and Business Briefings

December 2, 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 First Half of FY2025
- Forecast of Full-Year Consolidated Financial Results for FY2025
- The Progress of the Medium-term Management Plan “Vision2026”

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

Positioning and Strategies of the Medium-term Management Plan “Vision2026”

Positioning

Mission: Strengthen Our Business Portfolio Management

**Vision
2026**

**Ideal
Vision**

Final Year	FY2026 Plan (Announced in June 2024)	FY2030 Goal
Operating profit margin	5%	8% or more
ROE	11%	10% or more
Equity ratio	29%	40% or more
CO ₂ emissions (Domestic Scope1+2)	26,500t *Equivalent to a 70% reduction compared to FY2013	22,000t or less *Equivalent to a 75% reduction compared to FY2013

*CO₂ emissions FY2013: about 89,000 tons

Three Strategies

1 Business Strategies

- Clarify the positioning of each business from the perspective of profitability and growth potential
- Formulate strategies and promote three-year plans

Segment	Section	Business Portfolio			
		Growth	Revenue Base	Next Generation	Revitalization/ Reorganization
Electronic materials	Magnet materials	●			
	Dielectric materials	●			
	Soft magnetic materials			●	
	Materials for LIB (Equity affiliates)	●			
	Materials for LIB (precursor)				●
Functional pigments	Hydrotalcite				●
	Coloring pigment·toner materials				●
	Catalyst and others		●		
	Environmental related materials (under development)			●	

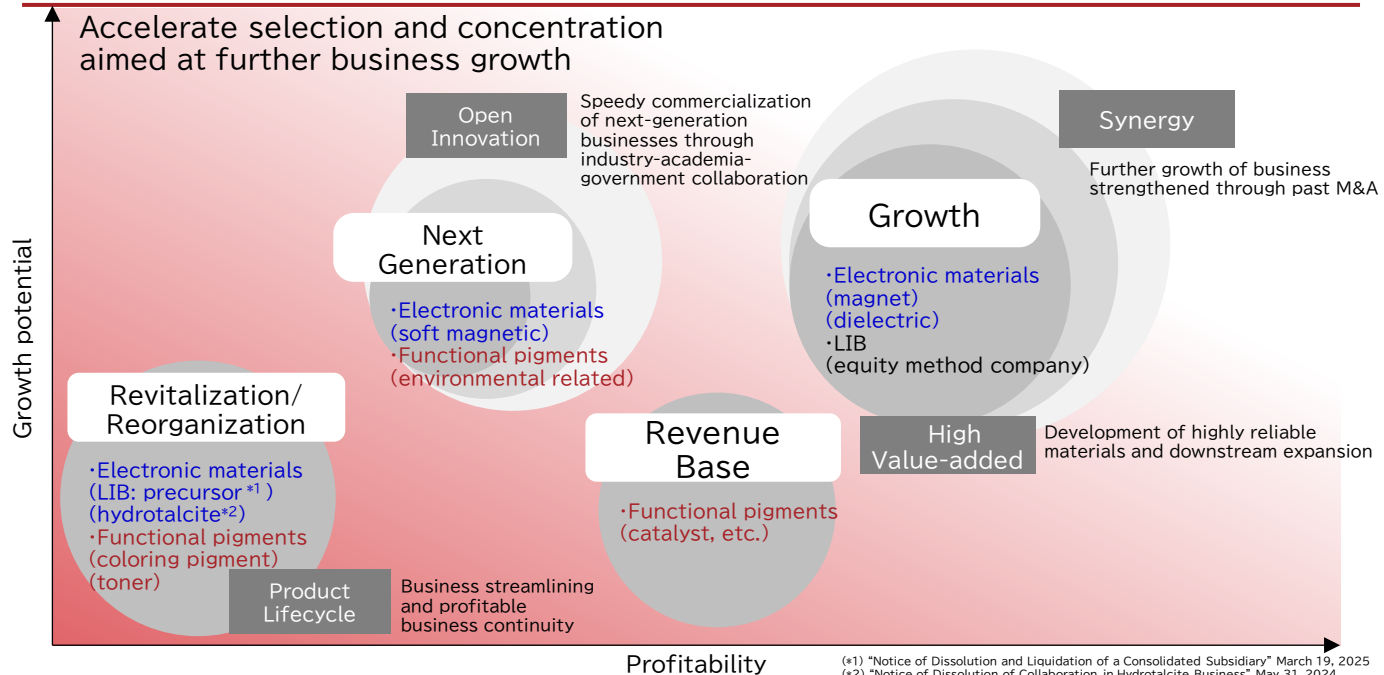
2 Financial Strategies

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

3 Human Capital Strategies

- Strengthen succession plans for key divisions
- Develop the careers of women and minorities
- Foster human capital to promote DX

Strengthen Business Portfolio Management



(^{*1}) "Notice of Dissolution and Liquidation of a Consolidated Subsidiary" March 19, 2025
(^{*2}) "Notice of Dissolution of Collaboration in Hydrotalcite Business" May 31, 2024

Report on the Consolidated Financial Results for the First Half of FY2025

Consolidated Financial Results for the First Half of FY2025 -Overview

- Net sales: Decrease

Growth in dielectric materials driven by applications for AI servers, contrasted with weakness in magnetic materials amid intensified competition in the Chinese market

- Operating profit: Increase

Profit increased as a result of cost reductions and overhead cost reductions, as well as improvements at TAM*, a consolidated subsidiary which was decided to be dissolved and liquidated

- Ordinary profit: Increase

Decline in revenues at associates accounted for using the equity method which are engaged in the manufacture of LIB materials declined, improvements in operating profit contributed to overall profit growth

*TAM: Toda Advanced Materials Inc. (manufacture of LIB materials)

Billions of yen	FY2024 H1 Results	FY2025 H1 Results	Year on year
Net sales	14.5	14.3	(0.2)
Operating profit	(0.3)	0.6	+ 0.9
Ordinary profit	(0.3)	0	+ 0.3
Profit	(0.9)	(0.1)	+ 0.8
Capital investment (PPE & IA)	1.8	1.4	(0.4)
Depreciation	0.2	0.2	+ 0
R&D expenses	0.8	0.7	(0.1)

USD Exchange Rates for FY2025 H1

Beginning of the period	149.52 yen
End of the period	148.88 yen

Vision2026 KPI	Operating profit margin	(1.8%)	4.2%	+ 6.0 points
	ROE	(6%)	(1%)	+ 5 points
	Equity ratio	26%	22%	(4 points)

FY2025 Plan FY2030 Goal

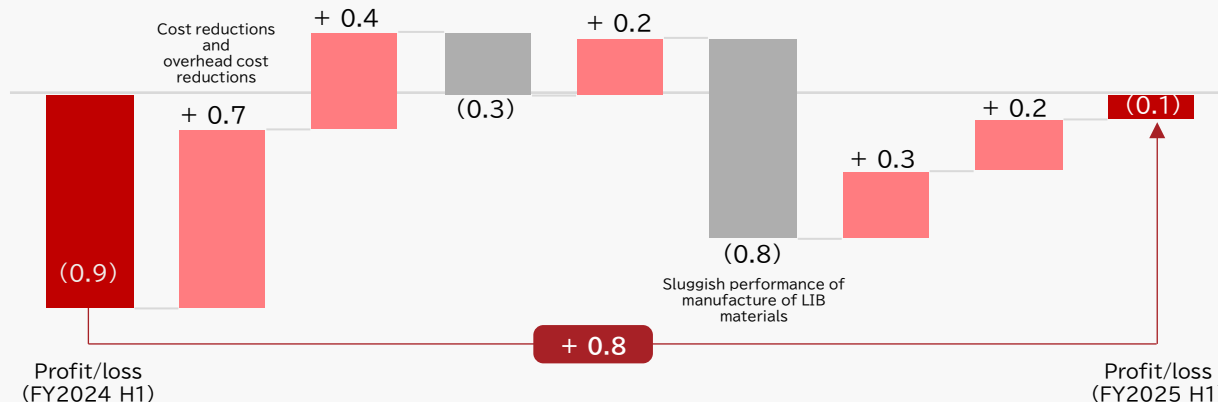
4%	8% or more
11%	10% or more
27%	40% or more

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

Consolidated Financial Results for the First Half of FY2025 -Profit Variance Analysis

Billions of yen



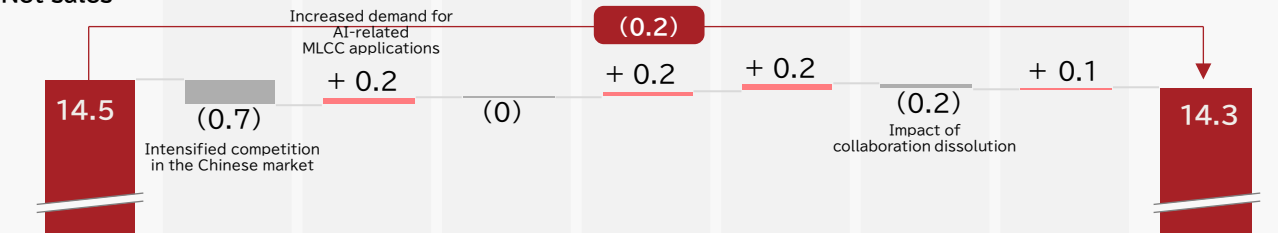
	Operating profit/loss (non-consolidated)	Operating profit/loss (TAM)	Operating profit/loss (other)	Non-operating income/loss (excluding equity-method earnings)	Equity-method profit/loss	Extraordinary income/loss	Income taxes paid Other	Profit/loss
FY2024 H1	(0.6)	(0.3)	0.7	(0.2)	0.2	(0.3)	(0.3)	(0.9)
FY2025 H1	0.1	0.1	0.4	0	(0.6)	(0)	(0.1)	(0.1)

Consolidated Financial Results for the First Half of FY2025

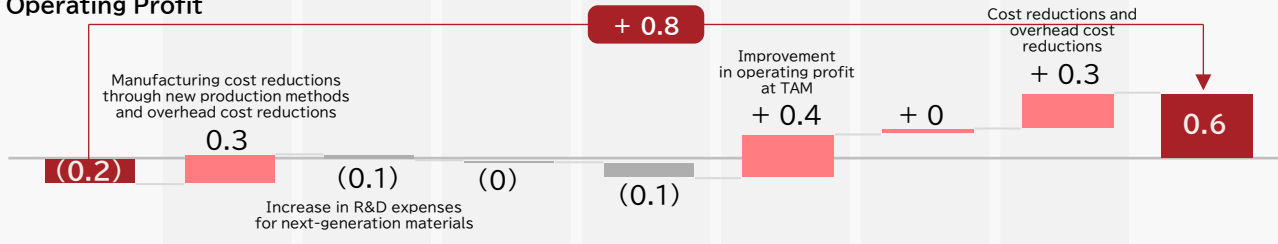
-Variance Analysis of Net Sales and Operating Profit by Business Segment

	Growth		Revenue Base	Next Generation	Revitalization/Reorganization			Billions of yen
FY2024 H1	Magnet	Dielectric	Catalyst	Soft magnetic	Precursor for LIBs	Hydrotalcite	Coloring pigment-toner materials	FY2025 H1

Net sales



Operating Profit



[Reference] Consolidated Financial Results for the First Half of FY2025

-Variance of Net Sales and Operating Profit by Business Segment

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 H1	Net sales	6.4	0.7	0.8	2.9	0.1	0.4	3.2	14.5
	Operating Profit	0.4	0	0.1	(0)	(0.3)	(0.1)	(0.3)	(0.2)
	Operating profit margin	6%	2%	11%	(1%)	(296%)	(28%)	(9%)	(2%)
FY2025 H1	Net sales	5.7	0.9	0.8	3.1	0.3	0.2	3.3	14.3
	Operating Profit	0.7	(0)	0.1	(0.2)	0.1	(0.1)	0	0.6
	Operating profit margin	12%	(5%)	9%	(6%)	32%	(30%)	1%	4%
Variance	Net sales	(0.7)	+ 0.2	(0)	+ 0.2	+ 0.2	(0.2)	+ 0.1	(0.2)
	Operating Profit	+ 0.3	(0.1)	(0)	(0.1)	+ 0.4	+ 0	+ 0.3	+ 0.8
	Operating profit margin	+ 6 points	(7 points)	(2 points)	(5 points)	+ 328 points	(2 points)	+ 10 points	+ 6 points

Forecast of Full-Year Consolidated Financial Results for FY2025

The Progress of the Medium-term Management Plan “Vision2026”

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

Forecast of Full-year Consolidated Financial Results for FY2025 (Changes from the Previous Forecast in May)

- Net sales: Decrease (downward revision)

Reduced demand from intensified competition in the Chinese market, mainly for soft magnetic materials

- Operating profit: Increase (upward revision)

Continued effects of cost reductions and overhead cost reductions from the first half, despite lower revenue in soft magnetic materials

- Ordinary profit: Decrease (downward revision)

Sluggish revenues at an associate accounted for using the equity method engaged in LIB materials, reflecting weak EV demand similar to the first half

Comparison with Previous Forecast

Billions of yen	FY2025 Forecasts		Comparison Previous forecast
	Announced in May 2025	Announced in November 2025	
Net sales	29	28.5	(0.5)
Operating profit	0.9	1	+ 0.1
Ordinary profit	0.6	(0.3)	(0.9)
Profit	0.2	(0.7)	(0.9)
Capital investment (PPE & IA)	1.3	1.5	+ 0.2
Depreciation	0.5	0.5	(0)
R&D expenses	1.5	1.4	(0.1)

Comparison with Previous Fiscal Year

FY2024 Results	FY2025 Forecast (Announced in Nov. 2025)	Year on year
31.7	28.5	(3.2)
(0.6)	1.0	+ 1.6
(1.4)	(0.3)	+ 1.1
(3.6)	(0.7)	+ 2.9
3.0	1.5	(1.5)
0.5	0.5	(0)
1.5	1.4	(0.1)

*USD Exchange Rates for
FY2025: 145 yen

Vision2026 KPI

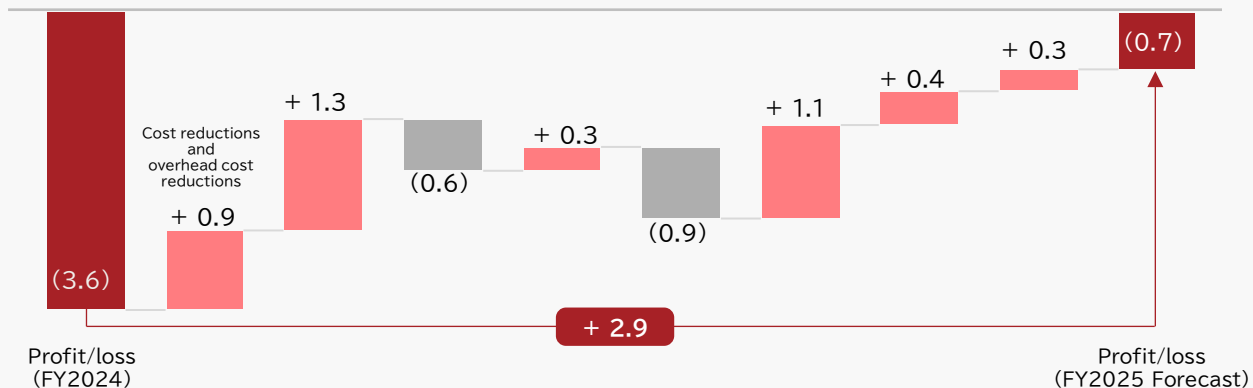
Operating profit margin	3.1%	3.5%	+ 0.4 points
ROE	2%	(6%)	(8 points)
Equity ratio	23%	22%	(1 points)
CO ₂ emissions	27,500t	27,500t	No revision

(2.0%)	3.5%	+ 5.6 points
(29%)	(6%)	+ 23 points
22%	22%	(0 points)
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

Full-Year Consolidated Financial Forecast for FY2025 -Net Income Variance Analysis

Billions of yen



	Operating profit/loss (non-consolidated)	Operating profit/loss (TAM)	Operating profit/loss (other)	Non-operating income/loss (excluding equity-method earnings)	Equity-method profit/loss	Extraordinary income/loss (TAM)	Extraordinary income/loss (other)	Income taxes paid Other	Profit/loss
FY2024	(0.7)	(1.4)	1.4	(0.3)	(0.4)	(1.1)	(0.4)	(0.6)	(3.6)
FY2025 (Nov. Forecast)	0.3	(0)	0.8	(0)	(1.3)	0	(0)	(0.3)	(0.7)

Full-Year Consolidated Financial Forecast for FY2025

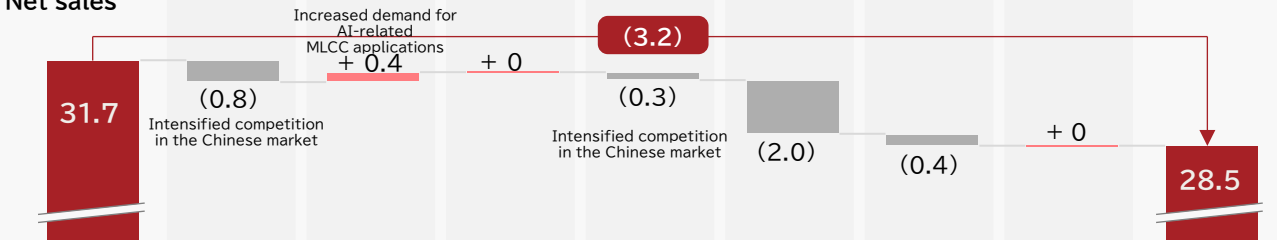
-Variance Analysis of Net Sales and Operating Profit by Business Segment (announced on Nov. 11)

1 Business Strategies

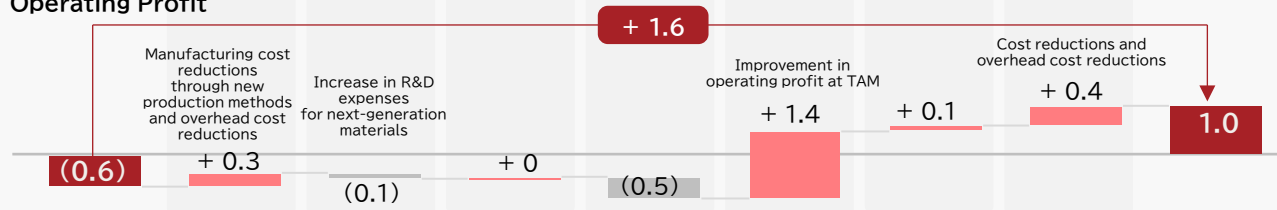
Billions of yen

	Growth		Revenue Base	Next Generation	Revitalization/Reorganization			
FY2024	Magnet	Dielectric	Catalyst	Soft magnetic	Precursor for LIBs	Hydrotalcite	Coloring pigment-toner materials	FY2025 (Forecast)

Net sales



Operating Profit



[Reference] Consolidated Financial Forecast for FY2025 Full-Year
-Variance of Net Sales and Operating Profit by Business Segment (announced on Nov. 11)

1 Business Strategies

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	Net sales	12.1	1.5	1.5	6.6	2.4	0.9	6.6	31.7
	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)	Net sales	11.3	1.8	1.6	6.3	0.4	0.5	6.6	28.5
	Operating Profit	1.4	(0.1)	0.2	(0.4)	0.1	(0.1)	0.1	1.0
	Operating profit margin	12%	(6%)	10%	(7%)	26%	(30%)	1%	4%
Variance	Net sales	(0.8)	+ 0.4	+ 0	(0.3)	(2.0)	(0.4)	+ 0	(3.2)
	Operating Profit	+ 0.3	(0.1)	+ 0	(0.5)	+ 1.4	+ 0.1	+ 0.4	+ 1.6
	Operating profit margin	+ 3 points	(6 points)	+ 2 points	(7 points)	+ 78 points	(3 points)	+ 6 points	+ 6 points

The Progress of the Financial Strategies and Human Capital Strategies

2 Financial Strategies



Measures to Improve Capital Efficiency

- Thorough improvement of cash flows (FY2025 First Half Results)
CCC: 6.6 months (as of March 2025) → 5.7 months (-0.9 months)
FCF: (-1.2) billion yen (as of September 2024)
→ 0.2 billion yen (+1.4 billion yen)
- Setting performance targets such as NPV in business planning and investment decisions, and reflecting them in the cost of capital

Shareholder Returns

- Decision to withhold dividends at this time, as the conditions for maintaining stable dividend payments are not yet in place
- Focus on establishing a structure for resuming dividend payments

3 Human Capital Strategies



Strengthen succession plans for key divisions

- Active appointment of human capital, including younger employees, to management positions in the Business Unit Management Department and domestic and overseas affiliates to enhance business management capabilities

Foster human capital to promote DX

- Establishment of a dedicated DX promotion department to accelerate the utilization of digital skills
- Expansion of DX talent through study sessions and training on topics such as the internal use of generative AI

Develop the careers of women and minorities

- Career leadership training aimed at increasing the ratio of female managers
- Enhancement of systems such as shortened working hours, maternity/paternity leave, childcare leave, and nursing care leave to create a comfortable working environment
- Promotion of childcare leave for male employees by fostering workplace understanding of childcare responsibilities

Notice of Publication of “Integrated Report 2025” and “ESG BOOK2025”

Overview

To provide stakeholders with clear and purpose-driven information disclosure, we published the reports separately as “Integrated Report 2025” and “ESG BOOK 2025.”

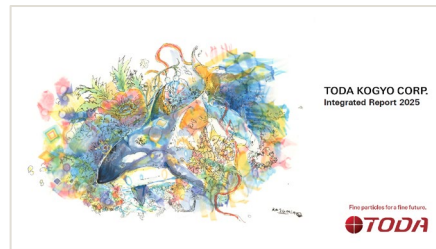
Main Structure of “Integrated Report 2025”

- TOP MESSAGE
- Medium-term Management Plan “Vision 2026”
- Value Creation Process
- Business Strategies by Segment

Main Structure of “ESG BOOK 2025”

- Materiality
- Initiatives related to Environment, Society, and Governance
- Various Data


Note: Both are available on our website.



Integrated Report 2025



ESG BOOK 2025



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 internal and external 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.