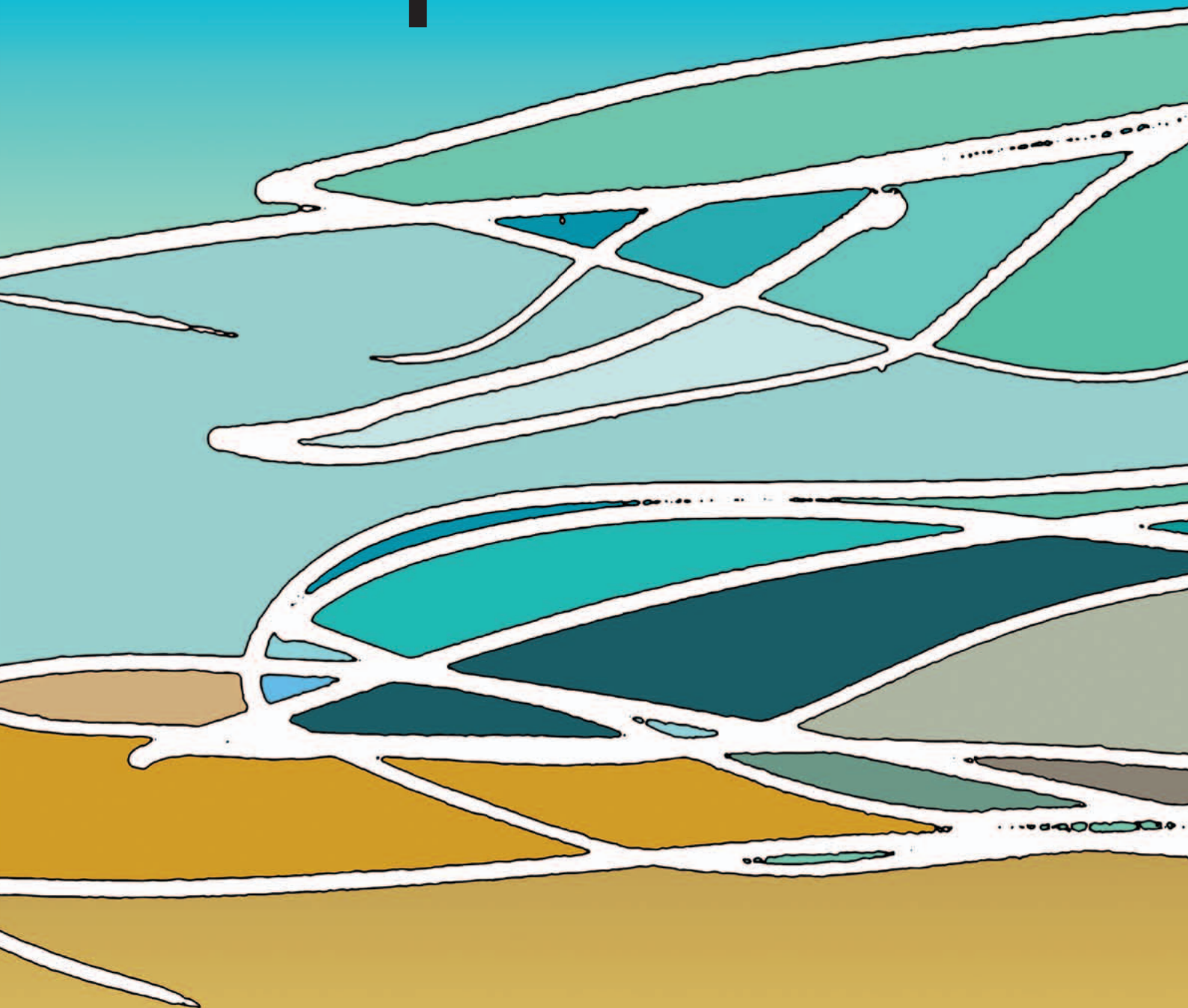


Fine Materials for the Future

CSR Report 2021



TODA KOGYO CORP.

TODA KOGYO Group is committed to carry out management on an ongoing basis which is based on management principle and management policy, for the purpose of continued sound development into the future. Recognizing that the fulfillment of our social responsibility is an important role as better citizens and corporate citizens, we will adhere to the laws, regulations and company rules, on the base of the spirit of compliance. Top managers of our Group themselves will lead by examples of these philosophy and policy, then will enforce within the company, disseminating to Group corporations and business partners. Furthermore, we will seek sound and normal relations with politics and government, while refusing to have relations with antisocial forces and groups that may threaten the order and safety of civil society.

Four guidelines for CSR

For our Investors

Not only by means of accumulation and supply of results brought by high quality growth which is underpinned by creative technologies, but also by means of establishment and administration of a transparent and sound corporate governance setup and effective internal controls, we will endeavor to earn understandings and empathies of all our investors.

For our Customers and Business Partners

We will share values from customers' viewpoints and, using our original technologies as advantages, we will also build good partnerships with our business partners who share same ambitions. And then, we will continue to make mutually beneficial efforts for achieving our common goals.

For Society

In accordance with the spirit of compliance, we will break off relations with antisocial forces, give the highest priority to considerations for safety and the global environment, and aim to build a wonderful living culture on the global level based on our cultural capital, while seeking cooperation with local communities and harmony with international societies.

For our Employees

The creativity and diversity of each and every employee are our wealth. We will support and fairly assess the limitless advancement and expression of these abilities. We will also strive to live together while enhancing the comfort and affluence of employees.

Editorial Policy

With the aim of promoting the sustainable development of the company and society, the Group has been working on CSR activities (environment, health and safety, health, labor and human rights, quality assurance, ethics, social contribution, and community dialogue) and striving for sound business management. We began publishing our CSR Report in 2015 in order to disclose the details of these activities to our stakeholders and society in general.

We hope that this report will help our stakeholders understand the Group's CSR activities and build a better relationship of trust through dialogue.

Scope covered: TODA KOGYO CORP. and some Group companies

Period covered: April 1, 2020 to March 31, 2021

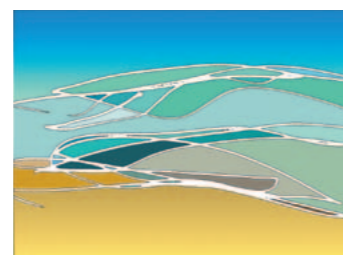
(Some of the reports include activities prior to fiscal 2019 and activities after April 2021.)

Reference guidelines: GRI: Global Reporting Initiative
Ministry of the Environment, Environmental Reporting Guidelines 2018

Publication date: (English version) December 2021

About the Cover

The Group supports Paralympic Art, an initiative that encourages the social participation and economic independence of artists with disabilities, and supports the artists as an official partner.



Title: The Edge of the Wave
Name of artist: AngelRabbits
(father and son collaboration)

As I stared with the lines my son drew, an image of the ocean, which he loves, came to mind, and I painted the lines with color, thinking of the joy my son would feel.

Management Principle, Management Policy and Guidelines for Action

TODA KOGYO Group renewed its Management Principle, Management Policy and Guidelines for Action in fiscal 2014. Each and every executive and employee fulfills his or her respective role and works in accordance with these principles.

Management Principle

The Group will further improve the fine particle synthesis technology we have developed with iron oxides and will always continue lively growth and development.

We will work on a foundation built on sincerity and trust and we will bring together our creativity and manufacturing strength to make a contribution to society in general with attractive new materials and solutions that are full of originality.

Management Policy

1. We will establish a management foundation as a "Manufacturing Company" that can contribute to society and will continue to grow and develop even 100 years after our foundation.
2. We will refine our only-one technologies and continue to offer products and solutions that have high added value.
3. We will become a company that is essential on a global level and increase the corporate value of the Group.
4. We will seek the happiness of our employees and their families and will be a company that is constantly trusted by our stakeholders.

Guidelines for Action

1. We will act quickly to offer products and solutions that respond to the requirements of the customers.
2. The whole company will come together as one, with manufacturing, engineering, sales and management working enthusiastically together.
3. We will be corporate citizens who are faithful and fair and will act with a strong sense of ethics.
4. We will improve our dignity as individuals and will continue to have pride, hope and dreams for the future.
 - We will work for harmony and symbiosis with the local community and with the global environment.

Contents

- 2 CSR Policy
- 3 Management Principle, Management Policy and Guidelines for Action
- 4 Business Contents and History
- 6 TODA KOGYO Group's Product Group familiar to Consumers
- 8 Top Message
- 10 Business Overview and Medium-Term Business Plan
- 14 Feature I
Efforts to Realize a Decarbonized Society
- 16 Feature II
Exhibiting at an Automobile Industry Exhibition
- 18 Management
- 20 Product Quality
- 22 Environment and Safety
- 30 Society
- 38 Company Data
- 39 Offices and Affiliate Companies

Business Contents of TODA KOGYO Group

TODA KOGYO Group expands business based on nanotechnologies beginning with the wet synthesis of iron oxides. Iron oxides are inorganic compounds composed primarily of iron and oxygen. Depending on types of bonding of elements, iron oxides show differences in color, hardness, strength, magnetism and other physical or chemical properties.

The Group's wet synthetic technology is unique in that we can freely produce various kinds of materials with the functions and properties required by the application, by means of controlling properties of particles. Our accumulation of nanotechnology based on wet synthetic technology represents the core competence of TODA KOGYO.






Our accumulation of specialized knowledge, technologies and know-how based on iron oxides enables us to approach customers' issues from a new viewpoint and to find solutions from the perspective of materials.

In recent years, we have developed and manufactured materials for electronic parts unique to TODA KOGYO with superior knowledge of materials, such as Barium titanium trioxide. Therefore, we can meet the advanced demands of customers in the electronic parts market. Moreover, returning to the origin of iron oxides, we will continue to focus on the development and manufacture of various kinds of catalysts, magnet materials and functional pigments.

With the entire Group working together, we will continue to provide solutions which support information, environment and energy via materials.



Please do have a look at "TODA KOGYO CORP." introduction video of 4 minutes and 30 seconds.

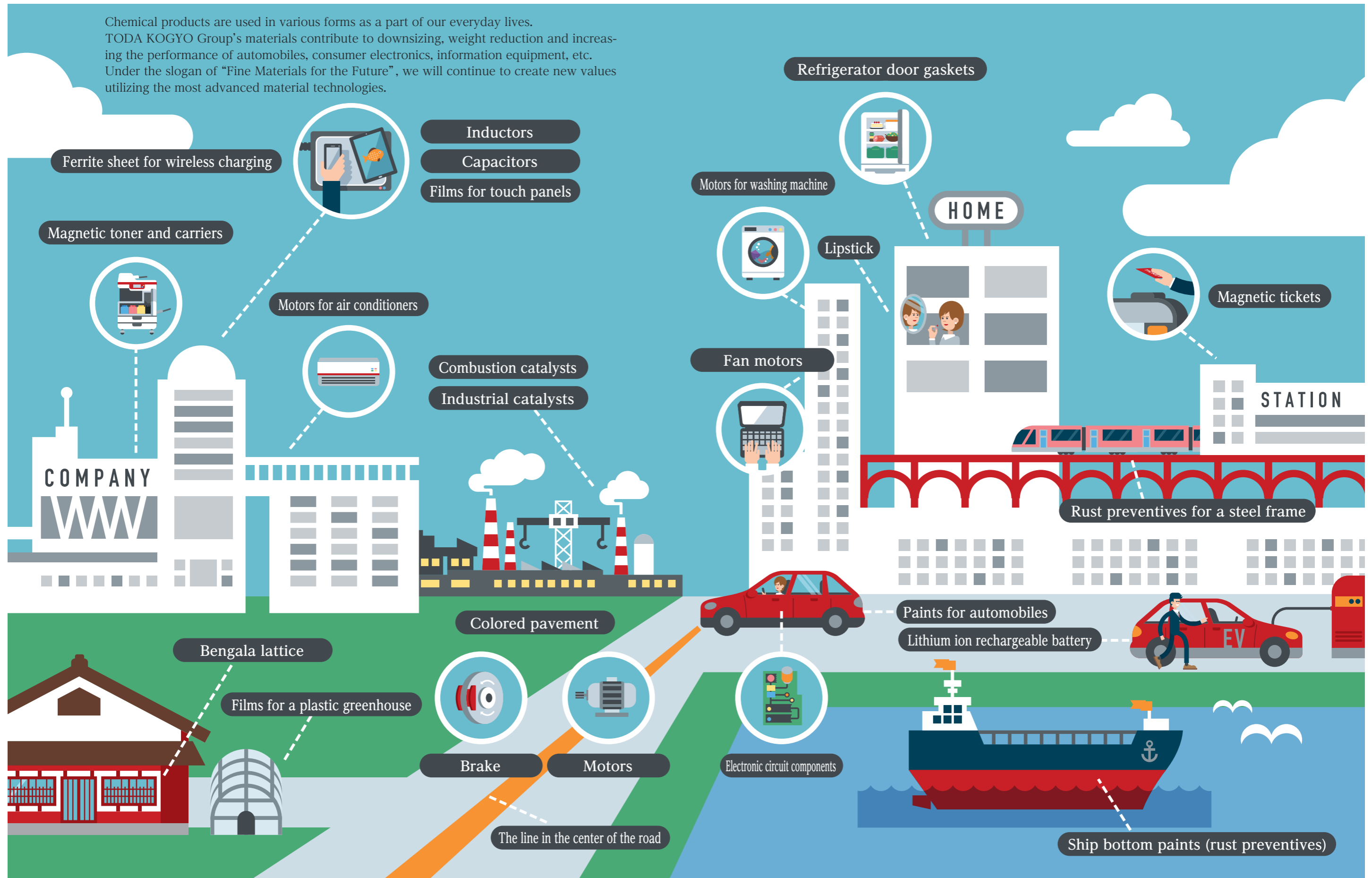
	Home appliances and telecommunications equipment	<ul style="list-style-type: none"> • Magnet materials (household appliance motors) • Parts for cell phones and smartphone products • Parts for wearable products
	Paints	<ul style="list-style-type: none"> • Pigments for automobiles and office equipment • Pigments for building and building materials • Pigments for antirust paints for ship bottom
	Automobiles	<ul style="list-style-type: none"> • Battery materials (for electric vehicles) • Magnet materials (motors and sensors) • Transparent iron oxide (coating) • Functional materials for electronic components (inductors, capacitors) • Functional iron oxide (brake pads, anti-vibration, vibration control)
	Copiers and printers	<ul style="list-style-type: none"> • Toner materials, carriers • Magnet materials (magnet roll)
	Environment and housing	<ul style="list-style-type: none"> • Lead free materials (PVC, roads) • Combustion catalysts • Contaminated soil improver

History of TODA KOGYO Group

<p>1907 Plant relocated to Asakita-ku, Hiroshima City (Hiroshima Plant)</p>	<p>1933 TODA KOGYO CORP. established in Yokogawa-Shinmachi in Nishi-ku, Hiroshima City</p>	<p>1953 Tokyo Sales Office and Osaka Sales Office established</p>	<p>1959 Onoda Plant built in Sanyo-Onoda City, Yamaguchi Prefecture</p>	<p>1975 Funairi Plant transformed into a dedicated research and development facility</p>	<p>1983 Shares listed on the first section of Tokyo Stock Exchange</p>	<p>1991 Otake Creative R&D Center established in Otake Plant</p>	<p>1994 Toda Kogyo Europe GmbH established in Germany</p>	<p>2003 Wholly owned subsidiary Toda Plastic Magnet Material (Zhejiang) Corp. established in Zhejiang Province, China</p>	<p>2011 Toda United Industrial (Zhejiang) Co., Ltd. in Zhejiang Province, China became a consolidated subsidiary of TODA KOGYO</p>
<p>1936 Head Office and plant relocated to Funairi-Minami in Naka-ku, Hiroshima City</p>	<p>1953 In the process of manufacturing iron oxides by calcination of iron sulfate, sulfurous acid gas was generated and became a serious problem</p>	<p>1965 Overcoming the pollution problems using the development of the wet synthetic method in which iron oxides are synthesized from aqueous solution by a chemical reaction</p>	<p>1973 Equipment for production of coloring pigment using wet synthetic method added to Onoda Plant</p>	<p>1984 Otake Plant newly established in Otake City, Hiroshima Prefecture</p>	<p>1988 Dedicated facility to produce coloring materials for electronic printing added to Onoda Plant</p>	<p>1989 Manufacturing facility of magnetic powders for metal tape added to Onoda Plant</p>	<p>1999 Facilities for manufacturing Hydrotalcite newly added to Onoda Plant</p>	<p>2003 Manufacturing facility of cathode materials for lithium ion rechargeable battery newly added to Onoda Plant</p>	<p>2004 Facilities for manufacturing Barium titanium trioxide added to Onoda Plant</p>
<p>1823 Bengala manufacturing started in Ibara City, Okayama Prefecture</p>	<p>1910 Beginning from the industrial manufacture of Bengala, the oldest pigment known to mankind</p>	<p>1953 Joint research started with Kyoto University Bengala manufacturing is transformed from a traditional "skill" to a "technology"</p>	<p>1969 Manufacturing equipment of magnetic powder materials for audiotapes and videotapes added to Onoda Plant</p>	<p>1984 Production of ferrite materials started at Otake Plant</p>	<p>1984 Production of ferrite materials started at Otake Plant</p>	<p>1994 Development of a combustion catalyst which suppresses generation of dioxins</p>	<p>1996 Facilities for manufacturing color toner carrier materials newly added to Otake Plant</p>	<p>2006 Manufacturing equipment of antenna sheets for IC tags added to Otake Plant</p>	<p>2011 Manufacturing equipment of NFC Ferrite sheets for use in smartphones added to Otake Plant</p>
<p>Coating material for building timber Primer for dark blue dyeing Coloring for lacquerware and bangasa (coarse oilpaper umbrellas) Ceramics (akae glaze), etc.</p>	<p>Ferrite powder</p>	<p>Use of iron sulfate and iron chloride, which are derived as byproducts from iron and steel product manufacturing processes, as raw materials</p>	<p>World's Number 1 share for magnetic powder used in audiotapes and videotapes!</p>	<p>Contributing to reduction of industrial wastes and effective utilization of resources</p>	<p>Magnets Magnetic tickets and magnetic cards</p>	<p>Examples of use of a dioxin-suppressing catalyst (garbage bags, cushioning material)</p>	<p>Color toner carrier</p>	<p>Metal-compatible RFID tags</p>	<p>Ferrite sheet</p>
<p>Pellets</p>	<p>The industry's first! Development of the wet synthetic method for iron oxides</p>	<p>World's Number 1 share for magnetic powder used in audiotapes and videotapes!</p>	<p>World's Number 1 share for magnetic powder used in audiotapes and videotapes!</p>	<p>World's Number 1 share for magnetic powder used in audiotapes and videotapes!</p>	<p>World's Number 1 share for magnetic powder used in audiotapes and videotapes!</p>	<p>World's Number 1 share for magnetic powder used in audiotapes and videotapes!</p>	<p>World's Number 1 share for magnetic powder used in audiotapes and videotapes!</p>	<p>World's Number 1 share for magnetic powder used in audiotapes and videotapes!</p>	<p>World's Number 1 share for magnetic powder used in audiotapes and videotapes!</p>

TODA KOGYO Group's Product Group familiar to Consumers

Chemical products are used in various forms as a part of our everyday lives. TODA KOGYO Group's materials contribute to downsizing, weight reduction and increasing the performance of automobiles, consumer electronics, information equipment, etc. Under the slogan of "Fine Materials for the Future", we will continue to create new values utilizing the most advanced material technologies.



Thank you very much for your continued support of TODA KOGYO Group. We hereby report on our most recent Group CSR activities with this report.

In the past few years, natural disasters such as heavy rains have become more frequent worldwide, and we have come to realize that climate change and environmental destruction are advancing more and more. We, as the Group, are determined to address environmental and social issues through our CSR activities, and at the same time, we are determined to further promote the building of a sustainable society through our business activities.

In addition to environmental issues, there are many other social issues that need to be addressed, such as the declining birthrate and aging population, promotion of diversity, and strengthening of governance. We have formulated a medium-term business plan, Vision 2023, in order to promote efforts to address these social issues at each of the Group's operating companies and organizations in line with clear numerical targets.

The markets targeted in Vision 2023 are mainly in the fields of automobiles, home appliances, communication equipment, and paints, which are an extension of our business activities to date. In addition to adding more value to our products through development activities, we will strengthen our supply chain in order to build a strong structure that can withstand changes in the external environment.

In addition, from fiscal 2024 onward, we plan to commercialize environment-related materials that will help reduce the burden on the environment, as part of our Go Beyond 200! strategy to continue to grow even beyond our 200-year anniversary. We are determined to work together as a group to grow our business into one that rivals that of the automotive, home appliance, and communication equipment industries.

I would like to ask for your continued understanding and support as we strive to grow together with all of our stakeholders.



TODA KOGYO CORP.

President and CEO

Shigeru Takaragi

The environmental issues facing Japan are increasing day by day, and it has become essential to focus on the environment from various perspectives in our daily business activities, such as global warming, ocean pollution, and explosive population growth. Among these issues, the issue of CO₂ has been taken up by countries around the world as an issue that has a direct impact on business activities and is inseparable from them. The EU and other countries are already in the process of implementing LCA (Life Cycle Assessment) regulations as part of their trade regulations, and it can be predicted that this will have a significant and direct impact on corporate activities. Under such circumstances, we have been one of the first companies to start developing environmental materials in the past, and we already have several products that have been materialized, but we would like to further develop products and manufacturing methods that are carbon neutral and increase our contribution.



Director and Senior Executive Officer

Hiroshi Oka



Director and Senior Executive Officer

Tetsuo Tsurui

The Group is working to reduce greenhouse gas emissions, conserve and improve the global environment through soil and water purification, and develop activities to achieve the SDGs.

In May 2019, we formulated the TODA KOGYO Group Environmental Vision 2033, setting specific goals and working to achieve them. Going forward, we will further accelerate the development and manufacture of environmentally friendly products to contribute to energy conservation, downsizing, weight reduction, and higher efficiency in a wide range of business fields, including automobiles, home appliances, and information equipment.

We will also position ESG management as a medium- to long-term management strategy and focus on it on an ongoing basis, disclose the results of our ESG management activities as appropriate, and engage in corporate activities that will win the sympathy and trust of our many stakeholders. We would like to ask for your continued support and guidance in these endeavors.

In order to realize our management principle of contributing to society at large through attractive and original new materials and solutions, we will not only engage in social contribution activities through CSR activities, but will also aim to capture and provide as many business opportunities as possible where we can utilize our strengths in connection with the SDGs by responding quickly to changes in the social environment in the present and future.

Furthermore, in an environment where efforts to become carbon neutral are becoming extremely important, we will work together in development and manufacturing to see if we can contribute to society not only by reducing greenhouse gas emissions in manufacturing, but also by absorbing and removing them.



Director and Senior Executive Officer

Tsuneaki Kubo

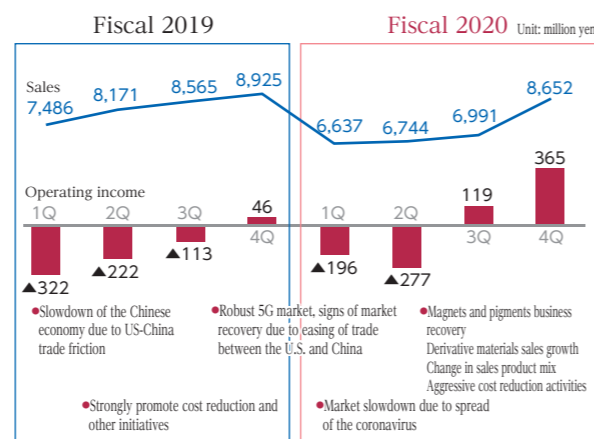
Basic Policy for Business Activities

With a mission to “contribute to solving social issues through business activities”, TODA KOGYO Group has achieved growth by responding to social issues and the most advanced needs of the time. Recently, we have supported the basic infrastructure of industry by having close relationships with many industrial fields including automobile, electronics, etc. through our materials. With the spread of the novel coronavirus disease (COVID-19), the environment is changing day by day. We not only solve customer issues, but also deal with our own problems. By combining abilities of materials, our own abilities and our partners' abilities, we will solve these problems and continue to create new values.

Business Overview of fiscal 2020 (April 1, 2020 - March 31, 2021)

In terms of the business environment during fiscal 2020, although both the global economy and the Japanese economy were severely affected by the coronavirus, economic activities gradually recovered due to the implementation of infection control measures such as vaccinations and large-scale economic stimulus measures in various countries.

In the first half of the fiscal year under review, the Group was also strongly affected by the coronavirus, and demand for core businesses such as magnet materials and coloring materials was sluggish. However, sales increased in the second half, driven by the recovery of economic activities in Japan and overseas, especially in China. In particular, demand for magnet materials increased in line with the electrification of automobiles, etc., and demand for dielectric materials for multilayer ceramic capacitors used in ICT equipment was strong, resulting in sales of 29,024 million yen and operating income of 11 million yen.



Communication with shareholders and investors

In addition to the ordinary general meeting of shareholders and the biannual business report meetings for financial results, we hold individual IR meetings as a forum for dialogue with shareholders, investors, and securities analysts.

In fiscal 2020, we started video distribution of business report meetings from the first half of the fiscal year (distributed in December 2020), and individual IR meetings were also held online. In fiscal 2021, we held a full-year business report meeting for fiscal 2020 (distributed in June 2021), and at the 88th Annual General Meeting of Shareholders, we have digitized the exercise of voting rights.

We will continue to promote more active communication with our shareholders and investors.



Video of fiscal 2020 full-year business report meeting

Formulation of Medium-term Business Plan - Vision 2023 -

Vision2023

We will celebrate the 200th anniversary of our founding in 2023. In order to deepen and develop the technologies we have cultivated since our founding and to further promote our efforts to create new value in line with changes in the social environment, we have formulated a three-year medium-term business plan, Vision 2023, which was announced on August 4, 2021, for 2023. In addition, as a materials manufacturer, we are working on medium and long-term development themes beyond that point, and we are now in the process of formulating Go Beyond 200 as our vision for fiscal 2024 and beyond.

Numerical Targets for Consolidated Performance

For fiscal 2023, we have set a target of 36.5 billion yen in sales, 1.4 times the fiscal 2020 target of 26.2 billion yen

(note: sales for fiscal 2020 are shown as reference figures after applying the new accounting standard for revenue recognition).

Operating income for fiscal 2023 is set at 2.3 billion yen.

Numerical targets for consolidated performance (unit: 100 million yen)

	Fiscal 2020 (results)	Fiscal 2021	Fiscal 2022	Fiscal 2023
Sales	262	310	345	365
Operating income	0.1	17	19	23
(Operating margin)	0.04%	5.5%	5.5%	6.3%

Strategic Investment

We plan to invest approximately 5 billion yen over the next three years in Vision 2023. We expect to invest 1.0 billion yen to strengthen our production capacity for electronic materials, 2.5 billion yen to maintain and upgrade existing facilities and infrastructure, and 1.5 billion yen for new businesses such as next-generation electronic materials and environment-related materials, which we aim to commercialize under “Go Beyond 200”. In addition, we will actively invest to implement ESG initiatives.

Details of capital investment		Vision 2023 investment amount (approximate)
■ Increase in production and reinforcement	Strengthen production capacity for electronic materials	1 billion yen
■ Renewal and improvement of facilities	Maintenance and renewal of existing facilities and infrastructure, etc.	2.5 billion yen
■ New business	Investment for Go Beyond 200 (Next generation electronic materials, environment-related materials, etc.)	1.5 billion yen
Total		5 billion yen

ESG Initiatives

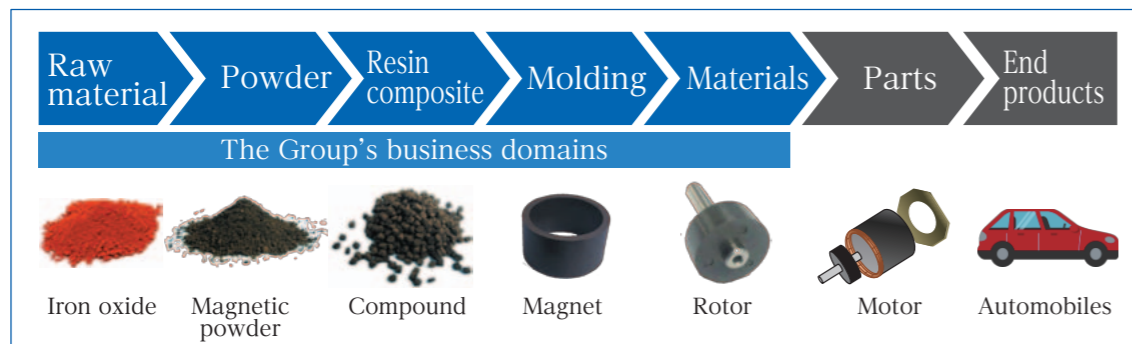
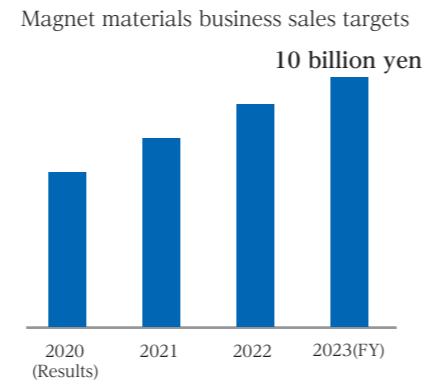
	Environment	Social	Governance
Initiatives to date	<ul style="list-style-type: none"> Development of environmentally friendly products Catalyst for promoting complete combustion CO₂ fixation during manufacturing Use of clean electricity 	<ul style="list-style-type: none"> Improvement of telework environment Support for childcare and nursing care Support for the activities of people with disabilities 	<ul style="list-style-type: none"> Establishment of the Nomination and Compensation Advisory Committee Strengthening the independence of the Quality Assurance Department Digitalization of the exercise of voting rights
Future initiatives	<ul style="list-style-type: none"> Development of CO₂ adsorbent CO₂-free hydrogen production technology Adsorbent for water purification Challenge to become carbon neutral 	<ul style="list-style-type: none"> Acceleration of actions to foster the next generation Promotion of active participation of women Initiatives to promote the active participation of senior citizens Development of digital human resources 	<ul style="list-style-type: none"> Strengthen transparency and independence of the Board of Directors Strengthen quality control Strengthen Group governance

Magnet Materials Business

Magnet materials are mainly used in motors for automobiles and home appliances, and the market is expected to continue to expand in the future. We will promote the global development of materials for bonded magnets, which are composites of magnetic powder and resin.

【Materials development】 We are working to improve neodymium powder and composite technology with resin to improve heat resistance and reliability suitable for automotive applications.

【Supply chain】 As part of our efforts to accelerate the establishment of an integrated production system from materials to parts, we have made Jiangmen & Partner's Magnetic Product Co., Ltd, a specialized manufacturer of bonded magnet injection molding, a subsidiary. With this, we aim to achieve faster product development, stable supply, and enhanced service activities.

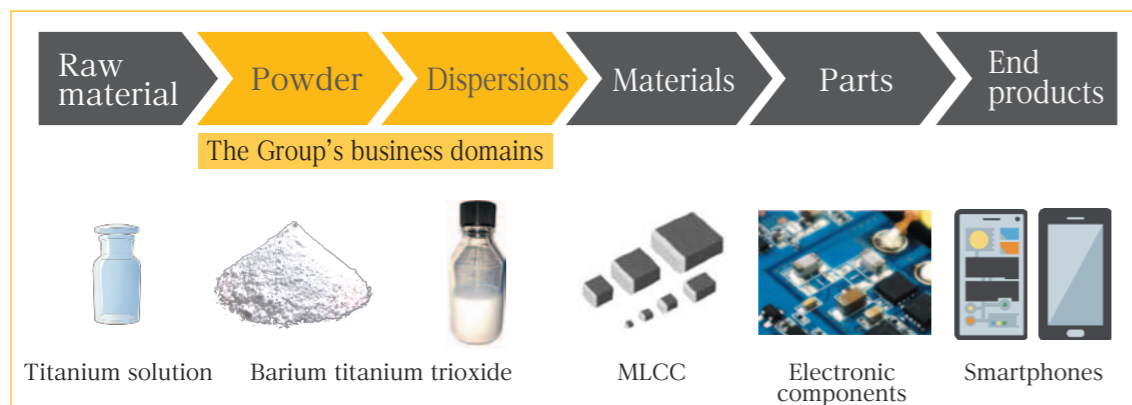
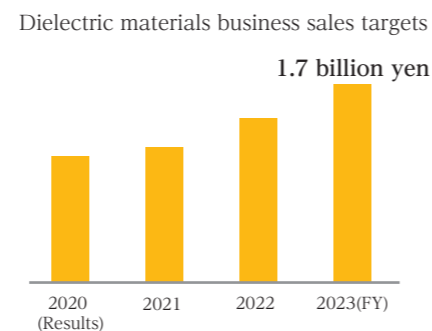


Dielectric Materials Business

Dielectric materials are used in multilayer ceramic capacitor (MLCC) applications, which are often used in ICT equipment and electric vehicles, and the market is expected to expand in the future. We will promote the development and manufacture of high value-added products.

【Materials development】 We will refine our manufacturing technology for fine particles of 200 nm or less to contribute to the miniaturization and reliability improvement of MLCC.

【Supply chain】 In order to simplify the manufacturing process and reduce costs, we aim to provide products in dispersion form. It can also reduce greenhouse gas (GHG) emissions by eliminating the drying process, which requires large amounts of energy, and eliminates the need for redistribution at the customer.



Further into the Future –Go Beyond 200–

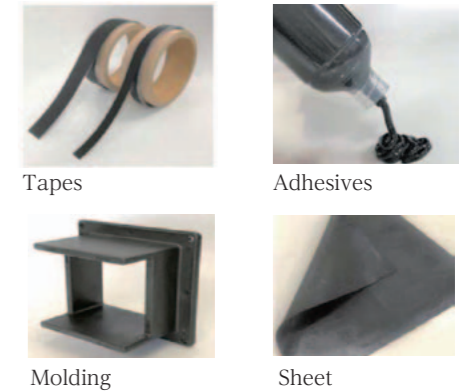
Go Beyond 200

We will also work to develop new businesses with an eye on growth beyond fiscal 2024. The Group will develop materials that contribute to the evolution of the electronics industry and reduction of environmental impact by deepening the fine particle synthesis technology cultivated in the iron oxide business, aiming to contribute to the realization of a sustainable society and achieve business growth.

Soft Magnetic Materials Business

While the use of electromagnetic waves is increasing due to the progress of electrification of automobiles, various noise problems, such as interference between electronic devices, are becoming more apparent. For this reason, the Group has been developing countermeasure parts using a variety of soft magnetic materials according to the characteristics of the noise.

In addition, with the rapid expansion of EVs expected in the future, the commercialization of non-contact power supply systems is expected. We will also proceed with the development of large flexible ferrite plates for automotive use based on the technology we have cultivated for flexible ferrite sheets.



Environment Related Materials Business

Serious problems such as abnormal weather due to global warming are occurring all over the world, and various initiatives such as the SDGs and the adoption of the COP21 Paris Agreement have been launched to realize a sustainable society.

In accordance with the TODA KOGYO Group Environmental Vision 2033 formulated in May 2019, the Group is actively carrying out development activities to solve these issues.

【Initiatives to address climate change】

We are working on the development of a DMR method that can simultaneously produce CO₂-free high-purity hydrogen and carbon nanotubes, and are collaborating with AIR WATER INC. on the commercialization of this method. (Refer to pages 14 and 15.)

【Initiatives for a recycling-oriented society】

The market for lithium-ion batteries is rapidly expanding as the number of EVs shipped worldwide increases. In order to help solve resource issues, we are developing a way to recycle lithium-ion batteries.

【Initiatives to provide safe water】

In the JMP report released by UNICEF WHO in 2019, it was reported that approximately 2.2 billion people in the world do not have access to safe and controlled drinking water. In order to provide safe water, we are working on the development of functional adsorbent materials that remove harmful elements, and are collaborating with JDC Corporation for commercialization.



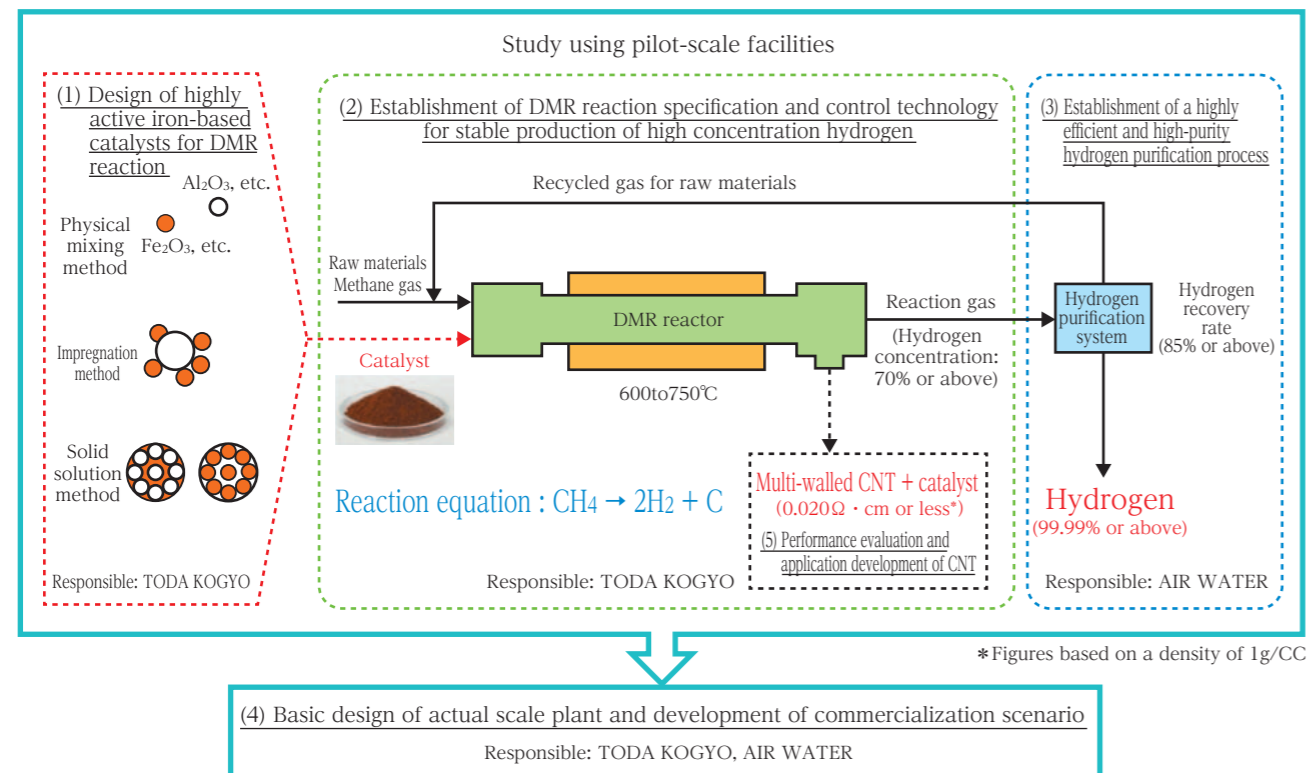
Feature I Efforts to Realize a Decarbonized Society

Research and development of highly efficient hydrogen production system using iron-based catalyst through direct methane reforming*1

New Energy and Industrial Technology Development Organization (NEDO) invited applications for the Hydrogen Utilization Research and Development Project and Development of Carbon Dioxide-Free Hydrogen Production Technology Using Hydrocarbons project, and the Research and Development of High Efficiency Hydrogen Production System Using Iron-based Catalyst by Direct Methane Reforming (implementation period: April 23, 2021 to February 28, 2023) jointly proposed by TODA KOGYO and AIR WATER INC. was adopted.

This research and development project aims to develop a hydrogen production process and system that can efficiently produce CO₂-free hydrogen (purity of 99.99% or higher) from methane, the main component of natural gas and biogas, using the DMR method with a highly active iron-based catalyst, which is different from existing hydrogen production methods.

Initiatives in NEDO's pioneering research and development project for hydrogen utilization



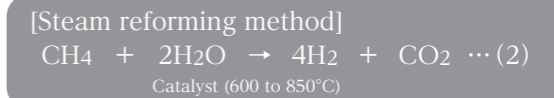
Based on our DMR catalyst preparation technology and DMR reaction technology, and the gas purification technology of AIR WATER INC., through the above-mentioned efforts, it will be possible to stably produce hydrogen with a purity of 99.99% or higher, which is generally used for industrial purposes. At the same time, we aim to complete a highly efficient hydrogen production system in which the quality of the multi-walled carbon nanotubes (CNTs)*2 obtained as a byproduct is equivalent to that of other companies' products in terms of conductivity (powder resistance of 0.020 Ω·cm or less (density of 1 g/cc)). In this pilot-scale reactor, electricity is used for heating energy, but in the future, we aim to provide turquoise hydrogen*3 by using renewable energy, etc.

As for the timing of the social implementation of this high-efficiency hydrogen production system, we would like to start operation of the first commercial plant in fiscal 2024, and we aim to reduce the hydrogen production cost to less than 30 yen/Nm³ by 2030, which is the target set by the Japanese government in its Basic Hydrogen Strategy, through market launch of the byproduct CNT as a high value-added product.

The high-efficiency hydrogen production system to be constructed in this research and development will realize the provision of inexpensive CO₂-free hydrogen by maximizing the use of existing city gas infrastructure, with the goal of quickly cleaning up the existing industrial hydrogen supply chain. This system will accelerate efforts to realize the 2050 carbon-neutral, decarbonized society declared by the Japanese government in October 2020, and will lead to increased value for companies that use hydrogen, as well as contribute to the development of domestic industry.

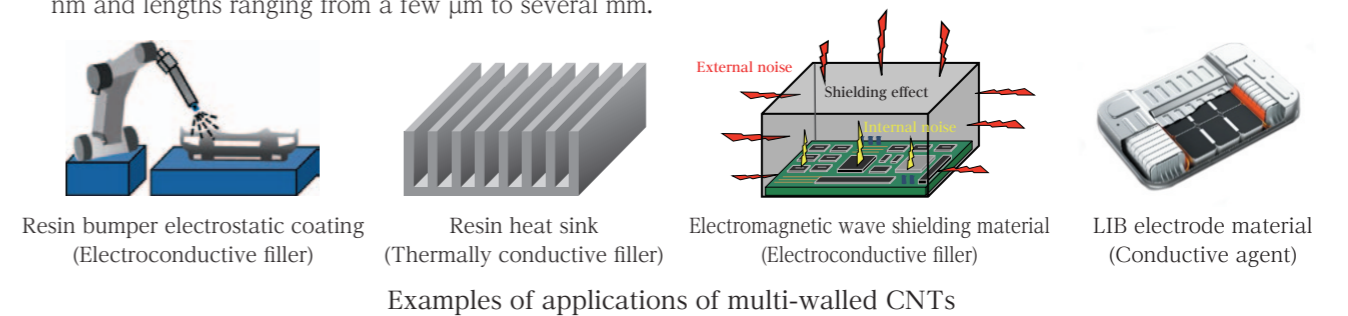
* 1. Direct methane reforming (DMR) method

The DMR method is a clean reaction (reaction equation (1)) that uses natural gas and other raw materials to produce hydrogen and carbon materials such as CNTs in the presence of an iron-based catalyst. Compared to the steam reforming method of natural gas (reaction equation (2)), which is currently widely used industrially, the DMR method does not produce methane derived CO₂ during the production process, in other words, it is a CO₂-free reaction, although the amount of hydrogen produced per molecule of methane is half.



* 2. Carbon nanotube (CNT)

CNTs are expected to become a dream new material because of their excellent features such as light weight, high strength, high electrical and thermal conductivity, etc. They are being used in a wide range of applications including LIB conductive auxiliaries, conductive fillers, reinforcement materials, and electromagnetic wave absorbers. CNTs can be classified into single-walled CNTs (SWCNTs), which are formed by rounding a single graphite hexagonal mesh plane into a cylindrical shape, double-walled CNTs (DWCNTs), which are nested layers of SWCNTs, and multi-walled CNTs (MWCNTs), with diameters ranging from a few nm to several tens of nm and lengths ranging from a few μm to several mm.



* 3. Turquoise hydrogen

This is hydrogen produced by the pyrolysis of methane. There are a variety of methods for generating hydrogen, and it is becoming increasingly common to classify the hydrogen produced by these methods by color, depending on the environmental impact of the production process. The hydrogen produced by pyrolysis using renewable or carbon-neutral energy sources, where the solid carbon produced during the production process is not released into the atmosphere as CO₂, is called turquoise hydrogen.

Color	Characteristics
Green hydrogen	Hydrogen is produced by electrolysis of water using electricity derived from renewable energy.
Turquoise hydrogen	Produces hydrogen through the thermal decomposition of methane, producing solid carbon as a by-product instead of CO ₂ . The operation of the reactor must be derived from renewable or carbon-neutral energy.
Blue hydrogen	Although hydrogen is produced from fossil fuels such as coal and natural gas, the CO ₂ generated is separated and stored underground or in the ocean without being released into the atmosphere.
Gray hydrogen	Although hydrogen is produced from fossil fuels such as coal and natural gas, it releases CO ₂ and CO.

Source: National Hydrogen Strategy, German government

Feature II Exhibiting at an Automobile Industry Exhibition

The automotive industry is undergoing a period of great change that is said to occur once in a century, and new technologies are being developed and introduced, collectively known as CASE, which stands for connected, autonomous, shared, and electric. As a result, the use of electronic components is increasing, devices not used in the past are being adopted, and the composition of components is changing dramatically. Our magnetic materials and functional materials are used to improve the quality and characteristics of various parts and to add new functions, and we see this as an opportunity to expand our business. Up until now, we have only been able to introduce our products to specific customers, but in order to make our products known to a wider audience, starting in fiscal 2020, we will be participating in several exhibitions where the latest technologies in the automotive industry gather to raise awareness.

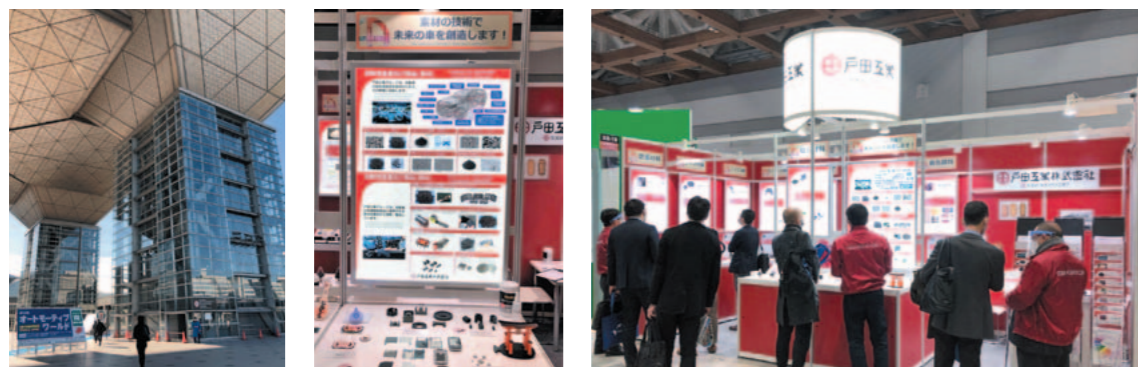
In fiscal 2020, we exhibited at the Automotive World - Advanced Automotive Technology Show, a leading automotive exhibition organized by the private sector. We participated in the Nagoya Show (Portmesse Nagoya) from October 21 to 23, 2020 and the Tokyo Show (Tokyo Big Sight) from January 20 to 22, 2021.

At the Nagoya Show, we introduced magnet materials, ferrite sheets for wireless power supply, materials for electromagnetic wave countermeasures, and water vapor adsorption and desorption materials. Although the exhibition was held during coronavirus pandemic, the overall number of visitors was higher than the previous year as a result of the organizer's thorough implementation of infection prevention guidelines and the timing of the resumption of exhibitions that had been continuously canceled due to the lifting of the declaration of a state of emergency issued in April 2020. The number of visitors to our booth was 220 (1.1% of the total number of visitors), including some automakers and tier 1 suppliers (companies that provide parts to automakers).



Views of the Automotive World Nagoya Show site

At the Tokyo Show, the booth area was expanded and products including pigments, barium titanate, environmental purification materials, and carbon nanotubes were additionally exhibited. Unfortunately, a state of emergency was declared in the Tokyo metropolitan area again on January 8, just before the exhibition, and some automobile and related parts manufacturers were unable to come to the exhibition or canceled their participation. Although the total number of visitors decreased significantly to less than 40% of the previous year's total, our booth was visited by 191 people, including material manufacturers (1.3% of the total number of visitors). Meanwhile, 338 people accessed the online introduction site during the exhibition period, which was visited by many automakers and tier 1 suppliers from overseas.



View of the Automotive World Nagoya exhibition site

There were many people who got to know our company for the first time at both exhibitions, and some of them became interested through product introduction and information exchange. In particular, there was a sharp increase in the need for noise countermeasures as automobiles become increasingly electrified, and we tended to receive many inquiries about electromagnetic wave countermeasure components that use our ferrite materials. We are currently conducting interviews and sample work with more than 50 client companies, and we are taking steps so that our products will be adopted.

In fiscal 2021, we exhibited at the Automotive Engineering Exposition: Automotive Engineering Exposition 2021 ONLINE, held from May 26 to July 30, 2021. This exhibition is organized by the Society of Automotive Engineers of Japan, Inc., and is the largest technology exhibition in Japan for automotive engineers to present the latest technologies and products to the world. The actual, physical exhibition, which was scheduled to be held in Yokohama in May and in Nagoya in June, was canceled due to the coronavirus, and we were only able to participate in the online exhibition (458 companies exhibited). At this exhibition, we created new application guides by use and product introduction videos to introduce our products in an easy-to-understand manner. During this period, our booth was visited by 1,138 people (2.2% of the total registered visitors), and we are now approaching and following up with most of the domestic automobile manufacturers as well as tier 1 suppliers that had not visited us before. We are also planning to exhibit at Automotive World in October 2021 and January 2022 consecutively.



Some of our contents at the Automotive Engineering Exposition 2021 ONLINE

By exhibiting at exhibitions, we have been able to improve our introduction methods, meet directly with automobile manufacturers, and find new business opportunities. While we believe that online exhibitions will increase in the future, there is information that can only be obtained face-to-face, so we will continue to utilize both means to acquire new customers. In response to the once-in-a-century revolution, we will contribute to the future development of automobile-related technologies with our technology that has 200 years of history since foundation.



We will improve our materials and make them more appealing.

At face-to-face exhibitions, there are cases where useful information and contacts can be found through explanations and conversations. However, this is not possible online, so we have struggled to attract customers and make appointments. In the future, it will be important to create materials that are easy to read and interesting, so we would like to enhance our introductory videos to further emphasize our products.

Marketing Department, Sales Division
Wataru Kimura

Corporate Governance

Implementing System

TODA KOGYO adopts a form of corporate governance system based on the framework of governance by the “General Meeting of Shareholders”, the supreme decision-making body, the “Board of Directors”, a decision-making body concerning the execution of important operation and the “Board of Corporate Auditors”, a supervising body for business operation.

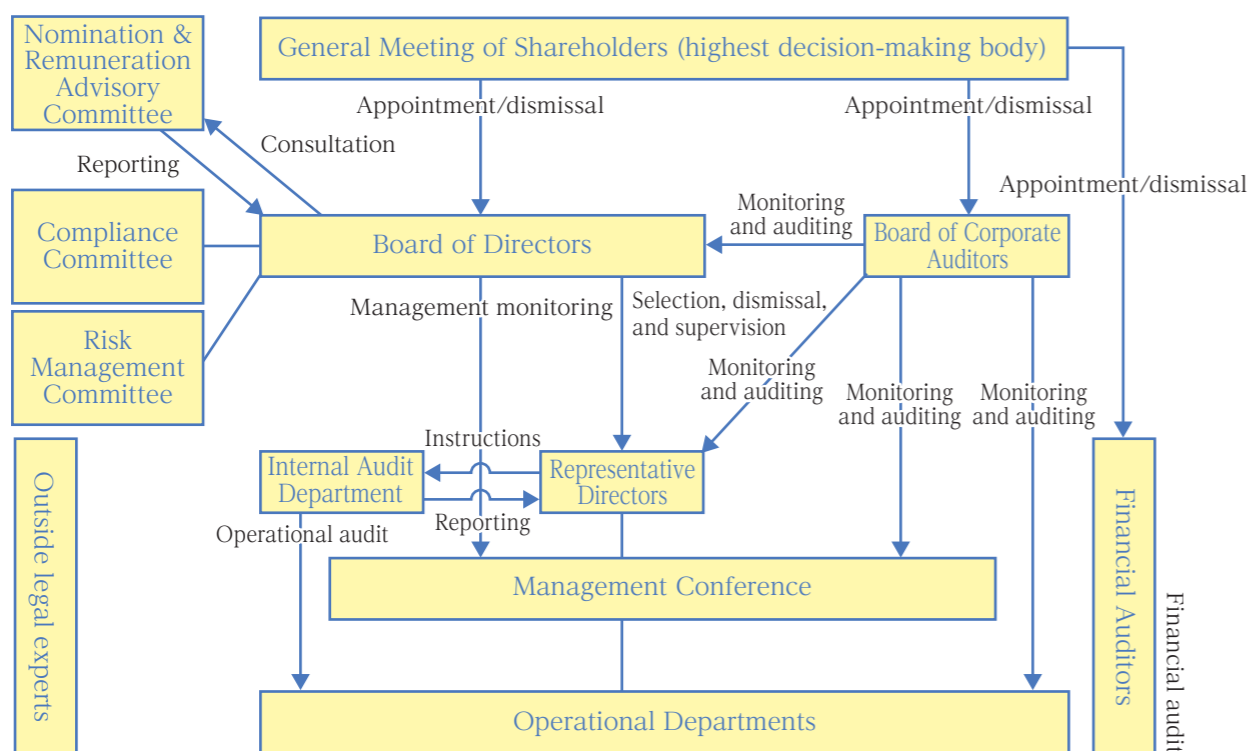
The Board of Directors meets not only once a month, but also holds extraordinary meetings as necessary to ensure prompt and accurate decision-making. In addition, by appointing three outside directors, we have made the monitoring and supervision of mutual execution of duties by directors more effective. Furthermore, the Board of Corporate Auditors, which includes three highly independent outside auditors, conducts audits of the Board of Directors and other important meetings to ensure a highly objective and neutral monitoring and supervision system for business execution.

Establishment of the Nomination and Compensation Advisory Committee

The Nomination and Remuneration Advisory Committee has been established as a voluntary advisory body to the Board of Directors for the purpose of enhancing corporate governance by strengthening the fairness, transparency, and objectivity of procedures related to the nomination and remuneration of directors and executive officers. In response to inquiries from the Board of Directors, the committee deliberates on matters related to the appointment and dismissal of directors and executive officers, as well as matters related to remuneration, and reports to the Board of Directors.

Evaluation of the Effectiveness of the Board of Directors

We have conducted a questionnaire survey of all directors and corporate auditors to determine the effectiveness of efforts to enhance the operation of the Board of Directors, and have deemed that the effectiveness of the Board of Directors is generally maintained. In the evaluation of the effectiveness of the Board of Directors, issues were also identified and countermeasures are being considered, and we will confirm the status of improvement and continue to take measures to improve and enhance the operation of the Board of Directors.



Corporate governance system outline drawing

Compliance

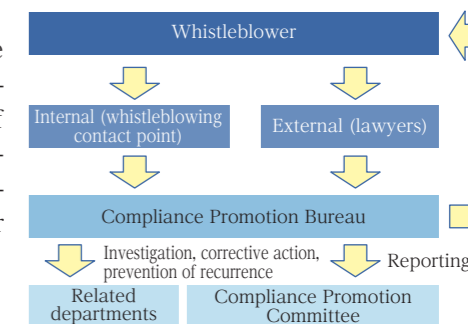
Whistleblowing and Consultation System

One of our Guidelines for Action is that each and every one of us will be corporate citizens who are faithful and fair and will act with a strong sense of ethics, and based on this guideline, we are working to maintain and improve compliance within the Group.

As part of these efforts, we have established a reporting and whistleblowing system (a so-called “helpline”) with internal personnel and external lawyers as the contact point in accordance with the Compliance Promotion Regulation to prevent violations of laws, regulations and social ethics and to detect them at an early stage. One woman is assigned as the contact person both inside and outside the company to create an environment where it is easy to consult on compliance and harassment cases.

In order to protect the consulter, this system offers a wide range of whistleblowing methods, including oral, telephone, e-mail, and written, and allows for either non-anonymous or anonymous use. The whistleblowing contact point is designed to ensure that the contents of the whistleblowing are kept strictly confidential, the fact that a consultation was held and its contents are kept secret, and that the whistleblower is not subjected to any disadvantageous measures.

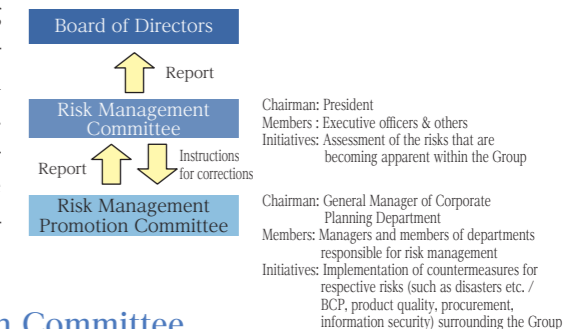
The whistleblowing contact point shall promptly report the details of the consultation to the Compliance Promotion Division, request an investigation of the facts and consideration of measures to prevent recurrence, etc. If, as a result of the investigation by the Compliance Promotion Division, there is a violation, appropriate measures and necessary countermeasures for the future shall be promptly taken.



Risk Management

Risk Management System

Having established the Risk Management Committee (which is chaired by president and CEO) composed principally of executive officers, the Group regularly discusses its risks that are becoming apparent. In addition, having established responsible departments for respective risks (such as disasters etc. / BCP, product quality, procurement, information security) surrounding the Group, we make efforts for the formulation of basic plans, the implementation of measures and the evaluation & improvement at the responsible departments concerned. The Risk Management Promotion Committee which consists of managers and members of responsible departments for risks, shares the progresses and the problems in each activity and reports them to the Risk Management Committee. Having received said report, the Risk Management Committee appropriately conducts corrective actions and reports on these risk management activities to the Board of Directors. As a result, the Board of Directors is promoting the establishment of the general management system where the risks of the entire Group are exhaustively and continuously monitored.



Initiatives of the Risk Management Promotion Committee

Toward Implementation and Standardization of the Basic Plan

We have been building the above system since fiscal 2018, and by the end of fiscal 2019, each responsible department formulated a medium-term basic plan and a specific plan for fiscal 2020. In fiscal 2020, due to the spread and prolonged duration of the coronavirus, some plans were not implemented, such as large-scale drills and external training, but each responsible department is promoting risk reduction activities in line with the plan. Each responsible department conducted a semi-annual review and confirmation of progress, and reported the results to the Risk Management Committee. In fiscal 2021, each responsible department will formulate an annual plan based on the previous year’s review and strive for further risk reduction.

Product Quality

For Improving Product Quality

Toda Spirits
= Monozukuri that creates a better future =

- Monozukuri that prioritizes safety and security
- Monozukuri that pursues the trust and satisfaction of customers and business partners
- Monozukuri that challenges improvement with the power of each individual
- Monozukuri that creates originality and marketability
- Monozukuri that pursues stable and repeatable quality and efficiency
- Monozukuri that is environmentally friendly, globally oriented

TODA KOGYO Group determines the quality policy; “Provide qualities which obtain the customers' trust and satisfaction by developing continuous improvement activities” in accordance with the Toda Spirits, which consist of six spirits of *Monozukuri**, and promotes the quality assurance activities as shown below.

Quality Assurance Department as a promoter, is an organization that is independent from sales, development and manufacturing departments, so as to promote quality assurance activities from a neutral standpoint, more effectively.

Quality Assurance Department organizes Quality Assurance Committee, shares information with the quality assurance department of each the Group’s plant, and has established a system to resolve quality issues throughout the entire company.

In addition to performing quality audits for the manufacturing departments of the Group, Quality Assurance Department quickly grasps complaints and claim information delivered to sales departments from customers, and timely responds to the important concerns. Quality Assurance Department also identifies causes of individual complaints, claims, etc. Moreover, Quality Assurance Department plans and implements measures to prevent recurrence of complaints, claims, etc. and performs verifications and horizontal deployment of them from the perspective of workplace.

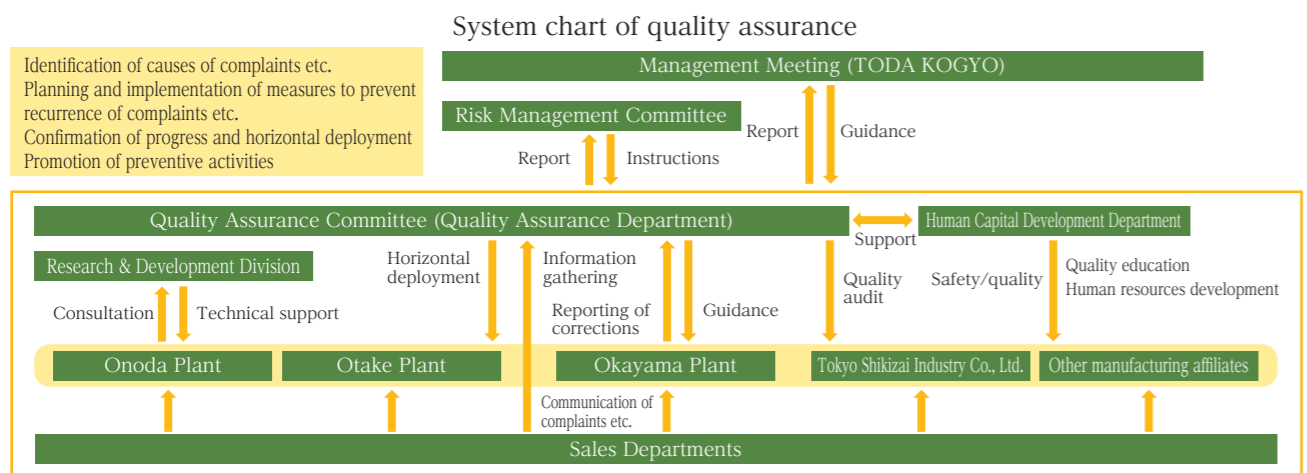
In the event of a serious quality problem, the Risk Management Committee reports the problem to the management and discusses and decides on a quick response. In addition, quality information is shared at the Management Meeting, and a system is in place to ensure that relevant departments respond to customers.

In fiscal 2021, we will strengthen our quality assurance system and proactively promote prevention activities by strengthening risk management. In addition, by cooperating with “Human Capital Development Department” that was established based on the idea that “Human capital development through *Monozukuri*,” we will work on human capital development and deepen quality assurance activities.

*) *Monozukuri* means manufacturing.

Quality Assurance Activities

1. We perform quality audits for the purpose of confirming compliance with requirements in the ISO9001 series and improvement of the quality assurance systems.
2. We confirm the status of compliance with laws, regulations and other requirements.
3. In order to improve the qualities of products by the Group, we promote comprehensive quality improvement by means of analyzing qualities, providing improvement guidance for related departments and holding regular quality review meetings (Quality Assurance Committees).
We also provide quality education to development departments to ensure quality from the design stage.
4. We are working to strengthen the quality assurance systems of our overseas operating companies.
5. We are promoting human resource education to enhance on-site capabilities.



Situation regarding Introduction of Management Systems

The Group has acquired certification under the following management systems and implements the PDCA cycle in its business activities.

(As of April 1, 2021)

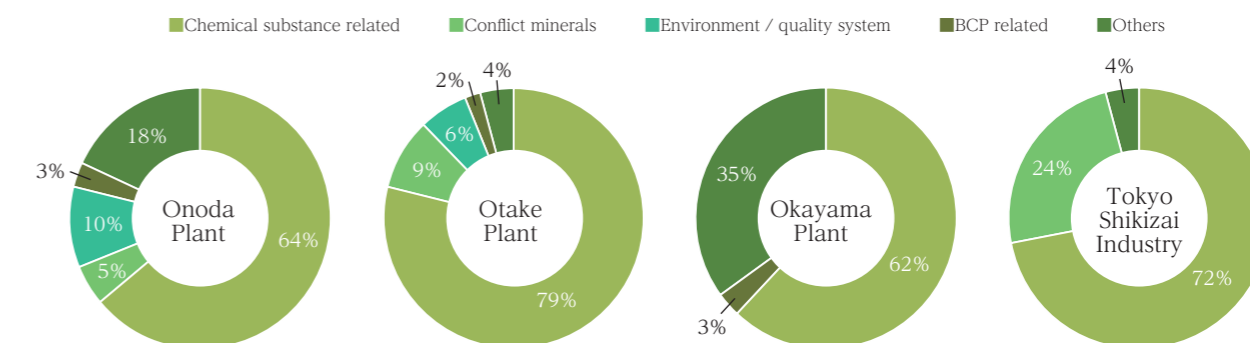
ISO9001 ISO14001 ISO45001	ISO9001 ISO14001	ISO9001
Onoda Plant Otake Plant	Okayama Plant TODA Ferrite KOREA Co., Ltd. TODA ISU CORPORATION Toda Magnequench Magnetic Material (Tianjin) Co., Ltd. Toda Plastic Magnet Material (Zhejiang) Corp. Zhejiang Toda DMEGC Magnetic Co., Ltd. Zhejiang United Pigment Co., Ltd. Toda Advanced Materials Inc. Toda Kogyo Asia (Thailand) Co., Ltd.	TODA MAGNET (SHENZHEN) CO., LTD. Zhejiang Gaoilian Packaging Products Co., Ltd. Otake Creative R&D Center: Product Development Group
		ISO14001
		Otake Creative R&D Center

Situation regarding Customers' Inquiries

The Group is trying to respond to customers’ inquiries regarding the products, CSR, etc. promptly and with sincerity, for the purpose of maintaining and improving the quality of our products.

We strive to resolve the issues identified in the responses to customers' inquiries, in cooperation with the relevant departments.

As shown in the figure below, while most of the inquiries we receive are related to chemical substances, in fiscal 2020, we also received a large number of inquiries related to the response to the coronavirus (classified as “other”). The Group works diligently every day to respond to inquiries from its customers.



Small Group Activities

Based on the idea that manufacturing is human capital development, the Group, led by the Human Capital Development Department, is promoting the creation of a corporate culture that enables employees to recognize problems in their own workplace and actively think about ways to improve.

We are now in the fifth year of the 5S model activities to foster a 5S culture, which is the gateway to improvement. Through these activities, we are fostering the ability to eliminate problems and waste that we find, which is leading to the revitalization of the workplace.

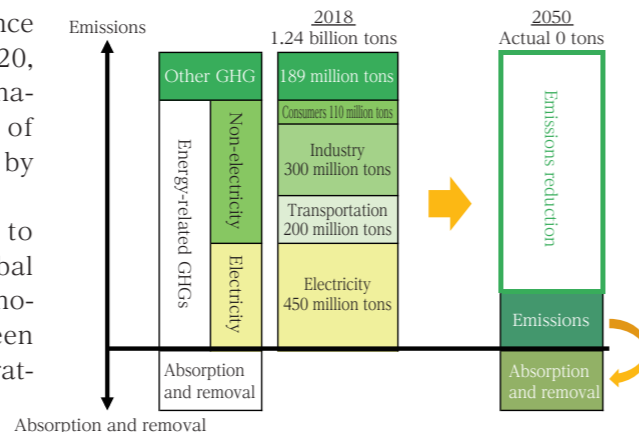
In addition, we are promoting TQM training and activities for improvement based on 5S through small group activities. The training program started in fiscal 2018 for managers and supervisors of manufacturing workplaces, including those of subcontracting companies, and has come to an end in the past three years. As a result of these trainings, the logical way of proceeding based on the QC way of looking at things and thinking and the QC way of problem solving has been seen in many small group activities.

In fiscal 2021, we are planning to conduct training for small group leaders, with the aim of establishing TQM activities and taking them to the next level.

2050 Carbon Neutrality

The G20 Riyadh Summit was held in a teleconference format over two days on November 21 and 22, 2020, and the Japanese government reiterated its determination to achieve 2050 carbon neutrality, the goal of reducing greenhouse gas emissions to virtually zero by 2050, and made this an international commitment.

In addition, it was stressed that it is necessary to change the way of thinking that responding to global warming will lead to growth, and that innovative innovation is the key to creating a virtuous cycle between the economy and the environment. (Green growth strategy)



Initiatives by the TODA KOGYO Group

Endorsement of the Japan Climate Initiative (JCI)

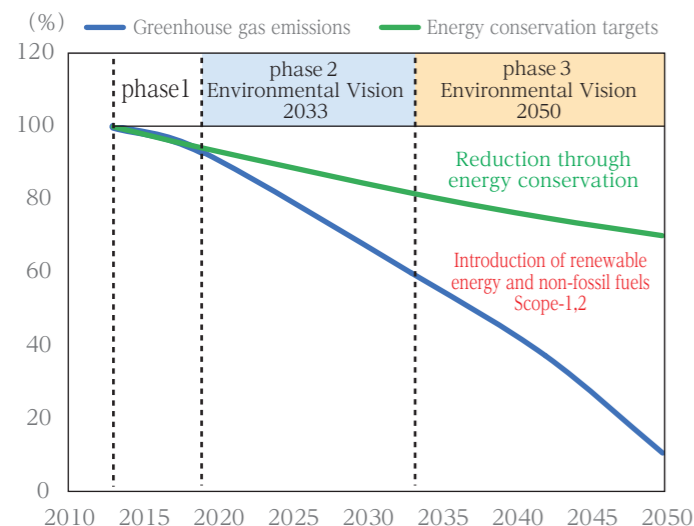
After the Japanese government's declaration of 2050 carbon neutrality, we expressed our support for the Japan Climate Initiative (JCI) message, Calling for an Ambitious 2030 Target for Japan to Realize the Paris Agreement Goal, in April 2021. TODA KOGYO Group will proactively work toward 2050 carbon neutrality

Toward LCA regulations

In consideration of the LCA (life-cycle assessment) regulations being discussed in Europe, we recognized 2050 carbon neutrality as a common theme for the entire company in the business strategy stage, and held a kick-off meeting for 2050 carbon neutrality in July 2021 to start a company-wide initiative involving the corporate planning departments, CSR & environment departments, business promotion departments, procurement departments, production engineering departments, sales departments, manufacturing departments, and other divisions.

From phase 1 to phase 2

In June 2019, the Group established the Environmental Vision 2033 and shifted from energy conservation promotion led by energy managers (phase 1) to company-wide reduction of environmental impact led by the Corporate Planning Department and the Environment Committee (phase 2).



Reduction of CO2 emissions through energy conservation (Scope 1, 2)

We are continuously promoting the reduction of energy consumption per unit of production by recovering waste heat in production processes, improving operational efficiency, upgrading to equipment with high energy efficiency, and reviewing production processes.

Conversion from fossil fuels (Scope 1)

We use fossil fuels (heavy oil A, LPG, kerosene, and light oil) in our production processes, but we will gradually switch to non-fossil fuels (biofuels, hydrogen, etc.) and electricity by 2050 in cooperation with our supply chain.

Introduction of renewable energy (Scope 2)

We will switch to electricity with a lower CO2 emission factor on the power company menu, introduce solar power generation facilities for in-house consumption (on-site and off-site), and purchase renewable energy certificates and credits in stages by 2050.

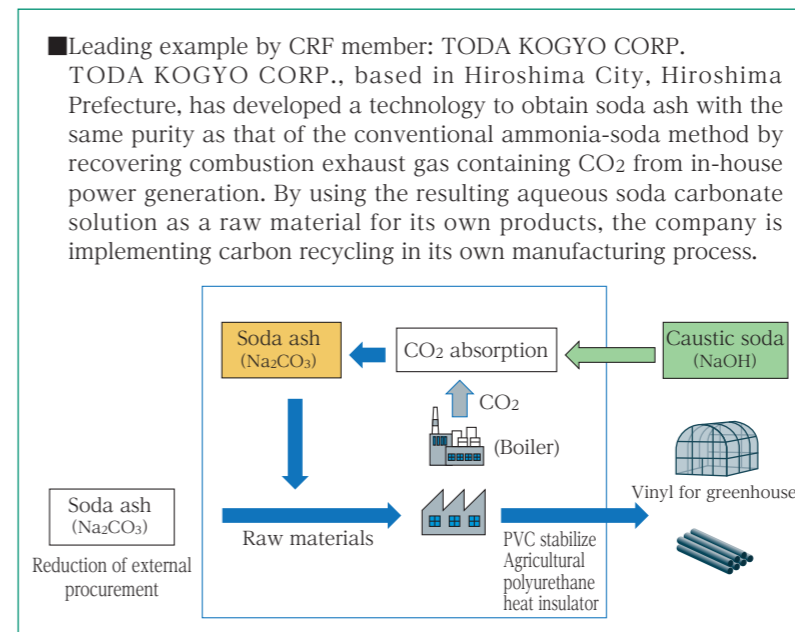
Reduction of CO2 emissions related to purchased raw materials, transportation, and commuting (Scope 3)

As part of Scope 3, the Group will promote the reduction of CO2 emissions by switching to low-carbon raw materials, reviewing product transportation methods, and reviewing employee commuting methods.

Provision of technologies and products that contribute to reducing environmental impact

The Carbon Recycling Fund Institute (CRF) is working to implement its recommendations through close collaboration with industry, academia, and government to achieve carbon neutrality by 2050.

As a member of CRF, our Group has introduced to CRF a chemical process for synthesizing environmentally functional materials (PVC stabilizer, agricultural polyurethane heat insulator) using CO2 from boiler exhaust gas as a raw material.



Sodium carbonate production plant



Environmentally functional materials manufacturing plant

Environment and Safety

Reduction of environmental load

Basic Environmental Policy

TODA KOGYO Group conducts environmental management based on the ISO14000 series, and not only recognizes environmental conservation as the mission imposed on global citizens, but also considers environmental conservation activities and management activities coaxial. We take responsibility for Environmental Vision 2033, formulated as a desirable state of the Company, and work on these activities across the entire Group, as well as conducting active disclosure of information and communication with local residents through responsible care.

Specific Code of Conduct

- (1) Set and achieve high environmental conservation goals
In addition to complying with laws and regulations, all executives and employees shall take responsibility for setting high goals that anticipate the expectations of society as Environmental Vision 2033 and strive to create economic value through the realization of these goals.
- (2) Promotion of innovative environmental technology development
All executives and employees shall promote the development of innovative environmental technologies that create client value and are widely used by society, and promote the development of environmentally friendly products.
- (3) Continuous improvement with the participation of all parties
All executives and employees shall understand the impact of all business activities on the environment, and all parties shall participate in continuous improvement in pollution prevention and effective use of energy and resources.
- (4) Provision of environmentally friendly products and services
In providing products and services, executives and employees will strive to reduce the environmental impact at all stages, from procurement policy and production to sales, distribution, use, recycling, and disposal, and will work toward the formation of a recycling-oriented society.
- (5) Raising awareness and promoting responsible environmental conservation activities
Executives and employees shall each individually pay attention to society at large, raise awareness through active learning, promote environmental conservation activities on their own responsibility, and promote initiatives for the conservation of biodiversity.
- (6) Contribution to the realization of a sustainable society
Executives and employees shall contribute to the realization of a sustainable society by participating in and supporting environmental conservation activities.
- (7) Gaining the trust of society through communication
Executives and employees shall develop environmental conservation activities in cooperation with stakeholders and earn the trust of society through active communication.

Promotion of Environmental Vision 2033

Toward 100th anniversary of establishment of our company in 2033, the Group formulated “Environmental Vision 2033”, as a result of discussion on a “desirable state as TODA KOGYO at 2033” among executives and employees, from the view point of four principles of sustainability.

The G20 Riyadh Summit was held in a teleconference format over two days on November 21 and 22, 2020, and the Japanese government reiterated its determination to achieve carbon neutrality, the goal of reducing greenhouse gas emissions to virtually zero by 2050, and made this an international commitment.

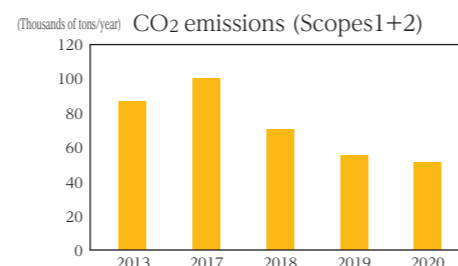
In response, in June 2021, the Group revised upward the greenhouse gas reduction targets in its Environmental Vision 2033.

Reduction of greenhouse gases

The Group has set the following targets for greenhouse gas reduction in its Environmental Vision 2033. (Target fiscal year: 2033)

- Energy consumption per unit of production: 20% reduction (compared to 2013)
- Renewable energy: 20% introduction
- Sales-based GHG emissions: 40% reduction (compared to 2013)
- CO2 emissions from transportation and commuting: 30% reduction (compared to 2013)

We are promoting the reduction of CO2 emissions throughout the Group in order to become carbon neutral.

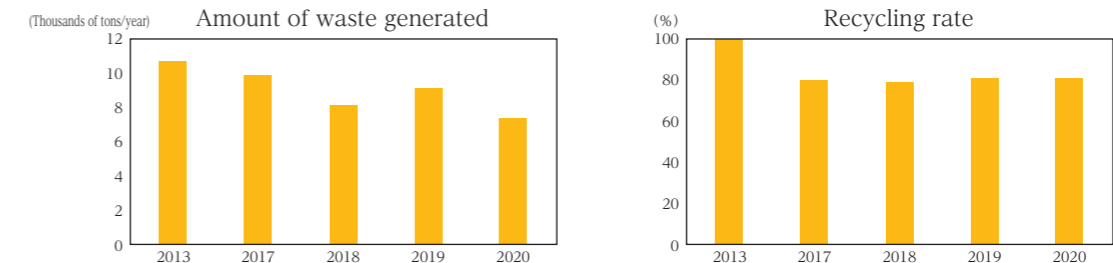


Effective use of industrial waste

The Group has set the following targets for industrial waste in its Environmental Vision 2033. We will achieve zero final disposal (landfill disposal) of industrial waste by recycling it. (Target fiscal year: 2033)

- Amount of industrial waste: 30% reduction (compared to 2013)
- Recycling rate: 100%

We are making progress in reducing the amount of industrial waste generated toward the target.



Development of environmentally harmonized products and technology

Under Environmental Vision 2033, we evaluate products and technologies supplied by the Group by classifying them into three categories (Excellent: environmentally harmonized, Good: environmentally conscious, Acceptable: standard). And we strive to make all the products and technologies supplied by the Group to be classified into the category of “Excellent: environmentally harmonized” by 2033.

Initiatives for Establishing a Sound Material-Cycle Society

As an obligation of the manufacturer in accordance with Basic Act on Establishing a Sound Material-Cycle Society, the Law for the Promotion of Effective Resources and the Green Purchasing Law, we take necessary measures to reduce the waste etc. produced from raw materials etc. in carrying out business activities. If raw materials etc. can be Circulative Resources in the business activities, we ourselves take necessary measures in order that they are cyclically reused properly. We ourselves also promote the formation of a recycling society by using recycled materials etc., and cooperate with the measures for establishing a sound material-cycle society, implemented by national or local public authorities.

Carbon Disclosure Project (CDP)'s climate change questionnaire

Since 2016, we have been responding to CDP's climate change questionnaire and disclose initiatives for climate change to institutional investors etc. In 2021, we received a score of C, the same as last year, and we will identify increasing environmental risks and new opportunities and reflect them in our management strategies.



Registration for the participation in the Environmental Reporting Platform Development Pilot Project (Ministry of the Environment)

In order to facilitate ESG (environment, society and governance) investment to our company, we registered IR library, CSR report, environmental report and report on corporate governance on the Ministry of the Environment's Environmental Information Disclosure Infrastructure Development Project

We started dialogues with investors etc. through “ESG Dialogue Platform”.

CSR Rating of TODA KOGYO Group by a third party rating organization, EcoVadis SAS

In the Group, CSR, Environment Group of the Corporate Planning Department, CSR Committee and Environment Committee primarily promote CSR activities.

Our CSR activities are rated by a third party rating organization, EcoVadis SAS. The EcoVadis Rating covers four themes; Environment, Labour & Human Rights, Ethics and Sustainable Procurement. The ratings on twenty one issues that belong to the four themes, respectively, are done in accordance with international CSR standards such as the principles of the United Nations Global Compact, the agreements of the International Labour Organization (ILO), the Global Reporting Initiative (GRI) standards, ISO 26000 and Coalition for Environmentally Responsible Economies (CERES) principles. Our CSR activities in 2021 were awarded the BRONZE Medal.



Environment and Safety

Sustainable Procurement

Policy

TODA KOGYO Group shares global values with respect to human rights, labour, environment, and anti-corruption stipulated by the United Nations Global Compact and follows Procurement Policy, Guidelines, and Basic Policy concerning Conflict Minerals (disclosed on our website). We also improve our business competitiveness and corporate value by enhancing sustainability with business partners, and aim to contribute to society.

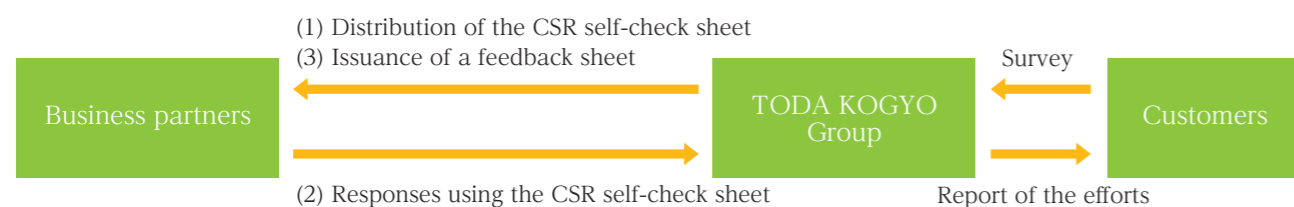
[Guidelines]

1. Compliance with laws and regulations: In all activities related to procurement we comply with laws and regulations and conduct fair transactions.
2. CSR: In addition to recognizing the responsibility as better citizens and doing our CSR activities, we collaborate with business partners who share similar ambitions and fulfill our social contribution.
3. Green procurement: We conduct purchase transactions, in accordance with the procurement policies that consider resource conservation and environmental conservation.
4. Fair and impartial transactions: We widely open the trading market and conduct purchase transactions, based on impartial and fair standards both domestically and abroad.
5. Selection of business partners: We comprehensively evaluate quality, price, delivery time, etc. presented by business partners. Considering the promotion of cost reduction activities, the possibility of providing new materials and new technologies, etc., we make selection based on economic rationality.
6. Regarding purchase transactions, we always focus on solidity and do not conduct speculative transactions.
7. We strictly manage documents and information provided in purchase transactions.

CSR Procurement

According to our internal purchasing regulations, it is obligated to implement business partner surveys. We ask our major business partners to respond to our CSR self-check sheet (in Japanese, English and Chinese) regarding various aspects such as quality assurance, supply capability, BCP/BCM, environmental conservation, human rights, compliance with laws and regulations, and social contribution and we issue feedback sheets for them. We ask our major business partners to implement this every year to implement improvements in CSR through the application of the PDCA cycle.

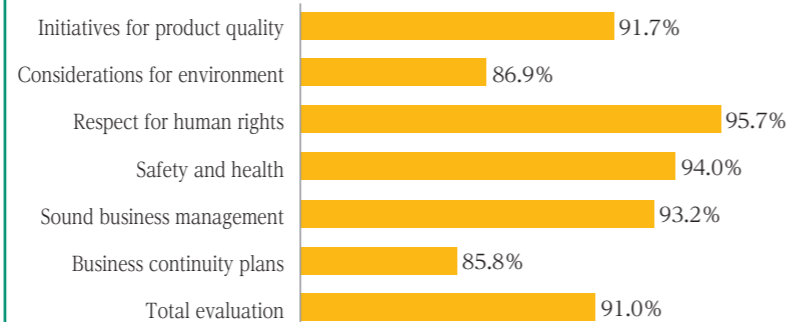
We promote sustainable procurement in cooperation with everyone in the supply chain.



Operational results of the CSR self-check sheet in fiscal 2020

Number of issues	79
Number of answers	75
Response rate	95%

Results of the CSR self-check answered by the suppliers (Target achievement rate against requirements)



Green Procurement

Designated procurement items under Act on Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities (also known as the Green Purchasing Act) started from 101 items in 14 fields in fiscal 2001 and increased to 275 items in 21 fields in fiscal 2018 (Cabinet decision in February 2018). With referring to the “Public Procurement Guidelines for Green Purchasing (February 2018)” published by Japanese Ministry of the Environment, and by means of taking into account chemical substance management, energy saving, resource saving, recycling, packaging materials, ease of regeneration / disassembly / treatment, impact on ecosystem, etc., we procure products and services which are considered to reduce the environmental load.

【Covered items】

paper, stationery, home appliances, office equipment, water heaters, lighting, working clothes, air conditioners and fire extinguishers

Reference environmental labels etc.



Security Export Control

The Group has established the internal Security Export Control Regulations, and declares not only to comply with laws and regulations but also to contribute to maintain international peace and security.

In order to prevent weapons and military-transferable cargo / technology from going to countries or terrorists that threaten the security of the international community, the Group conducts export controls in good faith based on Foreign Exchange and Foreign Trade Act and other applicable international and foreign laws and regulations when exporting and providing our products, our technical information, etc.

Inquiries concerning security export control

For inquiries concerning security export control of our products or related technology, please contact our technical / sales representative who is convenient.

[System of Security Export Control]



Occupational Safety and Health (Safety and Health Activities)

For the purpose of unifying the activities on occupational safety and health in the entire group, TODA KOGYO Group promotes the development of a safe and secure workplace environment and human resources to ensure that employees can continue to work safely and securely.

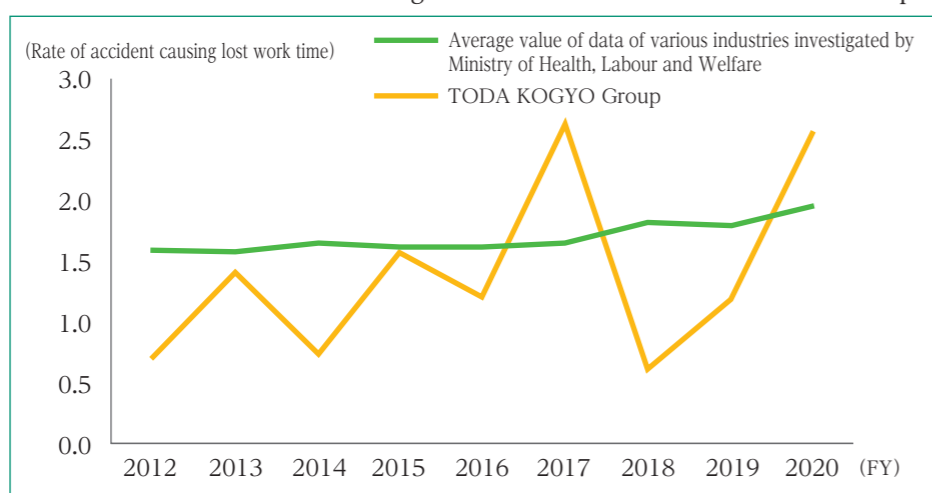
In order to share and emphasize safety and health initiatives throughout the Group, we have established the Central Summarizing Safety and Health Committee, which oversees the safety and health organizations at each business site, and from the Central Summarizing Safety and Health Committee, safety and health initiatives are deployed to safety and health committees at each plant.

Data on industrial accident

In fiscal 2020, four occupational accidents (one day or more of lost work time) occurred in the entire Group.

Among these accidents, in August 2020, a forklift truck fell over and struck an employee of a subcontracting company at the Onoda Plant, resulting in a serious accident. In order to prevent such an accident from occurring again in the future, we have declared a state of emergency at both Onoda and Otake plants, and thoroughly implemented measures based on the three principles of safety (tidiness and orderliness, inspection and maintenance, and work standards). Although the emergency declaration was lifted at the end of fiscal 2020, we will continue these efforts in fiscal 2021 and beyond.

Trend of rate of accident causing lost work time in TODA KOGYO Group



*Rate of accident causing lost work time: This means the number of casualties caused by industrial accidents per 1 million actual working hours, and expresses the frequency of industrial accidents.

Safety Activities

The Onoda and Otake plants hold a Safety Convention every year to raise safety awareness and provide a forum for reviewing and setting goals for the current fiscal year by reconfirming the occurrence of accidents in the previous fiscal year.

Furthermore, we set up safety and health education for young employees, understanding and studying measures for heavy-duty work, and measures against heat stroke as our priority activities for fiscal 2020.



Scene from a Safety Convention in Onoda Plant



Scene from a Safety Convention in Otake Plant

Safety and health education for young workers → Every year for the first three years of employment (together with safety education for new employees, a total of four times in three years)

Concentrated safety and health education for young workers started in fiscal 2020. By providing unskilled workers with practical training in risk assessment in actual processes, we provided an opportunity for them to learn how to improve their individual risk sensitivity and the necessity of information sharing (reporting, communication, and consultation).

Assessment of and countermeasures for heavy manual work

At each production site of the Onoda, Otake, and Okayama plants, heavy manual work was assessed and priority workplaces were selected. The secretariat of the Central Summarizing Safety and Health Committee and the safety and health managers and staff at each site provide direct on-site support to these priority workplaces, so that improvement plans can be made and implemented from a variety of perspectives and positions.

Heat stroke countermeasures

Every year, the Group supports the Combat Heatstroke at Work Campaign of the Ministry of Health, Labor and Welfare, and promotes its activities. In fiscal 2020, we clarified and disseminated the rule of wearing masks and heat stroke as an action to prevent heat stroke under the new normal. We were able to prevent the occurrence of occupational accidents due to heat stroke in fiscal 2020 through these activities.

Holding of various types of courses and seminars

In addition to the priority activities of the entire Group, the Group implements courses focusing on priority themes set for each work site from time to time; such as a course on danger prevention training, a course on noise pollution prevention training, special training for low-voltage electricity handling operations, a course on the GHS (Globally Harmonized System) and preparation methods of labeling & SDS (Safety Data Sheet), and first-aid training. Through these activities, the Group strives to disseminate the correct recognition on safety and health for the Group employees.



Course on heat stroke



First-aid training

Emergency response drills

Because we handle inflammables such as heavy oil, kerosene, LPG and hydrogen gas in large quantities at each worksite, we recognize that there are risks of fire, explosion and pollution due to outflow of chemical substances.

In order to prevent the development of these potential risks, we carry out daily and periodic inspections and improve our safety system. Emergency response drills are held every year at worksites for facilities that could have a significant environmental impact in the event of a disaster. Conducting drills for evacuation, rescue, firefighting, etc., assuming personnel damage, fire occurrence, and damage to buildings and equipment due to an earthquake, etc., we make efforts to be able to respond more properly. In fiscal 2020, for the first time, we conducted a desktop exercises (comprehensive fire and disaster prevention drill) at the Otake Plant, in which we simulated the response from the occurrence of an earthquake to the securing of human safety, gathering information, making decisions, and communicating instructions.



Comprehensive fire and disaster prevention drill



Fire drill



Emergency (chemical substance leak) response drill



TODA KOGYO Group engages in various forms of community exchange and contribution activities. In fiscal 2020, due to the effects of the coronavirus, although we were unable to conduct our annual environmental beautification activities, we will continue to deepen our relationship with the local community through various activities.

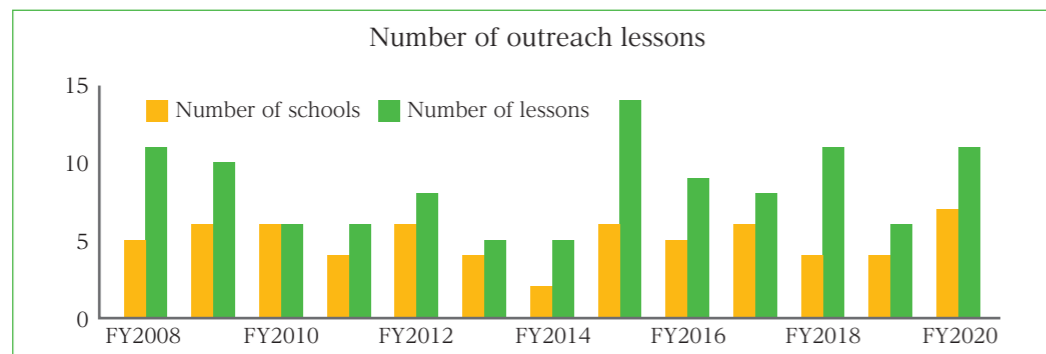
Community exchange

Outreach Science Lessons

Since fiscal 2008, TODA KOGYO has implemented outreach science lessons and events for elementary and middle school pupils in Hiroshima and Yamaguchi prefectures. In fiscal 2020, we were able to conduct the classes at five elementary schools and two junior high schools under coronavirus countermeasure at the schools. In the elementary schools, the theme of study was permanent magnets and electromagnets, and the children were able to experience the function of permanent magnets and electromagnets by experimenting with various types of permanent magnets and making hand-made motors using a combination of permanent magnets and electromagnets, and also learn that products using magnets are useful in their daily lives. As a result of these activities, we hope that more children will be interested in science and will become the bearers of science and technology in Japan in the future.



(Scenes from outreach science lessons, courtesy of the Japan Institute of Invention and Innovation Hiroshima Branch and Akasaki Elementary School in Sanyo-Onoda City)

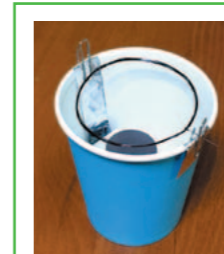


The 4th Meeting of Elementary, Junior High and High School Students with Leading Researchers

On March 27, 2021, while taking measures against the coronavirus, the Ohsumi Frontier Science Foundation held the 4th Meeting of Elementary, Junior High and High School Students with Leading Researchers* at the Hiroshima Children's Museum, and we participated as a sponsor. The event featured special lectures by Dr. Yoshinori Ohsumi, winner of the Nobel Prize in Physiology or Medicine, and Dr. Mitsuo Ochi, President of Hiroshima University, as well as 14 hands-on science booths, one of which was on the theme of making a simple homemade motor. At our booth, about 90 children and their parents were able to experience the fun of science through motor making.



Lecture by Dr. Yoshinori Ohsumi (Courtesy of the Ohsumi Frontier Science Foundation)



Handmade motor (A coil is placed on top of a paper cup filled with magnets and dry cell batteries. It is possible to observe how the motor rotates.)



Activities at the booth

The Ohsumi Frontier Science Foundation was established by Professor Yoshinori Ohsumi of the Tokyo Institute of Technology, winner of the 2016 Nobel Prize in Physiology or Medicine, to provide elementary, junior high and high school students with the opportunity to experience cutting-edge science and interact directly with researchers who are actually conducting the research. This event is held in the hope that as many people as possible will develop an interest in natural science and want to become researchers in the future, and although the fourth event was originally scheduled for March 2020, it was postponed for one year due to the spread of the coronavirus.

Career education for junior high school students

On December 2, 2020, we gave a lecture on occupations to the third grade students of Sotoku Junior High School. In order to foster a sense of career and work ethic in the students, we introduced them to the different types of jobs in the manufacturing industry, the appeal and satisfaction of work, and the mindset of a business person.

We will continue to be actively involved in career education for young people so that more people can be involved in manufacturing companies.

Comments from students who listened to the lecture (from a questionnaire provided by Soutoku Junior High School)

- I was surprised to hear that there are many hardships involved in developing a new product, and it normally takes five years at the earliest and ten years to commercialize a new product and that it is much harder than expected.
- When I heard that only about one out of every ten research and development themes becomes a new product, and that other companies will soon enter the market and compete with each other, I realized that life is not so easy.
- I thought it was great that they were thinking about the future when they worked, even though I could only concentrate on the immediate future.
- By listening to what is important in the future, it became easier for me to set goals and understand what I should do.
- I was impressed when they were talking about how it's okay to make mistakes, but not to repeat the same mistakes afterwards.
- When I heard that good products can be made by repeating failures many times, I thought that manufacturing would be fun.



Scene of the lecture (courtesy of Sotoku Junior High School)

Sponsorship Activities

Green Greetings Project

TODA KOGYO Group is supporting the Green Greetings Project, which aims to let as many people as possible know about the existence of trees that were exposed to the atomic bomb in 1945, and to preserve them for future generations.

As part of the project activities, our employees and their families participated in a tour of A-bombed trees held in November 2020. The participants toured the A-bombed trees around Hiroshima Station with arborist Dr. Chikara Horiguchi providing explanations, and were reminded of the vitality of A-bombed trees that survived the atomic bombing and the preciousness of peace.



Tour of A-bombed trees (with Dr. Horiguchi, an arborist)



Green Greetings Project 2021 poster



Kids Safety Map of Otake City

Kids Safety Map of Otake City

The Kids Safety Map of Otake City, which is produced by Zenrin Co., Ltd. for the purpose of crime prevention, disaster prevention, and traffic safety for children in the community, was updated. Our company, which has a business office in Otake City, sponsored the event in the hope that it would help children feel safe and secure.

This map, which includes evacuation sites in case of disasters and dangerous traffic areas, is distributed to elementary and junior high schools in Otake City.



Map (around Kuba Station)

Flower planters for the four seasons in Hiroshima City

The city of Hiroshima, which aims to be a beautiful city full of flowers, greenery and music, is planting seasonal flowers in planters to decorate the city. We also support these efforts, and a sponsorship plate was placed on a planter on the Hiroshima Ekimae-ohashi Bridge near our head office.



Hiroshima Ekimae-ohashi Bridge

Respect for human rights

Regarding the originality and the diversity of each employee as property, the Group supports unlimited leap and activity of its capabilities, and evaluate fairly. We also endeavor to enhance employee's comfort and affluence and aim to live together.

Basic policy

The Group seeks always to respect fundamental human rights which are premises of mutual understanding. The Group also does not discriminate on the basis of race, creed, gender, social status, citizenship, sickness, handicaps and any other unjustifiable reasons.

Concrete code of conduct

- (1) Elimination of all discrimination

Executives and employees must respect the fundamental human rights of individuals and must not engage in any actions that ignore human rights such as discriminatory language, violence, sexual harassment, and power harassment.
- (2) Protection of personal privacy

When contacting personal information inside and outside the company for business activities, executives and employees must pay close attention in their handling of this information in order that the personal privacy will not be infringed, and must exercise the proper management control over it.
- (3) Elimination of improper labour practices

Executives and employees must eliminate improper labour practices. Moreover, they must not employ children under the legal working age of the country or region concerned. Executives and employees must also impose the same conditions as conditions within the Group, on its sales outlets and subcontracting companies.

Enhancement of Company Internal Rules

We have established internal rules such as Harassment prevention regulations, Regulations concerning protection of personal information, Regulations for childcare and nursing care leave, Regulations concerning leave due to personal illness and return to work, Stress check system implementation regulations, Compliance promotion regulations, Compliance consultation system in order to strive to respect human rights throughout our Group.

Consultation System

By setting up a consultation counter for harassment consultation / complaints in the Personal & General Affairs Department and an external law firm, we take appropriate measures in accordance with our internal harassment prevention regulations.

Efforts concerning Respect for Human Rights

- (1) Activities on recruitment of foreign nationals

We conduct promotion of employment of foreign nationals in our company. Currently, we employ four foreign nationals as regular employees. Since fiscal 2019, we started to participate in activities organized by Hiroshima Prefecture, to encourage science and engineering students from foreign countries to find employment at companies in the prefecture. We are promoting the recruitment of talented human resources from Asia and other regions.
- (2) Training support for overseas subsidiary staff

In order to raise the career of the local manager (foreign nationality) of the overseas subsidiary, TODA KOGYO has conducted educational support since fiscal 2017.
- (3) Education for expatriates

For Japanese employees assigned to overseas subsidiaries, we conduct various training (basics of cross-cultural business etc.) for smooth company management.

Training (Education) Systems

New Recruit Training

Among various education systems, TODA KOGYO especially puts effort into the training for new recruits.

All recruits (technical and clerical recruits) work on the same training program together.

Introductory training (April)

The training is intended to switch the trainees from students to members of society in terms of rhythm of life and mind, and it is also intended to learn the basics as office workers.

- Training at Zen-temple (Switching from students to members of society in terms of mind and rhythm of life which is to be done together with new recruits of other companies)
- Business training (Starting with manners training, the recruits master the basics of office workers with good spirit and technique.)
- In-company training (Lecture on company organization and products, learning about the company system and rules, plant tours, etc.)

Workplace training (4 months from May to August)

The training is intended to understand the company culture and the workplace atmosphere by on-the-job experiences for a long period, and it is also intended to contact directly with senior employees etc.

After learning the basics of *Monozukuri*, R&D and marketing activities in production departments, research & development departments and sales departments, the recruits acquire professional knowledge on the job.

Decision of official assignments (September)

Assignments are decided in consideration of each recruit's wishes, aptitude and needs in the company. After that, the recruits gain a variety of experiences according to in-company job rotation.

On-the-Job Training (OJT)

Enhancement of OJT system for new recruits (Training plans for trainee, and implementations of training for OJT trainers), implementations of safety and health / quality control educations, dispatches to domestic universities / research institutes, etc.



New recruit training: Training at Zen-temple

Off-the-Job Training

Stratified training, priority issue training, job-classified training, mental health training, training for overseas assigned personnel, etc.

Self-development

Providing support to the correspondence self-education system (Individuals can optionally select courses. If they graduate with outstanding results, they are exempted from paying tuition fees.)

Interview with employees

We interviewed young employees, mid-career employees, and employees posted overseas about their daily work and the atmosphere of the workplace.

CS Promotion Group, CS Promotion Department, Sales Division (Otake)

Eri Agawa



I have been working in the CS Promotion Department of the Sales Division for more than three years now, and I am in charge of receiving orders from customers and delivery operations related to imports and exports.

As the person in charge, I have many opportunities to communicate directly with customers and coordinate with sales, manufacturing, and other internal departments. I always keep in mind that I need to communicate well on a regular basis in order to carry out my work smoothly. In addition, I learned basic delivery operations in Tokyo for two years after joining the company, and was later transferred to Otake, our manufacturing base, where I was able to work more closely with the people in charge of manufacturing, quality assurance, and shipping, enabling me to make internal adjustments more smoothly.

Because there are times when I receive urgent calls from customers, I will continue to consult with the people around me and work on my daily work so that I can acquire the ability to respond quickly and grasp the situation.

Corporate Planning Department, Accounting & Information System Department, Information System Group

Naoki Nishi

I joined the company as a mid-career employee, and this year marks my fourth year. In my previous job, I was involved in system development at an IT company. Since joining our company, I have been involved in the operation and implementation of various information systems within the company, and I am handling a wider range of projects than before. There are some projects that I don't have much experience in, but because my co-workers are friendly and helpful, we are able to proceed with them in cooperation with our vendors. There is a lot of work to be done, but our company offers a good work-life balance and I am able to work positively.



The use of information systems and tools in business has become commonplace, and if we use those that lead to greater efficiency, it is possible to reduce costs and make more effective use of our labour. In our company, we have not yet been able to achieve sufficient efficiency, so I hope that we can improve each employee's interest in IT and literacy more than ever before. By improving their understanding of IT, I would like to be able to derive and use better ways of improvement.

Toda Kogyo Europe GmbH

Tomonori Takamatsu



▶ Please tell us about Toda Kogyo Europe GmbH (TKE).

TKE has an office in Duesseldorf, Germany, with a total of four employees: three Japanese female employees and myself. Although TKE has been an office with only Japanese people for the past three years, the female employees have been in Germany longer than I have, and they are very reliable in providing information and helping us with problems in our daily lives as well as at work. In terms of the business we are engaged in there, we sell the TODA KOGYO Group's products throughout the European market. We started in 1994 as TODA KOGYO's first overseas office and have been in business for 28 years. At the time of its establishment, the company's main business was the sale of magnetic recording materials for video and audio tapes. Currently, our main business is the sale of magnetic materials for various sensors and motors for the automobile-related market in Germany and the EU.

▶ I understand that Europe was also greatly impacted by coronavirus. What changes have you seen in your work and life as a result?

The rules for coming to work have been drastically changed. From July 2020, employees have been required to come to work once a week in principle, and shifts have been arranged so that employees do not have to work at the same time as each other. We have also created a manual for initial response procedures in case of an infected person. In Germany, regulations change frequently, so I always try to share local information with TKE members so that we can always have the latest information. Although information from the news is important, information that we get from the local network is much fresher, so information from the local community that members tell us about is very useful for us.

Germany has had several lockdowns, and the lockdown that lasted from December 2020 to March 2021 coincided with the Christmas season, making for a long, dark winter. At one point, restaurants and clothing stores were closed, and only the bare necessities such as supermarkets and drugstores were open. However, flower stores were open, which I thought was typical of Germany's love for flowers.

▶ Has the way you interact with your customers changed?

Before the coronavirus, we used to participate in exhibitions throughout Europe and actively meet with potential customers, but under the coronavirus, we mainly meet with customers via the Internet. While each company holds web seminars on their products and businesses, because we cannot talk to each customer individually at the seminars, it is difficult to lead to interviews. Accordingly, we are constantly looking for ways to effectively promote our products online as well. We used to have dinner with Japanese people we met at exhibitions afterwards, and I'm looking forward to the day when we can do that again without worrying about each other.

▶ What would you like to do after the coronavirus situation is under control?

I would like to reevaluate the systems that were temporarily changed under coronavirus, and continue to adopt the ones that were good after the situation is under control. Some of our employees still have small children, so I think it is good that the coronavirus pandemic has increased family time. I hope that they will cherish the time they have with their families.

In order to respect the ease of work for our employees, we would like to continue to restructure our systems and review our business processes in order to improve the efficiency of our operations. Also, as regulations are being eased, we would like to expand our relationships with Japanese people from other companies and local residents living in the area. There is also a Japanese association in Duesseldorf, and although the postponement of events due to the coronavirus pandemic has been unavoidable, we hope to resume the events and build new relationships.

Support for the development of the next generation / activities on promotion of women's participation and advancement

Based on the provisions of the Act on Advancement of Measures to Support Raising Next-Generation Children and the Act on Promotion of Women's Participation and Advancement in the Workplace, TODA KOGYO has formulated the following action plans concerning the development of the next generation training and promotion of women's participation and advancement, and we are promoting activities according to these plans.

Action plans for supporting the development of the next generation (5 years from April 1, 2021 to March 31, 2026)

	Goal	Measures to achieve the goal	Result for fiscal 2020
1	Raise awareness of childcare in the workplace, and increase the number of employees taking childcare leave during the plan period as follows. Male employees: At least one of the eligible employees will take childcare leave Female employees: Maintain 100% of eligible employees taking childcare leave and 100% of employees returning to work	<ul style="list-style-type: none"> Create an environment in which it is easy to take childcare leave. Regularly inform employees about various systems related to childbirth and childcare via the intranet. Prepare internal documents on childbirth and childcare, and distribute them to both male and female employees. 	Maintain a 100% rate of female employees taking childcare leave and a 100% return-to-work rate. (Same target for the period April 1, 2016 to March 31, 2021)
2	Create an environment for diverse and flexible work styles (promote telecommuting, telework, and other location-independent work styles).	<ul style="list-style-type: none"> Establish a system for telecommuting and telework, and create an environment for their smooth operation. 	
3	Encourage children to experience the fun of science and chemistry.	<ul style="list-style-type: none"> Promote understanding of science and chemistry through participation in events for elementary, junior high, and high school students. Cooperate in school education (outreach lessons, etc.) for elementary school students. 	<ul style="list-style-type: none"> Number of exhibits at science and chemistry events: 1 Number of schools conducting outreach science lessons: 7 schools (11 times) (Same target for the period April 1, 2016 to March 31, 2021)

Action plans for promotion of women's participation and advancement (5 years from April 1, 2021 to March 31, 2026)

Goal

- To address the issue of the low ratio of female employees in terms of the number of employees, the number of people hired, and the number of people in management positions, we will aim to increase the ratio of female employees to new graduate recruits to 30% or more (cumulative total) during the plan period.
- Maintain overtime hours for all employees within an average of 10 hours per month.

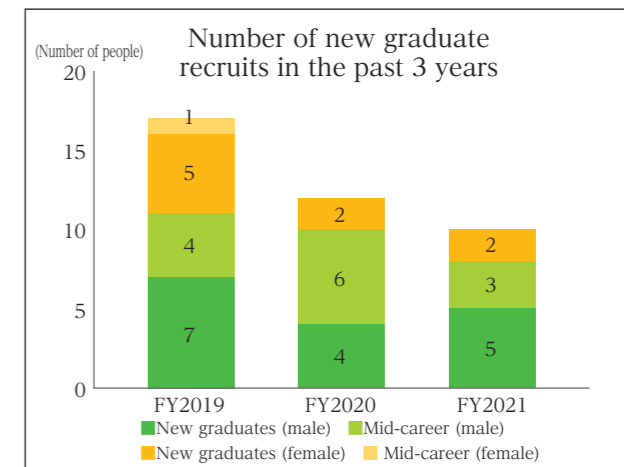
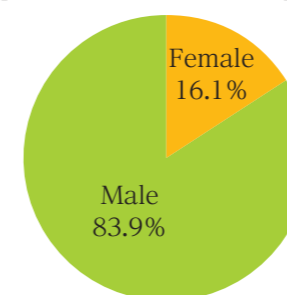
Measures to achieve the goal

- Actively publicize the fact that the company is a workplace where women can play an active role by disclosing information such as the percentage of employees taking childcare leave in recruitment media and introducing female employees who are actively involved in the company.
 - Develop workplaces where women can advance, and improve the necessary environment.
 - Provide career education for female employees.
- Promote a no overtime day to raise awareness of the importance of not working overtime.

Results All data are as of March 31, 2021 / Results for fiscal 2020 (Number of new graduate recruits includes a result for fiscal 2021.)

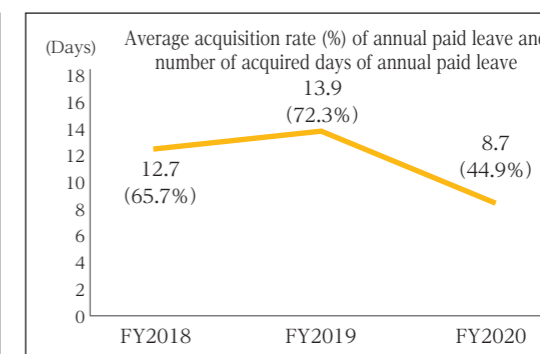
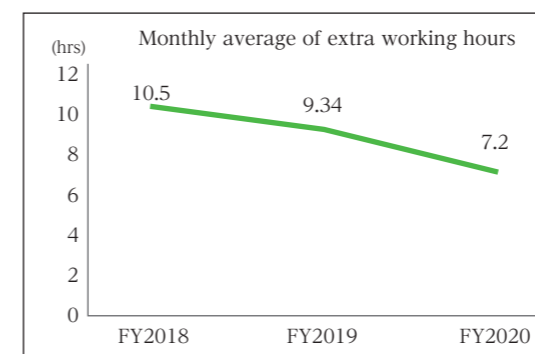
(1) Recruitment

Proportion of female in employees



(2) Continued employment and work style reforms

	Male	Female	Average
Average number of years of continuous service	23.0	11.8	21.3
Average age	49.3	38.5	47.7



*As a special factor in fiscal 2020, the rate of annual paid leave usage is lower than usual due to the implementation of temporary layoffs.

	Male	Female
Number of people eligible for childcare leave	2	3
Number of acquirers	0	3
Acquisition rate (%)	0%	100%

*Acquisition rate of female maintains 100% over the past ten years.

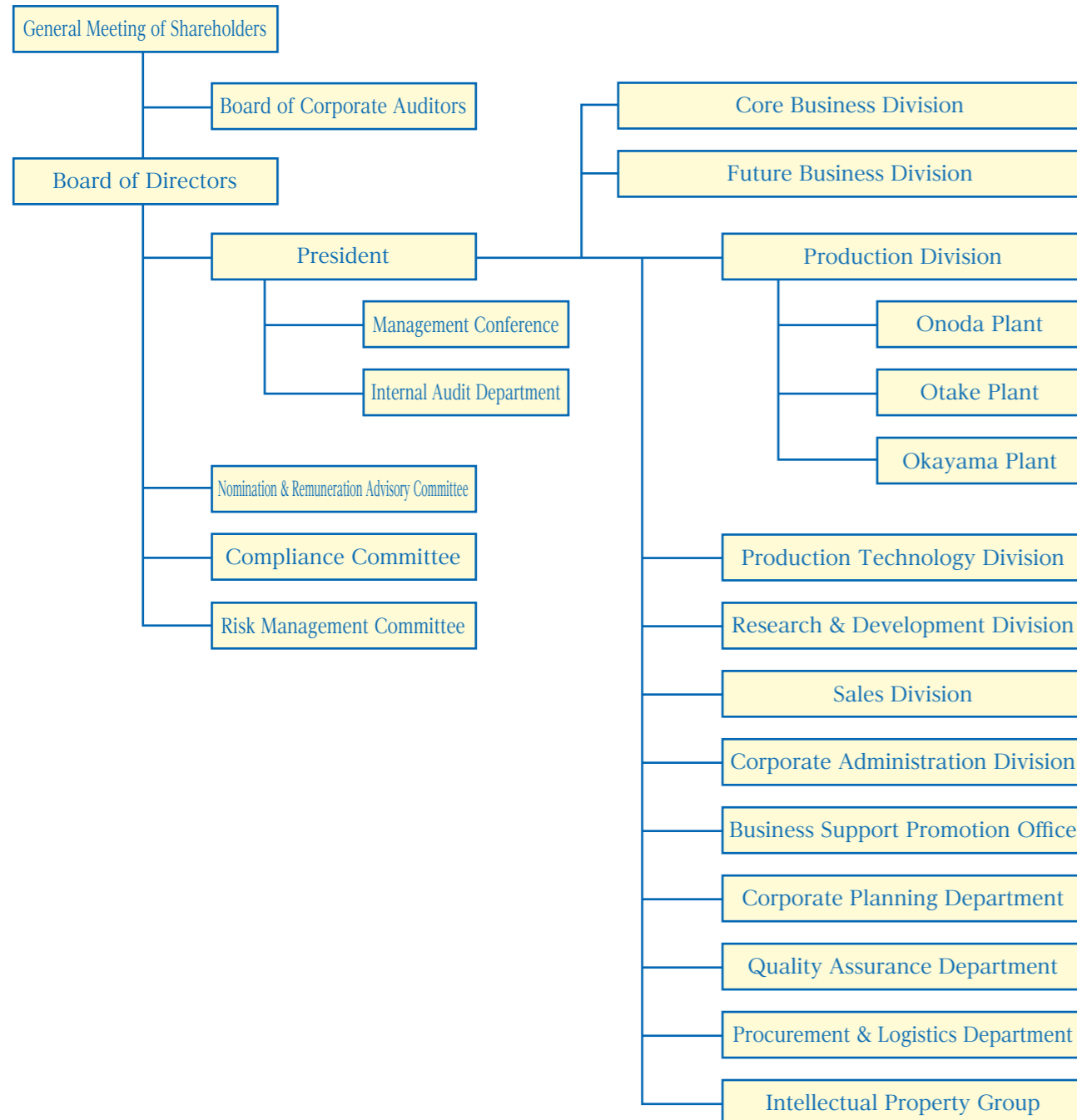
(3) Evaluation and promotion

	FY2018	FY2019	FY2020
Percentage of female workers in assistant manager positions	10.8%	11.8%	11.8%
Percentage of female workers in management positions	2.4%	2.7%	2.7%
Percentage of female in executive positions	0%	0%	0%

Company Data

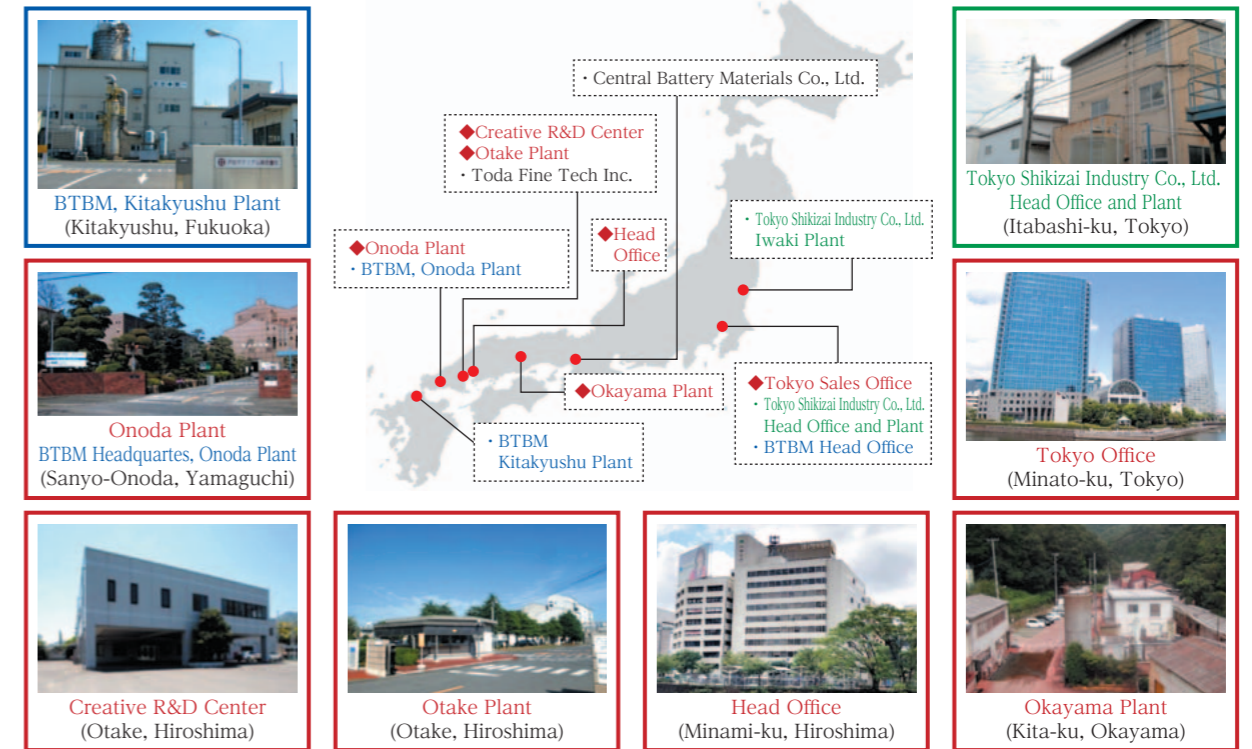
- Name of company : TODA KOGYO CORP.
- Head office : 1-23 Kyobashi-cho, Minami-ku, Hiroshima, 732-0828 Japan
- Founded : 1823
- Incorporated : November 30, 1933
- Capital : 7,477 million yen
- Number of employees : 348 (stand-alone), 1,208 (consolidated) *As of March 31, 2021

Organization Chart



Offices and Affiliate Companies

Japan



*BTBM = BASF TODA Battery Materials LLC.

Overseas





TODA KOGYO Group supports local sports and culture!



TODA KOGYO CORP.

Contact information for inquiries related to this Report:
Corporate Planning Department CSR, Environmental Group
Otake Plant: 1-4 Meijishingai, Otake, Hiroshima 739-0652, Japan
TEL : +81-827-57-6129

Published in December 2021

