

TOKYO OHKA KOGYO CO., LTD -tok Medium-Term Plan 2027-

tok

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TOKYO OHKA KOGYO CO., LTD

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Contents

01

- | | |
|---|-----|
| 1. Outline of TOK Vision 2030 | p.2 |
| 2. Review of tok Medium-Term Plan 2024 | p.4 |
| 3. Outline of tok Medium-Term Plan 2027 | p.7 |

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The rapid development of digital technology and new outlook

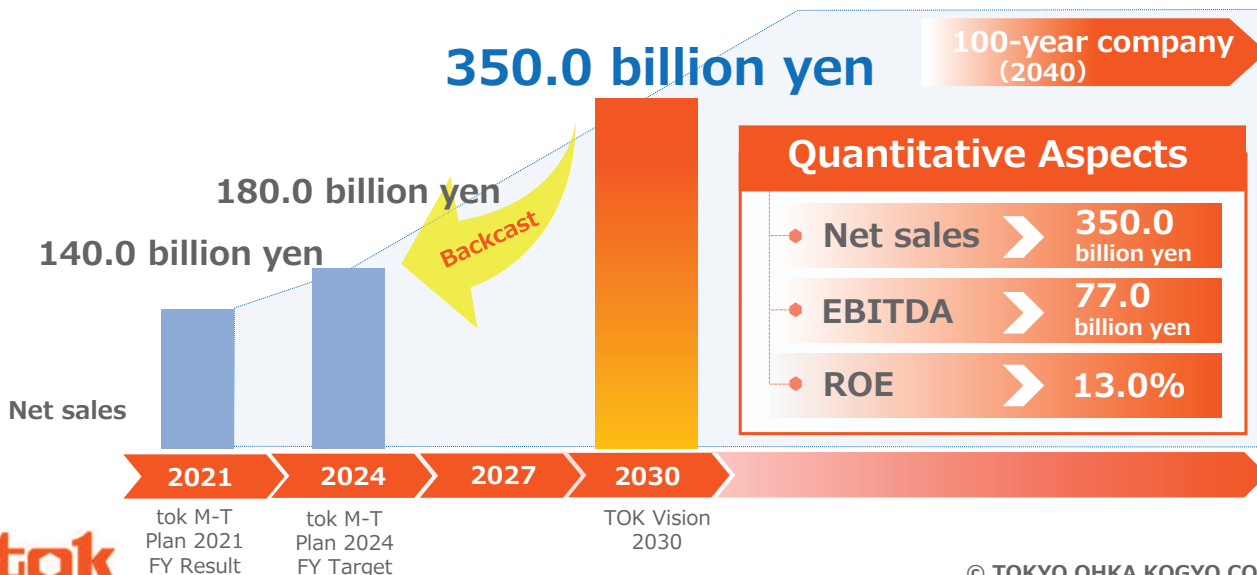


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TOK Vision 2030

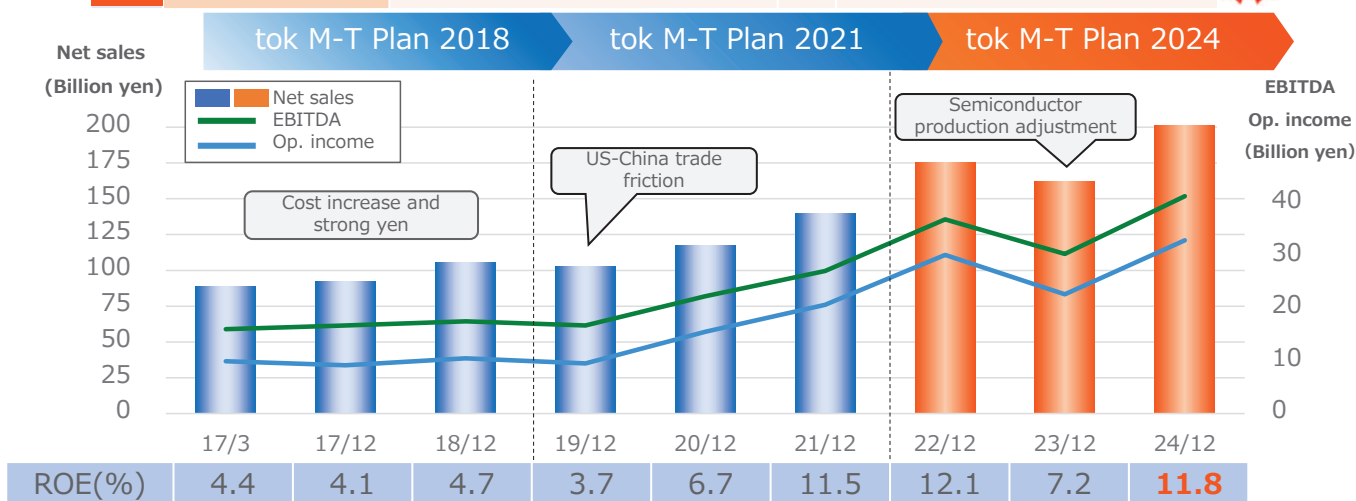
Qualitative Aspects

- ◆ Provide new added value that inspires customers
- ◆ Earn trust from stakeholders worldwide
- ◆ Continue developing high technological capabilities and show international presence
- ◆ Enhance corporate value sustainably with an aim to contribute to SDGs
- ◆ All employees can work lively with pride



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		tok Medium-Term Plan 2024 Final year	
		Target	Results
Quantitative Targets	Net sales	180.0 billion yen	200.9 billion yen
	Operating income	27.0 billion yen	33.0 billion yen
	EBITDA	35.0 billion yen	41.4 billion yen
	ROE	Over 8.0%	11.8%



Review of tok Medium-Term Plan 2024

tok Medium-Term Plan 2024 Company-Wide Strategy

- (1) Increase global market share of cutting-edge photoresists
- (2) Acquire and create core technologies for electronic materials and new fields
- (3) Secure stable supplies of high-quality products and establish an optimal production system for the Group
- (4) Improve employee engagement and promote people-oriented management
- (5) Establish a sound and efficient management foundation

Photoresists for semiconductor front-end processes

- Advanced materials: Expanded market share at **most advanced field including for generative AI**
- KrF: Expanded market share for **semiconductors from traditional to new generations**
- Legacy materials: Steady growth in "Sensing & IoT" such as **semiconductors for automotive** and "Green energy" field.

Materials for semiconductor back-end processes

- Packaging materials: **Demand increased for advanced product by generative AI spreading**. Share expand
- MEMS materials: Steady growth
- WHS materials: Expanded sales for advanced packages

High-purity chemicals

- Thinner: **Expanded in Taiwan, China and Japan** Consolidation of global supply system
- Clean solutions: **Expanded market share of the products for advanced process** Continued new product development.



tok Medium-Term Plan 2024 Company-Wide Strategy

- (4) Improve employee engagement and promote people-oriented management
- (5) Establish healthy and efficient management foundation

Human capital

- Developed human capital strategy roadmap which is directly linked to long-term growth strategy
- Developed a measure for employee engagement strengthen and implemented
- Introduced Global Shareholding Association and Global Employees' Award system

DX

- Established IT and Digital Division and developed TOK Group's medium-to long-term digital strategy
- Deployed smart factory (Koriyama Plant, Aso Kumamoto Site)

Corporate governance

- Increased the ratio of outside directors (30% to 40%)
- Shifted to a company with an Audit and Supervisory Committee

Climate change

- Set interim targets toward realization of carbon neutrality in 2050
- Converted energy-efficient equipment in manufacturing facilities and promoted to use renewable energy
- Introduction of a CO₂ emissions monitoring system that makes to able to visualize decarbonization efforts



tok Medium-Term Plan 2027

“Go beyond 27, Jump to the Future !!”



“Go beyond 27, Jump to the Future !!”

Qualitative Objectives

- Gain No.1 global market share of cutting-edge photoresists
- Increase global share in all business fields with an eye on TOK Vision 2030
- Create businesses in new fields
- Secure stable supplies of high-quality products
- Improve employee engagement
- Establish a robust management foundation to realize TOK Vision 2030

Quantitative Objectives

Financial targets (FY2027)

Net sales	270.0 billion yen
Operating income	48.0 billion yen
EBITDA	61.0 billion yen
ROE	13.0 %

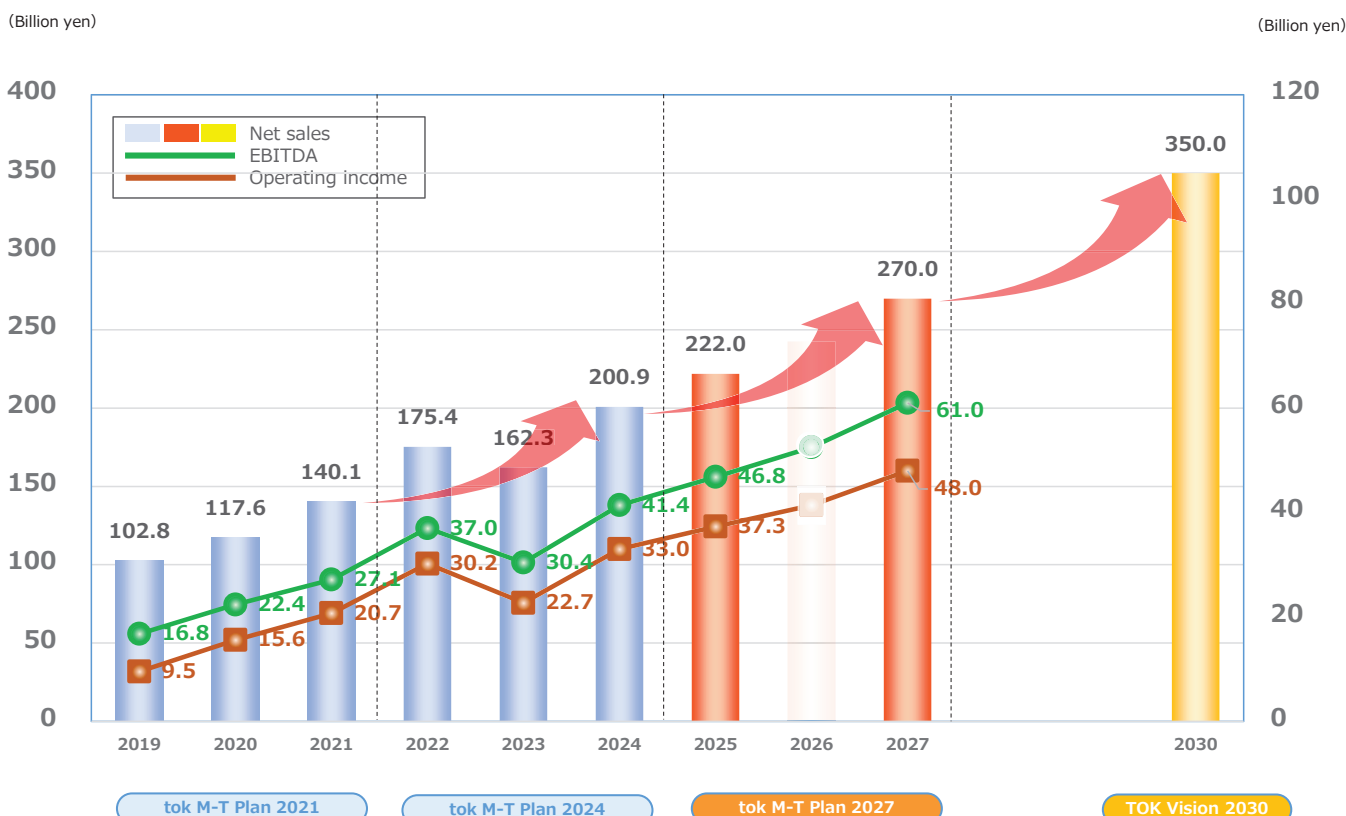
Non-financial targets (FY2027)

Employee engagement	Up 5.4 points (compared to FY2024)
CO ₂ emissions (Scope 1+2)	Cut by 27% (compared to FY2019) /35,000 tons-CO _{2e} or less



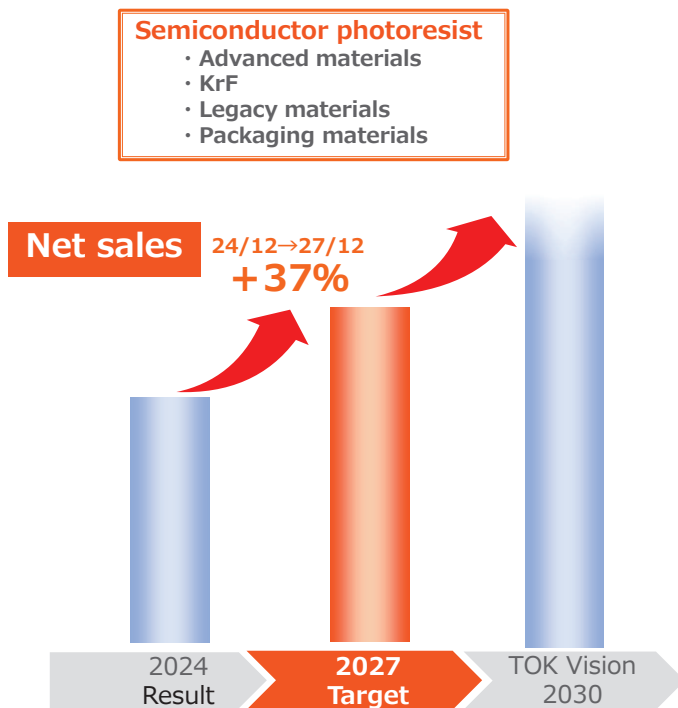
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Net sales, Operating income and EBITDA



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Sales Increase by Exceeding Market Growth with Share Expand



■ Advanced materials

Expand technology portfolio

Enhance quality control towards further miniaturization

■ KrF

Advanced development for next-generation devices

■ Legacy materials

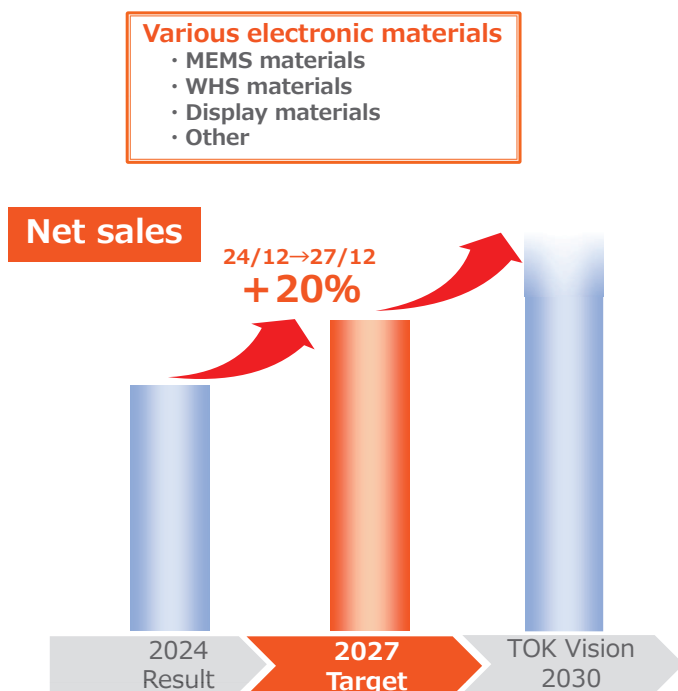
Focus on development for power semiconductor devices

■ Packaging materials

Develop and expand materials for advanced packages

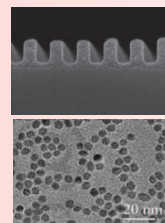


Sales Expand by Increasing Share in Existing and New Markets



■ Expand demand and increase market share for existing materials

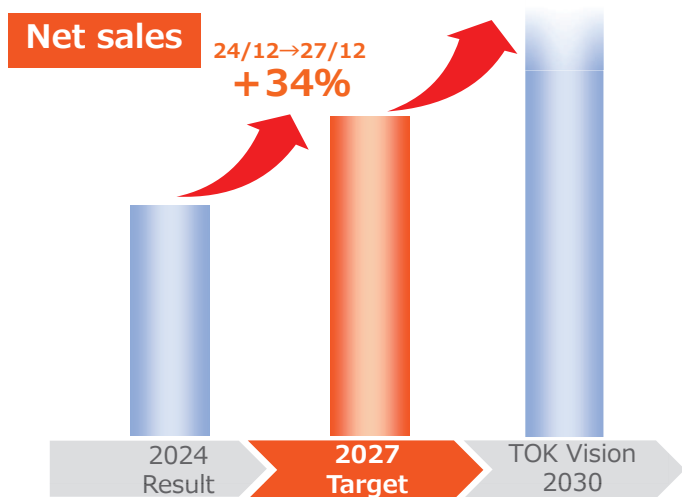
■ Uncovering potential needs by anticipating technology trends



Sales Expand by Demand Increase and Build Supply System

High-purity chemicals

- Thinners
- Developer
- Surface modification materials



- **Thinner/Developer**
 - Secure and enhance supply capacity and establish supply system
 - Strengthen quality control system
- **Surface modification materials**
 - Develop materials for cutting-edge device manufacturing process
 - Build robust supply chain
 - Build and strengthen quality control system



Business strategy: New businesses

Create new businesses with eye on 100-year company



Accelerating strategic investments with aiming TOK Vision 2030

Supply Consolidation (electronic functional materials)

- Japan : Build new world's best quality facility for photoresist manufacturing at Koriyama Plant
- Japan : Install equipment for development of cutting-edge products and increase apparatus for tightening quality control at TTIC (*)
- Korea : New inspection facility and increase production capacity

Local production for local consumption (high-purity chemicals)

- Japan : New building and expansion of facilities at Aso Plant / Aso Kumamoto Site
- Taiwan, USA : Expansion of manufacturing facilities for surface modification materials

Carbon neutral

- Japan : Construct energy center at TTIC
- Japan : Install energy efficiency equipment at Koriyama Plant

(Billion yen)	tok Medium-Term Plan 2024 (Result)	tok Medium-Term Plan 2027 (Plan)
Capital investment	54.3	76.0
Depreciation	22.8	33.0
R&D costs	38.2	52.0



* TOK Technical Innovation Center

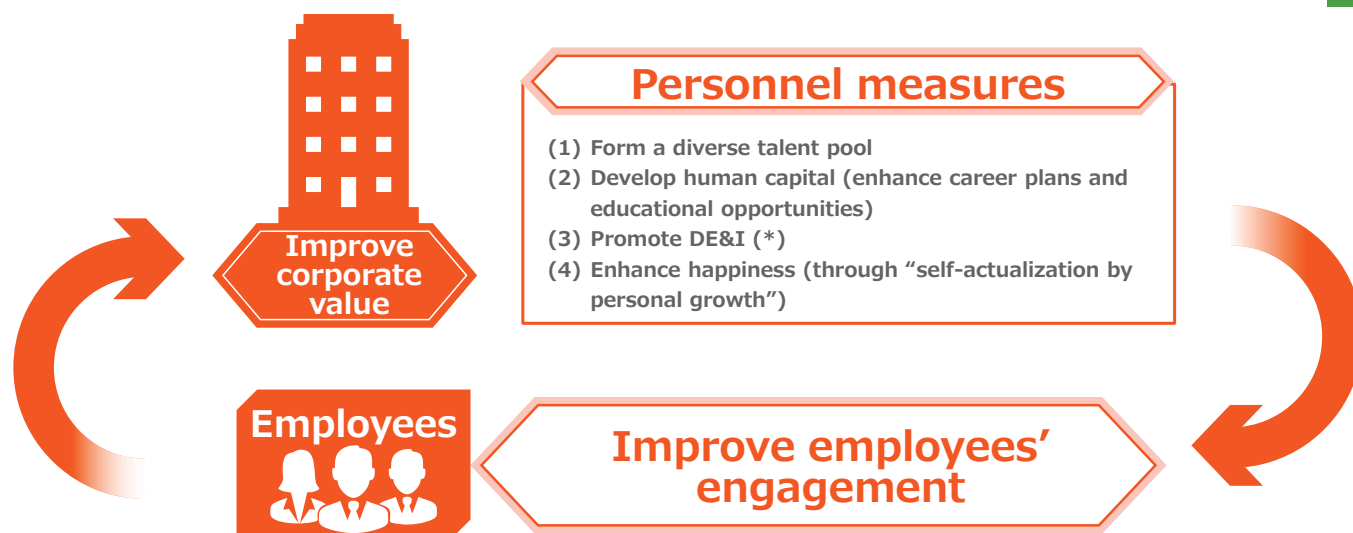
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Improve employee engagement 15

Continue the virtuous circle of improving employees' engagement and corporate value through personnel measures focused on happiness (human capital investment)

Non-financial targets (FY2027)

Employee engagement: Up5.4 points (compared to FY2024)



* Diversity, Equity & Inclusion

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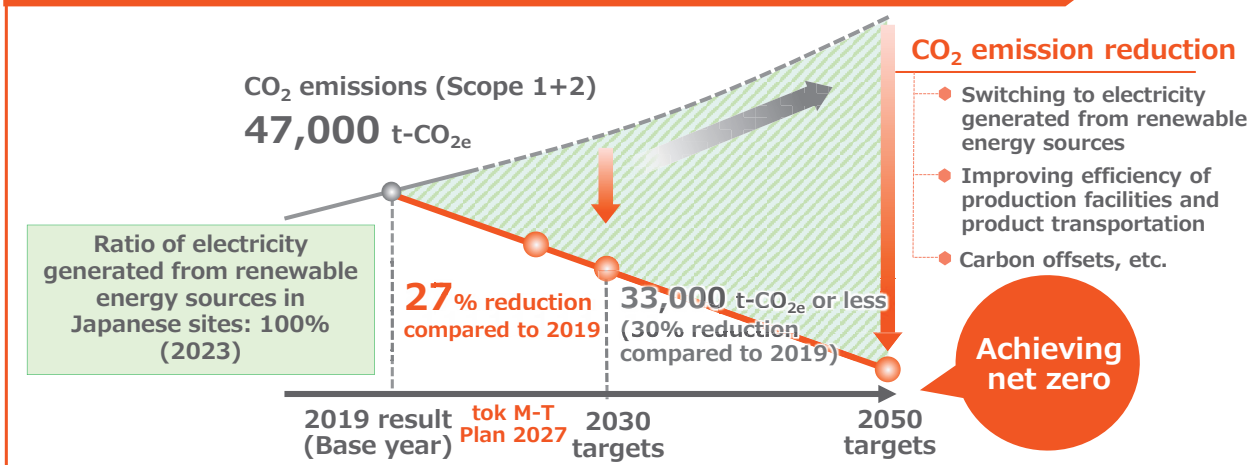


Challenge to achieve “Net Zero” GHG emissions by 2050 toward the realization of carbon neutrality

Non-financial targets (FY2027)

CO2 emissions (Scope 1 + 2): Cut by 27% (compared to FY2019) / 35,000 tons-CO_{2e} or less

“Medium-term targets” for realization of carbon neutrality by 2050



Build solid management foundation



Deployment measures through IT and digital utilization to improve employees' experience and implement measures to enhance value chain

Promote DX



tok Medium-Term Plan 2024

- Promote material development using materials informatics
- Smart factory project

tok Medium-Term Plan 2027

- Improve employees' digital literacy
- Standardize operations, efficiency improvement
- Promote smart factory
- Develop IT infrastructure to prepare for business expansion

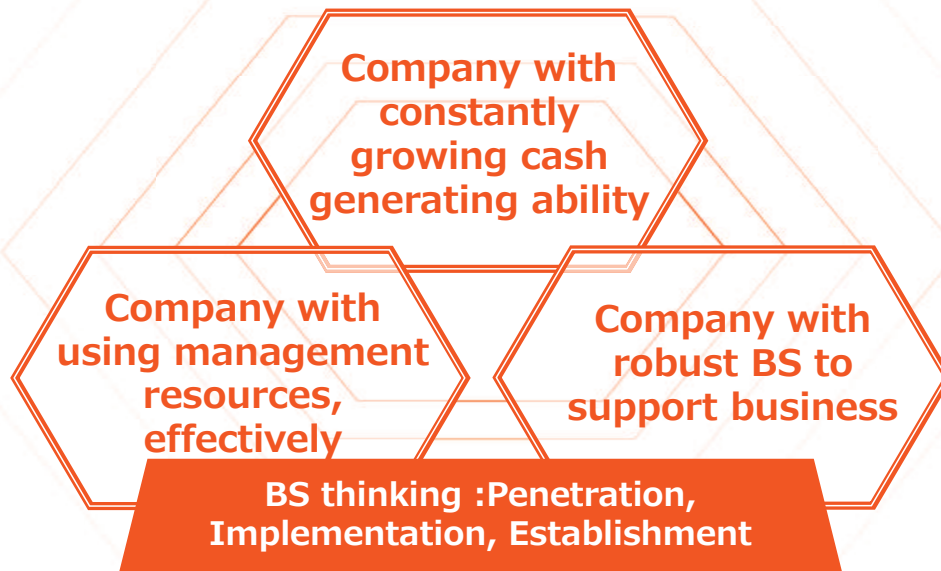
TOK Vision 2030

Realize TOK's vision of DX



- Introduce EBITDA to monitor business strategies
- Use Financial KPIs to pursue higher asset efficiency
- Enhance and diversify fundraising capability

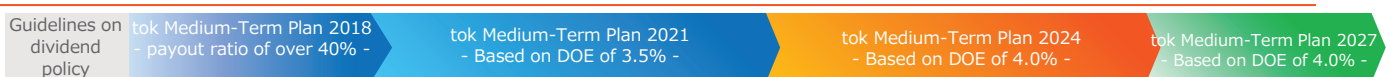
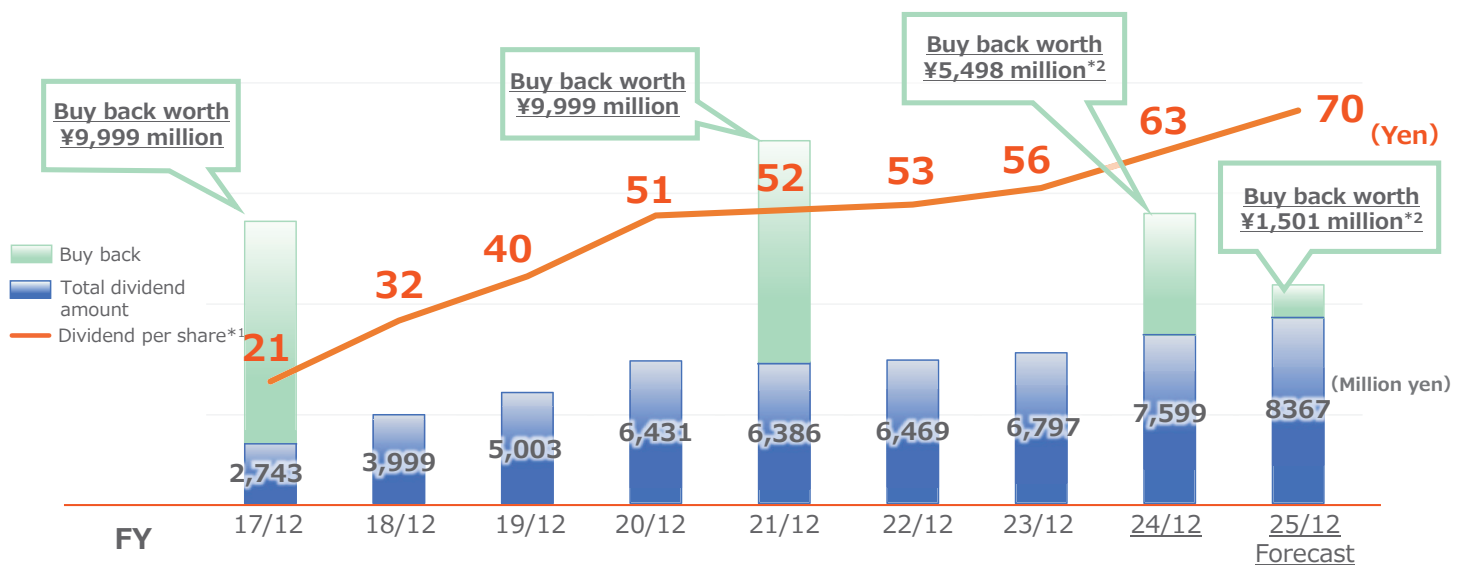
Promote BS management



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Shareholder returns

- Dividend policy with a target **DOE 4.0%**
- **Implemented Flexibly** share buyback



TOK conducted a split 3 shares for 1 share on January 1, 2024 (effective date).

*1 Prior to 2023/12, fractions less than one yen resulting from the stock split were rounded down.

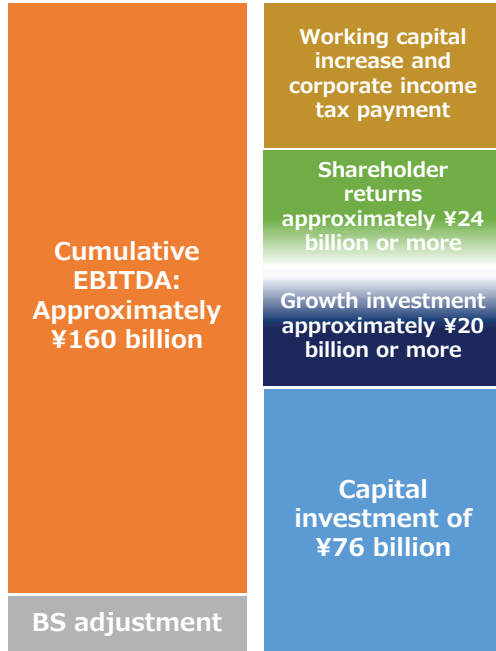
*2 Buyback period: From November 13, 2024 to January 30, 2025



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Generated EBITDA will be used for steady and continuous dividend payments with a target DOE ratio of 4.0%, making capital investment to prepare for demand growth in the semiconductor market and growth investment, and then, used for flexible share buyback

Three-year cash flow plan (image)



Dividend on equity (DOE) ratio:
About 4.0%
Share buyback: Implement flexibly

Long-run R&D-driven company
(Launch of new business, investments in human and intellectual capital, response to climate change and M&A)

Enhance production and R&D bases to expand the semiconductor market and stably supply in high-quality products



“The e-Material Global Company™”

Contributing to a sustainable future through Chemistry.



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(Note)

This presentation material contains forward-looking statements that describe future prospects of TOKYO OHKA KOGYO CO., LTD. (the Company) in terms of business planning, earnings and management strategies. Such statements are based on management's judgement, derived from information available to it at the time such information was prepared. Readers are cautioned not to rely solely on these forward-looking statements, as actual results and strategies may differ substantially according to changes in the Company's business environment.

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