

New possibilities for a bright future



Financial Results Presentation (1Q FY2025)

8/5/2025



TOCALO Co., Ltd.

Overview of Consolidated Results 1Q FY2025

- Net sales increased 17.8% year-on-year, setting a record-high quarterly net sales and ordinary profit
- Ordinary profit increased 38.6% year-on-year due to higher sales in the high-margin semiconductor field

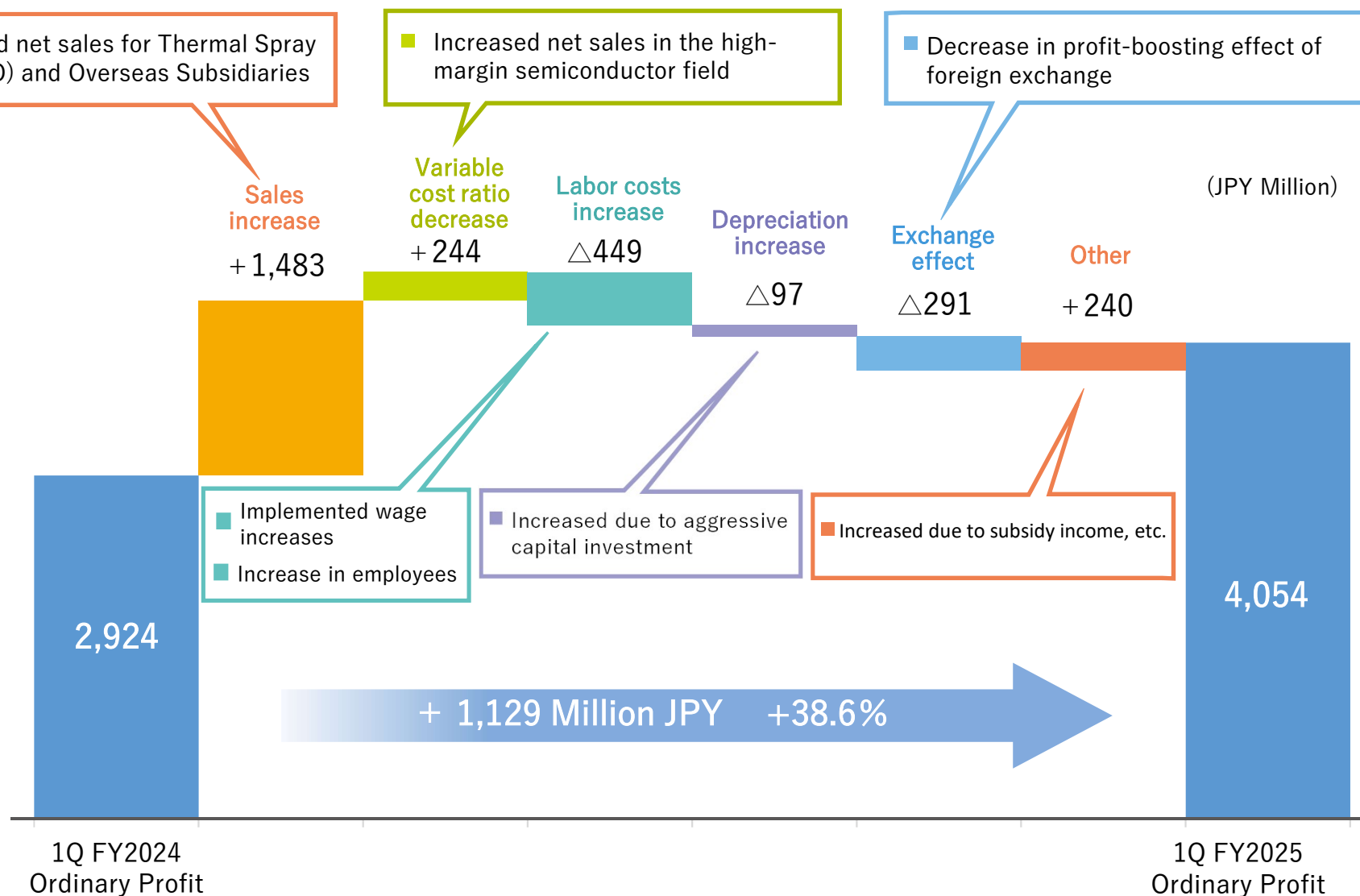
(JPY Million)	FY2024 1Q		FY2025 1Q		Change	
	Result	Ratio	Result	Ratio	Amount	%
Net Sales	12,864	100.0%	15,151	100.0%	2,287	17.8%
Operating Profit	2,687	20.9%	3,837	25.3%	1,150	42.8%
Ordinary Profit	2,924	22.7%	4,054	26.8%	1,129	38.6%
Net Income Attributable to Owners of Parent	1,886	14.7%	2,581	17.0%	694	36.8%
Earnings Per Share (EPS)	31.74JPY	—	43.42JPY	—	11.68JPY	—

1Q FY2025 Sales (by Segment)

- Thermal Spray (TOCALO) increased 11.8% year-on-year, due to an increase in net sales from the semiconductor and FPD, industrial parts, and other fields
- Both domestic and overseas subsidiaries performed well

(JPY Million)	FY2024 1Q		FY2025 1Q		Change	
	Result	Ratio	Result	Ratio	Amount	%
Net Sales	12,864	100.0%	15,151	100.0%	2,287	17.8%
■ Thermal Spray (TOCALO)	9,659	75.1%	10,795	71.2%	1,135	11.8%
Semicon & FPD	5,701	44.3%	6,271	41.4%	570	10.0%
Industrial Parts	1,225	9.5%	1,671	11.0%	445	36.3%
Iron & Steel	986	7.7%	986	6.5%	0	0.0%
Others	1,745	13.6%	1,865	12.3%	120	6.9%
■ Other Surface Modif.	717	5.6%	610	4.1%	-107	-14.9%
■ Domestic Sub.	609	4.7%	730	4.8%	120	19.8%
■ Overseas Sub.	1,861	14.5%	3,004	19.8%	1,143	61.4%
Royalty Income	17	0.1%	11	0.1%	-5	-32.2%

Analysis of Ordinary P/L Change



Segment Information

(JPY Million)	FY2024 1Q		FY2025 1Q		Change			
					Net Sales		Segment P/L	
	Net Sales	P/L	Net Sales	P/L	Amount	%	Amount	%
■ Thermal Spray (TOCALO)	9,659	2,217	10,795	2,620	1,135	11.8%	402	18.1%
■ Domestic Sub.	609	98	730	117	120	19.8%	19	19.6%
■ Overseas Sub.	1,861	547	3,004	1,339	1,143	61.4%	791	144.6%
■ Other Surface Modif.	717	118	610	87	-107	-14.9%	-30	-25.7%
Total	12,847	2,981	15,139	4,165	2,292	17.8%	1,183	39.7%

(Note) Royalty Income is not included in the Segment Net Sales.

Consolidated Forecast FY2025



[No revisions to the forecast announced on May 9, 2025]

(JPY Million)	FY2024		FY2025		Change	
	Result	Ratio	Forecast	Ratio	Amount	%
Net Sales	54,231	100.0%	57,000	100.0%	2,768	5.1%
■ Thermal Spray (TOCALO)	39,213	72.3%	39,265	68.9%	51	0.1%
Semicon & FPD	24,114	44.5%	25,187	44.2%	1,072	4.4%
Industrial Parts	4,872	9.0%	4,338	7.6%	-534	-11.0%
Iron & Steel	3,927	7.2%	4,110	7.2%	182	4.6%
Others	6,298	11.6%	5,630	9.9%	-668	-10.6%
■ Other Surface Modif.	2,880	5.3%	2,474	4.3%	-406	-14.1%
■ Domestic Sub.	2,656	4.9%	3,088	5.4%	431	16.3%
■ Overseas Sub.	9,319	17.2%	12,013	21.1%	2,693	28.9%
Royalty Income	161	0.3%	160	0.3%	-1	-0.8%
Operating Profit	12,271	22.6%	13,000	22.8%	728	5.9%
Ordinary Profit	12,561	23.2%	13,000	22.8%	438	3.5%
Net Income Attributed to Owners of Parent	8,052	14.8%	8,330	14.6%	277	3.4%
Earnings Per Share (EPS)	135.45JPY	—	140.11JPY	—	4.66JPY	—
Return on Equity (ROE)	13.9%	—	13.3%	—	-0.6pt	—

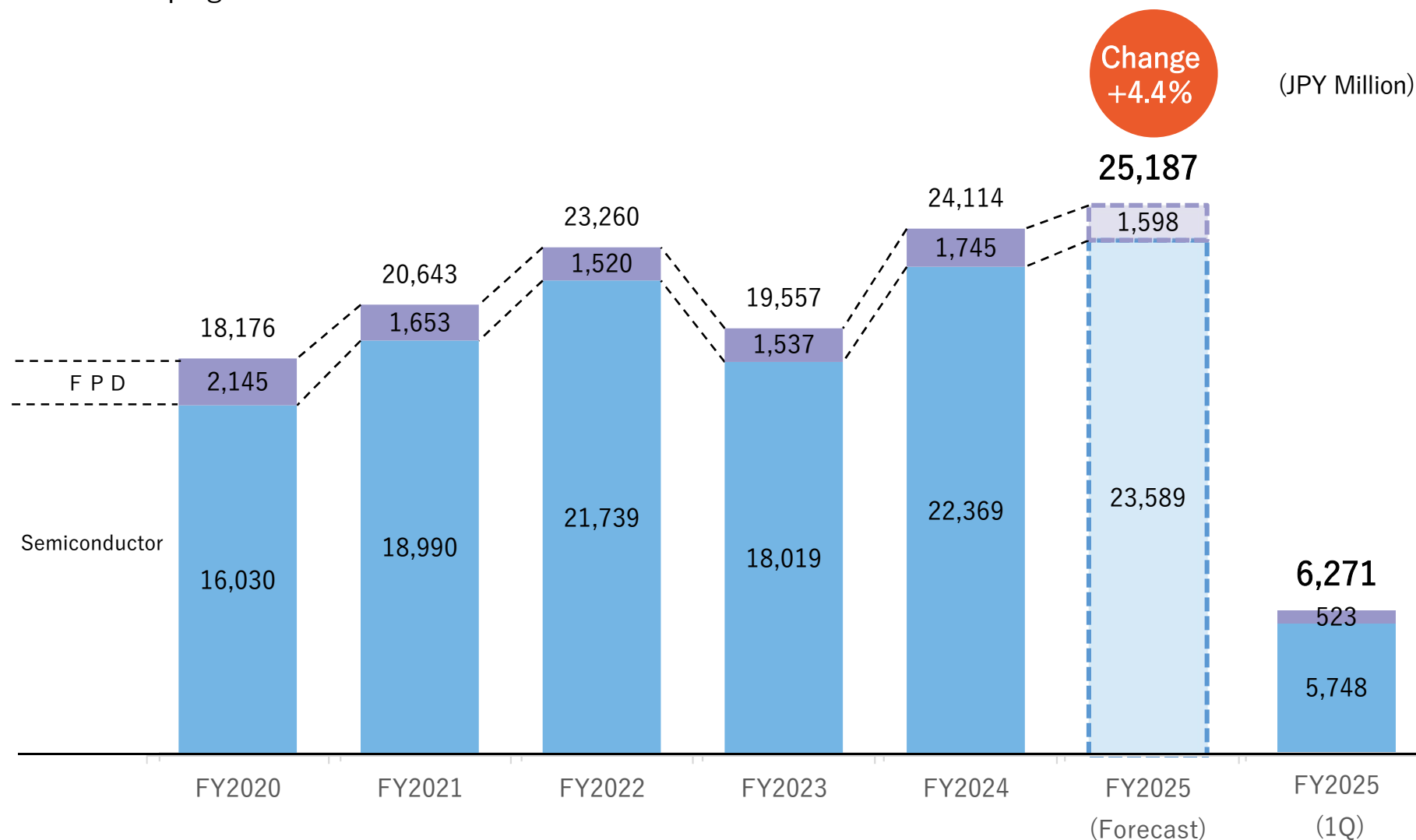
1Q FY2025 Progress Rate

(JPY Million)	FY2025 1Q		FY2025		Progress Rate
	Result	Ratio	Forecast	Ratio	
Net Sales	15,151	100.0%	57,000	100.0%	26.6%
■ Thermal Spray (TOCALO)	10,795	71.2%	39,265	68.9%	27.5%
Semicon & FPD	6,271	41.4%	25,187	44.2%	24.9%
Industrial Parts	1,671	11.0%	4,338	7.6%	38.5%
Iron & Steel	986	6.5%	4,110	7.2%	24.0%
Others	1,865	12.3%	5,630	9.9%	33.1%
■ Other Surface Modif.	610	4.1%	2,474	4.3%	24.7%
■ Domestic Sub.	730	4.8%	3,088	5.4%	23.7%
■ Overseas Sub.	3,004	19.8%	12,013	21.1%	25.0%
Royalty Income	11	0.1%	160	0.3%	7.3%
Operating Profit	3,837	25.3%	13,000	22.8%	29.5%
Ordinary Profit	4,054	26.8%	13,000	22.8%	31.2%
Net Income Attributed to Owners of Parent	2,581	17.0%	8,330	14.6%	31.0%
Earnings Per Share (EPS)	43.42JPY	—	140.11JPY	—	31.0%

Semiconductor & FPD Net Sales



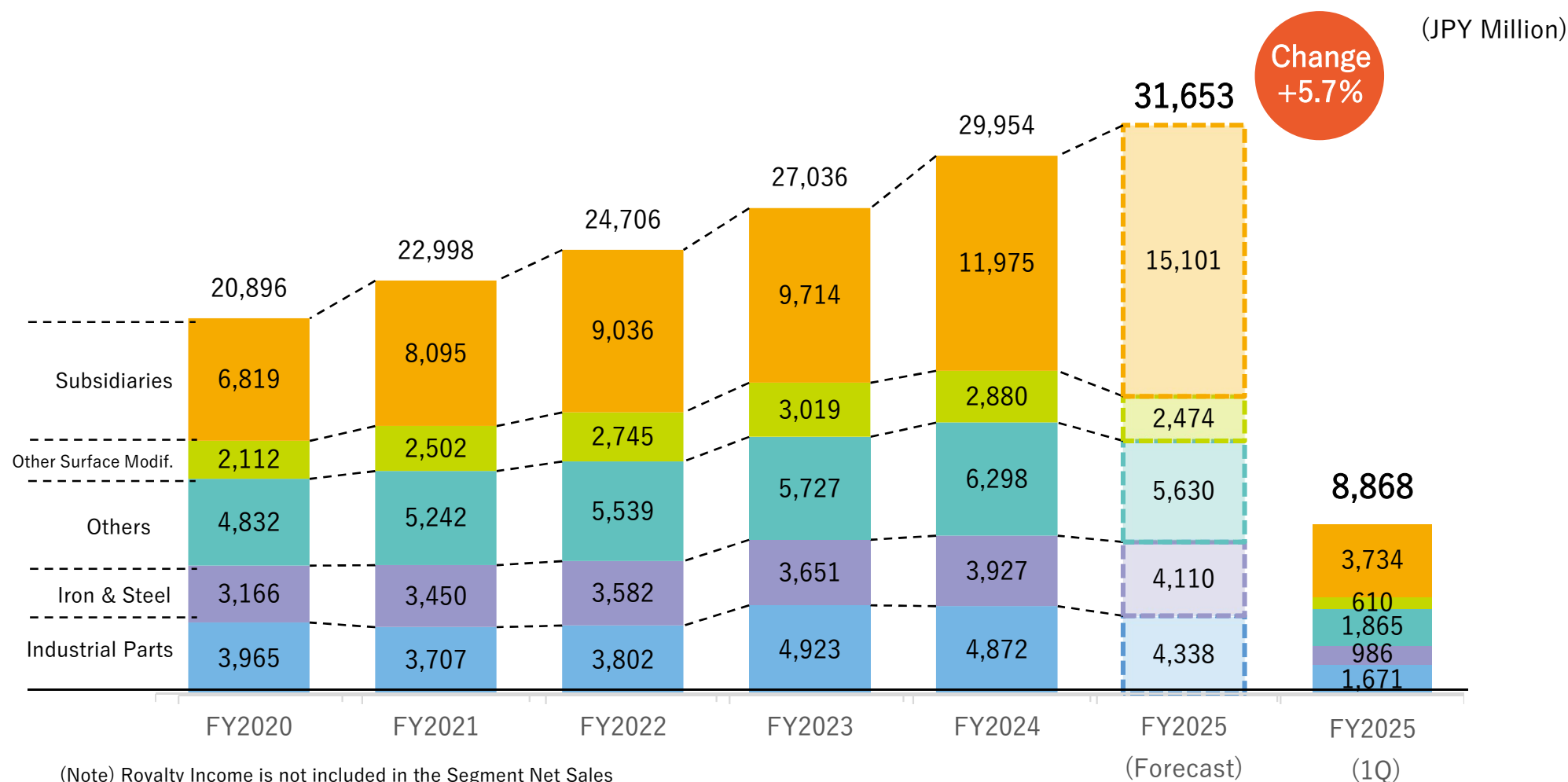
Net sales in the first quarter performed well at 6,271 million JPY (up +10.0% year-on-year).
Keeping a close watch on future trends in the semiconductor market.



Non-Semiconductor & FPD Net Sales



Sales outside the semiconductor and FPD fields are projected to increase by 5.7% year-on-year.
Subsidiaries and the industrial parts field in the first quarter performed well.



Financial Position

- Total assets decreased by 1,527 million JPY from the end of the previous fiscal year
- The equity ratio increased 1.1 percentage points from the end of the previous fiscal year to 75.4%
- Interest-bearing debt decreased by 395 million JPY from the end of the previous fiscal year

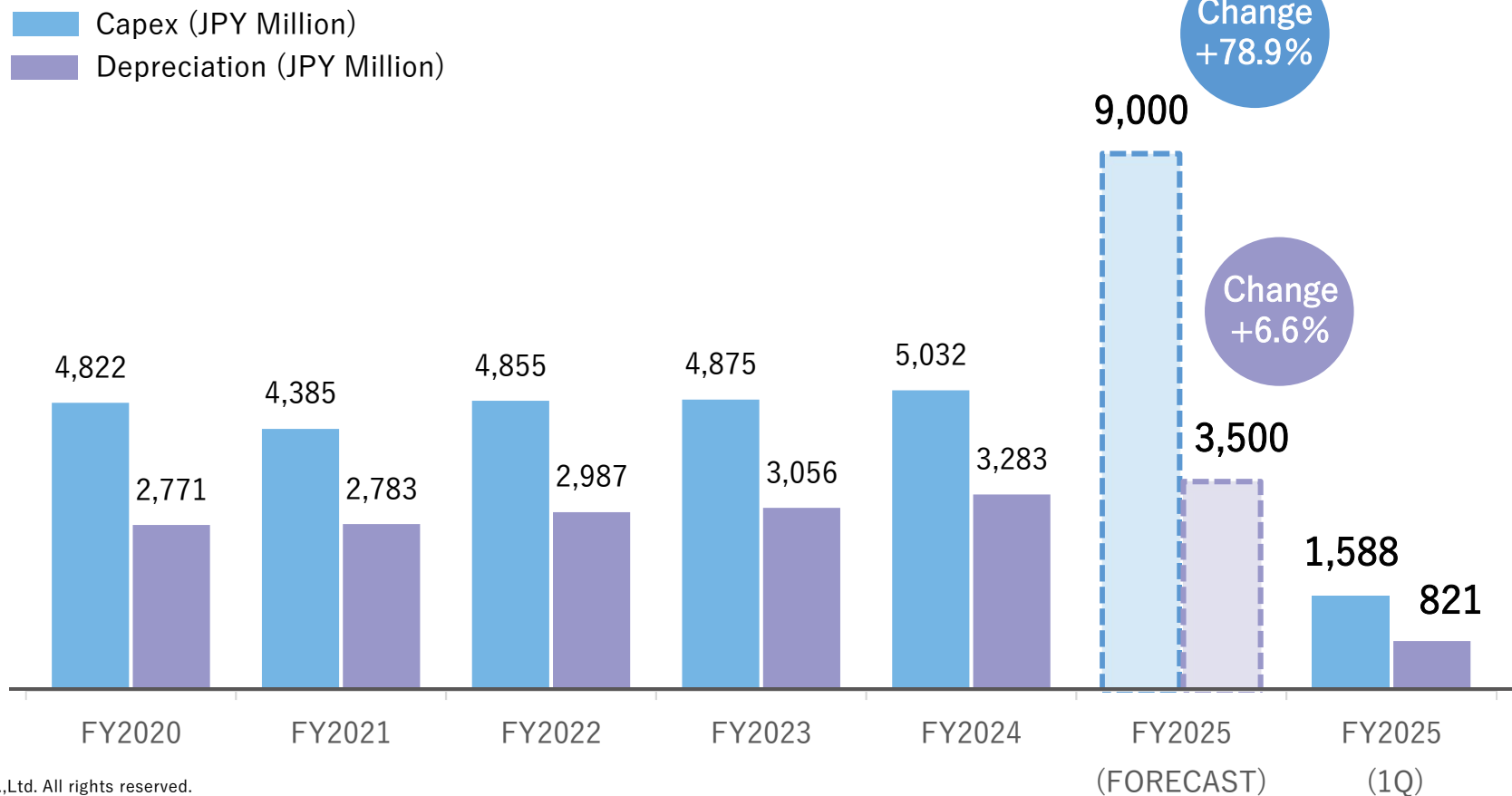
(JPY Million)	FY2024		FY2025
	1Q	4Q	1Q
Total Assets	78,584	81,676	80,149
Equity	55,970	60,646	60,432
Equity Ratio	71.2%	74.3%	75.4%
Interest-bearing Debt	4,694	3,796	3,401

Capital Investment Plan and Depreciation

POINT

Planned capex for FY2025: 9,000 Million JPY

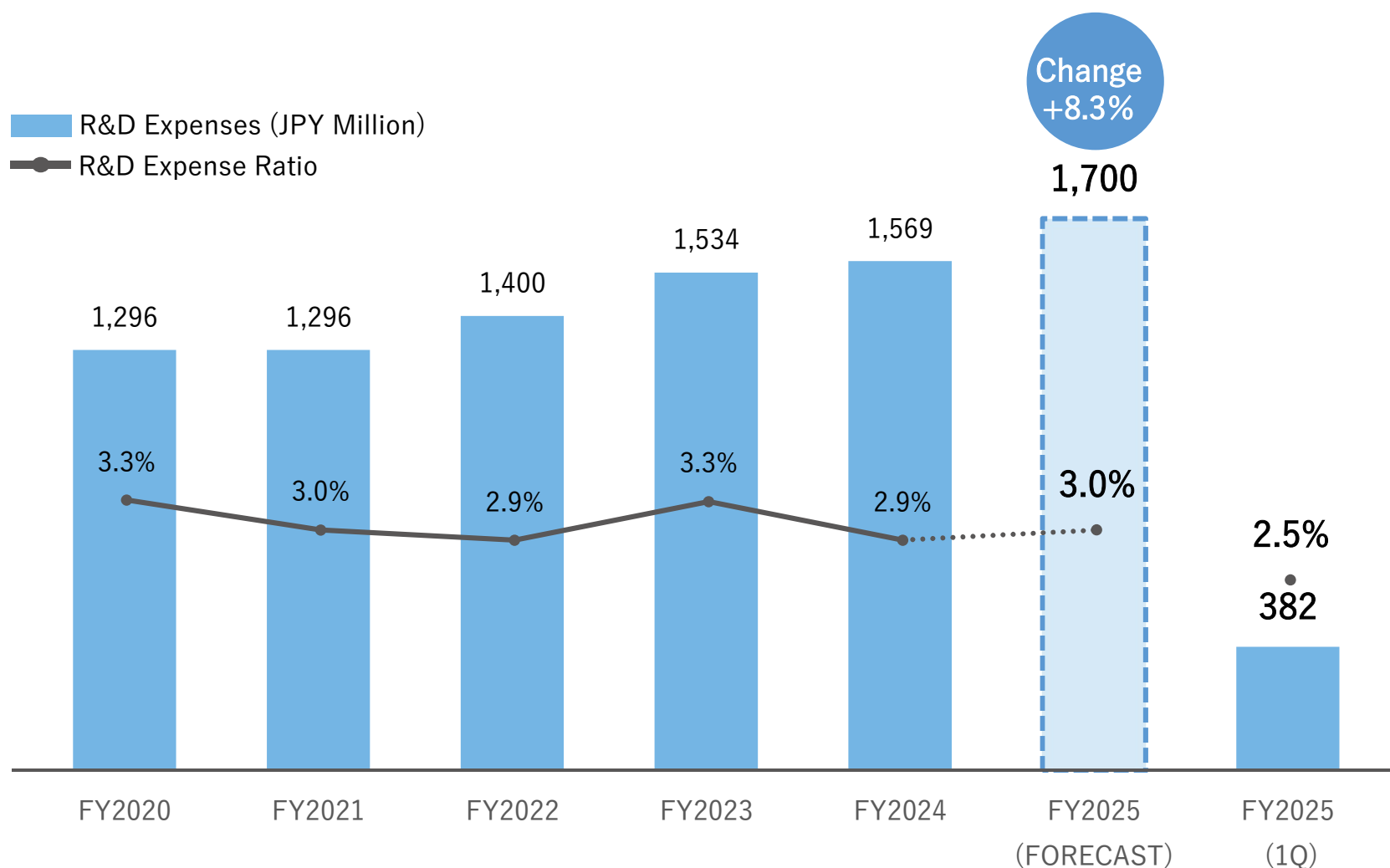
- Tocalo 7,000 million JPY: Construction of new buildings at the Tokyo and Kitakyushu Plants, increasing production and production efficiency, and strengthening research facilities, etc.
- Domestic Subsidiaries 800 million JPY: Construction of new buildings at TERADA KOSAKUSHO, and increased production capacity at Japan Coating Center
- Overseas Subsidiaries 1,200 million JPY: Launch of new factories at TOCALO & HAN TAI (Kunshan) and at TOCALO & HAN TAI (Taiwan)



R&D Expenses



R&D expenses will be maintained at around 3% of consolidated net sales



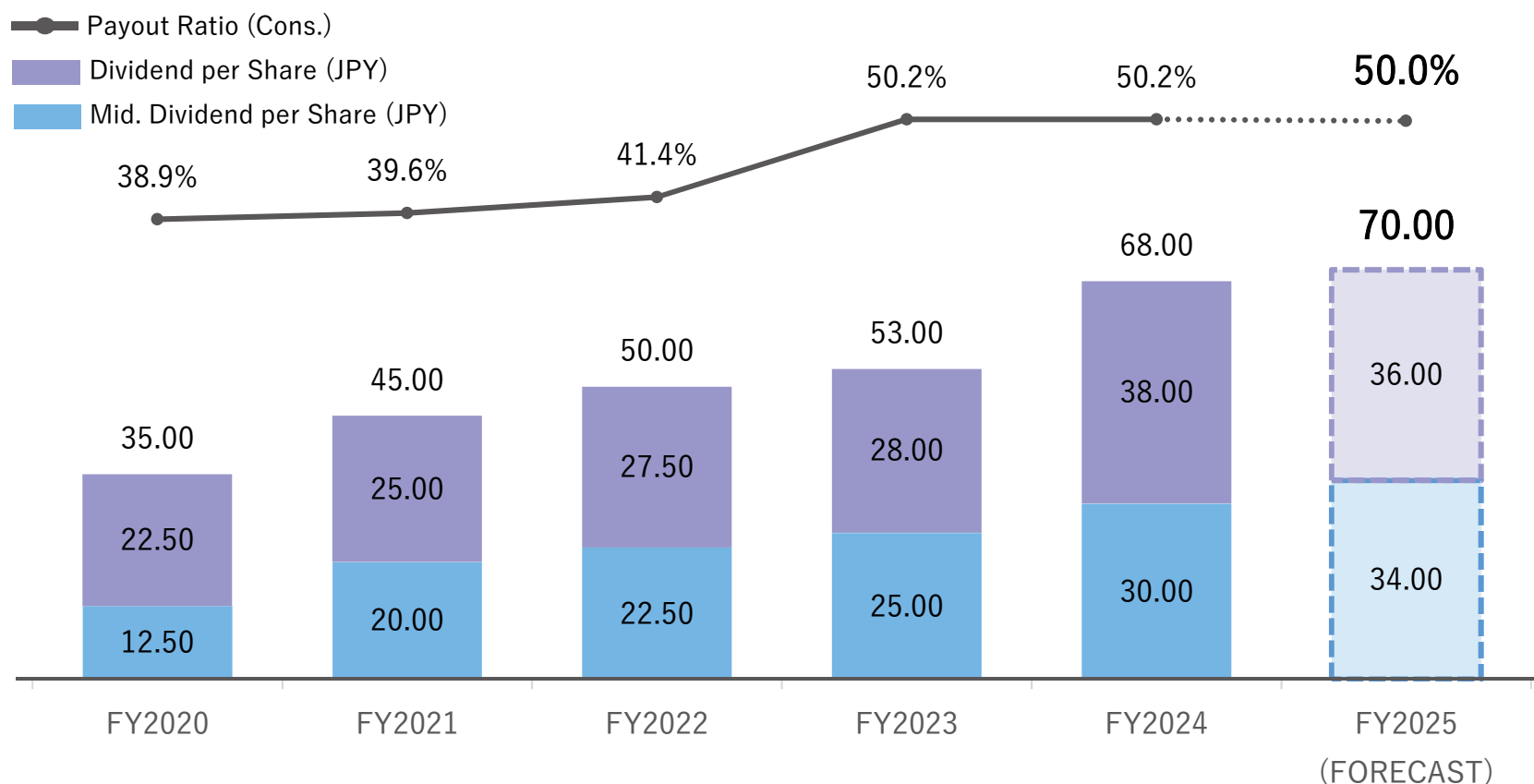
Dividends



First quarter earnings per share (EPS) was 43.42 JPY.

Shareholder Return Policy

- We are targeting a consolidated dividend payout ratio of around 50%, and a dividend on equity (DOE) ratio of at least 5%
- Acquisition of treasury stock will also be flexibly conducted, taking into consideration the business environment and the company's financial situation



Financial Highlights

(Million JPY)	FY2020 Result	FY2021 Result	FY2022 Result	FY2023 Result	FY2024 Result	FY2025 Forecast
Orders Received	39,021	45,394	48,419	47,505	56,159	—
Backlog of Orders	6,143	7,896	8,349	9,260	11,349	—
Net Sales	39,294	43,813	48,144	46,735	54,231	57,000
Operating Profit	8,890	10,255	10,558	9,197	12,271	13,000
Ordinary Profit	8,914	10,571	11,003	9,662	12,561	13,000
Ordinary Profit Ratio	22.7%	24.1%	22.9%	20.7%	23.2%	22.8%
Net Income Attributed to Owners of Parent	5,463	6,909	7,350	6,326	8,052	8,330
Earnings Per Share (EPS)	89.86JPY	113.62JPY	120.83JPY	105.53JPY	135.45JPY	140.11JPY
Total Assets	64,183	69,517	74,263	77,940	81,676	89,900
Equity	44,201	49,099	53,839	55,460	60,646	64,700
Equity Ratio	68.9%	70.6%	72.5%	71.2%	74.3%	72.0%
Return on Equity (ROE)	12.9%	14.8%	14.3%	11.6%	13.9%	13.3%
Return on Assets (ROA)	14.2%	15.8%	15.3%	12.7%	15.7%	15.2%
Return on Invested Capital (ROIC)	11.9%	13.0%	12.5%	10.2%	12.7%	12.6%

(Note) ROE = Net Income Attribute to Owners of Parent ÷ Average Equity during the period.

ROA = Ordinary Profit ÷ Average Total Assets during the period.

ROIC = Operating Profit after tax ÷ Average Invested Capital during the period.

Effective from the FY2021, the classification of Royalty Income has been changed from non-operating income to Net Sales



Notes

The financial forecasts and estimates in this Financial Summary are based on information available to the Company at the time of report issuance and certain assumptions judged to be reasonable by the Company, and therefore are not guarantees of future performance. Consequently, actual results may differ substantially from those described in this Financial Summary.

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