

TOKYO OHKA KOGYO CO., LTD. Business Results

-The 1st half of Fiscal Year ending Dec. 2025-

Aug. 6, 2025

TOKYO OHKA KOGYO CO., LTD.



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Summary for 1H of FY2025

FY2025 1H Results

- Net Sales were **up 16.8 billion yen or 17.8% YoY to 111.6 billion yen**, significantly increased in Electronic functional materials and High-purity chemicals due to the increased demand for semiconductors driven by a steady growth in demand for replacement of PCs in addition to strong demand for generative AI-related products despite a low growth of smartphones.
- Operating income was **up 6.4 billion yen or 47.6% YoY to 19.8 billion yen**, significantly increased due to **increased sales**.

FY2025 Consolidated Forecasts

- Revised upward the full-year earnings forecasts.
- Assumptions
Expect **an increase in demand related to generative AI and the launch of operation of customers' new plants**.
Changed exchange rate for forecast of 2nd half of 2025.
¥145.0/\$ (2025/12) ⇒ ¥140.0/\$ (2025/12 2nd half)
- Expect **significant YoY growth in both revenue and income** based on the current market situation and the usage status of our products.
Net sales: 227.0 billion yen (up 13.0%)
Operating income: 40.0 billion yen (up 20.9%)
Expect to reach a record high.

Shareholder Returns

- Under the dividend policy targeting 4.0% of a consolidated dividend on equity ratio (DOE), **the interim dividend is 35 yen. The annual dividend is forecasted to be 70 yen.**
- Maintain the forecast of **dividend growth for consecutive 8 years**.



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Summary(FY2025 1H)

(Millions of yen,%)

	FY2024 1H	FY2025 1H	Change	%	Initial Forecast	Progress (%)
Net sales	94,736	111,623	+16,887	+17.8	106,600	104.7
Electronic functional materials	51,360	58,149	+6,789	+13.2	56,100	103.7
High-purity chemicals	42,475	51,985	+9,509	+22.4	49,100	105.9
Other	900	1,488	+588	+65.3	1,400	106.3
Operating income	13,443	19,846	+6,403	+47.6	17,500	113.4
Ordinary income	14,110	20,381	+6,271	+44.4	17,900	113.9
Profit attributable to owners of parent	9,143	13,619	+4,476	+49.0	11,400	119.5
EBITDA	17,570	23,994	+6,423	+36.6	21,800	110.1

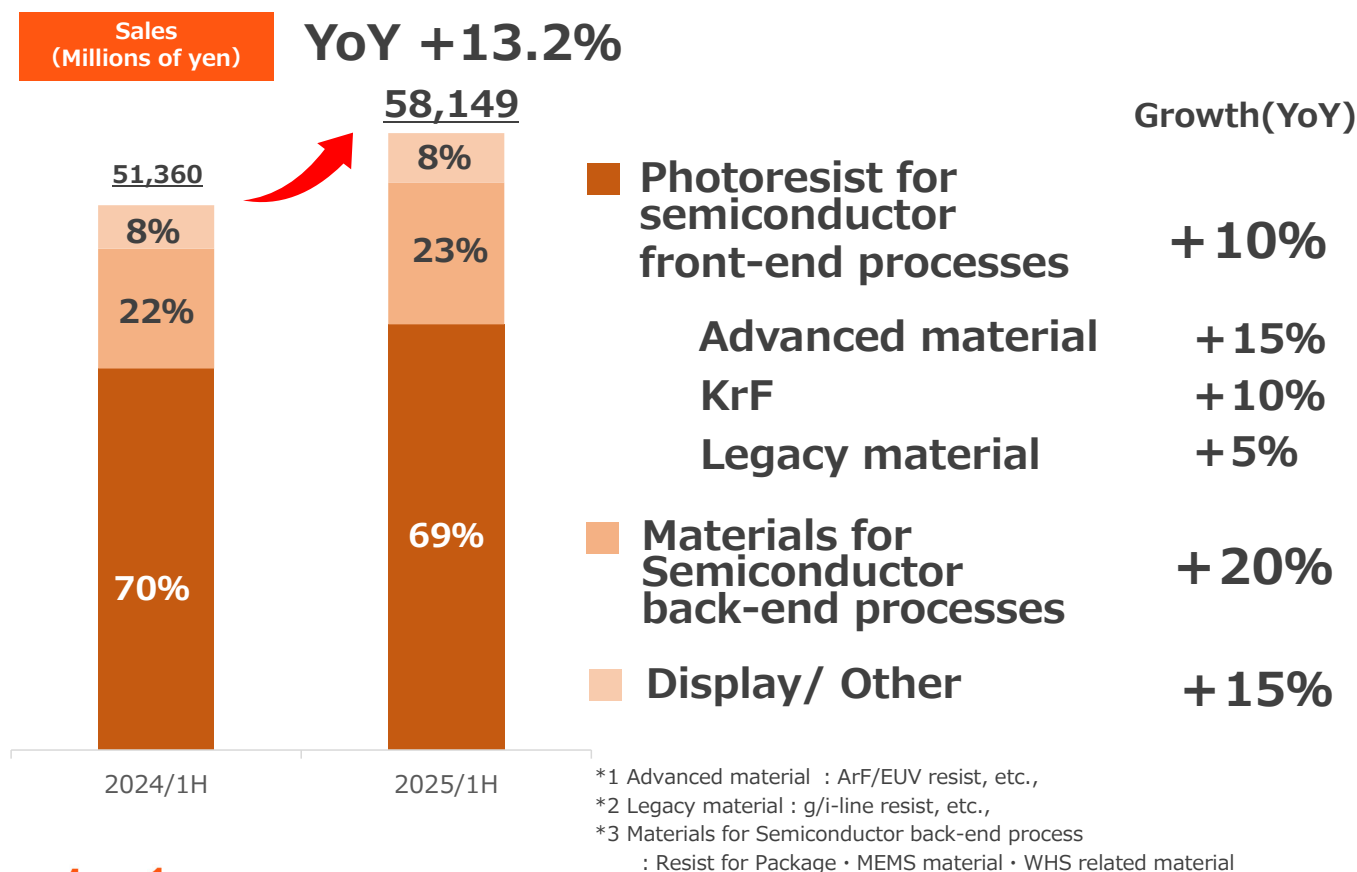
Average exchange rate (US\$) : ¥151.5/\$ (FY2024 1H) ⇒ ¥147.0/\$ (FY2025 1H)

- Net sales: Up 17.8% YoY due to strong demand for generative AI-related products and steady growth for replacement of PCs despite low growth in smartphones.
- Operating income: Up 47.6% YoY due to increased sales despite increase in expenses.
- Profit attributable to owners of parent: Up 49.0% due to increased operating income and extraordinary income of gain on receipt of contingent consideration related to equipment business transfer.



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Electronic Functional Materials Sales by Product Type

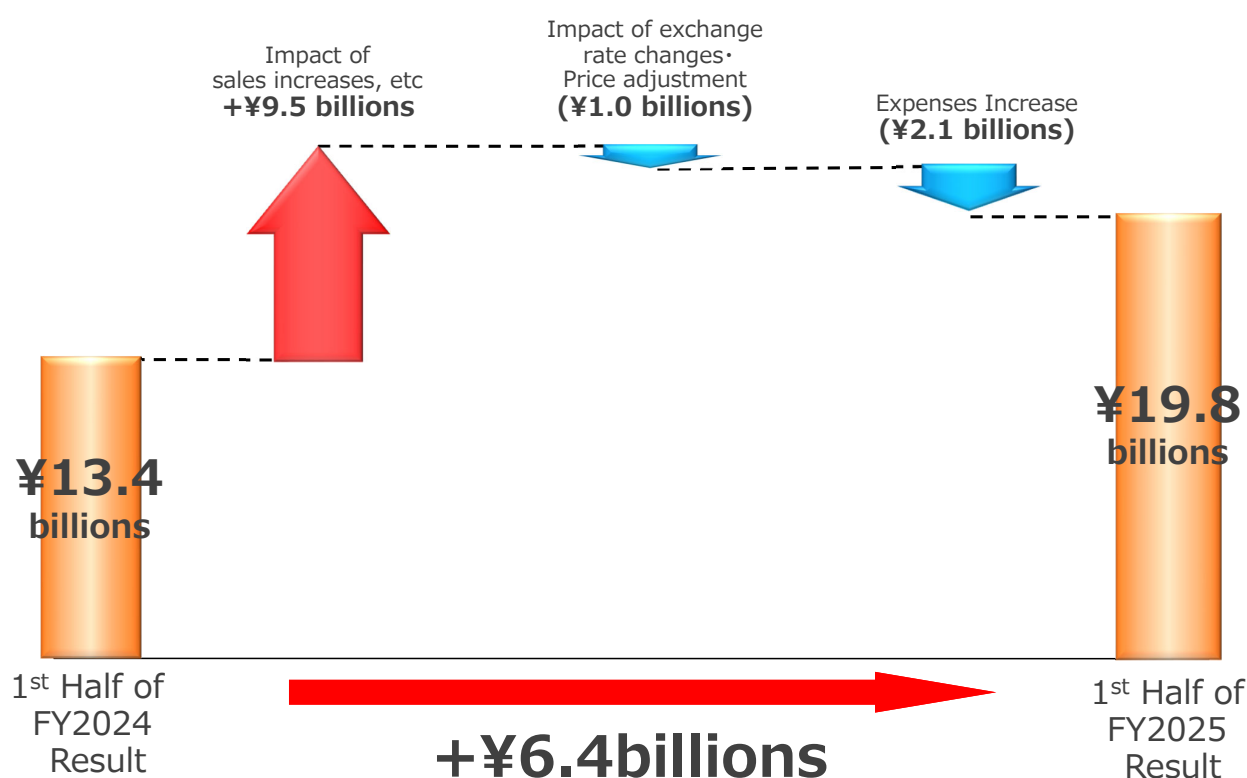


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Breakdown of the Change in Operating Income

1st Half of FY2024 Result vs. 1st Half of FY2025 Result



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Non-operating Expenses or Income/ Extraordinary Losses or Income

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(Millions of yen)

	FY2024 1H	FY2025 1H	Change
Non operating Expenses or Income	+666	+535	(131)
Interest and divided income	+474	+563	+89
Share of profit of investments accounted for using equity method	+44	+151	+107
(Foreign exchange related losses/gains)	+23	(463)	(486)
Foreign exchange (Loss) gain	+73	(167)	(241)
(Loss) gain on valuation of derivatives	(50)	(295)	(244)
Subsidy income	-	+396	+396
Extraordinary Losses or Income	+682	+1,379	+696
Gain on change in equity	+185	-	(185)
Gain on sale of investment securities	+508	-	(508)
Gain on receipt of contingent consideration	-	+1,422	+1,422
Loss on retirement of non-current assets	(23)	(53)	(29)



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Consolidated Performance Forecasts for FY2025 (2025.1-2025.12)



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Earnings Forecasts (Full-year)

(Millions of yen,%)

	FY2024	FY2025	Change	%	Initial forecast	Progress (vs. initial forecast)
Net Sales	200,966	227,000	+26,033	+13.0	220,000	+2.3
Electronic functional materials	107,515	119,800	+12,284	+11.4	116,700	+2.7
High-purity chemicals	91,476	104,300	+12,823	+14.0	102,600	+1.7
Others	1,974	2,900	+925	+46.9	2,700	+7.4
Operating income	33,090	40,000	+6,909	+20.9	37,300	+7.2
Ordinary income	34,554	41,000	+6,445	+18.7	38,200	+7.3
Profit attributable to owners of parent	22,683	26,500	+3,816	+16.8	24,600	+7.7
EBITDA	41,424	48,900	+7,476	+18.0	46,800	+4.4
ROE	11.8	12.7	+0.9	-	11.8	+0.9

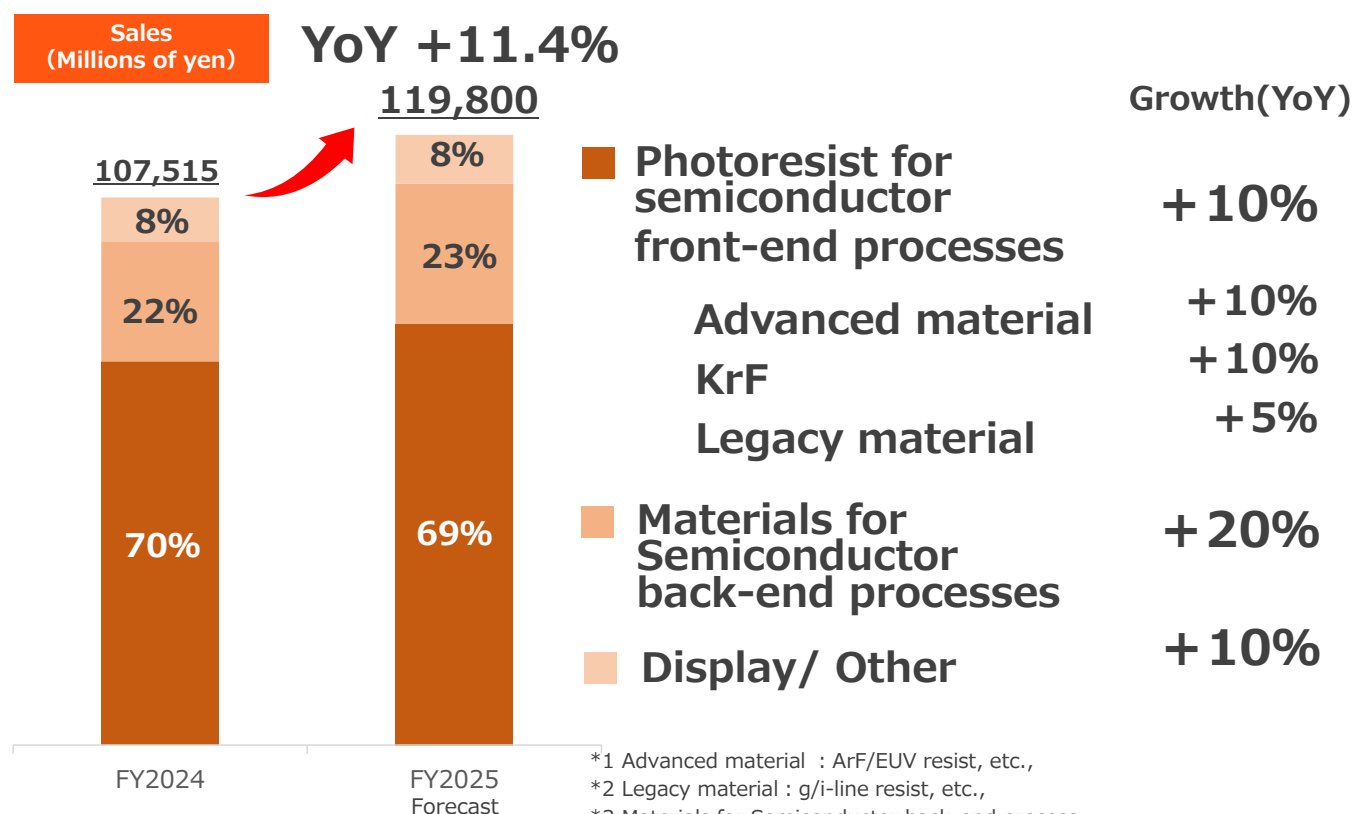
Average exchange rate (US\$) : ¥150.8/\$ (FY2024) ⇒ ¥140.0/\$ (FY2025 2H)

- Net sales: Forecast to increase 13.0% YoY due to an increase in demand related to generative AI and the launch of operation of customers' new plants.
- Operating income: Forecast to increase 20.9% YoY due to an increase in sales despite increase in expenses and impact of exchange rate changes.
- Profit attributable to owners of parent: Forecast to increase 16.8% YoY due to an increase in operating income.



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Electronic Functional Materials Sales Forecast by Product Type

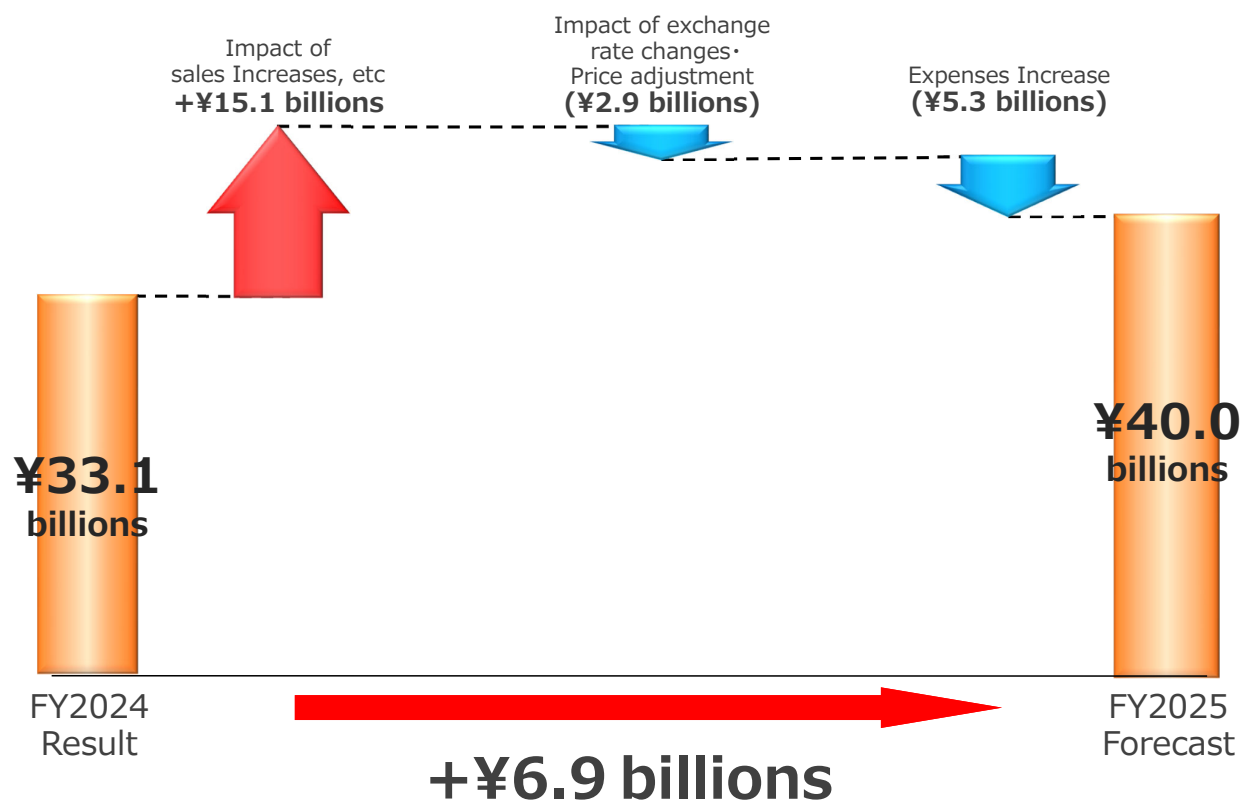


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Breakdown of the Change in Operating Income

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FY2024 Result vs. FY2025 Forecast



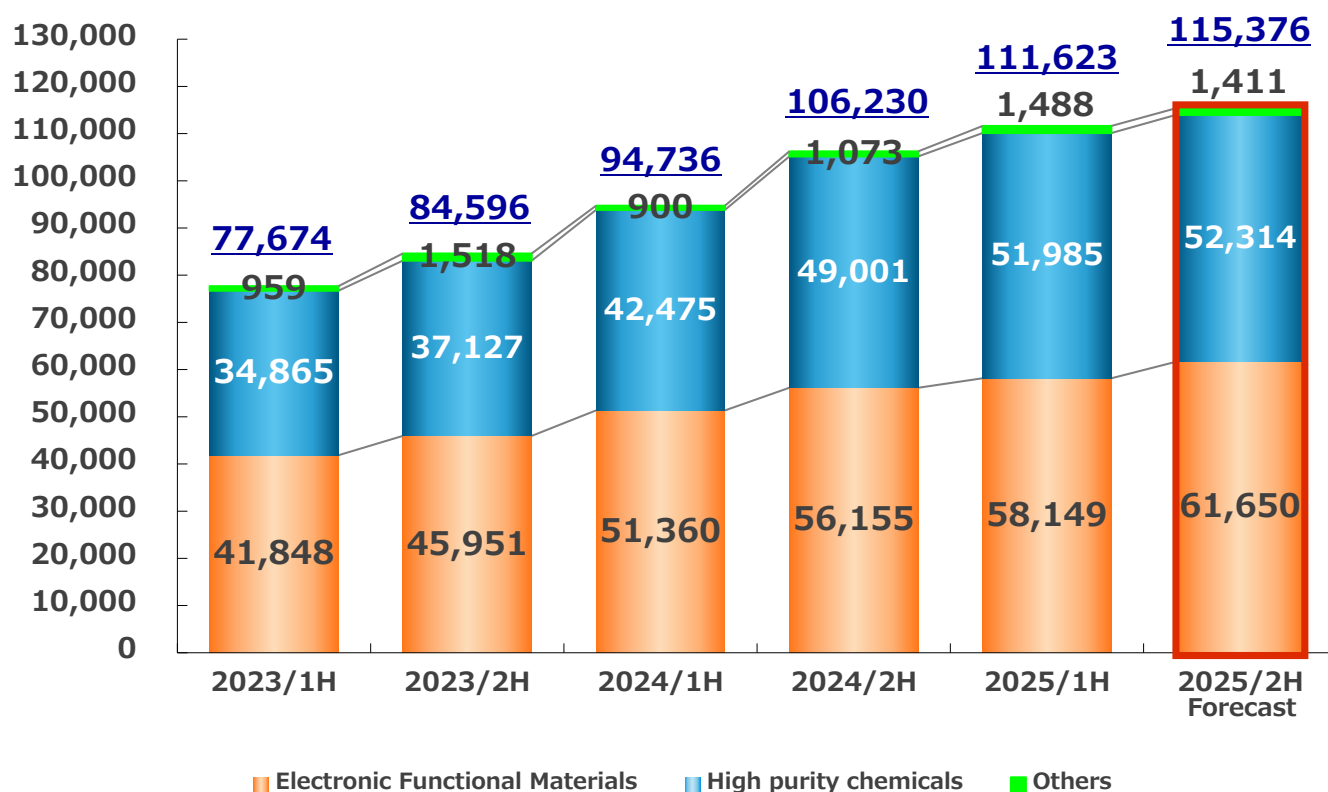
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Sales Breakdown(Forecast)

Net sales
(Millions of yen)



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(Millions of yen, %)

	FY2024 1H	FY2025 1H	Progress (vs. initial forecast)	FY2024	FY2025		
	Result	Result		Result	Revised Forecast	Change	Initial Forecast
Capital Investments	11,220	15,290	46.3	24,764	34,400	+9,635	33,000
Depreciation	4,127	4,147	43.7	8,333	8,900	+566	9,500
R&D	7,537	7,741	46.1	14,519	16,100	+1,580	16,800

■ Capital Investments:

Revised upward initial forecast due to construction of new plant of subsidiary in Korea.

■ Depreciation:

Revised initial forecast due to pushing back of operation of Aso Kumamoto Site.

■ R&D:

Revised initial forecast due to the progress in 1H FY2025.



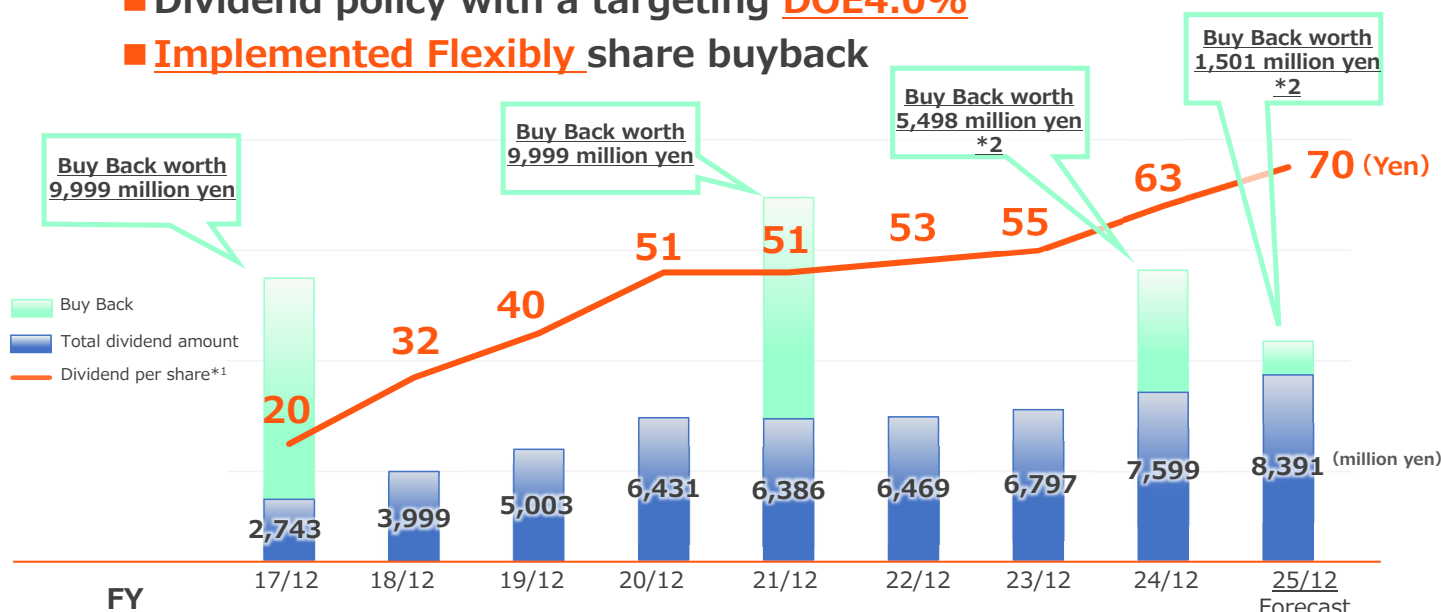
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Shareholder Returns

<Build sound and efficient management foundation to realize tok Vision 2030

■ Dividend policy with a targeting DOE4.0%

■ Implemented Flexibly share buyback



Interim dividend	10	12	20	20	20	26	27	29	35
Year-end dividend	10	20	20	21	31	27	28	34	35 Forecast
Special dividend				10					

Guidelines on dividend policy	tok Med-Term Plan 2018 - Consolidated payout ratio of over 40% -	tok Med-Term Plan 2021 - Based on consolidated DOE of 3.5% -	tok Med-Term Plan 2024 - Based on consolidated DOE of 4.0% -	tok Med-Term Plan 2027 - Based on consolidated DOE of 4.0% -
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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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Growth Strategies for Enhancing Corporate Value



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tok Vision 2030

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Management Vision

“The e-Material Global Company™”
contributing to a sustainable future through chemistry

Overarching Aspiration for 2030

Qualitative Aspects

- Provide new innovations that inspire 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

Quantitative Aspects

	FY2024	tok Medium-Term Plan 2027 FY2027 Targets		FY2030
Net sales (billion yen)	200.9	➤	270.0	➤ <u>350.0</u>
EBITDA (billion yen)	41.4	➤	61.0	➤ <u>77.0</u>
ROE	11.8%	➤	13.0%	➤ <u>13.0%</u>



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Continuing Stable Supply of High-quality Products

Aug 2025 Start construction of new Pyeongtaek Plant in South Korea

Increase production capacity and quality of products
Maximize Synergy with the Incheon plant

Ongoing Investment at TOK Advanced Materials Co., Ltd (TOKAM)

Pyeongtaek Plant

(Gyeonggi Province, Pyeongtaek city)

Aug 2025 **Start construction of a new manufacturing building**
 (scheduled to start operation in 2H of 2027)

Investment amount : Approx. 12.0 billion yen
 Production item : High-purity chemicals

**Considering investment to increase
 our supply capacity for Electronic functional materials**



Incheon Plant

Mar 2025 **New inspection building was completed**
 (scheduled to start operation in 1H of 2026)

Investment amount : Approx. 7.0 billion yen

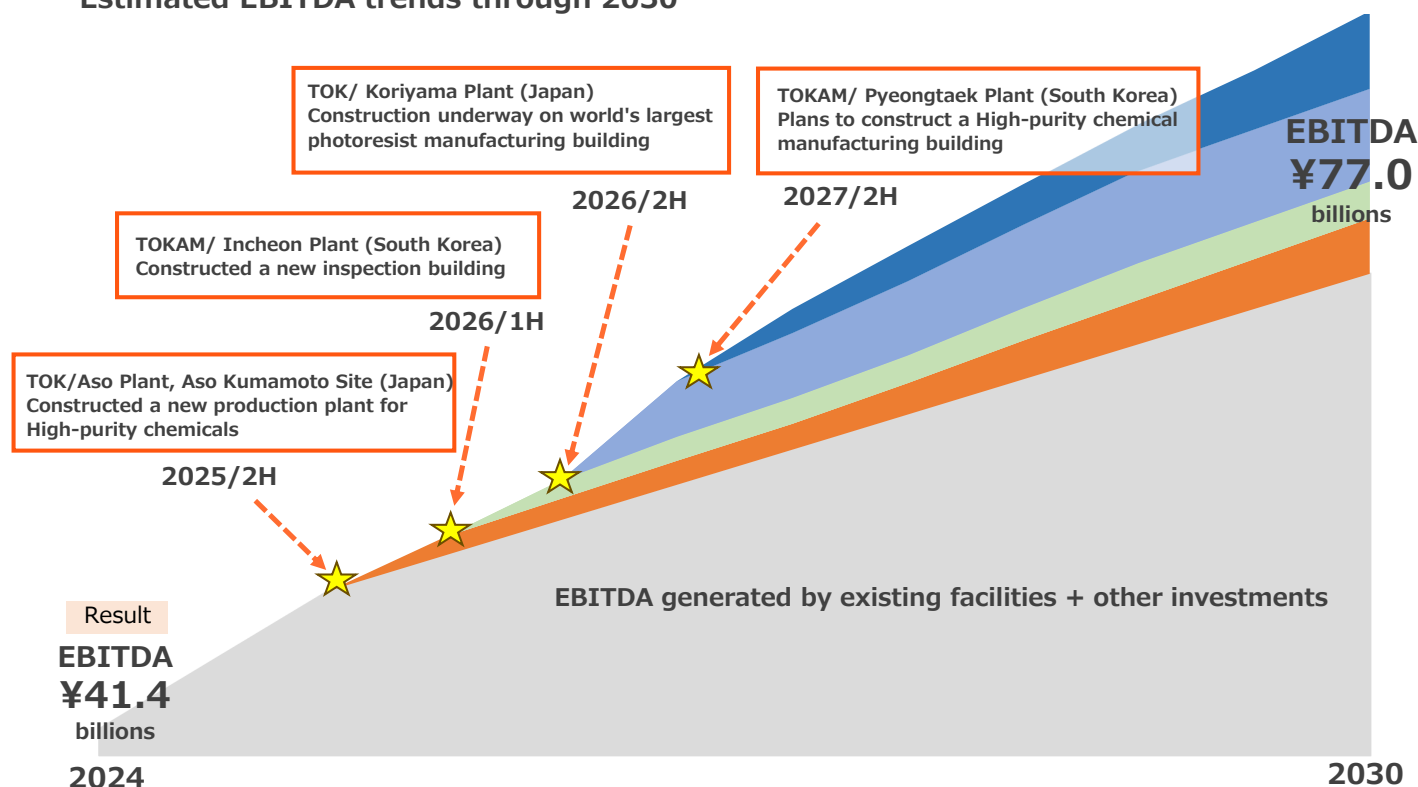


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Expanding Cash Generating Ability by Strengthening Manufacturing Capital

Estimated EBITDA trends through 2030



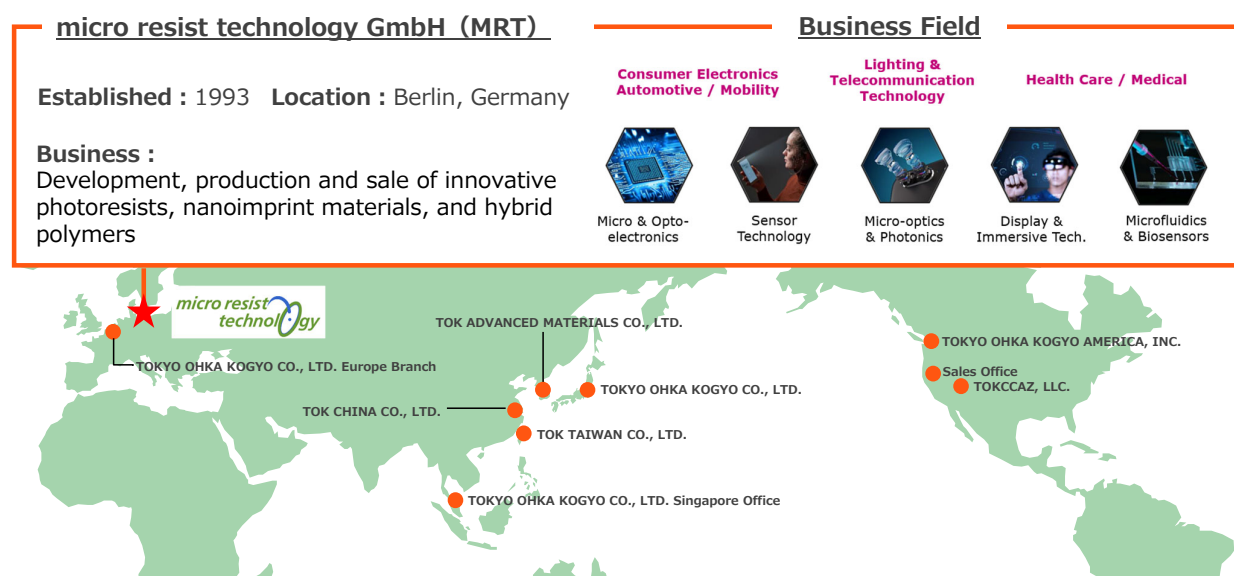
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Further Evolution of Customer-Oriented Strategy

Complete Subsidiarization of German Chemical R&D-driven Company, Micro resist technology (MRT) in Feb 2025

Enhance customer support in Europe
Expand product portfolio by fusion with MRT's technology

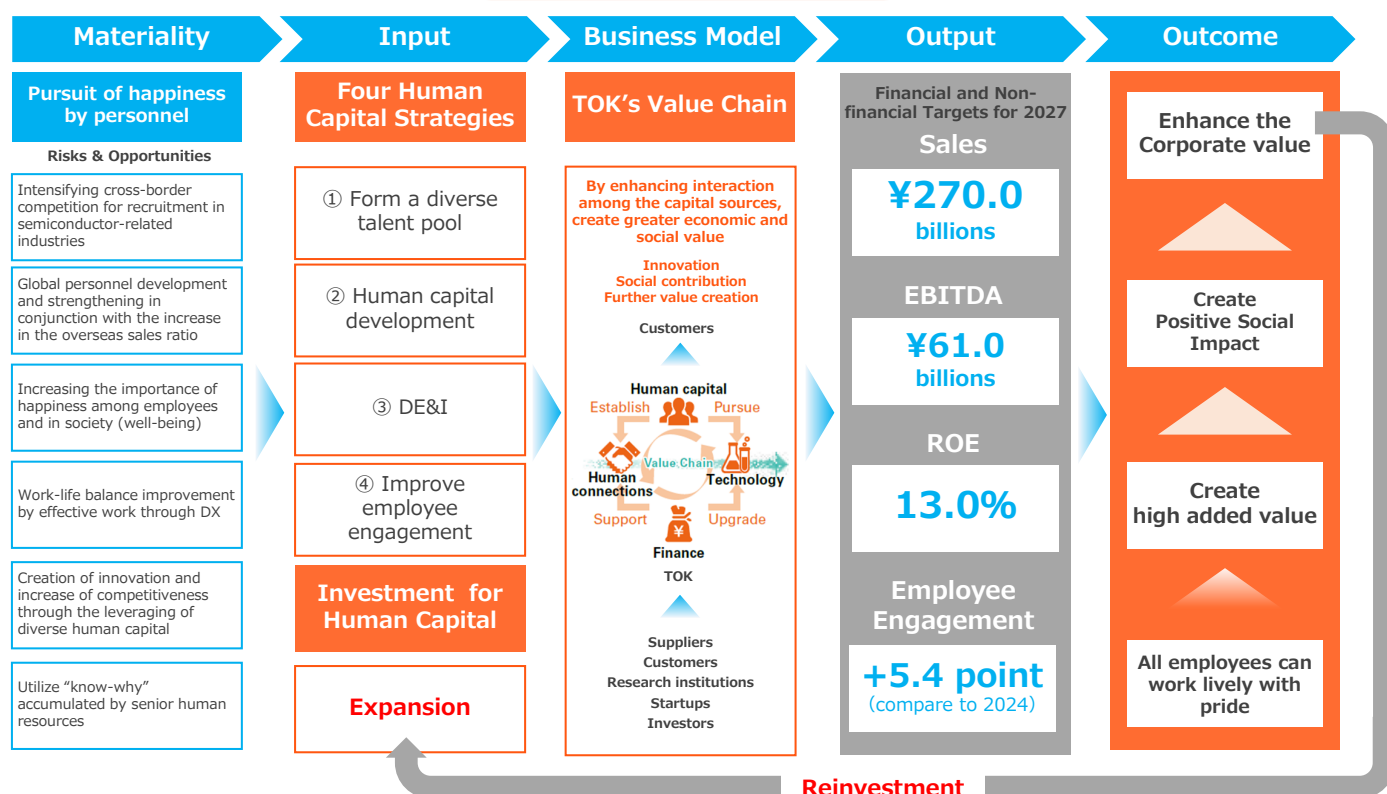


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Creation of the Best Cycle for Investment on Human Capital and Company's Value Improvement ¹⁹

Pursuit of "society where people are happy"



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Four Human Capital Strategies for Improving “Earning Capabilities”

Form a diverse talent pool

Human capital development

DE&I

Improve employee engagement

Examples of our measures

- Introduced employees' engagement indicators as part of the KPIs for the officers' remuneration
- Award system Globalization (TOK SHINKA AWARD)
- Employees Stockholding System deployed to foreign subsidiaries' employees
- Extend retirement age from 60 to 65 (with keeping salary base)
- Strengthen employee training, including training on DX and digital utilization
Training expenses per employee in 2024 : **¥129K**
Average of 169 listed companies in Japan: ¥34K (according to the Sanro Research Institute)
- Base Salary increased over 5% for three consecutive years (2022-2024)



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「Integrated Report 2024」 Release



You can check from below QR code.
Now, you can see previous version.
Latest version will be released in early November.



<https://www.tok.co.jp/eng/ir/library/annual>



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“The e-Material Global Company™”

contributing to a sustainable future through Chemistry

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Balance Sheets

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(Millions of yen)

	As of June 30, 2025	vs. December 31, 2024	
Current Assets	150,013	△1,756	
Cash and deposits	59,160	+113	Machinery, equipment and vehicles (1,042)
Notes and accounts receivable-trade	43,951	+1,104	Tools, furniture and fixtures +1,663
Inventories	38,633	+1,747	Land +2,938
			Construction in progress +4,609
Property, plant and equipment	100,864	+10,922	
Intangible assets	1,906	+95	
Investments and other assets	40,731	2,325	
Current Liabilities	51,127	△2,976	
Notes and accounts payable	28,501	+1,631	Shares of subsidiaries and associates +2,831
			Long-term prepaid expenses (287)
Non-current Liabilities	23,522	+9,169	Deferred tax assets (161)
			Long-term deposits (111)
Total net assets	218,866	+5,393	
Total liabilities and net assets	293,516	+11,586	

Provision for bonuses for directors (and other officers)	(446)
Electronically recorded obligations - Facilities	(351)
Accounts payable - other	(600)
Accounts payable - facilities	+1,457
Long-term borrowings	+10,000
Deferred tax liabilities	(428)
Long-term unearned revenue	(451)
Retained earnings	+9,541
Treasury stock	(789)
Foreign currency translation adjustment	(1,682)
Non-controlling interests	(1,697)



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Cash Flows

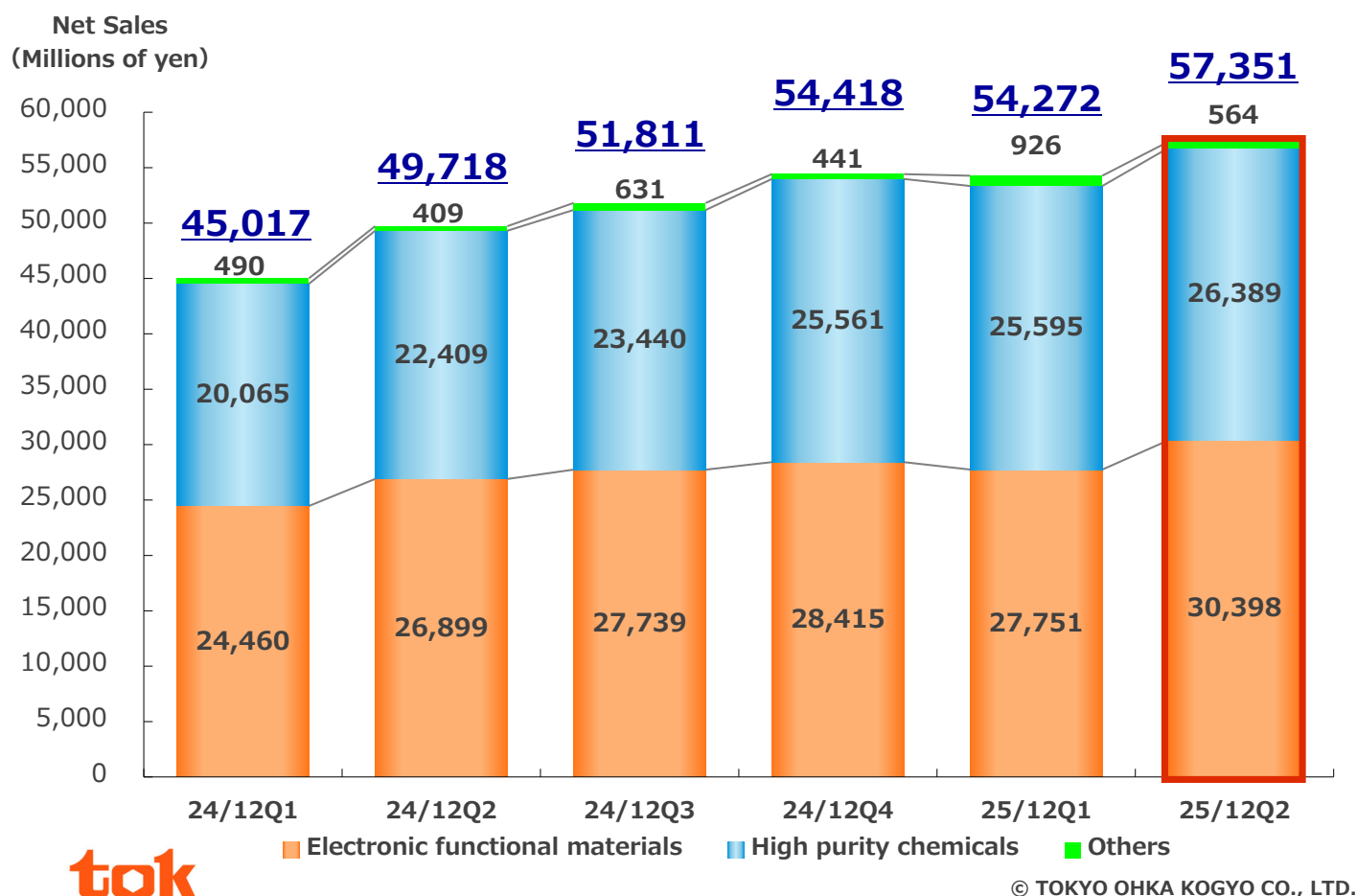
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(Millions of yen)

	2024/6	2025/6	
Cash flows from operating activities	+13,543	+15,843	
Profit before income taxes	+14,793	+21,761	
Depreciation	+4,127	+4,147	
Increase in trade receivables	(5,848)	(1,310)	
Increase in inventories	(275)	(2,185)	
Increase in trade payables	+4,579	+1,572	
Income taxes paid	(2,099)	(6,149)	
Cash flows from investing activities	(2,080)	(11,603)	
			Major breakdown
			Purchase of property, plant and equipment △13,849
			Proceeds from Gain on receipt of Contingent consideration +1,422
Cash flows from financing activities	(7,006)	(2,578)	
			Major breakdown
Effect of exchange rate change on cash and cash equivalents	+2,120	(1,596)	Proceeds from long-term borrowings +10,000
Net increase in cash and cash equivalents	+6,577	+64	Dividends paid (incl. minority shareholders) △8,257



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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.