

# Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2025 (Based on Japanese GAAP)

May 15, 2025

Company name: TODA KOGYO CORP.  
 Stock exchange listing: Tokyo  
 Stock code: 4100 URL <https://www.todakogyo.co.jp>  
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 Scheduled date of ordinary general meeting of shareholders: June 26, 2025  
 Scheduled date to file Securities Report: June 25, 2025  
 Scheduled date to commence dividend payments: —  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

#### (1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2025	31,667	20.7	(648)	—	(1,411)	—	(3,563)	—
Year ended March 31, 2024	26,234	(24.9)	117	(91.4)	1,168	(65.1)	(3,581)	—

Note: Comprehensive income Year ended March 31, 2025: ¥(2,776) million [—%]  
 Year ended March 31, 2024: ¥(1,866) million [—%]

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2025	(616.44)	—	(28.6)	(2.7)	(2.0)
Year ended March 31, 2024	(620.00)	—	(24.1)	2.2	0.4

Reference: Share of profit of entities accounted for using equity method  
 Year ended March 31, 2025: ¥(427) million  
 Year ended March 31, 2024: ¥673 million

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	50,672	11,777	21.7	1,904.96
As of March 31, 2024	53,714	14,525	25.8	2,399.20

Reference: Equity  
 As of March 31, 2025: ¥11,013 million  
 As of March 31, 2024: ¥13,860 million

## (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2025	3,820	(1,890)	(2,131)	7,837
Year ended March 31, 2024	(645)	(1,429)	1,184	7,943

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2024	—	0.00	—	0.00	0.00	—	—	—
Year ended March 31, 2025	—	0.00	—	0.00	0.00	—	—	—
Year ending March 31, 2026 (Forecast)	—	0.00	—	0.00	0.00		—	

## 3. Forecast of consolidated financial results for the year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025	14,000	(3.5)	300	—	0	—	(300)	—	(51.90)
Full year	29,000	(8.4)	900	—	600	—	200	—	34.60

## \* Notes

(1) Significant changes in the scope of consolidation during the year ended March 31, 2025 No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2025	6,099,192 shares	As of March 31, 2024	6,099,192 shares
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Number of treasury shares at the end of the period

As of March 31, 2025	317,912 shares	As of March 31, 2024	321,945 shares
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Average number of shares during the period

Year ended March 31, 2025	5,780,084 shares	Year ended March 31, 2024	5,775,881 shares
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[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2025	15,714	1.8	(669)	—	(1,130)	—	(2,987)	—
Year ended March 31, 2024	15,431	(7.2)	(1,552)	—	(75)	—	(5,228)	—

	Earnings per share	Diluted earnings per share
	Yen	Yen
Year ended March 31, 2025	(516.79)	—
Year ended March 31, 2024	(905.30)	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	34,478	3,035	8.5	505.32
As of March 31, 2024	37,350	5,910	15.6	1,006.11

Reference: Equity

As of March 31, 2025: ¥2,921 million

As of March 31, 2024: ¥5,812 million

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

\* Proper use of earnings forecasts, and other special matters

(Caution regarding forward-looking statements and others)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors. Please refer to the section of “(4) Future Outlook” of “1. Summary of Operating Results, Etc.” on page 3 of Attached Material for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

(Method of accessing supplementary material on financial results)

Supplementary material on financial results will be posted on the Company’s website on June 3, 2025.

## Attached Material

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# 1. Summary of Operating Results, Etc.

## (1) Summary of Operating Results for Fiscal Year Under Review

In the business environment surrounding the TODA KOGYO Group (the “Group”) during the fiscal year ended March 31, 2025 (the “fiscal year under review”), there was a moderate recovery trend in the economy due to factors that include the improvement in the employment and income environment. On the other hand, the outlook remains uncertain due to such factors as rising interest rates caused by changes in monetary policy, concerns about the future of the Chinese economy, prolonged geopolitical risks such as the situation in Russia and Ukraine and the Middle East, and downside risks to the global economy associated with trade policies originating in the United States.

Under these circumstances, to achieve the vision of the Group for fiscal 2030 (fiscal year ending March 31, 2031), set out in its materialities, the Group has formulated a medium-term management plan, Vision2026, covering the period from fiscal 2024 (fiscal year ended March 31, 2025) to fiscal 2026 (fiscal year ending March 31, 2027). We are working to strengthen our business portfolio management to achieve the KPIs set forth in Vision2026. As major initiatives during the fiscal year under review, we invested management resources in magnet materials and dielectric materials, which are positioned as growth businesses in Vision2026, for further business expansion. On the other hand, the Company decided to dissolve and liquidate Toda Advanced Materials Inc. (“TAM”), a major producer of LIB precursor materials, which was positioned as a revitalization/reorganization business in Vision2026, due to the slowdown in the growth of the EV market and the fact that existing products are entering the decline phase in their product life cycle. In addition, we have been promoting rationalization activities such as product pricing optimization action, cost reductions, and overhead cost reductions for coloring pigments and toner materials, which are also positioned as a revitalization/reorganization business.

As a result of the above, net sales came to ¥31,667 million (up 20.7% year on year), operating loss came to ¥648 million (compared with operating profit of ¥117 million in the previous fiscal year), ordinary loss came to ¥1,411 million (compared with ordinary profit of ¥1,168 million in the previous fiscal year), and loss attributable to owners of parent came to ¥3,563 million (compared to loss attributable to owners of parent of ¥3,581 million in the previous fiscal year).

The status of each segment is as follows.

### *Functional pigments*

Demand for materials for catalysts, which are positioned as a revenue base business in Vision2026, was strong and sales grew compared to the previous year. On the other hand, due to the larger-than-expected decrease in demand mainly for toner materials, net sales were ¥8,071 million, a decline of 0.7% year on year. Segment profit increased 20.5% year on year to ¥1,009 million due to the further promotion of product pricing optimization action, cost reductions, and overhead cost reduction activities to improve profitability from the second half of the fiscal year.

### *Electronic materials*

Sales of magnet materials and dielectric materials increased from the previous fiscal year due to strong demand and the contribution of management resources that have been invested for some time toward business expansion. In addition, for soft magnetic materials, which are positioned as a next generation business in Vision2026, net sales were ¥24,121 million, an increase of 29.9% year on year, due to solid financial results for TODA materials Inc. (the company name was changed from TODA ISU CORPORATION on January 1, 2025), which was converted into a consolidated subsidiary. However, segment profit declined 52.7% from the previous year to ¥1,212 million due to the significant impact of a sharp drop in orders for TAM, resulting from a slowdown in growth in the electric vehicle (EV) market.

The impact of the deterioration in TAM’s performance on segment profit is negative ¥1,370 million.

For non-operating income and expenses, revenues from associates accounted for using the equity method declined due to the sluggish EV demand. In addition, foreign exchange losses were recorded due to the revaluation of foreign currency-denominated assets and liabilities. In extraordinary income and losses, impairment losses were recorded on business assets and assets for common use held by the Company, as well as expenses, etc. expected to be incurred in connection with the dissolution and liquidation of TAM.

## **(2) Summary of Financial Position for Fiscal Year Under Review**

### *Assets*

Assets at the end of the fiscal year under review came to ¥50,672 million, a decrease of ¥3,042 million over the end of the previous fiscal year. This was mainly due to decreases of ¥417 million in notes and accounts receivable - trade, ¥532 million in merchandise and finished goods, ¥475 million in work in process, and ¥2,865 million in raw materials and supplies, despite an increase of ¥1,605 million in property, plant and equipment.

### *Liabilities*

Liabilities at the end of the fiscal year under review came to ¥38,894 million, a decrease of ¥295 million over the end of the previous fiscal year. This was mainly due to a decrease of ¥1,613 million in other current liabilities, despite increases of ¥449 million in borrowings and ¥955 million in provision for loss on liquidation of subsidiaries and associates.

### *Net assets*

Net assets at the end of the fiscal year under review came to ¥11,777 million, a decrease of ¥2,748 million over the end of the previous fiscal year. This was mainly due to recording a loss attributable to owners of parent of ¥3,563 million, despite an increase of ¥769 million in foreign currency translation adjustment.

As a result of the above, net assets per share decreased by ¥494.24 year on year to ¥1,904.96 and the equity ratio decreased by 4.1 points year on year to 21.7%.

## **(3) Summary of Cash Flow for Fiscal Year Under Review**

Cash and cash equivalents (“cash”) at the end of the fiscal year under review came to ¥7,837 million, a decrease of ¥106 million over the end of the previous fiscal year.

The status of each cash flow in the fiscal year under review is as follows.

### *Cash flows from operating activities*

Net cash provided by operating activities totaled ¥3,820 million (compared to ¥645 million used in the previous fiscal year). This was mainly due to increases in cash resulting primarily from ¥563 million in decrease in trade receivables and ¥3,951 million in decrease in inventories, which exceeded a decrease in cash largely resulting from ¥214 million in decrease in trade payables and ¥423 million in income taxes paid.

### *Cash flows from investing activities*

Net cash used in investing activities came to ¥1,890 million (compared to ¥1,429 million used in the previous fiscal year). This was mainly due to a decrease in cash resulting primarily from ¥2,920 million in purchase of property, plant and equipment, which exceeded an increase in cash largely resulting from ¥508 million in interest and dividends received, ¥221 million in proceeds from sale of property, plant and equipment, and ¥335 million in subsidies received.

### *Cash flows from financing activities*

Net cash used in financing activities came to ¥2,131 million (¥1,184 million in the previous fiscal year). This was mainly due to a decrease in cash largely resulting from ¥702 million in net decrease in short-term borrowings, ¥5,235 million in repayments of long-term loans payable and others, and ¥1,931 million in repayments of other financial liabilities, which exceeded an increase in cash largely resulting from ¥6,370 million in proceeds from long-term borrowings.

#### **(4) Future Outlook**

Regarding the future economic outlook, the uncertain situation is expected to continue mainly due to the impact of continued price hikes and rising interest rates on corporate economic activity and consumer spending, as well as the impact of U.S. trade policy on the global economy.

In particular, the implementation of reciprocal tariffs would reduce global trade activity and disrupt supply chains, while increasing uncertainty by increasing import costs in different countries.

In this business environment, the Group will continue to accelerate selection and concentration and promote business growth by enhancing business portfolio management in order to achieve the KPIs set forth in the vision for fiscal 2030 and Vision2026. In particular, we expect to expand business through the “growth business” of magnet materials and dielectric materials. We will also concentrate management resources on the “next generation business” of environmental related materials for future business growth and aim to commercialize it as soon as possible.

The status of each segment is as follows.

##### *Functional pigments*

The materials for catalysts are expected to generate stable earnings in the next fiscal year. In addition, we expect revenue from coloring pigments and toner materials to improve further due to the effects of rationalization activities such as product pricing optimization action, cost reductions, and overhead cost reductions.

##### *Electronic materials*

We expect the magnet materials, dielectric materials, and soft magnetic materials businesses to continue to perform well in the next fiscal year, as a result of the investment of management resources and the promotion of development and sales expansion activities, etc. Losses related to TAM in the next fiscal year are expected to be lower than in the fiscal year under review, and profits are expected to improve. We have already made provisions for most of the expenses related to the dissolution and liquidation of TAM, which are expected to be incurred in the future, in the fiscal year under review.

On the other hand, in terms of non-operating income and expenses, demand in the EV market remains weak at the moment, and we do not expect any significant improvement in revenues from associates accounted for using the equity method in the next fiscal year.

Based on such conditions, for its consolidated operating results forecast for the fiscal year ending March 31, 2026, the Group is forecasting net sales of ¥29,000 million, operating profit of ¥900 million, ordinary profit of ¥600 million, and profit attributable to owners of parent of ¥200 million.

Although we believe that the direct impact of the U.S. trade policy on the Group will be limited, we have not incorporated the impact into the above earnings forecast because of the difficulty in ascertaining the impact on the market environment and the supply chain as a whole.

## **2. Basic Approach to Selection of Accounting Standards**

Considering the possibility of comparing financial periods and making company-to-company comparisons on consolidated financial statements, the Group’s policy for the time being will be to prepare consolidated financial statements based on Japanese standards. Note that the policy of the Group with respect to the application of International Financial Reporting Standards (IFRS) is to comply with them appropriately after taking various domestic and overseas circumstances into consideration.

### 3. Consolidated Financial Statements and Significant Notes Thereto

#### (1) Consolidated Balance Sheets

(Millions of yen)

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



(Millions of yen)

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

**(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**  
**Consolidated Statements of Income**

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	26,234	31,667
Cost of sales	20,368	26,032
Gross profit	5,865	5,634
Selling, general and administrative expenses		
Freight-out	417	535
Employees' salaries and allowances	1,338	1,497
Provision for bonuses	77	68
Retirement benefit expenses	102	101
Depreciation	112	55
Research and development expenses	1,514	1,502
Other	2,185	2,522
Total selling, general and administrative expenses	5,748	6,283
Operating profit (loss)	117	(648)
Non-operating income		
Interest income	70	76
Dividend income	64	74
Rental income	40	38
Foreign exchange gains	447	—
Outsourcing service income	35	55
Share of profit of entities accounted for using equity method	673	—
Miscellaneous income	71	108
Total non-operating income	1,403	353
Non-operating expenses		
Interest expenses	321	449
Share of loss of entities accounted for using equity method	—	427
Foreign exchange losses	—	194
Miscellaneous losses	30	45
Total non-operating expenses	352	1,116
Ordinary profit (loss)	1,168	(1,411)
Extraordinary income		
Gain on disposal of non-current assets	17	62
Gain on sale of shares of subsidiaries and associates	—	148
Gain on sale of investment securities	76	—
Gain on step acquisitions	475	—
National subsidies	23	335
Compensation income	187	92
Total extraordinary income	780	638

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Extraordinary losses		
Loss on disposal of non-current assets	64	20
Loss on tax purpose reduction entry of non-current assets	—	226
Impairment losses	4,869	822
Provision for loss on liquidation of subsidiaries and associates	—	*1 1,003
Other	0	*1 117
Total extraordinary losses	4,934	2,189
Loss before income taxes	(2,985)	(2,962)
Income taxes - current	345	406
Income taxes - deferred	133	171
Total income taxes	479	578
Loss	(3,464)	(3,540)
Profit attributable to non-controlling interests	116	22
Loss attributable to owners of parent	(3,581)	(3,563)

## Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Loss	(3,464)	(3,540)
Other comprehensive income		
Valuation difference on available-for-sale securities	701	85
Foreign currency translation adjustment	505	688
Remeasurements of defined benefit plans, net of tax	211	(149)
Share of other comprehensive income of entities accounted for using equity method	180	139
Total other comprehensive income	1,598	763
Comprehensive income	(1,866)	(2,776)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(2,020)	(2,857)
Comprehensive income attributable to non-controlling interests	153	81

### (3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,477	4,288	3,155	(1,468)	13,453
Changes during period					
Loss attributable to owners of parent			(3,581)		(3,581)
Change in ownership interest of parent due to transactions with non-controlling interests		28			28
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(11)		21	10
Net changes in items other than shareholders' equity					
Total changes during period	—	17	(3,581)	20	(3,542)
Balance at end of period	7,477	4,306	(425)	(1,447)	9,910

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	688	1,368	332	2,389	86	630	16,559
Changes during period							
Loss attributable to owners of parent							(3,581)
Change in ownership interest of parent due to transactions with non-controlling interests							28
Purchase of treasury shares							(0)
Disposal of treasury shares							10
Net changes in items other than shareholders' equity	701	648	211	1,560	10	(63)	1,508
Total changes during period	701	648	211	1,560	10	(63)	(2,034)
Balance at end of period	1,389	2,016	543	3,950	97	567	14,525

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,477	4,306	(425)	(1,447)	9,910
Changes during period					
Loss attributable to owners of parent			(3,563)		(3,563)
Change in ownership interest of parent due to transactions with non-controlling interests					—
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(9)		20	11
Net changes in items other than shareholders' equity					
Total changes during period	—	(9)	(3,563)	19	(3,552)
Balance at end of period	7,477	4,297	(3,988)	(1,428)	6,357

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	1,389	2,016	543	3,950	97	567	14,525
Changes during period							
Loss attributable to owners of parent							(3,563)
Change in ownership interest of parent due to transactions with non-controlling interests							—
Purchase of treasury shares							(0)
Disposal of treasury shares							11
Net changes in items other than shareholders' equity	85	768	(149)	705	16	83	805
Total changes during period	85	768	(149)	705	16	83	(2,747)
Balance at end of period	1,475	2,785	394	4,655	114	650	11,777

**(4) Consolidated Statements of Cash Flows**

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Loss before income taxes	(2,985)	(2,962)
Depreciation	802	499
Impairment losses	4,869	822
Amortization of goodwill	383	535
Increase (decrease) in provision and allowance	(29)	(29)
Decrease (increase) in retirement benefit asset	10	(8)
Increase (decrease) in retirement benefit liability	(147)	(83)
Interest and dividend income	(135)	(150)
Interest expenses	321	449
Foreign exchange losses (gains)	(364)	230
Share of loss (profit) of entities accounted for using equity method	(673)	427
Loss (gain) on step acquisitions	(475)	—
Loss (gain) on disposal of non-current assets	47	(41)
Loss on tax purpose reduction entry of non-current assets	—	226
Provision for loss on liquidation of subsidiaries and associates	—	1,003
Decrease (increase) in trade receivables	(122)	563
Decrease (increase) in inventories	(84)	3,951
Increase (decrease) in trade payables	(819)	(214)
Subsidy income	(23)	(335)
Other, net	(793)	(641)
Subtotal	(221)	4,243
Income taxes refund (paid)	(423)	(423)
Net cash provided by (used in) operating activities	(645)	3,820
Cash flows from investing activities		
Interest and dividends received	212	508
Payments for investments in shares of subsidiaries and associates	(1,015)	—
Proceeds from sale of shares of subsidiaries and associates	—	10
Purchase of property, plant and equipment	(1,381)	(2,920)
Proceeds from sale of property, plant and equipment	17	221
Purchase of intangible assets	(88)	(116)
Net decrease (increase) in time deposits	(219)	(0)
Proceeds from collection of loans receivable	1,020	0
Subsidies received	23	335
Other, net	2	69
Net cash provided by (used in) investing activities	(1,429)	(1,890)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	389	(702)
Proceeds from long-term borrowings	4,560	6,370
Repayments of long-term loans payable and others	(4,402)	(5,235)
Interest paid	(321)	(369)
Proceeds from sale of treasury shares	10	9
Purchase of treasury shares	(0)	(0)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(777)	(220)
Proceeds from other financial liabilities	1,852	—
Repayments of other financial liabilities	(80)	(1,931)
Other, net	(44)	(50)
Net cash provided by (used in) financing activities	1,184	(2,131)
Effect of exchange rate change on cash and cash equivalents	285	95
Net increase (decrease) in cash and cash equivalents	(604)	(105)
Cash and cash equivalents at beginning of period	8,476	7,943
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	71	—
Cash and cash equivalents at end of period	7,943	7,837



## (5) Notes to Consolidated Financial Statements

### (Notes on Assumptions of Going Concern)

Not applicable

### (Change in Scope of Application of Equity Method and Scope of Consolidation)

#### *Significant changes in the scope of application of equity method*

Mechema Toda Corporation, which was an associate accounted for using the equity method of the Company in the previous fiscal year, was excluded from the scope of application of the equity method due to the transfer of all of the Company's equity interest in the company.

These changes in the scope of application of the equity method are expected to cause material effects to the consolidated financial statements for the following fiscal year. Expected effects include a decrease of share of loss of entities accounted for using equity method in the consolidated statements of income.

### (Notes to Consolidated Balance Sheets)

#### \*1 Provision for loss on liquidation of subsidiaries and associates

The Group has decided to dissolve and liquidate the consolidated company Toda Advanced Materials Inc. Accordingly, in order to prepare for expenses and losses expected to be incurred in the future, the estimated amount is recorded as provision for loss on liquidation of subsidiaries and associates as follows.

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Provision for loss on liquidation of subsidiaries and associates	—	955

### (Notes to Consolidated Statements of Income)

#### \*1 Note to other extraordinary losses

At a meeting of the Board of Directors held on March 19, 2025, it was resolved to dissolve and liquidate Toda Advanced Materials Inc., a consolidated subsidiary of the Company.

In the fiscal year under review, provision for loss on liquidation of subsidiaries and associates and other losses were recorded as expenses related to dissolution and liquidation as follows.

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Provision for loss on liquidation of subsidiaries and associates	—	1,003
Other losses	—	117

### (Notes on Changes in Accounting Policies)

#### *Application of the "Accounting Standard for Current Income Taxes" and other relevant ASBJ regulations*

The Company has applied the "Accounting Standard for Current Income Taxes" (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the "Revised Accounting Standard of 2022") and other relevant ASBJ regulations from the beginning of the fiscal year ended March 31, 2025.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and the transitional treatment in the proviso of paragraph 65-2 (2) of "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; the "Revised Guidance of 2022").

This change in accounting policy has no impact on the consolidated financial statements.

In addition, for revisions related to the review of the treatment in consolidated financial statements when a gain or loss on sale arising from the sale of shares of subsidiaries, etc. among consolidated companies is deferred for tax purposes, the Company has applied the Revised Guidance of 2022 from the beginning of the fiscal year ended March 31, 2025. The change in accounting policy has been applied retrospectively. Therefore, the new accounting policy was reflected in the consolidated financial statements for the previous fiscal year. This change in accounting policy has no impact on the consolidated financial statements for the previous fiscal year.

#### **(Notes on Changes in Presentation Methods)**

##### *Consolidated statement of income*

“Outsourcing service income,” which was included in “miscellaneous income” under “non-operating income” in the previous fiscal year, is now separately presented since it exceeded 10/100 of the total amount of non-operating income. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, ¥35 million presented as “miscellaneous income” under “non-operating income” in the consolidated statement of income for the previous fiscal year has been reclassified as “outsourcing service income.”

#### **(Notes on Segment Information, Etc.)**

##### **[Segment information]**

##### **1. Summary of reportable segments**

The reportable segments of the Group are constituent units of the Group for which separate financial information can be obtained and are subject to examination on a regular basis by the Board of Directors in order to decide on the allocation of management resources and evaluate operating results. The Group categorizes its reportable segments based on product groupings after taking into consideration manufacturing methods and processes as well as similarities in the markets of sale. It has therefore categorized its reportable segments into the two segments of “functional pigments” and “electronic materials.”

The main products under each reportable segment are as follows.

- (1) Functional pigments: pigments and environmental related materials
- (2) Electronic materials: magnet materials, dielectric materials, soft magnetic materials, and lithium ion battery materials

##### **2. Computation methods for amounts of net sales, profit or losses, assets and other items for each reportable segment**

The accounting methods used for the reported business segments are the same as those used in the consolidated financial statements.

Figures for profit or losses in reportable segments are on an operating profit or losses basis.

Inter-segment revenues and transfers are based on prevailing market prices.

3. Information regarding amounts of net sales, profit or losses, assets and other items for each reportable segment

Fiscal year ended March 31, 2024

(Millions of yen)

	Reportable segments		Total	Adjustments (Note 1)	Amount posted on consolidated financial statements (Note 2)
	Functional pigments	Electronic materials			
Net sales					
Net sales to external customers	8,119	18,115	26,234	—	26,234
Inter-segment net sales or transfers	5	453	459	(459)	—
Total	8,124	18,569	26,694	(459)	26,234
Segment profit	838	2,560	3,398	(3,281)	117
Segment assets	8,368	22,578	30,946	22,767	53,714
Other items					
Depreciation	187	330	517	285	802
Changes in property, plant and equipment or intangible assets	780	751	1,532	287	1,819

Notes: 1. Adjustments are as follows.

- (1) The adjustment of negative ¥3,281 million to segment profit includes corporate expenses of negative ¥3,281 million not allocated to either reportable segment. Corporate expenses mainly consist of general and administrative expenses that do not belong to the reportable segments.
  - (2) The adjustment to segment assets consists of corporate assets. Corporate assets mainly consist of financial assets of the Group (cash and deposits, investment securities, etc.) and assets pertaining to administrative departments that do not belong to the reportable segments.
  - (3) The adjustment to depreciation consists of depreciation on assets that do not belong to the reportable segments.
  - (4) The adjustment increase in property, plant and equipment and intangible assets consists of increases to assets that do not belong to the reportable segments.
2. For segment profit, the Group has adjusted operating profit on its consolidated statement of income.

Fiscal year ended March 31, 2025

(Millions of yen)

	Reportable segments		Total	Adjustments (Note 1)	Amount posted on consolidated financial statements (Note 2)
	Functional pigments	Electronic materials			
Net sales					
Net sales to external customers	8,054	23,612	31,667	–	31,667
Inter-segment net sales or transfers	17	508	525	(525)	–
Total	8,071	24,121	32,192	(525)	31,667
Segment profit (loss)	1,009	1,212	2,221	(2,870)	(648)
Segment assets	7,872	20,492	28,364	22,307	50,672
Other items					
Depreciation	39	418	457	41	499
Changes in property, plant and equipment or intangible assets	438	2,247	2,685	376	3,062

Notes: 1. Adjustments are as follows.

- (1) The adjustment of negative ¥2,870 million to segment profit (loss) includes corporate expenses of negative ¥2,870 million not allocated to either reportable segment. Corporate expenses mainly consist of general and administrative expenses that do not belong to the reportable segments.
  - (2) The adjustment to segment assets consists of corporate assets. Corporate assets mainly consist of financial assets of the Group (cash and deposits, investment securities, etc.) and assets pertaining to administrative departments that do not belong to the reportable segments.
  - (3) The adjustment to depreciation consists of depreciation on assets that do not belong to the reportable segments.
  - (4) The adjustment increase in property, plant and equipment and intangible assets consists of increases to assets that do not belong to the reportable segments.
2. For segment profit (loss), the Group has adjusted operating loss on its consolidated statements of income.

**(Per-Share Information)**

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net assets per share (Yen)	2,399.20	1,904.96
Loss per share (Yen)	(620.00)	(616.44)
Diluted earnings per share (Yen)	—	—

- Notes: 1. Diluted earnings per share has not been stated due to constituting net losses per share despite the presence of dilutive shares.
2. The basis of computation for net losses per share and diluted earnings per share is as follows.

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Loss per share		
Loss attributable to owners of parent (Millions of yen)	(3,581)	(3,563)
Amount not attributable to common shareholders (Millions of yen)	—	—
Loss attributable to owners of parent pertaining to common shares (Millions of yen)	(3,581)	(3,563)
Average number of common shares during the period (Thousands of shares)	5,775	5,780
Diluted earnings per share		
Adjustment to profit attributable to owners of parent (Millions of yen)	—	—
Increased number of common shares (Thousands of shares)	—	—
[Number of which are share acquisition rights (Thousands of shares)]	(—)	(—)
Overview of dilutive shares not included in the calculation of diluted earnings per share due to not being potentially dilutive	<p>2nd Share Acquisition Rights based on resolution of Board of Directors held on June 26, 2015 Number of share acquisition rights: 142 (common shares: 1,420 shares)</p> <p>3rd Share Acquisition Rights based on resolution of Board of Directors held on June 29, 2016 Number of share acquisition rights: 173 (common shares: 1,730 shares)</p> <p>4th Share Acquisition Rights based on resolution of Board of Directors held on June 28, 2017 Number of share acquisition rights: 186 (common shares: 1,860 shares)</p> <p>5th Share Acquisition Rights based on resolution of Board of Directors held on June 27, 2018 Number of share acquisition rights: 181 (common shares: 1,810 shares)</p> <p>6th Share Acquisition Rights based on resolution of Board of Directors held on June 25, 2019 Number of share acquisition rights: 263 (common shares: 2,630 shares)</p> <p>7th Share Acquisition Rights based on resolution of Board of Directors held on June 25, 2020 Number of share acquisition rights: 895 (common shares: 8,950 shares)</p>	<p>2nd Share Acquisition Rights based on resolution of Board of Directors held on June 26, 2015 Number of share acquisition rights: 142 (common shares: 1,420 shares)</p> <p>3rd Share Acquisition Rights based on resolution of Board of Directors held on June 29, 2016 Number of share acquisition rights: 173 (common shares: 1,730 shares)</p> <p>4th Share Acquisition Rights based on resolution of Board of Directors held on June 28, 2017 Number of share acquisition rights: 186 (common shares: 1,860 shares)</p> <p>5th Share Acquisition Rights based on resolution of Board of Directors held on June 27, 2018 Number of share acquisition rights: 181 (common shares: 1,810 shares)</p> <p>6th Share Acquisition Rights based on resolution of Board of Directors held on June 25, 2019 Number of share acquisition rights: 263 (common shares: 2,630 shares)</p> <p>7th Share Acquisition Rights based on resolution of Board of Directors held on June 25, 2020 Number of share acquisition rights: 895 (common shares: 8,950 shares)</p>

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
	8th Share Acquisition Rights based on resolution of Board of Directors held on June 25, 2021 Number of share acquisition rights: 946 (common shares: 9,460 shares) 9th Share Acquisition Rights based on resolution of Board of Directors held on June 28, 2022 Number of share acquisition rights: 720 (common shares: 7,200 shares) 10th Share Acquisition Rights based on resolution of Board of Directors held on June 28, 2023 Number of share acquisition rights: 981 (common shares: 9,810 shares)	8th Share Acquisition Rights based on resolution of Board of Directors held on June 25, 2021 Number of share acquisition rights: 698 (common shares: 6,980 shares) 9th Share Acquisition Rights based on resolution of Board of Directors held on June 28, 2022 Number of share acquisition rights: 628 (common shares: 6,280 shares) 10th Share Acquisition Rights based on resolution of Board of Directors held on June 28, 2023 Number of share acquisition rights: 874 (common shares: 8,740 shares) 11th Share Acquisition Rights based on resolution of Board of Directors held on June 26, 2024 Number of share acquisition rights: 1,401 (common shares: 14,010 shares)

**(Significant Subsequent Events)**

Not applicable