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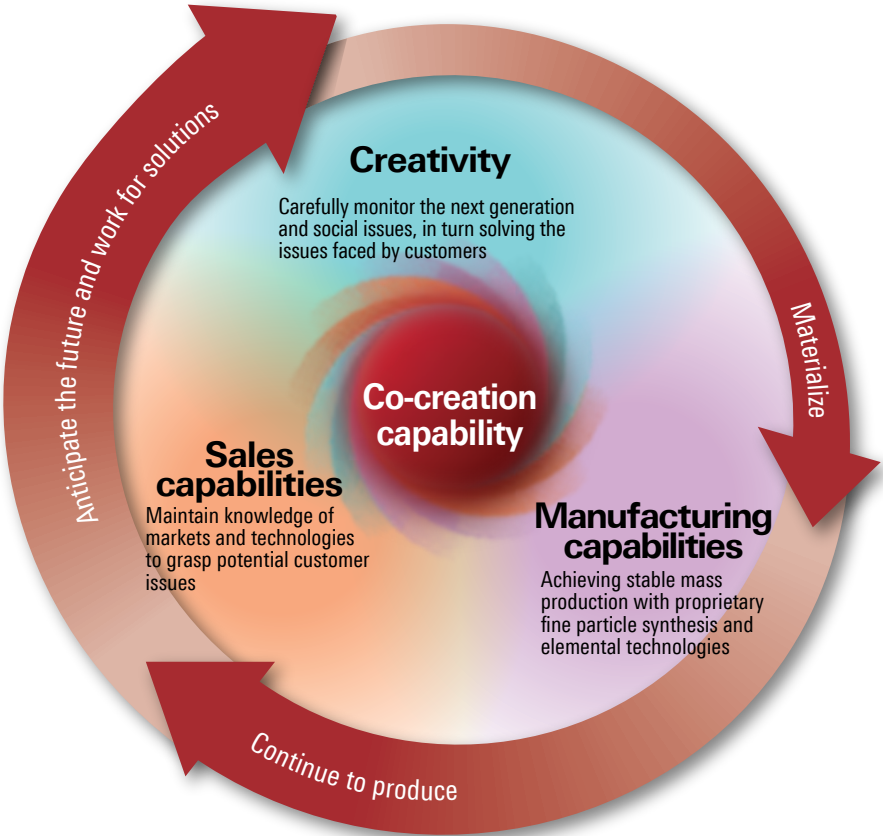
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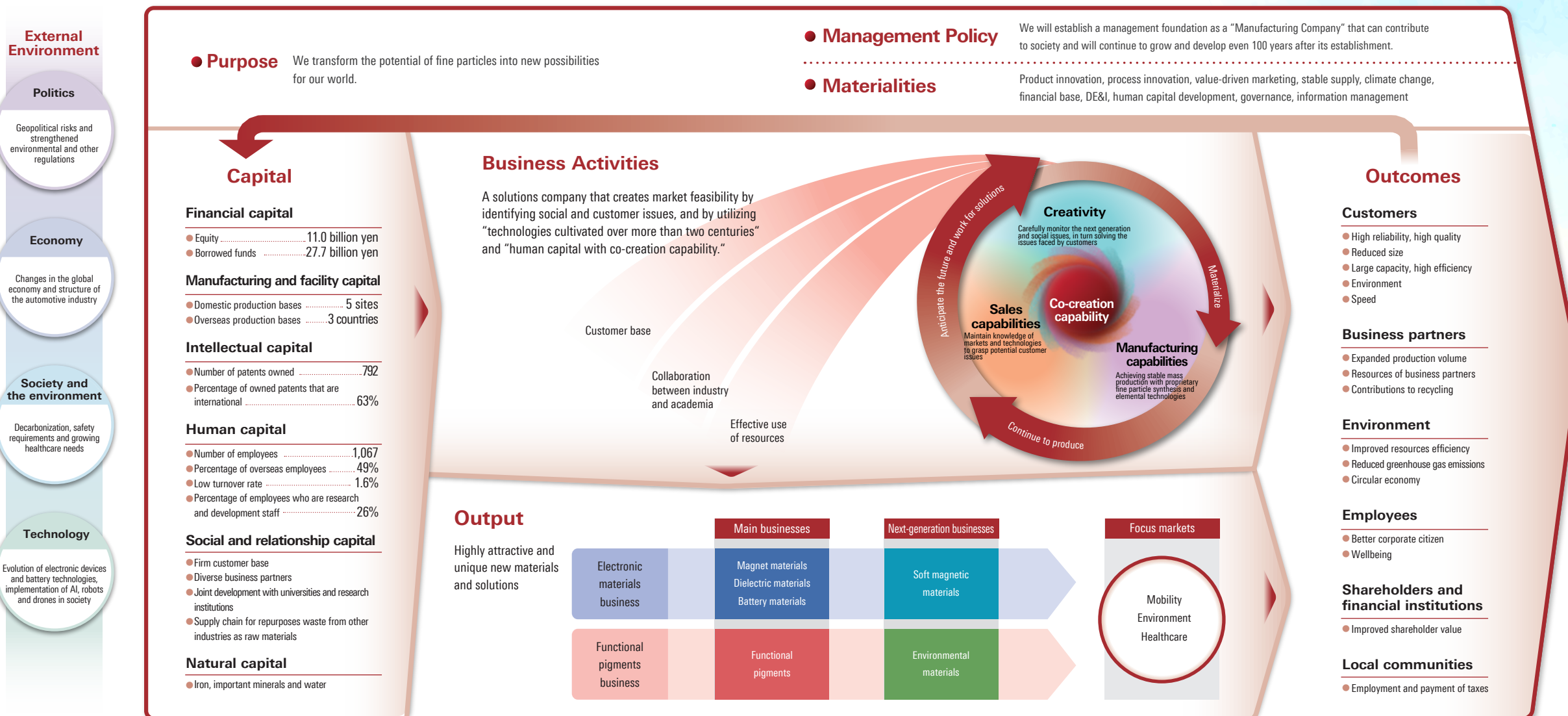
Co-creation capability is ...

- The ability to integrate creativity, manufacturing capabilities and sales capabilities
- The ability to leverage continually refined technologies
- The ability to link the theory of the natural sciences with the real world
- The ability to introduce new products to the world together with customers and business partners

Value Creation Process

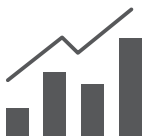


The TODA Group positions its Management Principle and Management Policy as the foundations of its decision making and action to adapt to a continually changing social environment.




All of the Group's officers and employees believe in the potential of technology and people, and tackle innovation through dialogue with customers.



Management Capital

To realize the Management Principle of “broadly contributing to society through solutions,” we have strived to expand management capital as the source of value creation.

<p>Financial capital</p> 	<ul style="list-style-type: none"> - Investment strategy through portfolio management - Credibility built through dialogue with financial markets <p>Challenge: Increased borrowed funds due to reduced earning power and business restructuring</p>
<p>Manufacturing and facility capital</p> 	<ul style="list-style-type: none"> - Large-scale iron oxide manufacturing facilities - Global production sites (magnetic materials) - Production technologies tailored to customer requirements and quality control technologies that encourage improvements <p>Challenge: Renovation for aging facilities</p>
<p>Intellectual capital</p> 	<ul style="list-style-type: none"> - Expertise concerning fine particle synthesis - Patents covering fine particles to their application <p>Challenge: Fusing research and development with digital technology</p>

<p>Human capital</p> 	<ul style="list-style-type: none"> - Widely instilled Management Principle and the mindset of a company built upon technology - Employees who perform their duties with integrity <p>Challenge: Promoting the success of women and seniors</p>
<p>Social and relationship capital</p> 	<ul style="list-style-type: none"> - Track record and credibility as a manufacturer of iron oxide - Sales track record as a leading manufacturer in each industry - Collaboration between industry-academia with a diverse range of partners - Supply chain that repurposes industrial waste from other industries as raw materials <p>Challenge: Development of overseas customers</p>
<p>Natural capital</p> 	<ul style="list-style-type: none"> - Energy and fresh water used in manufacturing - Mineral-derived inorganic resources <p>Challenge: Further greenhouse gas emission reductions</p>

Global network and main business activities

Japan (5 companies)	China (6 companies)	Korea (2 companies)	Thailand (1 company)	Germany (1 company)
<p>General product manufacturing, development and sales (non-consolidated)</p> <p>Manufacturing and sales of organic pigments (1 company)</p> <p>Manufacturing and sales of materials for LIB (2 companies)</p> <p>Contract manufacturing (1 company)</p>	<p>Manufacturing and sales of magnetic materials (4 companies)</p> <p>Manufacturing and sales of inorganic pigments (1 company)</p> <p>Marketing and sales in Asia (1 company)</p>	<p>Manufacturing and sales of soft magnetic materials (1 company)</p> <p>Marketing and sales in Korea (1 company)</p>	<p>Manufacturing and sales of magnetic materials</p>	<p>Marketing and sales in Europe</p>

Message from the Department Manager of the Corporate Planning Department

Atsushi Tomokawa

Director,
Managing Executive Officer,
Department Manager of
the Corporate Planning Department



Strengthening Business Portfolio Management
and Thoroughly Improving Cash Flows

Taking the fiscal 2024 financial results seriously and reflecting deeply on them

To realize its Ideal Vision for fiscal 2030, the TODA Group formulated Vision2026, its three-year medium-term management plan starting in fiscal 2024. As a key measure of the plan, we have been working to strengthen our business portfolio management. However, the fiscal 2024 financial results ended up diverging significantly from our initial forecasts. I would like to offer a heartfelt apology for the great concern these results caused our valued stakeholders.

The divergence in our financial results is related to two businesses categorized for revitalization/reorganization in our business portfolio management.

One of them is functional pigments. To improve earnings, we have been promoting rationalizations such as product pricing optimization action and reductions to costs and various expenses. However, these efforts have failed to produce the expected results.

Another business is the TODA Group’s Canadian subsidiary Toda Advanced Materials Inc. (hereafter, “TAM”), which manufactures precursor materials for LIB. Demand in this business fell more than expected due to existing products entering a declining phase in the product lifecycle, in addition to a slowdown of growth in the EV market. In light of these external and internal factors, we made the decision to dissolve and liquidate TAM. As a result, we recorded a loss of 2.6 billion yen (ordinary loss of 1.5 billion yen + future expected costs of 1.1 billion yen) for TAM, and this had a significant negative impact on the consolidated results for the TODA Group.

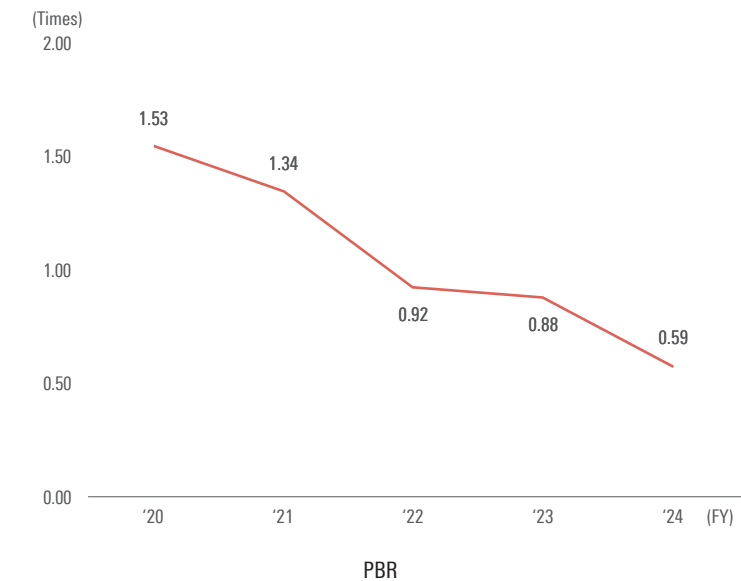
Performance targets in Vision2026	FY2024 management targets	FY2024 result	Ideal Vision for fiscal 2030
Operating profit margin	2%	(2%)	8%
ROE	6%	(29%)	10% or more
Equity ratio	26%	22%	40%
Scope 1 + 2 emissions (in Japan)	28,500t	32,470t	22,000t

Message from the Department Manager of the Corporate Planning Department

Promoting management that is conscious of the cost of capital and stock price

To promote management that is conscious of the cost of capital, the TODA Group set ROE and other metrics as performance targets in its medium-term management plan, and has estimated the cost of capital when reviewing its business plans and formulating capital investment plans. However, in fiscal 2024, the TODA Group was unable to meet its performance targets, and failed to improve corporate value and PBR.

We take these results seriously, and based on thorough reflection, we will place renewed emphasis on business portfolio management and accelerating management reforms. In addition, to improve PBR, we believe it is necessary to not only raise profitability but to have shareholders and investors understand the initiatives we are pursuing. To that end, we will step up the dissemination of information about our sustainability efforts and other initiatives.



Steadily advancing business portfolio management

We have implemented two specific mechanisms promoting business portfolio management. First, we created the Business Unit Management Department, a dedicated department tasked with managing businesses in a cross-sectional manner, as well as formulating and implementing strategy. Second is the use of net present value (hereafter, “NPV”) to determine the validity of investments and verify resource allocations.

Magnetic materials and dielectric materials, which we categorize as growth businesses, have shown greater than expected growth, and we have continued to invest in production capacity.

For soft magnetic materials, which is categorized as a next-generation business, we are aiming to maximize business synergy with the Korea-based TODA materials Inc. (hereinafter, “TDMI”), which we have made a wholly owned subsidiary.

Main activities related to business portfolio management

Concentration (growth / next generation)		Fiscal year	Selection (revitalization / reorganization)	
Environment	Started development of CO ₂ solid sorbents	2021	Magnet	Closed Korean plant operated by TODA Ferrite KOREA CO., LTD. (now Toda Korea Seoul Co., Ltd.)
Environment	Adopted for NEDO’s advancement of hydrogen technologies and utilization project		Magnet	Dissolved TODA MAGNET (SHENZHEN) CO., LTD.
Dielectric	Improved development of barium titanate powder and dispersion			
Magnet	Made Jiangmen & Partner’s Magnetic Product Co., Ltd a consolidated subsidiary			
Dielectric	Increased production capacity of barium titanate powder (Onoda)	2022	Pigment	Transferred equity in Toda United Industrial (Zhejiang) Co., Ltd.
Environment	Started a project to build supply chains of a local CO ₂ -free hydrogen utilizing unharnessed natural gas (Toyotomi Town, Hokkaido)	2023		
Soft magnetic	Made TODA ISU CORPORATION (now TODA materials Inc.) a wholly owned subsidiary			
Magnet	Increased rare earth compound production capacity (Otake, Tianjin)			
Environment	Made the decision to establish a mass production plant for CO ₂ solid sorbent (Onoda)	2024	Hydrotalcite	Dissolved partnership with Sakai Chemical Industry Co., Ltd.
			Batteries	Transferred all shares held in Mechema Toda Corporation
			Batteries	Decided to dissolve and liquidate Toda Advanced Materials Inc.

For environmental related materials, another next-generation business, we are aiming to build systems to recycle unutilized resources and collaborate between industry, academia and government. Positioning the utilization of CO₂ and methane gas as a key theme, we are working toward commercialization through demonstration and verification activities.

For businesses categorized as revitalization/reorganization, we are taking the necessary measures to quickly rebuild underperforming businesses other than TAM and functional pigments, as mentioned earlier. In the hydrotalcite business, we had been collaborating with Sakai Chemical Industry Co., Ltd. on its application in vinyl chloride stabilizer but in response to the rapid fall of market prices due to the emergence of Chinese manufacturers, we decided to dissolve the partnership. Looking ahead, we will aim to shift to areas expected to produce high added value through the technologies cultivated in this business.



Message from the Department Manager of the Corporate Planning Department

Making no compromises on improving cash flow

Amid continued weak earnings, we have taken actions such as cost reduction, controlling SG&A expenses and reducing inventory, and worked to improve profitability. Among those efforts, we have positioned the cash conversion cycle (hereafter, “CCC”) as a key management indicator in our medium-term management plan, and focused on reducing inventories.

First, starting with a strong commitment from top management, we shared the significance of reducing inventories across the TODA Group. Next, we implemented unified company-wide activities by visualizing and strictly managing CCC through monthly figures.

As a result, CCC was shortened by around 2.3 months from 8.9 months in the fiscal year ended March 31, 2024 to 6.6 months in the fiscal year ended March 31, 2025.

By improving this CCC metric, cash flows from operating activities rose significantly from 410 million yen in the fiscal year ended March 31, 2024 to around 4.97 billion yen in the fiscal year ended March 31, 2025, an increase of around 4.56 billion yen.

Going forward, we will use the generated cash for strategic investment in growth businesses and next-generation businesses, and for investing in R&D aimed at future growth.

Initiatives to enhance corporate value

We have not met the performance targets set out in the Vision2026 medium-term management plan, and many challenges still remain. However, business portfolio management has driven earnings growth, and we are confident in our strategic direction. Looking ahead, we will strengthen business portfolio management through the following three activities, striving to produce even greater results even faster.

First, for revitalization/reorganization businesses, we will face the changes and approach rationalization with courage. We will also work to eliminate revenue-reducing factors through rigorous cost reductions and improvements to the CCC.

Second, we will concentrate the investment of management resources in growth and next-generation businesses, making them the driving force behind sustained growth. To facilitate the investment decisions associated with this activity, we will utilize NPV as a key indicator, ensuring our ability to respond to risks through scenario analysis and sensitivity analysis.

Third, we will continue to invest management resources in research and development to promote the commercialization of creative products. As a company built upon technology, TODA recognizes that research and development, as well as co-creation with partners, are vital foundations for growth.

By thoroughly implementing the cycle of sincere reflection (Check), persistent improvements (Action), building a clear growth story (Plan) and steadfast, rigorous execution (Do), we aim to enhance earnings power and corporate value while retaining the trust of stakeholders.

Status of cash flows

Cash		FY2023		FY2024		Q1 of FY2025	
Cash flows from operating activities	Inflows	1.23 billion yen	Collection of loans, etc.	4.97 billion yen	CCC improvements Decrease in trade receivables	0.71 billion yen	CCC improvements Decrease in trade receivables
	Outflows	0.82 billion yen	Decrease in trade payables	—	—	—	—
Subtotal		0.41 billion yen		4.97 billion yen		0.71 billion yen	
Cash flows from investing activities		2.48 billion yen	<div>Dielectric</div> <div>: Increased production capacity</div> <div>Magnet</div> <div>: Increased production capacity</div> <div>Pigment</div> <div>: Streamlining, energy conservation</div>	3.04 billion yen	<div>Environment</div> <div>: Hydrogen supply chain development project</div> <div>Magnet</div> <div>: Increased production capacity</div> <div>Pigment</div> <div>: Streamlining, energy conservation</div> <div>Soft magnetic</div> <div>: Purchase of land by TDMI</div>	0.87 billion yen	<div>Environment</div> <div>: Hydrogen supply chain development project</div> <div>Magnet</div> <div>: Increased production capacity</div> <div>DX</div> <div>: Upgrading of core systems</div>
Adjusted free cash flow		(2.07 billion yen)		1.93 billion yen		(0.16 billion yen)	



Message from the General Manager of the Corporate Administration Division

Koso Aoki

Managing Executive Officer,
General Manager of Corporate
Administration Division

Believing in the Potential of People That Is the Key to Unleashing the Potential of Fine Particles

The aspiration built into our purpose

The TODA Group has set materialities with a view toward its vision for fiscal 2030, and is in the process of implementing Vision2026, a three-year medium-term management plan running from fiscal 2024 to fiscal 2026. As part of these efforts, in 2023 we established a purpose, reaffirming what TODA's existence means for society.

Our purpose, "We transform the potential of fine particles into new possibilities for our world," reflects our commitment to tackle increasingly diverse future challenges and social needs through the fine particle synthesis technologies we have cultivated since our founding. The term "fine particles" also incorporates the meaning of "people." Throughout TODA's long history, it has overcome countless trials to continue its business, and it owes this success to the power of people who have tirelessly worked with customers and stakeholders to tackle the challenges of each era. Even as we build and develop future businesses, TODA regards people as its most important capital, driving advances in its business activities. We aspire to be a company that expands possibilities for our world and its future, in which each employee works with passion, flourishes with vitality, and maximizes their individual potential.

Message from the General Manager of the Corporate Administration Division

Our value creation process: Co-creation capability

To realize its purpose, the TODA Group attaches great importance to co-creation capability, positioning it at the center of its value creation process. To provide new value including products and services that delight customers, we value three key points: (1) solving challenges through focused technical dialogue at the front lines of development, (2) ensuring ongoing improvement activities and quality assurance through coordination between production, engineering and quality assurance departments on the front lines of manufacturing, and (3) identifying the true challenges customers face and proposing appropriate solutions on the front lines of sales.

To anticipate future changes, grasp the challenges they pose to customers and guide them toward solutions, we select junior employees to take part in internal and external exchange opportunities and continue collaborating with related parties, thereby cultivating human capital imbued with co-creation capability. Through this co-creation capability, the TODA Group seeks to continue to be a solutions company that creates new market potential.

Looking back on our history and linking it with the future

The co-creation capability that is positioned at the core of our value creation process has been cultivated throughout TODA’s long history. Confronting the pollution issues of the 1960s head-on, TODA needed to find new ways to manufacture iron oxide. Pursuing research and development through industry-academia collaboration with Kyoto University, the wet synthesis method for iron oxide was discovered and established as an industrial manufacturing method. Elaborate technical discussions with people from many companies have driven the development of new applications, with magnetic recording materials being used in audio and video tapes, and print recording materials being used for printer and copier toner. A wide range of other applications has been made possible by probing the depths of technologies and engaging in co-creation so that it functions as various products.

The TODA Group has organized and shared these historical achievements in the form of a training program on its corporate history. Through this corporate history training, participants can relive how the company’s forerunners, through effort and endeavor, made decisions in times of crises threatening business continuity, and demonstrated their co-creation capability. Our training program shares the importance of having a strong passion for driving forward-looking activities through collaboration with related partners, serving as an opportunity for employees to reflect on their own values, attitudes toward work and decision-making principles.

TODA’s challenges with human capital

TODA faces three challenges related to human capital.

First is the cultivation of human capital involved with business creation and business management. To generate continuous, stable profits, TODA needs to change its business portfolio as early as possible. To do so, we require human

capital who can build next-generation businesses and follow through with the revitalization or reorganization of existing businesses.

Second is the promotion of DE&I. TODA tackles challenges with the advanced age of our employees (averaging 46.4 years in fiscal 2024) and the low ratio of female managers (1.0% in fiscal 2024).

Third is the development of human capital to drive digital transformation (DX). To deliver the products and services required in an ever-changing society in a timely manner, we need to accelerate the transformation of business structures through DX.

To solve these three challenges for human capital, TODA has established a Human Capital Development Committee which discusses human capital strategies that align with our management strategy. The committee is currently pursuing three human capital strategies.



Message from the General Manager of the Corporate Administration Division

1. Strengthen succession plans for key divisions

To cultivate human capital capable of managing businesses within an ever-changing business environment, we have formulated and are operating succession plans. Based on these succession plans, we rotate candidates for executive management through management positions at domestic and overseas affiliate companies and positions of responsibility in each business field, providing them with opportunities to acquire business management skills. We also identify management and next-generation management candidates from among junior and mid-career employees, and conduct next-generation management candidate training to solve departmental challenges with management perspectives.

Going forward, we will continue to proactively hire human capital with passion and enterprising spirit, as well as mid-career human capital with specialist expertise, as part of efforts to enhance our workforce to create new business.

2. Develop the careers of women and minorities

The TODA Group believes that to build new businesses, it is important to secure human capital with diverse ways of thinking. Our activities to support the success of female employees include the development of a workplace environment with systems for shortened working hours, maternity leave, and childcare leave. We also encourage male employees to deepen their understanding of childcare

Materiality indicators	FY2022 (Results)	FY2023 (Results)	FY2024 (Results)	FY2030 (Targets)
Ratio of female employees	17%	17%	20%	25% or more
Ratio of female managers	3%	2%	1%	10% or more
Rate of childcare leave and leave for childcare purposes taken by eligible male employees	92%	100%	100%	95% or more

responsibilities and support the use of childcare leave and leave for childcare purposes. Additionally, to increase the number of female managers, we conduct career leadership training and promote the development of an environment enabling employees to demonstrate their capabilities through participation in various training programs. We also proactively recruit female employees to increase the female-to-male employee ratio. In fiscal 2024, 36% of new graduate hires and 50% of mid-career hires were women. Going forward, we plan to further increase the ratio of female employees and develop an environment that will encourage women to aspire to management positions.

3. Foster human capital to promote DX

To deal with the increasing age of employees while covering personnel shortages and ensuring swift business execution and decision making, it is essential to introduce digital technologies and implement DX in each area of business. TODA transferred the activities previously prepared under the DX Project to the Digital Innovation Department, which was established in January 2025. Members assembled from each department have started to take stock of the work performed in each department and create mechanisms to perform the work efficiently with the use of digital technologies. Through these activities combined with intra- and inter-departmental workshops and training sessions, we aim to increase human capital with DX capabilities.

Aiming to realize our ideal vision

By expanding our human capital, we aim to drive business activities to help achieve our financial and non-financial goals. By implementing a cycle that reinvests the financial and non-financial base we have built back into human capital, we hope to realize the ideal vision for fiscal 2030 that was set forth in our materialities.

“We attempt to create new possibilities that bring hope to the future. Supporting life and society through nanotechnology.”
Anticipating the Future with the TODA Group.



Business Strategies

Magnet materials Contributing to Next-generation Mobility

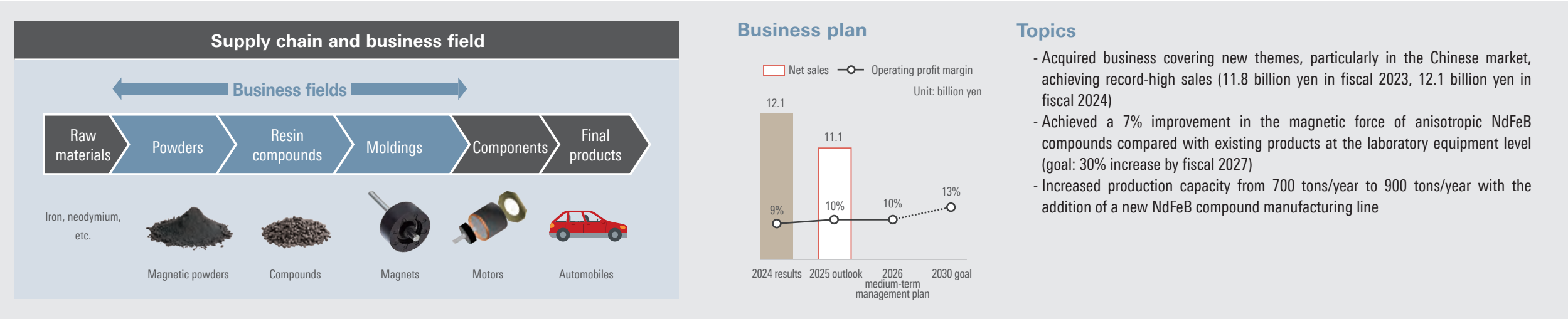
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Main applications
Motors, sensors, magnet rolls

- Business opportunities**
- Expanded demand due to the electrification of vehicles
 - Rising demand for high-efficiency magnets against the backdrop of decarbonization
- Strengths**
- Extensive lineup and large market share
 - Supply network spanning Japan, China and Thailand
 - Integrated production system from powders to molded products
 - In-house support service for injection-molded products
- Risks**
- Rising resource prices driven by geopolitics
 - Restrictions on imports and exports due to economic and trade policies
 - Demand decline due to strengthened regulation of plastics

- Growth strategies**
- 01 Increasing compound production capacity**
We will preserve and expand our competitive advantage as a company with the leading market share (50%) in ferrite materials for bonded magnets
- 02 Avoiding geopolitical risks**
We will develop multiple production sites and raw material sources to reduce supply risks to customers.
- 03 Development of high-performance magnets that help make components smaller and lighter**
We will drive the development of high-magnetic force and high-heat-resistant materials which help reduce size and weight to meet the demands of the automotive market.



Business Strategies

Dielectric materials Building an Ultra-Smart Society



Tomohiko Kuruma
Dielectric Materials Business
Group
Business Unit Management
Department

Main applications

Multilayer ceramic capacitors (MLCC)

Business opportunities

- Expanded MLCC demand due to the electrification of vehicles and the spread of AI
- Microparticulation and higher quality of barium titanate due to reduced size and the improved performance of MLCCs

Strengths

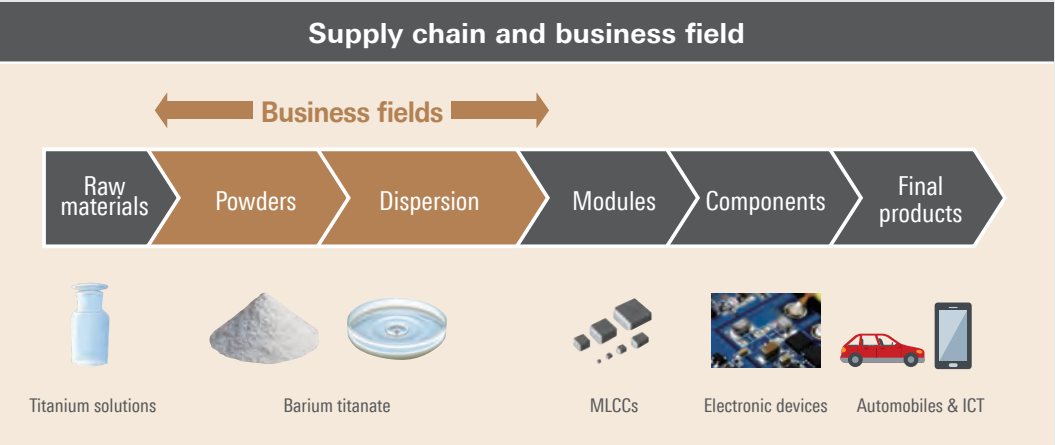
- Hydrothermal synthesis technology for manufacturing 150-nanometer or smaller fine particles
- Manufacturing fine particles technologies with high crystallinity and homogeneous composition
- Dispersion processing technologies utilizing the features of hydrothermal synthesis

Risks

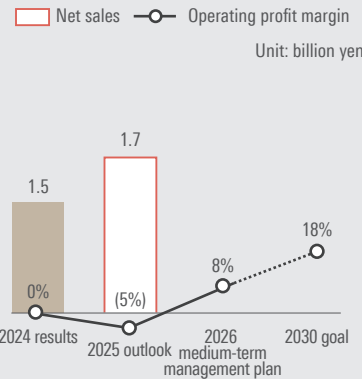
- Stagnation of raw material supply due to destabilizing international developments
- Increased procurement costs due to exchange rate and tariff fluctuations
- Prolonged slowdown of the EV market

Growth strategies

- 01 Development and manufacturing focused on fine particles**
We aim to solidify our position as a niche company supplying co-materials for inner electrode layers, achieving an operating profit margin of 18% by fiscal 2030.
- 02 Provision of materials as dispersions utilizing hydrothermal synthesis**
By providing the materials in a dispersion form, we help shorten process times for customers and lower defects caused by chipping particles.
- 03 Increased production capabilities**
We will increase our production capacity for barium titanate fine particles to respond to growing demand.



Business plan



Topics

- Rise in demand for AI servers
- Increased demand for fine particle materials due to the reduced size of MLCCs
- Awarded the 6th "Noboru Ichinose Award" for "Synthesis and Control of Barium Titanate Fine Particles" hosted by the Electronic Ceramic Process Meeting
- Dispersion process scheduled to begin operation in fiscal 2025 (Otake Plant)

Business Strategies

Soft magnetic materials Building an Ultra-Smart Society

Makoto Sadai
Soft Magnetic Materials
Business Group
Business Unit Management
Department



Main applications
Inductors, noise suppression components

- Business opportunities**
- Expanded demand due to the electrification of vehicles
 - Microparticulation of materials due to the reduced size of power supply modules
- Strengths**
- Fine particle reduction method for obtaining uniform magnetic metal powders with sizes of 1 μm or smaller
 - Water atomization method for obtaining magnetic metal powders with particle sizes of several μm or greater
 - Fine surface modification technologies and technologies for compounding with resins
- Risks**
- Trade friction against the background of economic security
 - Overheating cost competition with competitors
 - Impact on production activities due to raw material supply network disruptions

- Growth strategies**
- 01 One-stop provision of soft magnetic metal materials**
We customize magnetic metal powders and soft magnetic compounds to customer needs.
- 02 Coordination with overseas production bases**
We will coordinate with our subsidiary TDMI, which produces magnetic powders and materials for wireless power transfer, to achieve an operating profit margin of 7% by fiscal 2030.
- 03 Proposals of electromagnetic compatibility (EMC) solutions**
We will strengthen cooperation with automakers and tier-1 manufacturers to make progress with the development of noise suppression parts designed for specific use cases.

Supply chain and business field

Business fields

Raw materials

Powders

Resin compounds

Parts

Components

Final products

Iron, nickel, etc.

Magnetic metal powder

Compounds

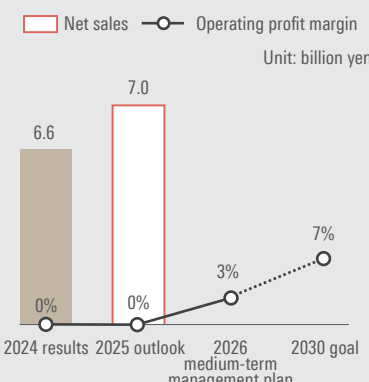
Inductors

Electronic devices

Automobiles & ICT

Business plan

Net sales Operating profit margin
Unit: billion yen



Year	Net sales (billion yen)	Operating profit margin (%)
2024 results	6.6	0%
2025 outlook	7.0	0%
2026 medium-term management plan	-	3%
2030 goal	-	7%

Topics

- Rising demand for low-loss metal materials due to the expanded AI server market
- Rising demand for electromagnetic compatibility (EMC) materials due to the increased performance of automotive electronic devices



Business Strategies

Functional pigments Business Streamlining and Ensuring Sustainable Profitability



Shinji Uemoto
Iron Oxide Business Group
Business Unit Management
Department

Main applications
Ship bottom coatings, toner for photocopiers, colorants for resins


- Business opportunities**
- Microparticulation of materials due to the reduced size of various products
 - Demands for design quality and durability in coatings and coloring resin
- Strengths**
- Technologies for internal manufacturing of iron sulfate to repurpose iron-containing waste as a raw material
 - Fine particle technologies through TSSDS CONTROL
 - Technologies to increase purity for catalyst and cosmetic applications
- Risks**
- Market contraction due to the shift to paperless processes
 - Sharply rising prices of iron-containing waste products due to changing resource recycling policies
 - Overheating cost competition with competitors

- Streamlining strategies**
- 01 Reinforcing the cost-effective structure**
We will make progress in reducing raw material costs by developing technologies to maintain and improve the purity of iron oxide regardless of the type of iron-containing waste
- 02 Price revision activities**
We will carry out product pricing optimization action, including the introduction of formula systems linked with raw material and energy market prices
- 03 Expanding sales overseas**
We will expand sales of transparent iron oxide, resin and coating coloring pigments, and cosmetic-grade iron oxide to Southeast Asia and other emerging markets.

Main products and their applications


α -Fe₂O₃
hematite

Coloring
Catalysts
Magnetic recording materials




Fe₃O₄
magnetite

Magnetic carriers
Magnetic toners
Coloring and friction

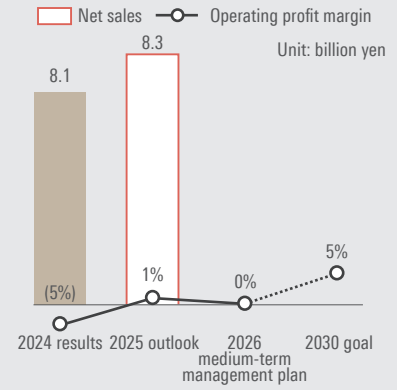


FeO(OH)
goethite

Coloring
Catalysts



Business plan



Year	Net sales (billion yen)	Operating profit margin (%)
2024 results	8.1	(5%)
2025 outlook	8.3	1%
2026 medium-term management plan	-	0%
2030 goal	-	5%

Topics

- Consolidating brands for pigment products at the Okayama site and promoting production streamlining
- Developing technologies aimed at reducing energy costs
- Recreating the Bengala color of Shuri Castle through joint research with the Okinawa Churashima Foundation

Business Strategies

Environmental related materials

Realizing a Sustainable Society



Main applications

Direct air capture (DAC) technologies,
carbon dioxide capture, utilization and storage (CCUS),
CO₂-free hydrogen production

Business opportunities

- Rising expectations and demands for DAC and CCUS
- Expanding infrastructure investment in hydrogen energy

Competing technologies

- CO₂ capture technologies: chemical absorption method, membrane separation method, low temperature separation method, etc.
- Hydrogen production technologies: water electrolysis, photolysis, etc.

Strengths

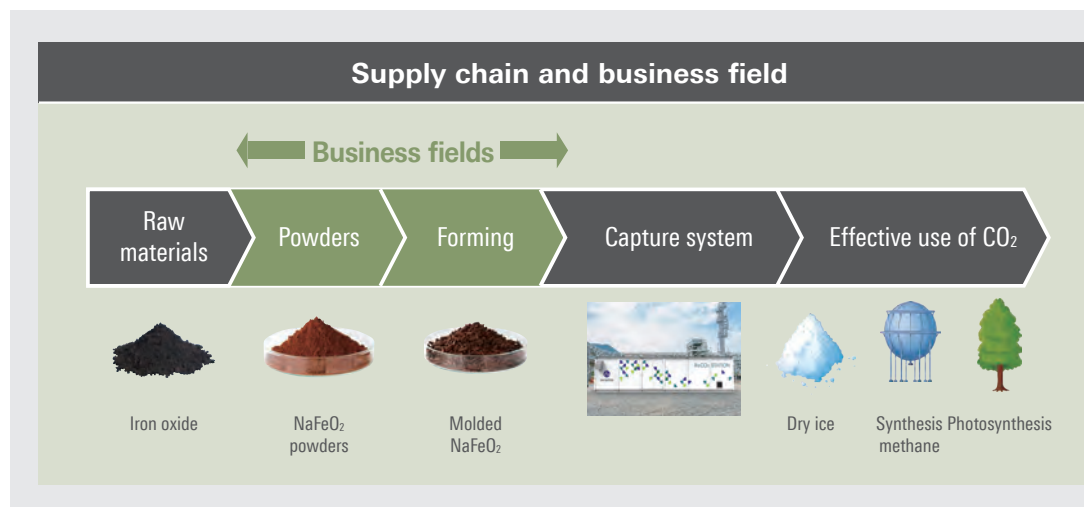
- Iron oxide expertise and manufacturing equipment
- Patent portfolio for low-cost CO₂ sorbents made from sodium and iron
- CO₂-free hydrogen production technologies using iron catalysts

Risks

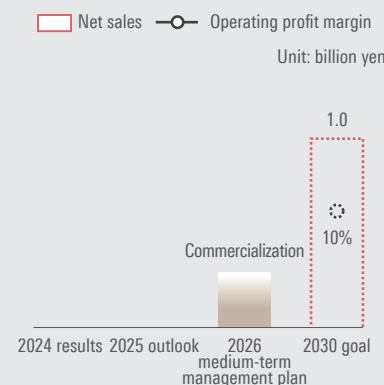
- Contraction of investments in decarbonization due to the relaxing of environmental regulations
- Market uncertainty affected by consumer sentiment

Commercialization strategies

- 01** Social implementation of CO₂ solid sorbent
We aim to enhance CO₂ capture performance and handleability and bring down the costs of CO₂ separation and capture technologies to 2,000 yen/t-CO₂
- 02** Building a supply chain of CO₂-free hydrogen
At our demonstration plant in Toyotomi Town, Teshio-gun, Hokkaido, we aim to manufacture high-purity and low-cost CO₂-free hydrogen and supply it to nearby companies.
- 03** Developing new iron oxide catalysts
Using catalyst technologies, we will develop new catalysts that create environmentally-sound energy.



Business plan



Topics

- CO₂ sorbents: A new plant is currently being designed, with the project continuing under the Green Innovation Fund (subsidy). Sales are scheduled to launch in fiscal 2027
- CO₂-free hydrogen production (methane thermal decomposition technology): A DMR plant has been completed in Toyotomi Town, Hokkaido, with demonstration testing to commence during fiscal 2025
- Development of new iron oxide catalysts: The development of energy generation-related catalysts is underway, with a planned market launch around fiscal 2028

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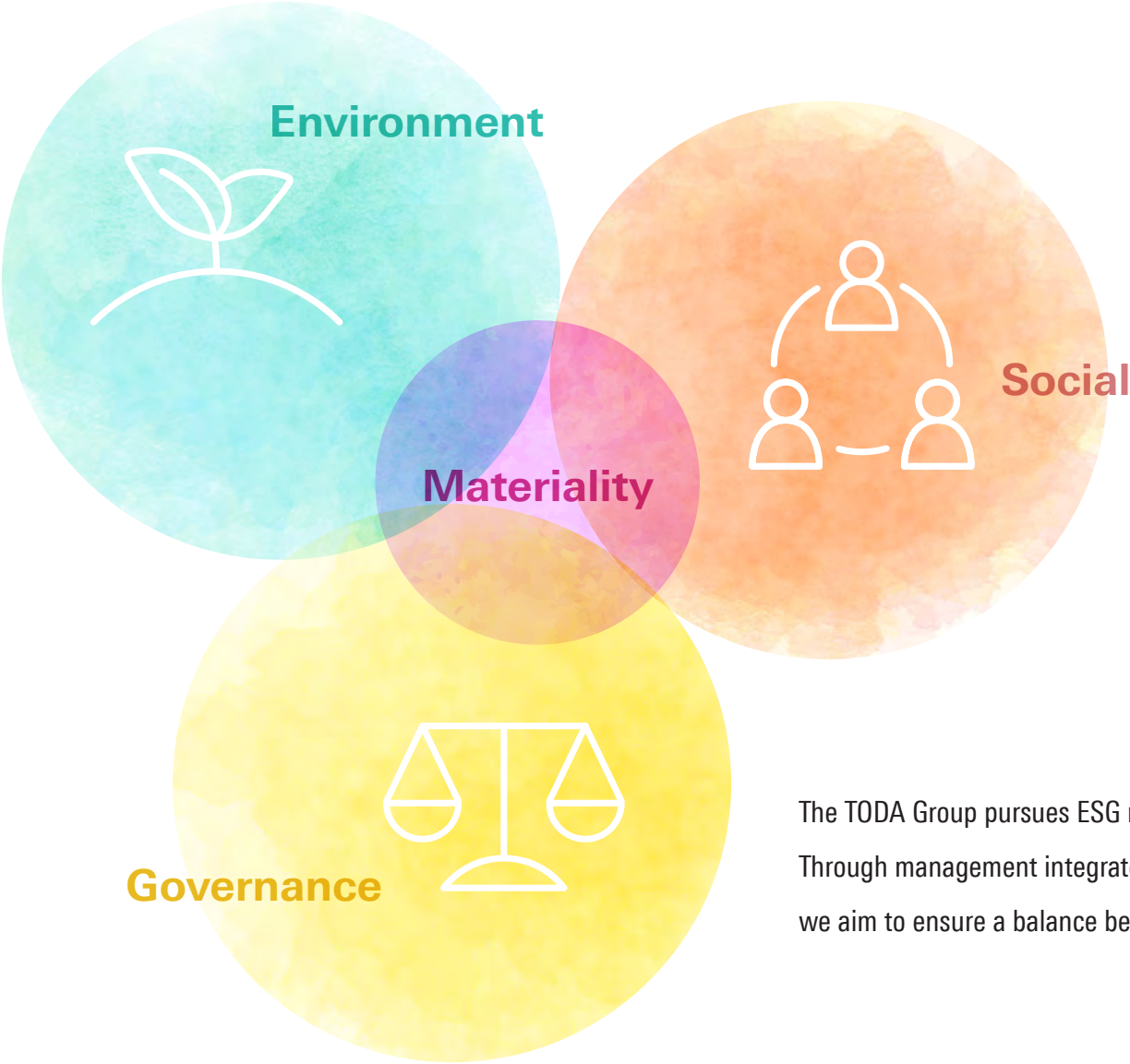
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04

The TODA Group pursues ESG management.
Through management integrated with materialities that clearly define indicators and goals,
we aim to ensure a balance between social and economic value to achieve sustainable growth.



Environment

The TODA Group will be taking action to protect the environment on a groupwide scale. Our officers and employees are aware that our business activities and actions to protect the environment are inseparable. On that understanding, we will practice responsible environmental management in accordance with the ISO 14000 series of standards

Environmental Vision	Major initiatives and goals (fiscal 2030)	FY2024 result
Conserving biodiversity	Provide education to employees to deepen their understanding of biodiversity conservation Assess impacts on biodiversity in the development process Ask suppliers to conserve biodiversity in the procurement process Endeavor to reduce the environmental impact on surrounding areas in the production process Carry out regional cleanup, tree-planting and animal and plant preservation activities at individual offices and plants	Conducted internal training: “Corporate Responsibility on Biodiversity” Surveyed water risks using the WWF’s Biodiversity Risk Filter Took part in local community cleanup activities and flower planting campaigns
Reduction of greenhouse gas emissions <div>Materialities</div>	Scope 1 + 2 GHG emissions Reduce 75%* GHG emissions based on net sales Reduce 70%* Use of renewable energy At least 17%	Reduced 64%* Reduced 55%* 29% Purchased power from renewable sources of energy + installed solar carports, etc. <div>ESG BOOK, TCFD, P09</div>
Conserving water resources	Water consumption per unit of production volume Less than or equal to the level in the previous fiscal year Water discharge per production volume Less than or equal to the level in the previous fiscal year	8% increased, failed to achieve goal 2% decreased, achieved goal
Providing products and technologies that are in harmony with the environment <div>Materialities</div>	Ratio of environmentally friendly/harmonious developed products 70% or more * Research and development subjects are evaluated based on the beneficial effect they have with respect to the environment into three categories (environmentally harmonized, environmentally friendly and standard subjects).	43% Developed fine particle dispersion products, etc. <div>ESG BOOK, Product Innovation, P14</div>
Acting to form a recycling-oriented society <div>Materialities</div>	Industrial waste Reduce 25%* Repurposing crude raw materials and by-products into raw materials 3 or more Commercialization of battery material recycling	Reduced 40%* Development of technologies to reuse iron- and aluminum-containing compounds is underway Succeeded in recycling recovered lithium into battery materials at the laboratory scale <div>ESG BOOK, Repurposing and Effective Use of Resources, P08</div>



Society

The TODA Group prioritize safety, human rights and quality in its business activities. We work with partners who aspire to solve social issues in the same way, and strive to engage in fair trade and fulfill our supply responsibilities. We believe in the potential of people, and build an organizational culture that maximizes the myriad values produced from connections between people.

Management challenges	Major initiatives and goals (fiscal 2030)	FY2024 result
Pursuing zero serious accidents Materialities	Occupational accident rate 1.20 or less	0.00 Recorded first zero lost-time injuries since starting to track statistics ESG BOOK, Initiatives for Safety, P17
Health and safety of customers	Number of accidents involving product safety 0 Response rate to inquiries from customers 100%	0 100% Increased inquiries regarding Chinese export regulations and certificates of origin under the Regional Comprehensive Economic Partnership (RCEP) ESG BOOK, Quality Assurance, Product Safety and Customers' Health, P18
Unlocking people’s potential Materialities	Ratio of female employees 25% or more Ratio of female managers 10% or more Rate of childcare leave and leave for childcare purposes taken by eligible male employees 95% or more	20% Increased recruitment of women 1% Mandatory retirement of female managers 100% Continued building an operational framework assuming leave acquisition and streamlining ESG BOOK, DE&I, P21
Creating workplace environments enabling employees to display creativity Materialities	Employee engagement improvement	Engagement survey not conducted Conducted a feedback meeting based on the fiscal 2023 survey results ESG BOOK, DE&I, P21
Human resource developments supporting a company built upon technology Materialities	Cost of education per person (consolidated) 30,000 yen per person Number of participants in next-generation management candidate training 6 or more per year	32,727 yen per person Conducted unconscious bias training Number of participants 6 ESG BOOK, Personnel Development, P23
Respect for human rights	Engage in due diligence, remedy, dialogue and information disclosures in accordance with the United Nations Guiding Principles on Business and Human Rights	Selected foreign workers at domestic manufacturing sites as a priority theme, engaged in dialogue with a focus on technical intern trainees, and implemented improvements ESG BOOK, Respect for Human Rights, P22



Governance

The TODA Group adheres to global rules and compliance requirements by taking the initiative from the top down.
We endeavor to strengthen our corporate governance structure, engaging in appropriate financial management and disclosures while ensuring information security.

Management challenges	Major initiatives and goals (fiscal 2030)	FY2024 result
Improving transparency and effectiveness of Board of Directors Materialities	Analysis and functional improvement through ongoing evaluations of effectiveness	Continued discussion on the challenge recognized in the fiscal 2023 assessment, “enhancing management strategies from a medium- to long-term perspective,” and formulated a medium-term management plan and the Value Creation Process Recognized “providing feedback on dialogue with shareholders and investors” and “enhancing the functioning of the Audit and Supervisory Committee and Nomination and Compensation Advisory Committee” as challenges in the fiscal 2024 assessment ESG BOOK, Corporate Governance, P26
Compensation for officers	Enhance fairness, transparency and objectivity in the Nomination and Compensation Advisory Committee	Reduced the compensation of executive directors and officers to clarify management responsibility for downward revisions to the full-year consolidated financial results forecast for the fiscal year ended March 31, 2025 ESG BOOK, Governance Data, P39
Internal control	Assess and provide feedback on the development and operational status of internal regulations, and the implementation status of risk management and compliance	Conducted audits of the development and operational status of internal controls at 12 sites (no major deficiencies found) ESG BOOK, Corporate Governance, P26
Strengthening compliance Materialities	Number of serious statutory or regulatory violations Zero violations	0 Launched a learning portal site for laws, contracts and internal procedures ESG BOOK, Compliance, P28
Risk Management	Engage in ISO 31000-compliant risk management	Took action on delays in digitalization and 2024 problem in logistics (the logistics labor shortage) ESG BOOK, Risk management, P29
Strengthening information security of the Group Materialities	Incident identification within 24 hours and expanded scope of response Consolidated subsidiaries	Two new companies have been implemented and a cumulative total of 4/8 companies have been addressed ESG BOOK, Information Management, P30
Improved information literacy Group-wide Materialities	Number of digitalization projects led by user departments (cumulative) 250	Implemented 32 new digitalization projects, amounting to 70 such projects to date ESG BOOK, Information Management, P30

Officers (As of July 1, 2025)

Board of Directors



Shigeru Takaragi
Director and Chairman
Appointment of Director: June 2013
Number of the Company's shares owned: 4,600 shares

He has accumulated abundant business experience and achievements in the research division, production division, etc. and has knowledge and global insight regarding corporate management, which was cultivated at an operating company in South Korea.



Tsuneaki Kubo
Representative Director
Nomination and Compensation Advisory Committee Member
Appointment of Director: June 2021
Number of the Company's shares owned: 400 shares

He has abundant experience and achievements in the production technology division and the production division, etc. as well as global knowledge regarding corporate management, which was cultivated at operating companies in China.



Dai Matsuoka
Director
Appointment of Director: June 2019
Number of the Company's shares owned: 500 shares

He was involved for many years in the technology and development divisions of TDK Corporation, and has abundant experience and wide range of knowledge and insight acquired as Chief Officer of Quality, Safety & Environment. He has served as an outside Director of TODA since 2019, and as Director since April 2023.



Atsushi Tomokawa
Director
Appointment of Director: June 2024
Number of the Company's shares owned: -

He has abundant experience and achievements in the sales division. He has broad experience and insight as supervisor and manager of the finance and accounting, IR, legal, and other divisions.

Outside Director



Shuichi Hashiyama
Outside Director
Appointment of Director: June 2023
Number of the Company's shares owned: -

He has been involved in expanding the electronic components business within the development and sales divisions (including experience overseas) of TDK Corporation as the chief officer of management strategy and technology and corporate strategy. He has contributed to overseeing management at TODA through his extensive insight and knowledge.



Reiko Sodeno Independent
Outside Director
Nomination and Compensation Advisory Committee Member
Appointment of Director: June 2024
Number of the Company's shares owned: -

She has insight and experience as a researcher focusing on environmental issues such as waste management and SDGs, and is currently engaged in research and teaching as a university professor. She provides beneficial advice, particularly in the environmental field, based on her advanced expertise and broad knowledge.

Outside Director



Taro Ikushima
Outside Director
Appointment of Director: June 2025
Number of the Company's shares owned: -

He was involved for many years in the corporate planning of TDK Corporation, and he has served as Corporate Officer and CEO for its Electronic Components Business. He possesses considerable insight and knowledge into general management and has contributed to overseeing management at TODA.

Full-time Audit and Supervisory Committee Member



Kazumi Okimoto
Director who is an Audit and Supervisory Committee Member (fulltime)
Appointment of Director: June 2024
Number of the Company's shares owned: 4,470 shares

He has been engaged in a wide range of business activities at a bank for many years, and since joining TODA, he has been involved in finance and accounting and has served as chief risk officer and internal control officer, as well as General Manager at manufacturing plants, and President of an operating company in Japan. He has abundant experience and knowledge regarding corporate management.

Audit and Supervisory Committee Member



Shinsuke Hasegawa Independent
Outside Director who is an Audit and Supervisory Committee Member
Nomination and Compensation Advisory Committee Member
Appointment of Director: June 2022
Number of the Company's shares owned: -

He has abundant experience and broad insight as a certified public accountant. He has contributed to strengthening the functions of the Board of Directors and supervising the execution of business as outside Corporate Auditor since 2017, and as outside Director who is an Audit and Supervisory Committee member since 2022.



Koji Kanazawa Independent
Outside Director who is an Audit and Supervisory Committee Member
Nomination and Compensation Advisory Committee Member
Appointment of Director: June 2022
Number of the Company's shares owned: -

He has rich experience as an attorney and a wide range of knowledge regarding the law. He has contributed to strengthening the functions of the Board of Directors and supervising the execution of business, as outside Corporate Auditor since 2018, and as outside Director who is an Audit and Supervisory Committee member since 2022.



Kazuya Uraisami Independent
Outside Director who is an Audit and Supervisory Committee Member
Nomination and Compensation Advisory Committee Member
Appointment of Director: June 2022
Number of the Company's shares owned: -

He was involved in the credit departments of financial institutions for many years and also has abundant experience and broad insight as a corporate manager. He has contributed to strengthening the functions of the Board of Directors and supervising the execution of business as outside Corporate Auditor since 2020, and as outside Director who is an Audit and Supervisory Committee member since 2022.

Executive Officers

President and CEO	Tsuneaki Kubo
Senior Managing Executive Officer	Dai Matsuoka
Managing Executive Officer	Atsushi Tomokawa
	Mitsunori Nagase
	Tetsuo Tsurui
	Koso Aoki
	Hwang Youngkyun
Executive Officers	Minoru Ohsugi
	Kazuyoshi Kawato
	Toshinari Kadomitsu
	Taichi Murayama



Directors' Skills Matrix

(As of July 1, 2025)

To achieve the continuous growth of the TODA Group and enhance corporate value over the medium to long term, TODA positions its directors' participation in decision-making at Board of Directors meetings as well as the importance of their advisory and supervisory functions as key responsibilities.

To ensure these responsibilities are fulfilled, we have organized the necessary expertise and skills into ten items which are utilized when examining candidates for director.

		Corporate Business management	Internationality Global experience	Production procurement	Quality control	Technology R&D	Sales Marketing	Finance/ Accounting	Legal Compliance	Personnel labor relations Human resource development	ESG	Position and assigned area at TODA, significant concurrent positions, etc.
Shigeru Takaragi Director and Chairman		●	●	●		●	●			●	●	
Tsuneaki Kubo Representative Director		●	●	●		●	●					President and CEO, in charge of Procurement & Logistics Department
Dai Matsuoka Director			●	●	●	●					●	Senior Managing Executive Officer, General Manager of Research & Development Division, Deputy Department Manager of the Business Unit Management Department, in charge of Intellectual Property Group
Atsushi Tomokawa Director		●					●	●	●		●	Managing Executive Officer, Department Manager of Corporate Planning Department, in charge of Sales Division and Business Unit Management Department
Shuichi Hashiyama Outside Director	Outside	●	●			●	●				●	Director, Corporate Officer, CTO and General Manager of Technology & Intellectual Property HQ at TDK Corporation
Reiko Sodeno Outside Director	Outside Independent		●			●					●	Professor, Planning Architecture and Environmental Systems, Faculty of Systems Engineering and Science, Shibaura Institute of Technology
Taro Ikushima Outside Director	Outside	●	●				●	●			●	Corporate Officer, General Manager of Corporate Strategy HQ at TDK Corporation
Kazumi Okimoto Director who is an Audit and Supervisory Committee Member (fulltime)		●		●	●			●		●		
Shinsuke Hasegawa Outside Director who is an Audit and Supervisory Committee Member	Outside Independent	●	●					●				Representative of Hasegawa CPA Office Outside Auditor of Hinokiya Group Co., Ltd.
Koji Kanazawa Outside Director who is an Audit and Supervisory Committee Member	Outside Independent	●	●						●		●	Partner of Chuo Sogo Law Office, P.C. Outside Corporate Auditor of Rakuten General Insurance Co., Ltd.
Kazuya Uraisami Outside Director who is an Audit and Supervisory Committee Member	Outside Independent	●	●					●		●	●	Representative of Marginal LLC Audit & Supervisory Board Member at Kuramoto Manufacturing Co., LTD.

Financial Statements

Consolidated balance sheets

	(Million 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
Others	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
Others	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
Others	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

	(Million 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	—	955
Others	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
Others	186	154
Total non-current liabilities	17,559	18,715
Total liabilities	39,189	38,894
Net assets		
Shareholders' equity		
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



Financial Statements

Consolidated statements of income

(Million 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
Others	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

(Million yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Non-operating expenses		
Interest expenses	321	449
Foreign exchange losses	—	194
Share of loss of entities accounted for using equity method	—	427
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
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	—	1,003
Others	0	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)

Financial Statements

Cash flows

(Million 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)
Others	(793)	(641)
Subtotal	(221)	4,243
Income taxes refund (paid)	(423)	(423)
Net cash provided by (used in) operating activities	(645)	3,820

(Million yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
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
Others	2	69
Net cash provided by (used in) investing activities	(1,429)	(1,890)
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 borrowings 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)
Others	(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

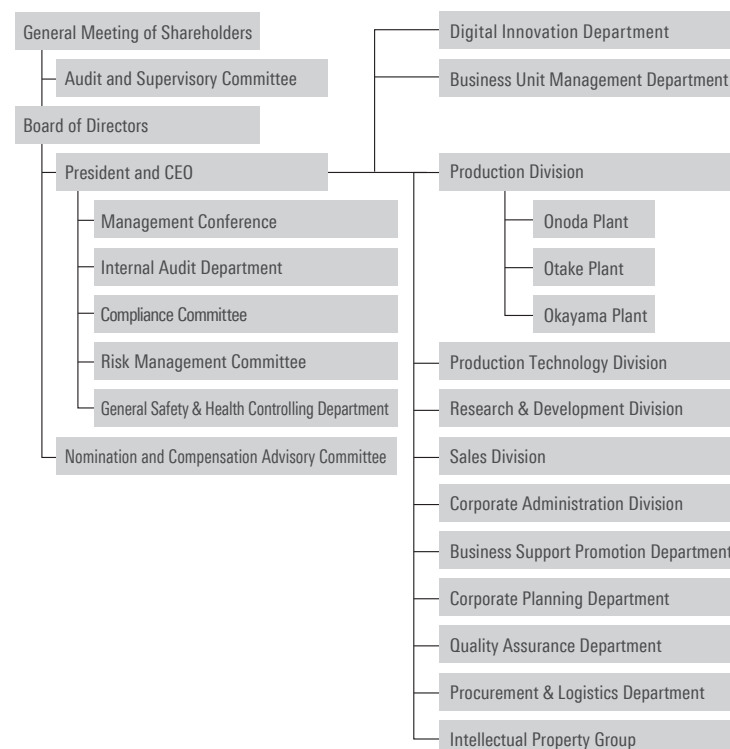


Company Information

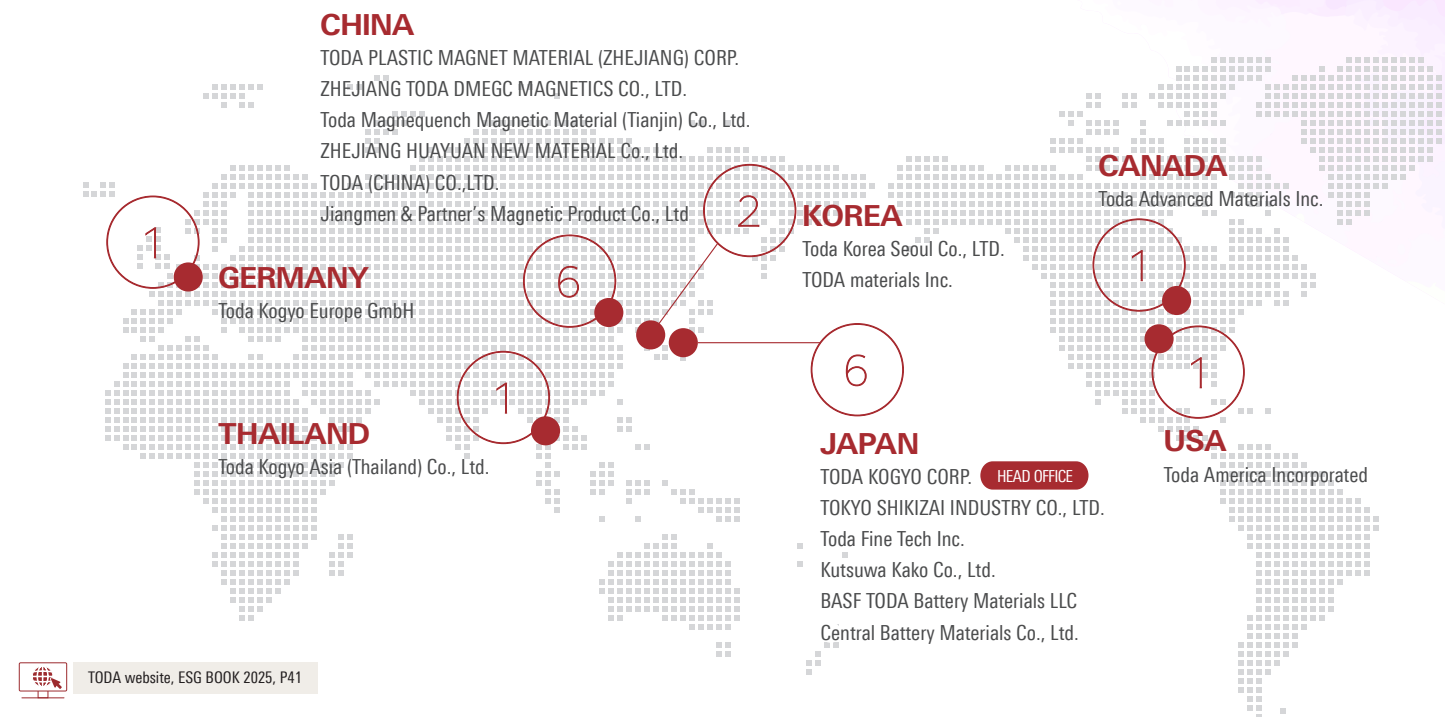
Corporate profile (As of March 31, 2025)

Company name	TODA KOGYO CORP.
Head office location	1-23 Kyobashi-cho, Minami-ku, Hiroshima 732-0828
Founding	1823
Date of incorporation	November 30, 1933
Capital	7,477 million yen
Number of employees	1,067 (consolidated), 368 (non-consolidated)

Organization chart (As of July 1, 2025)



Offices and plants (As of March 31, 2025)

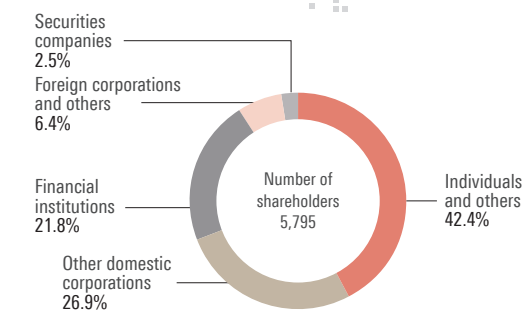


TODA website, ESG BOOK 2025, P41

Stock information (As of March 31, 2025)

Total number of authorized shares	19,300,000 shares
Total number of issued shares	6,099,192 shares
Listed stock exchange market	Standard Market, Tokyo Stock Exchange
Securities Code	4100

TODA website, the Securities Report for the fiscal year ended March 31, 2025 (Japanese Only), P34



Stock distribution by shareholder category (shareholding ratio)