January 6, 2025
TOKYO OHKA KOGYO CO., LTD.

Announcement of TOK Group's Medium-Term Plan

— tok Medium-Term Plan 2027 (FY2025 to FY2027) —

The TOK Group has formulated "tok Medium-Term Plan 2027," a three-year plan covering FY2025 to FY2027 (from January 1, 2025 to December 31, 2027) as a new medium-term plan formulated by backcasting from "TOK Vision 2030," our long-term vision toward 2030. The following is a summary of the plan.

Management Vision

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

Summary of tok Medium-Term Plan 2027 (FY2025 to FY2027)

" Go beyond 27, Jump to the Future !! "

1. Medium-Term Management Objectives

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

For the tok Medium-Term Plan 2027, we have developed six qualitative objectives to realize the Group's management vision "The e-Material Global Company™" contributing to a sustainable future through chemistry. While we aim to achieve our core objectives including "gain No.1 global market share of cutting-edge photoresists," "increase global share in all business fields with an eye on TOK Vision 2030" and "secure stable supplies of high-quality products" at a high level, we will also work to "create businesses in new fields" to realize "TOK Vision 2030." In addition, we will establish "a robust management foundation" to support these efforts and also work to "improve employee engagement" to support and empower "human resources," the source of the Group's value creation. In pursuing these qualitative objectives, we have set quantitative objectives as "non-financial targets" for two key themes of "human capital" and "environment" that the entire Group will address, in addition to our existing financial quantitative targets. Through the seven strategies set out in the new plan, we will build a solid foundation to realize our management vision, aim at the future goal of becoming a 100-year company, and make a group-wide effort to contribute to a sustainable future through chemistry.

2. Key strategies - Contribute to achieving SDGs through seven strategies -

(1) Create and strengthen a safe and secure work environment where every employee can feel comfortable both physically and mentally

As it is essential to create a safe and secure work environment for all employees and enhance corporate value by improving employee happiness, we will create an environment to realize our vision of a workplace where "everyone can work lively with pride."

(2) Build a robust supply chain

Accelerate the establishment of a supply system capable of responding promptly to any market fluctuations and the optimization of supply chains, with the aim of becoming a corporate group truly trusted by our stakeholders.

(3) Deepen customer relationship and expand customer base through enhanced marketing capabilities

Provide new innovation that inspires customers by pursuing a thorough customer perspective to advance technology tailored to customer needs and accelerate the establishment of a stable mass production system as well as by strengthening global marketing collaboration.

(4) Pursue cutting-edge technologies and develop unique technologies for the TOK Group

Thoroughly implement a strategy centered on the trifecta of development, manufacturing, and marketing, which is the strengths of the Group, and conduct long-run R&D that anticipates technological trends and customer needs to contribute to a sustainable future through chemistry

(5) Establish a financial foundation to support long-term R&D and stable production

As the Group must continue efforts to develop technologies that will generate sources of future growth from a super long-term perspective and establish a global product supply system to meet strong demand, we will establish a sustainable and robust financial foundation that enables sustainable investment to support such efforts.

(6) Establish a digital infrastructure aimed at creating new value

Accelerate further growth of the Group by leveraging digital technologies, focus on developing digital talent, enhance digital literacy across the organization, and drive digital transformation to adapt flexibly to the changing market environment.

(7) Foster a corporate culture that contributes to SDGs

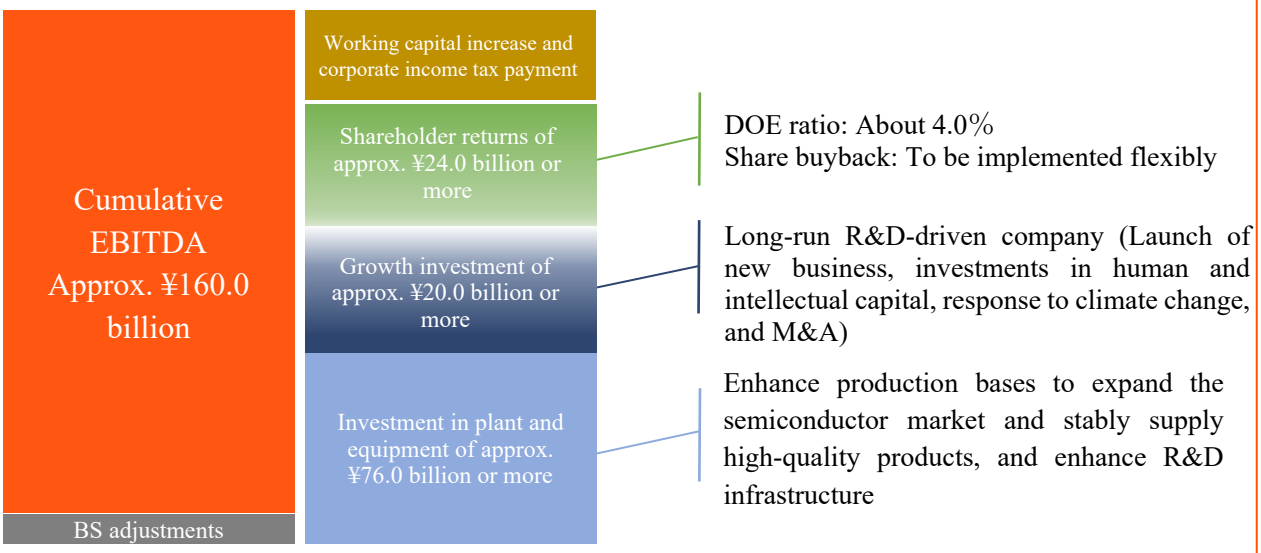
Foster a corporate culture that contributes to SDGs through our business activities, including by enhancing CSR education, ensuring a safe working environment, enhancing employee health, and reducing environmental impact.

3. Cash allocation

Pursue an optimal balance between “investment,” “cash reserve” and “shareholder returns.”

◆EBITDA generated by a growth in semiconductor materials will be used to make steady and continuous payment of dividends with a target DOE (dividend on equity) ratio of 4.0% and flexibly allocated to share buyback after making investment in plant and equipment to prepare for demand growth in the semiconductor market and growth investment.

3-year cash flow plan (image)



(Reference)

4. TOK Vision 2030

(1) Management Vision

“The e-Material Global Company” contributing to a sustainable future through Chemistry.

(2) Overarching Aspiration

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

Quantitative Aspects

Net sales	: 350.0 billion yen (FY2030)
EBITDA	: 77.0 billion yen (FY2030)
ROE	: Over 13.0% (FY2030)

(3) Management strategy

Deepen and cultivate electronic materials field

Create new business

Utilize global personnel

Renovate production sites

Address key social issues sustainably

Develop and effectively use financial position“To be an acquirer” “Not to be an acquiree”

Promote DX



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