Tokyo Ohka Kogyo Co., Ltd.





Integrated Report 2026

FY 2025/12

Contribute to a sustainable future
through chemistry:
The e-Material Global Company™







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Editorial Policy

Scope and time frame of this report

- Time frame Fiscal year ended December 31, 2025 (January 1, 2025, to December 31, 2025. Includes some information after January 2026)
- Organization Tokyo Ohka Kogyo Co., Ltd., and its consolidated subsidiaries and equity-method affiliates **(See page 64 "Toward the Evolution of Our Global Network")** unless otherwise specified in the text
- Publication on the website
  Information on the variety of initiatives related to financial and non-financial information, including information not presented in this integrated report, can be found on the company's website. **https://www.tok.co.jp/eng**

Third-Party Verification

Third-party verification by the Japan Chemical Industry Association covers all pages, except the financial information.
https://www.tok.co.jp/application/files/1217/9334/8549/Integrated-Report-2026-Third-Party-Verification-Report.pdf

Reference guidelines

- *International Integrated Reporting Framework* published by the IFRS Foundation
- SSBJ *Sustainability Disclosure Theme-Based Standards* No. 1 and No. 2
- GRI Sustainability Reporting Standards
- ISO 30414
- Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation 2.0 published by the Ministry of Economy, Trade and Industry
- Environmental Reporting Guidelines 2018 published by the Ministry of the Environment
- ISO 26000: 2010 – *Guidance on Social Responsibility* released by the Japanese Standards Association
- Cabinet Office: Intellectual Property and Intangible Assets Governance Guidelines

Forward-looking statements and estimates

This integrated report contains forward-looking statements, forecasts, and social impact estimates that present the 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 judgments and estimates and are derived from information available at the time the information was prepared. Readers are cautioned not to rely solely on this report because actual results, management strategies, and social impacts may substantially differ from those discussed in this report because of changes in the business environment and other conditions.

* From the 2026 edition onward, the title year has been aligned with the year of publication. As a result, *Integrated Report 2025* will be skipped.

What This Report Aims to Convey/Authenticity Statement

Semiconductors play a vital role in advancing human progress and addressing increasingly complex societal and environmental challenges, from the rapid ongoing evolution of cutting-edge AI and the extension of healthy lifespans to the mitigation of climate change risks. TOK is a fine chemical manufacturer with the largest global market share of photoresists, which are materials essential for the manufacture and upgrading of semiconductors.

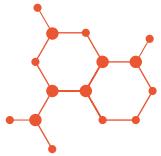
Following the prototype of the management principles established by founder Shigemasa Mukai—"Create a frank and open-minded business culture, continue efforts to enhance our technology, raise the quality levels of our products, and contribute to society"—TOK has provided high value-added products that contribute to solving social issues of each era by steadfastly practicing integrated management that focuses all corporate activities on the single point of making a contribution to society. Built on the four core competencies of microprocessing technology, high purity processing technology, stacking technology, and customer-oriented strategies and operating through the unique business model of the trifecta of development, manufacturing, and marketing, TOK today has become a leader in the most advanced areas of semiconductor technology with market capitalization exceeding one trillion yen.* In the *Integrated Report 2026*, TOK presents its efforts to enhance corporate value through the lens of material issues by addressing the short-, medium-, and long-term perspectives while highlighting investments in human capital as the driving force behind everything it does and conveying the Group's capacity for the long-term, sustainable creation of value.

In authoring this report, TOK referenced the guidelines listed on the left and incorporated the feedback received from shareholders, investors, and other stakeholders, as well as the opinions received regarding previous integrated reports. I would like to assure readers that this report represents our best efforts to bring together a variety of information related to the long-term creation of value, with the involvement of management and through appropriate company-wide processes, and has been prepared in good faith.

* As of June 30, 2026

August 2026, Representative Director, President & Chief Executive Officer Noriaki Taneichi

Key Points in the Dialogue with Long-Term Investors Focused on Further Growth in Corporate Value



Contribution to society through innovation and enhancement of corporate value

- **Understanding the social impact of TOK's business activities and how that impact is expanding** — P11-12, 16
- **Medium- to long-term growth strategy and further steps to improve capital efficiency** — P34-35, 43-47

Pursuit of happiness by human capital

- **Details of human capital investment and human capital development initiatives** — P30, 49-60
- **A closer look at on-the-ground human capital activities** — P49-60

Development of the semiconductor ecosystem

- **Strengths and future potential of Japan's semiconductor materials industry, including TOK** — P15-16, 36
- **Initiatives for a sustainable supply chain** — P62-66, 78, 92

Evolution of sustainability governance

- **Key corporate governance highlights and the challenges viewed by outside directors** — P19-22, 68-76
- **An overview of sustainability initiatives and the connection to the growth in corporate value** — P55-60, 77-80

Contribution to the global environment for a sustainable future

- **The positive environmental impact of TOK's business activities and how the impact is expanding** — P11-12, 82
- **The negative environmental impact of TOK's business activities and the steps being taken to reduce the impact** — P86-92

PURPOSE & PHILOSOPHY

Purpose: Contribute to a sustainable future through chemistry

Management Principles

Create a frank and open-minded business culture

Continuous efforts to enhance our technology

Raising the quality levels of our products

Contribution to society

Source
Established in 1940



Shigemasa Mukai, TOK founder

Original management principles

"Create a frank and open-minded business culture, continue efforts to enhance our technology, raise the quality levels of our products, and contribute to society"

CSR Policy

- Increase sustainable corporate value as a whole group by improving employee engagement.
- Continuously provide high-value-added products that contribute to technological innovations in order to address the issues facing society.
- Strive to grow together with society and remain an attractive company that earns the trust of all stakeholders.

Management Vision

Contribute to a sustainable future through chemistry as The e-Material Global Company™

Corporate Culture

Practicing management principles and purpose

Pursuit of a niche market lead

Long-run R&D

The Society We Envision and Our Driving Force

The Society We Envision

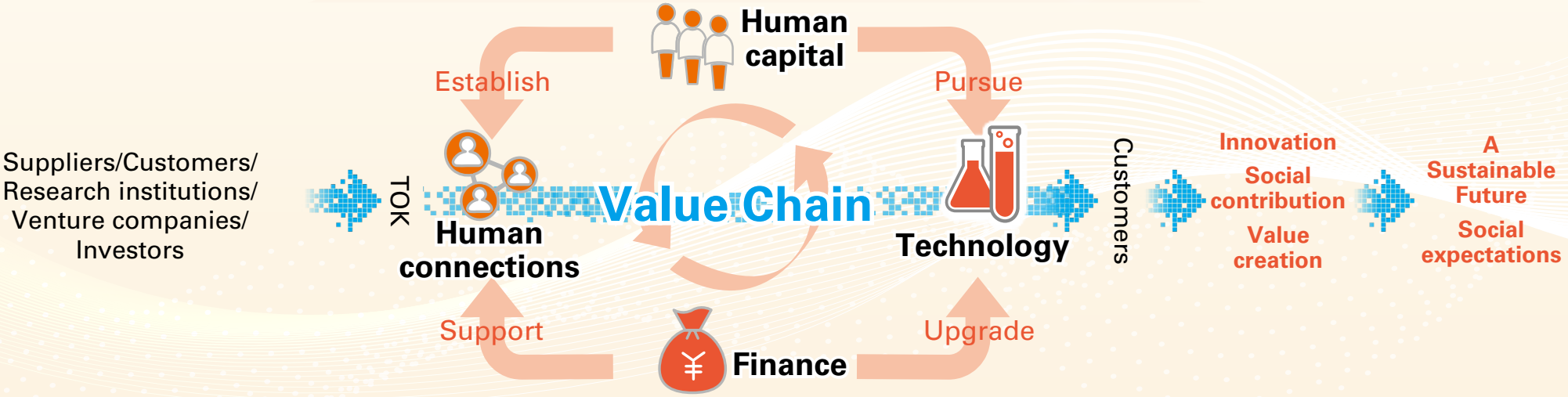
TOK practices its purpose of contributing to a sustainable future through chemistry as extracted from the management principles and vision and invests in human capital, setting the material issue of the pursuit of happiness for individuals in the workplace. The TOK Group hopes that these measures will have ripple effects that improve the happiness of external stakeholders and broadly disseminate throughout society.

Happy human capital will deliver outstanding performance. Customers who use the products with high added value produced by such human capital will boost their own performance, leading to an increased sense of happiness. When consumers can improve their quality of life by using the excellent end products produced by TOK customers, happiness and the social impact will be enhanced throughout society.

TOK will continue its pursuit of a society where people are happy, and such happiness begins with the pursuit of happiness by individuals in the workplace.

Driving Force: Human Capital

A Value Chain Built on the Four Pillars of Earning Power



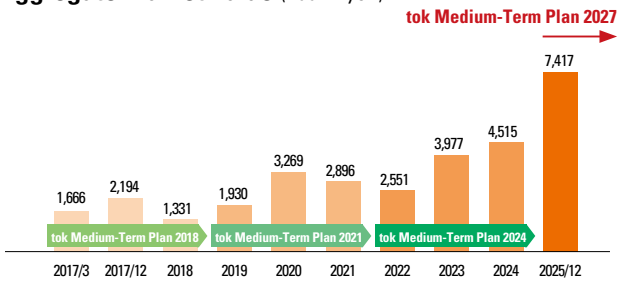
Highlights: Human Capital as the Driving Force in the Growth of Corporate Value

Human capital: The foundation of all value creation

TOK defines its earning power across four dimensions: technology (manufactured and intellectual capital), talent (human capital), human connections (social and relationship capital), and finance (financial capital); at the same time, the company drives the sustainable growth of corporate value by prioritizing investments in talent (human capital) as the single most important strategic initiative, recognizing it as the foundation underlying all the others.*

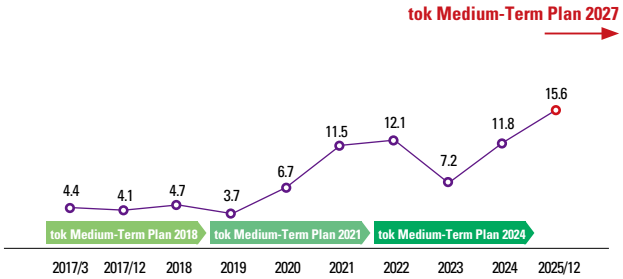
* Because of the change in the fiscal year-end, the fiscal year that ended December 31, 2017, was an irregular nine-month period in Japan but 12 months overseas.

Aggregate market value (100 M yen)



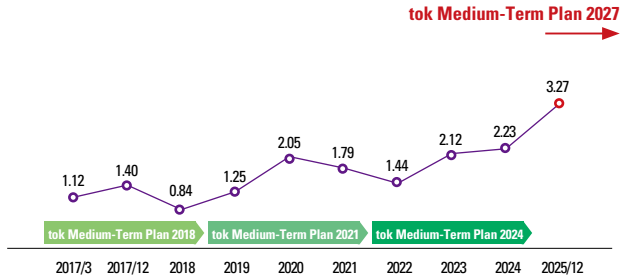
By executing customer-oriented strategies within the growing semiconductor industry and capturing and maximizing growth opportunities while also establishing competitive advantages in the development race for advanced technologies, TOK has seen its standing in capital markets trend upward.

ROE (%)



Capital efficiency is on an upward trend driven by the niche top strategy focused exclusively on high-value-added segments, a marketing approach of seeing the forest while growing the trees, and initiatives tied to R&D efficiency as the KPIs.

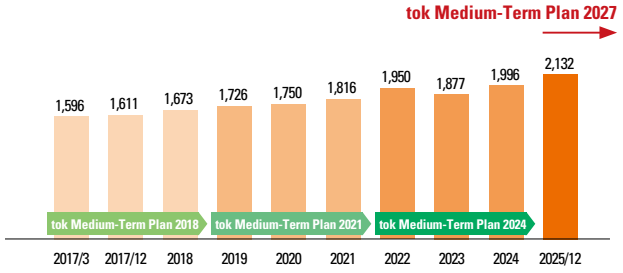
PBR (times)



As a result of continuously refining intangible assets, particularly technology (manufactured and intellectual capital), talent (human capital), and human connections (social and relationship capital) within the earning power framework of TOK, PBR has also trended upward.

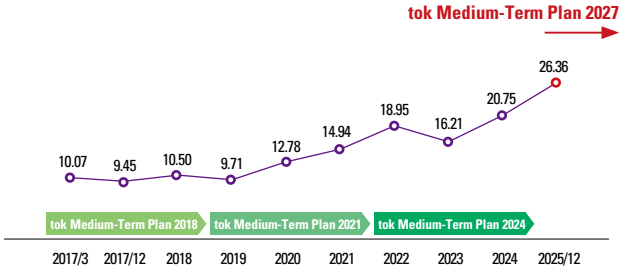
Driving force: Human capital

Number of employees (consolidated)



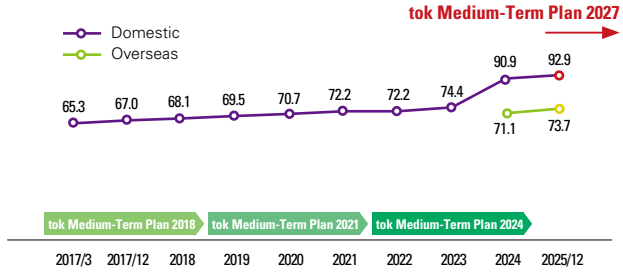
TOK continues to strengthen its human capital through expanded recruitment of both new graduates and experienced professionals, enhanced training systems, and extended retirement age programs, among other initiatives, in order to meet the growing development and manufacturing needs of customers driven by semiconductor industry growth and technological innovation.

EBITDA per employee (M yen)



The upward trend in cash generation per employee is driven by the medium- to long-term transformation of the business portfolio, focused investments in advanced and high-value-added semiconductor segments, human capital investments that include employee engagement improvement programs, and DX investments.

Employee Shareholding Association Participation Rate (%)



Following the introduction of the Employee Shareholding Association Restricted Stock Unit system in July 2024, the participation rate has risen significantly in recent years. This initiative contributed to improved employee engagement among domestic and overseas employees alike.

MATERIAL ISSUES
Initiatives for Material Issues

Toward achieving a sustainable future and a happier society

TOK launched its revised Initiatives for Material Issues alongside the start of the tok Medium-Term Plan 2027 from fiscal year 2025 and closely aligned the two to maximize corporate value. As the external environment, including the global economy and society, undergoes dramatic changes and both the risks and the opportunities surrounding the global semiconductor industry expand, TOK, which plays a role in this industry, has identified and is focusing on priority issues for future activities by analyzing both the risks and opportunities it faces and the impact it brings to society.

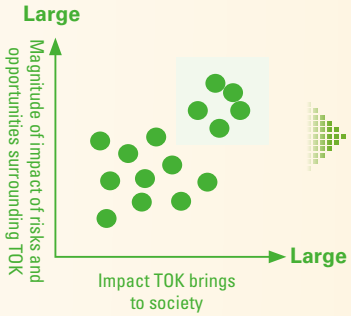
Process of defining material issues

STEP 1

Based on changes in the business environment and business portfolio over the past three years, the latest global sustainability disclosure standards and various guidelines, and the Japan Chemical Industry Association's Responsible Care Code, TOK extracted issues for growth in earnings and the enhancement of sustainable corporate value toward realizing tok Vision 2030.

STEP 2

TOK evaluated the extracted issues on two axes: the magnitude of the risk and opportunity impact, and the magnitude of impact on society in consideration of daily dialogue with stakeholders, including ESG investors, and the goals/strategies of tok Vision 2030. TOK then identified five particularly high-priority items.



STEP 3

For each material issue, TOK formulated the details of the main initiatives and risks and opportunities on the premise that these would be strongly linked to tok Medium-Term Plan 2027 and identified the material issues after approval by the Board of Directors.

Material issues

- Contribution to society through innovation and the enhancement of corporate value
- Pursuit of happiness by human capital
- Development of the semiconductor ecosystem
- Evolution of sustainability governance
- Contribution to the global environment for a sustainable future

— To maximize corporate value —

With the aim of contributing to a sustainable future through chemistry as The e-Material Global Company™ as envisioned in tok Vision 2030, TOK targets the creation of positive impacts through semiconductor technology, such as solutions to labor shortages/autonomous vehicles/AR-VR/remote medical care/remote agriculture/remote construction powered by advanced AI and information and communication technology (Beyond 5G) at its core, as the sustainable future it envisions.

In the identified material issues and tok Medium-Term Plan 2027, TOK will focus on maximizing the positive impacts while minimizing any negative impacts by responding to the deepening of climate change risks and heightening geopolitical risks with the goal of realizing a happier society. Through these comprehensive initiatives, TOK will maximize its capacity to generate cash and minimize capital costs while achieving maximum corporate value.

MATERIAL ISSUES & STRATEGIES
Linking Material Issues to the Growth Strategy

tok Vision 2030
Contributing to the realization of a sustainable future

Backcasting / Accumulated achievements

tok Medium-Term Plan 2027

Close linkage → **Material issues**

Seven key strategies of the medium-term plan

Material issues	SDGs to which we contribute	ESG fields	Key initiatives	Risks and opportunities
Contribution to society through innovation and enhancement of corporate value	3, 9, 11, 12, 13, 17	Society (S)	Pursue cutting-edge technologies and develop unique technologies for the TOK Group	■ Growth of the semiconductor industry, intensification of competition in global markets, and rising strategic importance ■ Response to increasing geopolitical risks and supply chain disruptions, and the creation of new business opportunities and ecosystems ■ Expansion of the role of semiconductors in innovation and the resolution of social and environmental issues ■ Technological advances and market expansion in cutting-edge fields related to the miniaturization, high purity processing, and stacking of semiconductors; expansion of applications for legacy fields ■ Expansion of applications and social need for semiconductor technologies (such as life science-related materials, functional materials, and optical materials) ■ Risk reduction and long-term stable growth through the diversification of the business and regional portfolios and multiplication of the target markets ■ Emergence of optical semiconductor and quantum computing markets and increasing demand for new material development
			Deepen customer relationships and expand the customer base through enhanced marketing capabilities	■ Accelerating increases in power consumption due to the relentless evolution and increased use of generative AI and the rising demand for new energy-efficient semiconductors ■ Increase in the customer's needs for further advances, complexity, and ultrahigh purification of semiconductor materials ■ Coexistence of supply shortage areas and oversupply areas in the semiconductor markets, and the resulting complexity of silicon cycles
			Establish a digital infrastructure aimed at creating new value	■ Increasing importance of materials informatics (MI) and computational chemistry as the means of creating innovation ■ Creation of high-efficiency development environments through conversion to databases and AI utilization and the acceleration of digital transformation
Pursuit of happiness by human capital	3, 4, 5, 8, 10		Create and strengthen a safe and secure work environment where every employee can feel comfortable both physically and mentally	■ Intensification of cross-border competition in the recruitment of human capital for semiconductor-related industries ■ Global human capital development and strengthening in conjunction with the increase in the overseas sales ratio ■ Increase in the importance of the happiness (well-being) and work-life balance for employees and society ■ Creation of better working environments by improving business efficiency and reducing the burden on workers through digital transformation
			Diversity, equity, and inclusion	■ Creation of innovation and increase in competitiveness by leveraging diverse human capital ■ Utilization of the "know-why" accumulated by senior talent
Evolution of sustainability governance	16, 17	Governance (G)	Establish a financial foundation to support long-term R&D and stable production	■ Increase in the potential risks and opportunities involved in business growth and increase in the number of stakeholders ■ Rapid changes in the business environment in the era of BANI* ■ Increase in business opportunities directly linked to sustainability issues inside and outside the company, domestically and internationally ■ Upgrades to monitoring, supervisory, and control functions to directly link business growth to the enhancement of corporate value ■ Maintenance and enhancement of public trust and brand power in communities in Japan and overseas ■ Increase in tail risks that include pandemics and extremely severe natural disasters and conflicts ■ Strengthening of risk tolerance to continue fulfilling supplier responsibilities and strengthening response to laws and regulations (ordinances)
			Respect for human rights and fair working conditions	■ Monitoring of human rights issues throughout the value chain (human rights due diligence)
Contribution to the global environment for a sustainable future	6, 7, 11, 12, 13, 14, 15	Environment (E)	Foster a corporate culture that contributes to the SDGs	■ Cost increases for responding to carbon pricing introduction and policies, laws, and regulations ■ Cost increases for process and product temperature management, water stress, and water procurement difficulties from rising temperatures ■ Contribution to lower power consumption of semiconductors through miniaturization ■ Rising demand for power semiconductors
			Promote resource recycling	■ Increase in interest in the marine plastics issue ■ Expansion of a circular economy
			Conserve the air, water, and soil environments	■ Tighter emissions regulations in major developed countries ■ Further risk reduction by satisfying standards stricter than the regulatory requirements
			Preserve biodiversity	■ Increased risk of global biodiversity loss ■ Risk reduction through initiatives addressing biodiversity and water resources as a single issue
Development of the semiconductor ecosystem	12, 17		Precisely address laws and regulations	■ Tighter chemical substance control regulations in major developed countries ■ Increased product value through proactive and thorough compliance with laws and regulations before and during the early stages of material development
	3, 12	Society (S)	Build a robust supply chain	■ Implement initiatives to convert geopolitical risks and similar challenges into new opportunities while continuing to ensure the stable supply of TOK products and the semiconductor supply chain ■ Increased risk of accidents due to the increase in production sites, production volume, and operating hours ■ Escalating human rights risks resulting from expanding the supply chain and increasing the importance of lifecycle assessment ■ Further risk reduction through RBA audits and ISO 45001 certification

* Brittle, Anxious, Non-linear, Incomprehensible

KPIs, Detailed Measures, and Objectives by Material Issue

*** For full details, please refer to the website.**
https://www.tok.co.jp/eng/sustainability/objectives-results

[Self-assessment of goal achievement]
○ Undertook and achieved results △ Implemented with room for further accomplishments × Did not undertake nor yet achieve

Material issues	Strongly related capital	Key initiatives	Issues, qualitative objectives, and KPI objectives for FY 2026/12	Main achievements, progress, and KPI in FY 2025/12	Evaluation	Pages
Contribution to society through innovation and enhancement of corporate value	■ Financial capital ■ Manufactured capital ■ Intellectual capital ■ Social and relationship capital	Pursue cutting-edge technologies and develop unique technologies for the TOK Group	■ Increase the global market share of cutting-edge photoresists ■ Ensure long-term research and development that anticipates technology trends and customer needs ■ Thoroughly implement customer-oriented strategies through the trifecta of development, manufacturing, and marketing	■ Expand the adoption of EUV photoresists and high-purity chemicals for cutting-edge nodes ■ Record-high consolidated net sales: 17.9% increase year-over-year > Global silicon wafer shipment area growth rate: 5.8% (Source: SEMI)	○ ○	P9–10 P24–26 P38–43
		Deepen customer relationships and expand the customer base through enhanced marketing capabilities	■ Establish advanced technology and stable mass production systems that respond to customers as soon as possible ■ Improve detection sensitivity for metal impurities that comply with customer development roadmaps ■ Strengthen global marketing system coordination to deliver innovation that impresses customers	■ Electronics functional materials consolidated net sales: 16.0% increase year-over-year ■ High-purity chemicals consolidated net sales: 19.6% increase year-over-year ■ R&D efficiency: 366% (57-point increase year-over-year)	○ ○ ○	P20–21 P27 P36–41
		Establish a digital infrastructure aimed at creating new value	■ Advance business processes across the entire value chain ■ Strengthen a secure and flexible information utilization infrastructure and security ■ Create value and maximize impact through AI and digital initiatives ■ Improve organizational execution through human capital development and operational reform	■ Developed a digital human capital development framework and continued role- and level-based training ■ Conducted multiple proof-of-concept projects and full-scale implementations based on real operational challenges identified in collaboration with frontline teams ■ Strengthened a flexible and sustainable IT operating environment incorporating security and governance considerations ■ Advanced the application of MI to development, productivity improvement, and quality stabilization	○ ○ ○ ○	P29 P31 P42
Pursuit of happiness by human capital	■ Financial capital ■ Intellectual capital ■ Human capital	Create and strengthen a safe and secure work environment where every employee can feel comfortable both physically and mentally	■ Employee engagement: Objective for 2027: Improve by 5.4 points (vs. 2024) ■ Promote career autonomy ■ Review and implement enhancements to employee benefits programs across the board ■ Create workplaces where all employees can thrive with pride and a sense of purpose	■ Employee engagement index improved by 1.9 points compared to 2024 ■ Continued implementing Self-Career Dock (SCD) training that promotes career autonomy: Conducted SCD training for employees in their late 20s and for senior employees ■ Reduction of prescribed working hours (decrease of 15.5 hours per year)	○ ○ ○	P14–18 P21–22 P39–40 P50–60
		Diversity, equity, and inclusion	■ Build an environment where diverse human capital can excel ■ Foster innovation by leveraging diverse perspectives, values, and areas of expertise	■ Number of hires: 143 (new graduate recruitment: 66, mid-career hires: 77) ■ Mid-career hires ratio: 53.8%	○ ○	P49–60
Evolution of sustainability governance	■ Financial capital ■ Human capital ■ Social and relationship capital	Establish a financial foundation to support long-term R&D and stable production	■ Continue and deepen efforts to address issues identified through effectiveness evaluations by further enhancing the effectiveness of the Board of Directors ■ Ensure the ongoing reviews of approval authority to accelerate and streamline decision-making and strengthen governance ■ Continue periodic checks of laws and regulations (four times annually) and review the list of applicable laws and legal management procedures	■ Implemented improvement measures in response to issues identified in the evaluation of the Board of Directors for the fiscal year ended December 31, 2024 ■ Conducted ongoing reviews to ensure appropriate approval authority settings and revised the authority regulations ■ Performed checks on compliance with laws and regulations (four times annually), and reviewed the list of applicable laws and legal management procedures ■ Reviewed the *CSR Policy Handbook*	○ ○ ○ ○	P43–47 P70–76
		Ensure respect for human rights and fair working conditions	■ Continue efforts to prevent harassment ■ Implement human rights education ■ Continue the appropriate operation of the internal reporting system ■ Improve the accessibility of internal reporting (create flowcharts for rules, develop and distribute case study materials) ■ Number of internal reports; promote and raise awareness of the internal reporting system and the whistleblowing and counseling contact information	■ Continue efforts to prevent harassment ■ Implemented human rights education ■ Added internal reporting channels (added an external specialist organization as an outside reporting route) ■ Publicized the establishment of a reporting desk for business partners (Supplier Hotline) on the company website	○ ○ ○ ○	P70 P76
Contribution to the global environment for a sustainable future	■ Financial capital ■ Natural capital	Foster a corporate culture that contributes to the SDGs	■ Active information disclosure: publication of Integrated Report, environmental information disclosure on website ■ Energy-derived CO_2 emissions: 30% reduction by 2030 compared to 2019 ■ Stably supply i-Line photoresists for power semiconductors	■ Active information disclosure: publication of Integrated Report, environmental information disclosure on website ■ Energy-derived CO_2 emissions: 36.7% reduction (vs. 2019) ■ Stably supplied i-Line photoresists for power semiconductors	○ ○ ○	P77–84 P86–92
		Promote resource recycling	■ Reduce water consumption by renewing equipment ■ Domestic water usage: 15% reduction by 2030 (vs. 2019) ■ Industrial waste emission intensity: 15-point reduction by 2030 (vs. 2019)	■ Reduced water usage through centralization of primary pure water systems at the Koriyama Plant ■ Domestic water consumption: Increased by 9% compared with 2019 (due to the opening of new facilities) ■ Industrial waste generation (per base unit): Increased by 55 points compared with 2019 (same reason)	○ × ×	P89 P90 P91
		Conserve the air, water, and soil environments	■ Excess of operational thresholds: None ■ Manage CFC leakage volume through the proper management of equipment/Introduce non-fluorocarbon alternatives during equipment updates ■ Environmental accidents: No major accidents	■ Excess of operational thresholds: None ■ Managed CFC leakage volume through the proper management of equipment and introduced non-fluorocarbon alternatives during equipment updates ■ Environmental accidents: No major accidents	○ ○ ○	P90 P92
		Preserve biodiversity	■ Implement ongoing employee training ■ Participation in forest conservation activities	■ Implemented sustainability briefing sessions for all employees, directors, and auditors: 100% participation rate ■ Participated in environmental conservation activities at each site	○ ○	P91
Development of the semiconductor ecosystem	■ Financial capital ■ Natural capital ■ Social and relationship capital	Precisely address laws and regulations	■ Consideration of modification and expansion of a chemical substance information management system ■ PCB waste (low concentration): Formulate and promote an equipment renewal plan based on the roadmap toward the deadline for disposal in 2027	■ Considered the modification and expansion of a chemical substance information management system to improve the efficiency of compliance surveys and enhance regulatory responsiveness ■ Made progress on the schedule based on the roadmap toward the deadline for the disposal of PCB waste (low concentration) in 2027	○ ○	P92
		Build a robust supply chain	■ Establish an occupational safety culture and promote effective occupational safety activities ■ Implement effective emergency response training that functions during emergencies and reduce unexpected situations as much as possible ■ Achieve zero accidents resulting in lost workdays ■ Workplace environment creation in compliance with RBA Code of Conduct ■ Continue workplace safety training and hazard experience education	■ Implemented 5S activities based on common procedures for 5S implementation for the establishment of autonomous 5S activities ■ Confirmed progress management and the effectiveness of safety measures based on safety inspection results conducted at all sites, including overseas, for eliminating occupational accident risks ■ Conducted emergency response drills with changed scenario assumptions to prepare for a wide range of contingencies ■ Lost workdays accidents: 1, without lost workdays accidents: 8 ■ Delivered presentations to students to support semiconductor human capital development and participated in regional consortia	○ ○ ○ × ○	P77–80 P83–84

IMPACT ENABLER

Role of TOK Photoresists

Contributing to social innovation by enhancing the quality of our customers' value creation

TOK photoresists serve as the starting point for the creation of value by our customers, which in turn contributes to the creation of a social impact through innovation by enhancing the quality of our customers' value creation in terms of cutting-edge semiconductor quality and yield. This section describes the functions, performance, and core value provided by TOK photoresists in the semiconductor manufacturing process.

See the informational video concerning the contribution by TOK.

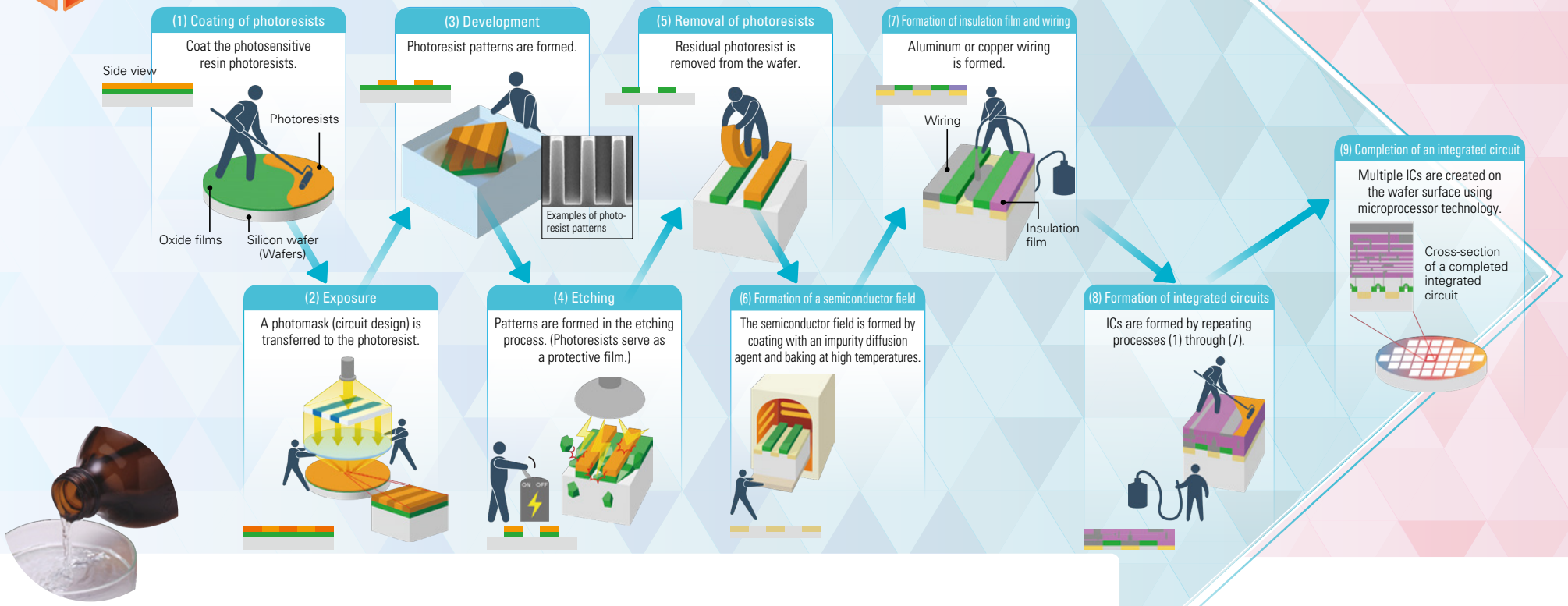
TOK's Semiconductor Photoresist Business

Process of manufacturing integrated circuits on a silicon substrate and producing semiconductor chips. The process uses the resistance to etching by the photoresists.

Semiconductor manufacturing flow

Front-end processes of semiconductor manufacturing

Back-end processes of semiconductor manufacturing



In this process, individual semiconductor chips are cut out and sealed into different packages. The process takes advantage of the thick film forming capacity of photoresists.

Role of TOK Photoresists

Our Strength

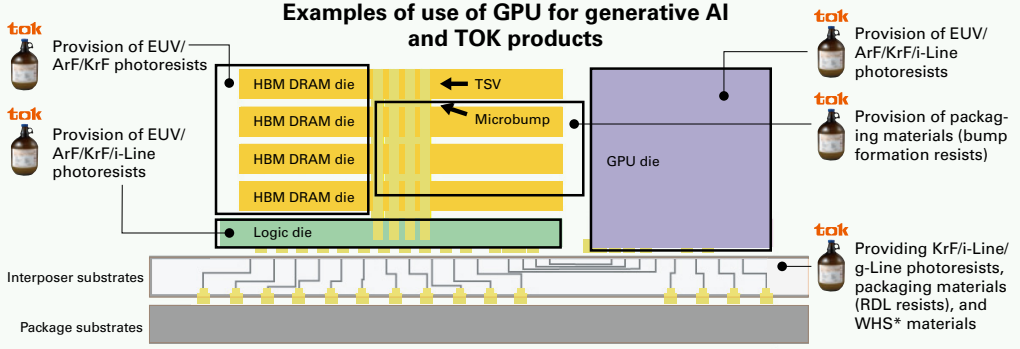
Providing photoresists and materials as impact enablers in both the front-end process and the back-end process of semiconductor manufacturing.

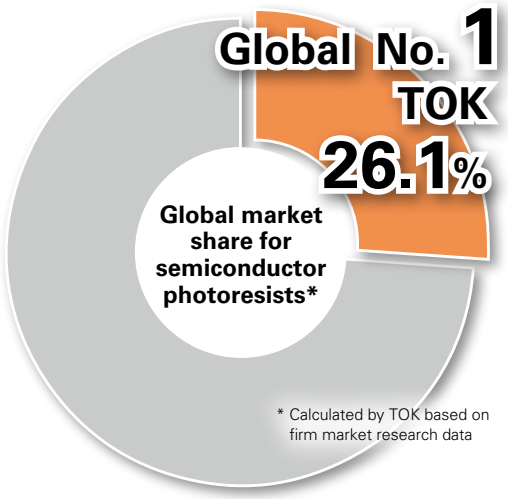
TOK offers a deep, comprehensive product portfolio for the most advanced semiconductors powering today's rapidly evolving AI technologies.

TOK is currently expanding revenue significantly by supplying a broad range of products for the GPUs used in advanced AI applications. The company holds a high market share in materials for high bandwidth memory (HBM) and is expanding the supply of EUV/ArF/KrF photoresists for logic and memory and the sales of WHS* materials in addition to packaging materials.

* Wafer Handling System (technology for 3D semiconductor structures)

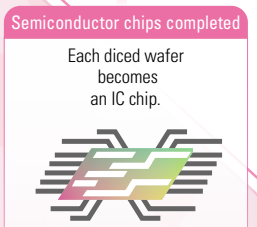
Examples of use of GPU for generative AI and TOK products





* Calculated by TOK based on firm market research data







Three factors that create a social impact

1 High Added Value

Photoresists are high value-added chemical solutions composed mainly of photosensitizers, polymers, and solvents. As indicated by its two root words "photo (light)" and "resist," it reacts to and changes with "light" and "resist" etching, is essential for the semiconductor manufacturing processes, and is used to form miniature circuit patterns. Since the circuit patterns significantly affect semiconductor performance, the improved quality and evolution of photoresists are major factors that contribute directly to semiconductor evolution by delivering innovation through final products and the creation of social impacts.

2 Key to Semiconductor Evolution

Miniaturization, one of the axes of semiconductor evolution, has progressed as the wavelength of light sources in the exposure process has shortened.
The photoresists currently in use are designed to react most efficiently with each light source, and by recreating the photoresist from scratch to meet individual customer requirements, TOK can support the 2D evolution of front-end semiconductor manufacturing processes.
By applying the technologies cultivated through this work to the multilayer stacking used in back-end semiconductor manufacturing, TOK has in recent years contributed to the 3D evolution of semiconductors stacked vertically.

3 Accumulation of Trade-Ons Through Ultimate Fine-Tuning

Photoresists can only contribute to the evolution of semiconductors through individual optimization and development as custom-made products to meet the different needs of each customer's application and semiconductor manufacturing process, not just differences in light sources. In this process, many technical trade-offs* are resolved by repeated and precise fine-tuning to individual customer requirements and processes, which becomes the added value (impact enabler) provided by the photoresists.

* Conflicting technical and social needs. Achieving both is called a trade-on

IMPACT ENABLER
TOK Photoresists

TOK aims for further corporate value enhancement by continuing to succeed in the cutting-edge fields of growth markets

Since the 1960s, Tokyo Ohka Kogyo has expanded its social impact and enhanced corporate value by focusing particularly on cutting-edge fields within the growth industry of semiconductors. In tok Medium-Term Plan 2027, the company aims for further enhancement of corporate value by setting the primary goal to becoming No. 1 in global market share for cutting-edge photoresists.

Global market size for semiconductor photoresists (based on 2025 sales value*1)

US$3,081 million
Increased by 12.7% year-over-year

*1 Calculated by TOK based on aggregation by SEMI

List of Semiconductor Photoresist Types by Light Source

	EUV photoresists	ArF excimer laser photoresists	KrF excimer laser photoresists	i-Line photoresists
				
Light source for lithography	EUV (Extreme Ultraviolet)	ArF (argon fluoride) excimer lasers	KrF (krypton fluoride) excimer lasers	i-Line
Wavelength of light source	13.5 nm Short	193 nm	248 nm	365 nm Long
Semiconductor process nodes*	10 nm > ~ Narrow	130 nm > ~ ≧ 10 nm	250 nm > ~ ≧ 130 nm	350 nm > ~ ≧ 250 nm Wide
Main applications and end products	Various Advanced AI Applications Innovative smartphones Next-generation servers Next-generation supercomputers Next-generation communications systems	Various Advanced AI Applications Smartphones Wearable devices High-performance servers	Smartphones High-performance servers Game consoles	SiC/GaN Next-generation power semiconductors Power semiconductors Sensors LEDs

Cutting-edge photoresists

Only rounded figures for primary ranges are shown.

Market share for TOK semiconductor photoresists (based on actual shipment quantity 2025*2) and market growth forecast (2025 to 2031*2)

EUV photoresists
Market share **29.3%** Global No.1
CAGR **28.2%**

ArF excimer laser photoresists
Market share **14.4%** Global No.4
CAGR **7.4%**

KrF excimer laser photoresists
Market share **33.3%** Global No.1
CAGR **6.1%**

g/i-Line photoresists
Market share **25.3%** Global No.1
CAGR **3.8%**

*2 Source: Fuji Chimera Research Institute, Current Status and Future Outlook of Cutting-edge/Noticeable Semiconductor-related Markets 2026

OUR EDGE AND POSITIVE IMPACT

Creating an even greater social impact and motivating human capital by continuing to succeed at the world's cutting edge

Through the journey to date, TOK is convinced because of numerous experiences that practicing TOK's management principles and purpose not only enhance social value but also economic value, sharpens business competitiveness, and leads to creating an even greater social impact. Because this connects directly to the realization of a happier society, it serves as a powerful motivator for all frontline teams. Going forward, advances in semiconductor technology will underlie the positive social impacts generated by the communications revolution through the use of advanced AI, the evolution of robotics, and the next generation 6G specifications. TOK believes that semiconductors will substantially contribute to the achievement of carbon neutrality as a social requirement of humankind.

Social issues (examples)

Economic disparity due to the digital divide



KrF excimer laser photoresists

TOK Products & Value Chain

[TOK] Development and provision of thick-film KrF excimer laser photoresists

[Semiconductor manufacturers and device manufacturers]
- Cost reduction per byte with increased layers of 3D-NAND
- Production and marketing of low-price smartphones

Expected social impact by 2030

Provision of information and educational infrastructure to 3.43 million people in developing countries*1



My Motivation

I will contribute to the spread of low-cost devices through the TOK Group's technologies.

Among the social impacts created by the company, I particularly empathize with reducing the digital divide. Infrastructure development in developing countries requires widespread adoption of low-cost devices, and I realized that our KrF photoresists and customers' 3D-NAND contribute to this.



Keiichi Ohmori
Sales Strategy Department

Social issues (examples)

Improving efficiency of renewable energy systems



Photoresists for next-generation power semiconductors

TOK Products & Value Chain

[TOK] Development and production of photoresists for next-generation power semiconductors

[Semiconductor manufacturers and device manufacturers]
- Advancement and mass production of next-generation power semiconductors
- Improved efficiency of EVs and wind/hydropower generation systems

Expected social impact by 2030

Reduction of global power consumption by approximately 0.5%, equivalent to approximately 62 million tons of CO_2*2



My Motivation

I will contribute to improving renewable energy efficiency through photoresists from TOK.

As a member of the Sustainability Planning team, knowing that our materials help improve the efficiency of renewable energy is a genuine source of motivation in my work. To deepen my understanding, I completed training on semiconductor manufacturing processes and came to appreciate firsthand how the performance and quality of photoresists on the production floor directly affect device performance and mass-producibility.



Yuko Nishiyama
Corporate Planning Department

Social issues (examples)

Increased power consumption due to the rapid expansion of data centers



EUV photoresists

TOK Products & Value Chain

[TOK] Development and production of EUV photoresists

[Semiconductor manufacturers and device manufacturers]
- Reduction of power consumption per computational session by logic semiconductors
- Reduction of power consumption at data servers

Expected social impact by 2030

Reduction of global power consumption by approximately 0.2%, equivalent to approximately 28 million tons of CO_2*3



My Motivation

I am committed to the stable supply of high-quality products essential for improving the performance of advanced chips.

The materials produced by our manufacturing teams are essential for advancing the performance of cutting-edge chips. I believe that the stable supply of these high-quality products will reliably translate into solutions to the challenges faced by society, including reductions in electricity consumption.

Because our materials are highly sensitive, we are advancing the automation of our equipment and building error-free processes to ensure that we can detect even the slightest variations during manufacturing.



Yukiya Hakozaki
Koriyama Plant

*1 Estimated on the basis of the number of non-smartphone owners and the effect of device price reductions. The population with 30 US dollars as the down payment for installment payments exceeding 5% of annual income is defined as the population who cannot purchase smartphones.
*2 Estimated from the use of power generated from wind and solar power systems and the power consumed by EVs and data centers and the dissemination of next-generation power semiconductors with SiC and GaN as key factors. Train cars and commercial vehicles are excluded.
*3 Estimated using power consumption by data center servers and the sustained effects of Moore's law as key factors. The use of high-end logic semiconductors includes data centers only, and excludes servers and laptop PCs placed elsewhere.

OUR EDGE AND POSITIVE IMPACT

The expected social impact by 2030 shown below quantifies the expected value of the social impact that TOK can contribute by 2030 based on our product market shares in each value chain. As our market share in cutting-edge fields continues to grow, the social impact we can contribute will also increase. Therefore, in the tok Medium-term Plan 2027, we have set as our priority objective the goal of becoming No. 1 in global market share for cutting-edge photoresists, and we are striving to continue to succeed at the world's cutting edge.



Semiconductor photoresists

Social issues (examples)

Concerns about a slowdown in global economic growth due to changes in demographics and geopolitical risks

TOK Products & Value Chain

[TOK] Development and production of EUV, ArF, KrF, g-line, and i-Line photoresists

[Semiconductor manufacturers and device manufacturers]
- Evolution/mass production of semiconductors for (generative) AI and HPC
- Performance improvements in AI and HPC

Expected social impact by 2030

Contributing to a 0.38%*4 increase in global GDP growth rate (annual average)



My Motivation

I will continue to support higher performance and lower power consumption in semiconductors for AI and HPC applications.

Against a backdrop of demographic changes and global instability, productivity demands are higher than ever, and TOK photoresists support improvements in performance and energy efficiency for the semiconductors used in AI and HPC applications.

We are building and strengthening the Group's security infrastructure to ensure safe, stable support for R&D and production activities while contributing to the reliable supply of high-quality products.



Atsushi Otsuji
Digital Platform Department



Semiconductor photoresists

Social issues (examples)

Delays in upgrading traffic signal systems, leading to persistently high levels of road congestion

TOK Products & Value Chain

[TOK] Development and production of EUV, ArF, KrF, g-line, and i-Line photoresists

[Semiconductor manufacturers and device manufacturers]
- Evolution/mass production of semiconductors for edge AI
- Progress in next-generation AI-driven traffic control

Expected social impact by 2030

Contributing to an approximately 0.7%*5 reduction in global road congestion hours (per year)



My Motivation

I will help to reduce congestion and lower the risk of accidents through advanced driver assistance and traffic control systems.

Through my work managing employee commuting and company vehicle operations, I have come to see traffic congestion as a challenge that goes beyond reducing operational efficiency, and it also adds to the burden on drivers and creates safety risks. TOK products serve to support advances in semiconductor technology by contributing to more sophisticated driver assistance and traffic control systems, which in turn help address the social challenges of reducing congestion and lowering the risk of accidents.



Nanako Noto
General Affairs Department

Secondary social impacts of reduced road congestion

Expected social impact by 2030

Contributing to a reduction of approximately 320,000 hours per year (approximately 7.1%)*6 in emergency vehicle response times



Expected social impact by 2030

Contributing to an approximately 5%*7 reduction in global air pollution



*4 Calculated using the total factor productivity growth rate from generative AI and regional differences in total factor productivity growth rate as key factors. Also accounts for growth-suppressing effects from widening inequality
*5 Estimated reduction effect of AI and microcontroller-based signal control on signal-related congestion as a proportion of total global congestion time. Includes both cloud-based and edge-based AI.
*6 Estimated for emergency vehicles (ambulances, fire trucks, and police vehicles) in urban areas worldwide
*7 Estimated based on the fact that major urban traffic signal intersections are known hotspots for PM2.5 concentration

To Our Stakeholders — Message from the President —

Building Corporate Value Through Tenacity

Noriaki Taneichi
Representative Director,
President & Chief Executive Officer

To Our Stakeholders — Message from the President —

Commit to a Goal, Then See It Through

Long-term R&D and business portfolio transformation bear fruit

The year 2025 was a time when a variety of different forms of tenacity bore fruit on Tokyo Ohka Kogyo's path to greater corporate value.

The most prominent example is the three-dimensional semiconductor packaging business (referred to as the WHS or wafer handling system) and the M&E (materials and equipment) strategy surrounding it. This business was a new venture that I personally launched in 2005, which was built around the TSV*1 technology of stacking semiconductors vertically to achieve breakthroughs as two-dimensional semiconductor miniaturization approaches its technical limits. Over the approximately 18 years that followed, we refined our technology; however, the market was slow to take off, and the business went through a difficult period. From around 2023, when the spread of GPUs for generative AI drove the three-dimensional packaging market into full gear, our WHS materials began growing rapidly as a key material in this space. Today, this business is a growth driver and is expected to expand by 700%*2 compared to 2024 by 2027. This has become one of the most successful new ventures I have ever led.

The single greatest factor behind this success is the company's distinctive culture of long-term R&D. When management identifies an area as essential for the future, we pursue it with curiosity based on a clear understanding of technological trends, even when the timing of market emergence is uncertain. We steadily invest in technology (intellectual and manufacturing capital), talent (human capital), human connections (social and relationship capital), and finance (financial capital) to build out the value chain. **(See page 29, "A Value Chain Built on Four Pillars of Earning Power")** From there, talented people with passion and strong convictions work in close collaboration with customers and suppliers to continuously advance and refine our technology. By building on this approach over roughly 20 years, our WHS materials have become one of our core competencies and established a significant barrier to entry for competitors under our *world's highest level of multi-layer stacking technology* and embodying the material issue of the *contribution to society through innovation and enhancement of corporate value*.

Another factor behind these achievements is our belief-driven decision-making and business portfolio transformation. After entering the equipment business in 1971 with a plasma ashing system, we built a strong customer base for both WHS equipment and materials by providing sophisticated solutions through our M&E strategy, which aligns the characteristics across materials, equipment, and process. However, when viewed on a standalone basis, the equipment business was in a difficult situation: a development approach based on a materials manufacturer's way of thinking and involving thorough alignment actually reduced the equipment business's profitability, resulting in seven consecutive fiscal years of operating losses. In response, we transferred the equipment business to AIMECHATEC, Ltd. in 2023 as part of our business portfolio transformation. At the same time, we acquired a stake of just under 20% in that company, making it an equity-method affiliate with which we maintain close ties, thereby creating a framework that allows our WHS materials and M&E strategy to continue. This decision, driven by a deep commitment to becoming a key player in three-dimensional packaging, and the resulting portfolio transformation laid the groundwork for the eventual flourishing of our WHS materials business. I am confident that the culmination of this long-term, tenacious R&D and business portfolio transformation will lead to the establishment of our next new business, further evolution of our portfolio, and the long-term enhancement of our Group's corporate value.

*1 Through Silicon Via
*2 Based on net sales

Enhance employee happiness and corporate value for customers, employees, society, and shareholders

Another initiative contributing to corporate value enhancement is the Tokyo Ohka Global Employee Shareholding Association System that was introduced in August 2023.

We introduced the employee shareholding association system in 1979 and have since strengthened alignment between the company and employees on corporate value enhancement through the introduction of a stock option system in 2001 and the Employee Stock Ownership Plan (ESOP) Trust in 2012. However, since there was room for improvement in terms of the attractiveness of these plans as incentives and the scope of eligible employees, we introduced the Tokyo Ohka Global Employee Shareholding Association System and enhanced its appeal by enabling the granting of restricted stock and extending eligibility to all employees, including those at overseas Group companies. I hope to achieve two things through this system.

The first is to make sure that all employees understand the concept of the EBITDA multiple as it relates to corporate value enhancement and to accelerate Group-wide efforts to maximize that indicator. To that end, we will work steadily toward the EBITDA targets set forth in the tok Medium-Term Plan 2027 and tok Vision 2030 while helping all employees understand that "multiple" represents the sum of the market's expectations of our company. The goal is to break that down to the level of individual business activities and continuously elevate each element, whether through building further competitive advantages and barriers to entry in semiconductor materials, pursuing effective governance, expanding IR and SR activities, or other efforts across both business and support functions so that every employee contributes to long-term corporate value enhancement.

The second goal is to realize *Yonpo-Yoshi*, meaning good for customers, employees, society, and shareholders alike. For example, if you ask, "Who does Tokyo Ohka Kogyo belong to?" the answer under Japan's Companies Act would

To Our Stakeholders — Message from the President —

be "Our shareholders." But if you reframe the question as "Who is Tokyo Ohka Kogyo for?" the answer looks quite different. The emphasis shifts toward the employees, customers, and society, which can create potential misalignment with the interests of shareholders and investors. My goal for this plan is to resolve that conflict of interest and enhance the happiness of all stakeholders, including customers, employees, society, and shareholders and investors, through improvements in the share price and corporate value.

When I first began developing this concept, there were no precedents in Japan, and implementation involved overcoming many obstacles. Because the legal and tax systems differ from country to country, the system design was extremely complex, and for a long time, we were in a position of wanting to do it but not being able to make it happen. What gave us the push we needed was meeting Professor Tomo Suzuki. **(See pages 49–54, Special Feature: "Employee × External Expert Dialogue")**. When he visited the company and shared his insights, I was deeply encouraged. His visit reignited my strong determination, my tenacity, to find a way to make it happen, to create a structure that would allow us to grant restricted stock to all Group employees, including those overseas. After that, with generous support from external specialists and the dedicated efforts of our internal general affairs team, we were able to bring the system to life. Since its introduction, the domestic employee participation rate has risen significantly, from the mid-70% range to the mid-90% range, and the overseas participation rate has also been tracking in the mid-70% range. Going forward, we will pursue further improvements in overseas participation through ongoing communication with local employees, as well as domestic and international internal IR activities, to maximize the effectiveness of the system.

Driving corporate value enhancement through internal and external IR activities

What I want to focus on most in our internal IR activities is refining the PDCA cycle for maximizing the "multiple" described above. This system is truly a case of *the real work begins after launch*, and I believe that the quality of internal IR, alongside the external IR that we have long maintained, will have no small impact on long-term corporate value enhancement. As of June 30, 2026, our market capitalization has grown approximately four-fold over the past three years to 1.4 trillion yen, supported by a favorable market environment with PBR tracking at around 5.8x. However, the true value of human capital management I have focused on since taking office is yet to be fully realized in the form of corporate value enhancement. With the reinforcement of numerous human capital initiatives, including this system, and both internal and external IR activities as the driving force, we will continue to work together with employees to further enhance corporate value.

Business Environment Assessment: Risks and Opportunities/ Social Impact

Opportunity: Capturing the full potential of a favorable market environment

I believe the world is currently in the midst of an AI-driven industrial revolution, and as AI becomes embedded in society's infrastructure, semiconductors will serve as the core driving force. As evidence of this, the global silicon wafer shipment area in 2025 grew 5.8% year over year to 12.973 billion square inches, with steady growth of around 5% to 10% per year expected to continue.*3 The global semiconductor market reached a new all-time high in 2025 by expanding 26.2% year over year to $795.640 million. The market is expected to grow even further in 2026, driven by data center investment and other factors, potentially exceeding $1.5 trillion.*4

The fact that the semiconductor market is growing at a pace well beyond the steady expansion in the silicon wafer shipment area suggests that current semiconductor market growth is being led by advanced, high-value-added segments. Consequently, we will continue to focus on our founding business model of specializing in niche, high-value-added areas and concentrate our efforts on achieving the top priority in tok Medium-Term Plan 2027, "Global No. 1 share in advanced photoresists," while pursuing our EBITDA target of 72.0 billion yen for FY 2027*5 and working toward the realization of tok Vision 2030. Achieving these goals will serve as the foundation for further enhancement of corporate value through EBITDA multiple expansion and will in turn contribute to employee happiness and the realization of *Yonpo-Yoshi*.

*3 Source: SEMI
*4 Source: World Semiconductor Trade Statistics (WSTS)
*5 Revised upward in February 2026 (from 60.0 billion yen to 72.0 billion yen)

Risk: Responding to the rise of Chinese domestic manufacturers

At the same time, we recognize that the rise of Chinese domestic photoresist manufacturers is the single greatest risk currently facing our Group. While Group sales to China have been growing year over year in line with other overseas regions, in recent years, a large number of domestic manufacturers have emerged that now challenge Japanese manufacturers in both production volume and quality. The market share of Chinese manufacturers in g-line and i-line photoresists is growing steadily; therefore, the urgent management priority is responding to the risks that have already materialized and those that may emerge in advanced segments going forward.

Specifically, for ArF/KrF photoresists **(See page 10)**, where Japanese manufacturers, including TOK, maintain a competitive advantage, we intend to maintain our barriers to entry by continuing to uphold the quality advantages we have built through an overwhelming accumulation of close collaboration, superior manufacturing technology that ensures

To Our Stakeholders — Message from the President —

consistent quality across every production lot, and our strong ecosystem with raw material suppliers.

Furthermore, as a global market leader pursuing a full-lineup strategy, we will continue to fully leverage our brand strength, marketing capabilities, and information-gathering capabilities. Through our customer-focused strategy, we will continue to refine our world-class microprocessing, high purity processing, and multi-layer stacking technologies by closely aligning them with customer needs, while continuing to create cutting-edge value. We are committed to continuing to strengthen the competitive advantage of this "winning formula."**(See pages 36–41, "Three Division Manager Dialogue")**

Impact: Maximizing positive impact and minimizing negative impact

Our Group will continue to address the full range of risks and opportunities described previously while working through the material issue commitments and the medium-term management plan to maximize our positive social impact and minimize any negative impact in pursuit of the sustained enhancement of corporate value.

In terms of maximizing our positive impact, the growth of advanced, high-value-added semiconductor segments currently supports the further evolution of generative AI, while the markets for edge AI, which enables autonomous judgment and functionality on individual devices, and physical AI, which advances robotics and autonomous driving, are beginning to take shape in earnest. As a result, semiconductors are increasingly required to process vastly larger volumes of data at higher speeds and with lower power consumption. This is expanding the fields where our Group's microfabrication and stacking technologies, honed over many years, can be applied, and I look forward to contributing to new social impact in these areas. I am also confident that creating these social impacts is a direct expression of our corporate philosophy of contributing to society and that these impacts will enhance the motivation and happiness of each and every employee. **(See pages 11–12, "My Motivation")**

At the same time, we will continue our steady efforts to minimize any negative impacts and use that as a foundation to further enhance corporate value. Currently, we are focusing GX investment on making the Scope 3 CO_2 emissions calculations more precise and sophisticated and are preparing to refine our current Scope 3-related disclosures. **(See page 87)** The number of workplace accidents, which had been trending upward against a backdrop of rapid production expansion, has begun to improve thanks in part to the two-year Occupational Health and Safety Emergency Declaration. We will continue to press ahead without easing our efforts toward zero workplace accidents, which is a fundamental obligation of any company **(See pages 77–78, 83–84)**, further strengthening the foundation for continued corporate value enhancement.

Toward Strengthening Our True Capabilities and Corporate Constitution

Strengthening our corporate constitution through tok Medium-Term Plan 2027 and our material issue commitments

Group performance for the fiscal year ended December 2025, the first year of our medium-term management plan, set a record high for the second consecutive fiscal year. Net sales grew 17.9% year over year, which significantly outpaced the growth in the global wafer shipment area (5.8%), and EBITDA rose 35.7% year over year. We also revised the performance targets for the final year upward, and the picture may appear to be one of smooth sailing. However, I recognize that much of this strong performance is attributable to external factors, including a favorable operating environment



and the positive impact of the weak yen. Of course, the results have been substantial from the continued refinement of our core competencies: world-class microfabrication, stacking, and high-purity technologies. At the same time, I remain self-critical in acknowledging that the corporate constitution, which represents our true underlying capabilities, still has considerable room for improvement when it comes to maximizing the "multiple".

Sustaining and embedding "*tok-ism*"

For Priority Strategy 1 of building an environment where every employee can work safely and securely, both physically and mentally (aligned with our material issue of the pursuit of happiness by human capital), we continue to face the challenges of sustaining and embedding the less tangible *tok-ism* while we have achieved a degree of progress in improving engagement and eliminating workplace accidents. Specifically, we have significantly expanded the recruitment of both new graduates and career professionals in response to the accelerating growth of the semiconductor industry and surging requests for increased photoresist production in recent years. As a result, I am concerned that the penetration of *tok-ism*, including values like being frank and open and long-term R&D, has not kept pace. We are currently preparing new human capital initiatives to address this and will implement them promptly.

To Our Stakeholders — Message from the President —

Taking on the challenge of vertical start-ups with consistently high quality

For Priority Strategy 2 of building a robust supply chain (aligned with our material issue of the development of the semiconductor ecosystem), we are currently making progress in our large-scale capacity expansion investments at sites that include a new inspection building at the Incheon plant (South Korea), Aso Kumamoto site, Koriyama plant (Japan), and Pyeongtaek plant (South Korea) with vertical start-ups planned sequentially from 2026 to 2027. Achieving vertical start-ups at these new facilities while maintaining the high and consistent quality we achieve today will require extremely thorough preparation in the areas that ensure mass production quality and the securing of human capital. In addition, we must begin discussions with an eye toward what comes later since these new investments are fundamentally intended to secure production capacity through 2030.

Building a new global strategy

For Priority Strategy 3 of deepening and cultivating customer relationships through enhanced marketing capabilities (aligned with the material issue of the contribution to society through innovation and enhancement of corporate value), we need to strengthen our customer-oriented strategy, which has been a core competency, from a more global perspective rather than one centered on Japan. Currently, the key customers in Taiwan, the United States, and South Korea are accelerating their global multipolar expansion beyond their home markets, and there are a growing number of cases where local marketing and development personnel operating on instructions from Japan and headquarters alone cannot fully meet customer needs. We recognize that resolving this quickly is one of the greatest challenges we face on the path to realizing "the e-Material Global Company™" vision set out in tok Vision 2030. Therefore, we have begun moving the Japan-based personnel assigned to overseas customer-oriented sites across multiple global locations rather than keeping them stationed in one place for an extended period; in addition, we are focusing on building a deeper layer of locally recruited human capital. To align the direction of all of these activities, we intend to make full use of the human capital strengthening initiatives of the Global Employee Shareholding Association System.

Accelerating long-term R&D with room for failure

For Priority Strategy 4 of pursuing advanced technologies and developing proprietary TOK Group technologies (aligned with the material issue of the contribution to society through innovation and enhancement of corporate value), we are successfully meeting customer needs today as they emerge, but we need to further intensify our long-term R&D focus on the next generation of miniaturization and stacking as we continue to refine our world-class microfabrication, high-purity, and stacking technologies, as well as the production technologies that achieve consistent high quality. I believe the key to the Group's long-term corporate value enhancement lies in continuing to identify the domains where we can chart a winning formula through the integration of marketing and development, and in pursuing our long-run R&D with tenacity, by accepting failure as part of the process.

Discussing long-term financial capital strategy with outside directors

For Priority Strategy 5 of establishing a financial foundation for long-term R&D and stable production (aligned with the material issue of the evolution of sustainability governance), which underpins the culture of accepting failure and encouraging the challenge described above, as many new people continue to join our Group, we will continue to focus on embedding our ROIC activities, one of our priority measures for maximizing EBITDA multiple, throughout our operations. **(See pages 43–47, "Message from the Executive Officer of Accounting and Finance")**

In terms of corporate governance in recent years, monitoring by outside directors has expanded beyond business risk assessment and compliance to encompass capital efficiency and our global financial strategy. For example, following the bond issuance last year, outside director Nakajima, a former CFO, provided recommendations on advancing global cash management, and the Board of Directors engaged in in-depth discussions from the perspective of balancing growth investment with financial discipline. I believe that this kind of substantive dialogue with our outside directors will serve as an increasingly important foundation for the sustained enhancement of the Group's corporate value.

Accelerating the DX of our value chain

For Priority Strategy 6 of establishing a digital foundation for new value creation (aligned with the material issue of the contribution to society through innovation and enhancement of corporate value), we are accelerating DX across all four earning strengths that underpin the value chain: technology (intellectual and manufacturing capital), talent (human capital), human connections (social and relationship capital), and finance (financial capital). While momentum is building rapidly on the domestic front, we now need to strengthen DX overseas as well. To that end, we will apply the approaches developed in Japan to all overseas operations while focusing on developing digital human capital locally and expanding the use of AI at the international sites.

Pursuing sustainability for society and our company with happiness and wellbeing in mind

Finally, for Priority Strategy 7 of deepening a corporate culture that contributes to the SDGs (aligned with the material issue of the contributions to global environmental conservation in consideration of future generations), we will continue our consistent efforts to achieve the non-financial KPI targets set forth in tok Medium-Term Plan 2027 of covering employee engagement indicators and CO_2 emissions by advancing a culture that drives *sustainability for society* and *sustainability for our Group* as the two mutually reinforcing projects. With 2030 now approaching and discussions underway on what sustainability should mean for our Group beyond that point, we will look to incorporate an awareness of the SWGs*6 into our approach, informed by Professor

To Our Stakeholders — Message from the President —



Suzuki's insight that wellbeing and happiness are essentially synonymous. **(See pages 49–54, Special Feature: "Employee × External Expert Dialogue")**

*6 Sustainable Well-being Goals: A Japan-originated international agenda gaining attention as the next-generation framework following the SDGs, whose target deadline is 2030

Toward Realizing tok Vision 2030 and Becoming a 100-Year Company by 2040

Competing first in adjacent areas on the path to long-term corporate value enhancement

In my eighth year as president, I believe we have achieved a degree of success in expanding corporate value; however, I remain focused on steadily laying the groundwork for the continued long-term enhancement of the Group's corporate value. As part of that effort and as the blueprint for a new business segment by 2030, I envision five product portfolios: photoresists, package peripheral materials, optical materials, high-purity chemicals, and surface modifiers **(See page 33, "Toward 2030")**. Three of these are already established as revenue drivers, so we are currently focusing on surface modifiers and optical materials, which are adjacent to existing businesses and have significant potential for synergies.

On surface modifiers, adoption has been steadily accumulating as the key material for improving yields at the leading edge of semiconductor miniaturization. Our focus will be on expanding revenue while steadily establishing local overseas development and production capabilities. **(See pages 36–41, "Three Division Manager Dialogue")**

For optical materials, our long-cultivated expertise in controlling light is proving highly relevant, and the market for optical-electrical convergence is beginning to take shape as an innovative technology with the potential to dramatically improve data transmission efficiency while we address both the challenge of reducing power consumption at data centers, which is one of today's pressing social issues, and the need for edge AI and physical AI as mentioned earlier. In this area, we can create significant added value by applying the technology from our image sensor photoresists where we hold a very high market share; in addition, we will leverage the proprietary technologies of micro resist technology GmbH (Germany, "MRT"), which became a wholly owned subsidiary in March 2025.

Building out our European network in response to growing geopolitical risk

In addition, the acquisition of MRT is also a response to the growing geopolitical risk created by US-China tensions. Like our overseas customer-oriented sites, MRT integrates the trifecta of development, manufacturing, and marketing functions and make it a key access point to the European market with which we will maintain close coordination. The strategic investment and co-development partnership we concluded in February of this year with Irresistible Materials (UK) to advance EUV lithography is driven by the same rationale.

Establishing the sixth pillar that will change the world

My focus so far has been primarily on the semiconductor-related businesses, but for long-term enhancement of corporate value with an eye toward becoming a 100-year company by 2040, adding a new business in the non-semiconductor markets as a sixth pillar is the most important challenge that we face. With that in mind, one of my near-term ambitions is to build upon the areas of the life sciences, functional materials, and decarbonization-contributing technologies, which I have discussed in past integrated reports, to establish new businesses that will change the world and create new social impacts. Achieving this may require even more long-term R&D as well as the tenacity that we have applied to semiconductor-related fields. Having spent roughly a third of my more than 40-year career at Tokyo Ohka Kogyo in new business development, I find that prospect genuinely exciting.

I look forward to your continued support as Tokyo Ohka Kogyo pursues the enhancement of long-term corporate value through tenacity and conviction.



— Outside Director Dialogue —



Ayako Ikeda
Outside Director, Audit and Supervisory Committee Member, and Nomination and Compensation Advisory Committee Member

Hisashi Ando
Outside Director, Chairman of the Nomination and Compensation Advisory Committee

Kazuo Ichiyanagi
Outside Director, Audit and Supervisory Committee Member, and Nomination and Compensation Advisory Committee Member

Isao Nakajima
Outside Director, Audit and Supervisory Committee Member, and Nomination and Compensation Advisory Committee Member

Recognizing the Challenges and Envisioning the Path to Further Corporate Value Enhancement

What are the challenges and responses needed for Tokyo Ohka Kogyo, whose near-term performance and valuation are both tracking well, to achieve further enhancement of medium- to long-term corporate value? We asked four outside directors to share their candid views.

Topic 1: Global Strategy, Governance, and Risk-Taking
Since 2026, geopolitical risks have escalated rapidly around the world, and our global strategy, governance, and approach to risk-taking must evolve with flexibility in response. From your perspective as outside directors with a monitoring role, please share your views on the challenges and potential approaches.

Ando: We are truly in a difficult era. Unpredictable events keep emerging one after another, and the number of challenges requiring attention continues to grow. In that context, setting priorities and advancing management is an enormously complex task. At the same time, focusing on what the company actually can do is an important priority. Among the many challenges we face, the most pressing right now is strengthening the supply chain. This theme also relates to the material issue of the development of the semiconductor ecosystem. As a manufacturer, if we cannot obtain raw materials, the business cannot function. We are working to review all domestic procurement and production arrangements, but in many cases, the raw materials depend on overseas sources. If supply is interrupted at even one point, the impact can be significant. In that sense, strengthening the supply chain is a high-priority challenge.

Ichiyanagi: When I took on the top role at my previous company, the operating environment was even more difficult than it is today. The first thing I tackled was structural business reform. I oversaw the closure, consolidation, and relocation of production sites across various countries, and the reaction of local employees was what left the deepest impression on me throughout that process. In China, we maintained employment while asking employees to continue working at the new location following plant relocation. Even so, seeing the facility they had built together disappear was a profound shock for those employees who felt as though they had somehow failed. Some of them were in tears right in front of me. Proceeding with the relocation while witnessing those moments was an extremely painful experience as a manager. At the same time, I was determined never to allow a situation like this to happen again. Through that experience, I made a personal commitment to protect employees at any cost, even at personal sacrifice. I believe that at Tokyo Ohka Kogyo, we must clearly affirm our commitment to standing firmly behind the employees, no matter what geopolitical or global risks materialize in the future.

Nakajima: President Taneichi consistently demonstrates that commitment with sincerity. I believe that sincerity reveals its true worth not in ordinary times, but precisely in times of crisis. The trust built with employees in this way is the foundation of human capital management because no human capital strategy can function effectively if that foundation is shaken.

I believe the role of outside directors in ensuring proper governance is to keep an eye on the challenges that tend to go unnoticed inside the company and for systems or mechanisms that may be becoming mere formalities and then to continue questioning their rationale with constructive skepticism. This slightly distanced perspective applies to risk management as well. I make a point of distinguishing risks from a somewhat different vantage point than that of the executive

— Outside Director Dialogue —

side and of raising the question of what should be prioritized. For example, on the supply chain issue related to the situation in Iran that was just mentioned, attention tends to focus on whether our Group can continue to supply products. In a situation of ongoing uncertainty, I asked that we first confirm whether our customers would be able to continue manufacturing. Group investments in management resources and the implementation of every possible precaution mean nothing if the customer's broader supply chain cannot function.

The Board of Directors discussed risk-taking in consideration of the revision of the 2026 Corporate Governance Code. I believe a company's reason for being lies in boldly taking business risks and creating new value on the basis of those risks. From that perspective, the question of what risks to assume in a rapidly changing business environment will become increasingly important. Even if risk-taking leads to an increase in the cost of capital, we will be increasingly called upon to explain to shareholders and investors how we achieve good risk-taking that leads to corporate value enhancement, as well as how we communicate that clearly.

Ikeda: Addressing business and human rights is also essential. Over the past few years, awareness of human rights issues has grown significantly and become much more widely recognized, which I think is very meaningful. In particular, overseas business activities and supply chain arrangements in relation to geopolitical risk could give rise to new human rights challenges. Many of these issues are difficult to predict, so it is not easy to be fully prepared for all of them. However, there are lines that a company must not cross in terms of human rights, and we need to keep a firm grasp on those boundaries in everything we do.

At the same time, as Director Nakajima mentioned, the discussion around risk-taking in business remains critically important. When it comes to assessing risks, the executive perspective and the outside director perspective may sometimes differ. That is precisely why outside directors must express views from an independent standpoint.



Topic 2: Business Portfolio Transformation and Optimization

Please share your thoughts on future business portfolio transformation aimed at the expansion of medium- to long-term corporate value, including efforts related to new businesses.

Ando: I believe the semiconductor market will continue to grow. Some describe it as an AI bubble, but I do not think it is a passing trend. Currently, demand is centered on data centers, but edge AI is expected to become more widespread in the future, and I expect the market to expand significantly in scale through the 2030s. Against that backdrop, our Group still has considerable room to grow within the semiconductor space.

In particular, optical-electrical convergence, which we are pursuing as a new business, holds enormous potential. There are forecasts that predict global data volumes could multiply several times over within the coming years, and expectations for this technology are rising accordingly. As AI becomes embedded throughout society and demand for information processing grows exponentially, the importance of related materials will only increase. We currently have multiple development projects underway, but competition is intense, which makes differentiation critical. How quickly and accurately we can collect information is also important. In that regard, being embedded within the semiconductor industry is a major strength for our Group, which gives us an environment where we can identify market and technology shifts at the earliest possible time.

Taking a longer-term perspective, in new businesses outside the semiconductor space, it is important not to stray too far from the Group's strengths and core areas of focus. Entering a field where we lack sufficient information or expertise presents very significant challenges in terms of the probability of success. New business development is a matter of how you assess expected value. One weighs the probability of success against the potential magnitude of the outcome. Of course, if there is a significant growth opportunity on offer, it may be worth pursuing even if the odds are lower. Even then, however, you need to think clearly about why you expect success and where the growth potential lies.

Ichiyanagi: I agree. I have been watching optical communications since my working days, but a major challenge in the practical application was the connectors that join the optical elements. Because even the slightest angular misalignment can break the transmission, extremely precise connections are required. Many companies have continued to work on such challenges; therefore, optical communications have steadily advanced and spread as a result. At the same time, light is faster than electrons and requires less energy to transmit. Given those trends, optical-electrical convergence is clearly the next major theme.

Nakajima: Hearing the different reports from the executive side on new businesses, I am reminded again of how challenging this work has become. That said, our new businesses are not completely unrelated greenfield ventures but instead build on the application and evolution of the technologies that we have developed over the years by leveraging our own strengths. I therefore regard this as an appropriate approach. Success in any new business requires not just creating a good product but also building the market through which that product can spread throughout society. It is tempting to see a blue ocean as promising, but the undercurrents are very strong, and forming alliances with the right partners is an important consideration in forming new markets. On the other hand, the semiconductor market is sometimes

— Outside Director Dialogue —



described as a red ocean due to the intense competition. But is that really true? The reason an existing market appears to be a red ocean is simply that we have not yet identified the new unmet needs or seeds of technological innovation within it, and there are always significant growth opportunities to be found. With new technologies like optical-electrical convergence and with the semiconductor industry continuing its rapid evolution, the Group's semiconductor-related businesses still have ample room for growth going forward. Rather than setting a predetermined portfolio to work toward, the new business portfolio will ultimately take shape by remaining relentlessly close to customers, including new players, repeating the process of trial and error, and being sharpened by customers and partners along the way.

Another challenge is keeping pace with the rapid globalization currently underway. As customers expand globally, the regions and domains the Group needs to cover are expected to broaden further. In that context, we will continue to discuss ways to sustain and scale our core strengths of customer orientation and the integrated marketing, manufacturing, and development model, as well as what is needed to continue ensuring proper governance of the overseas subsidiaries.

Ikeda: I hope the company continues to proactively pursue new business development, even though doing so is far from easy. While semiconductor-adjacent areas are attracting the most attention right now, continually thinking about the emerging needs in other fields is also important as the social environment changes significantly. Returning to our purpose of *contributing to a sustainable future through chemistry*, we need to actively explore new business opportunities. I had the chance to hear from members of the executive team who are passionate about new business development, so I have great expectations for their efforts. I also believe that this kind of challenge leads to the sustained enhancement of corporate value. It is not easy to identify which business will become the next growth pillar, and as Director Nakajima noted, real difficulties are involved. However, I believe the commitment to continuously face the challenge of new possibilities in pursuit of the sustained enhancement of corporate value is itself of fundamental importance.

Topic 3: Executive Compensation and Employee Engagement

Please comment on the executive compensation system, particularly regarding the effectiveness of using the employee engagement indicator as a KPI for performance-linked stock compensation.

Ando: The fact that engagement has been incorporated as an evaluation criterion and that management is taking action based on the results deserves high recognition. In that context, because the results of the engagement survey represent important feedback from employees to management, the most important elements are how management receives that feedback and how it communicates back to employees. By genuinely listening to the voices of employees and clearly communicating what management has thought about and what actions have been taken as a result can the employees then feel that their input is actually making a difference. Building this kind of virtuous cycle going forward should lead to even higher levels of engagement. To do that, adding questions that continuously check whether employees are actually feeling this way may also be necessary. Also, while the current approach relies primarily on indicators from external research firms, we need to keep examining whether that is truly the most appropriate approach for the Group. I would like to revisit the discussion on how we design our engagement framework, evaluation criteria, and weighting to ensure that they are grounded in the kind of human capital and organizational model that we are seeking.

Using the employee engagement indicator as the KPI for performance-linked compensation is an extremely meaningful choice in the context of today's emphasis on human capital management. However, indicators should not be fixed permanently. As the business environment and societal expectations evolve, the indicators we prioritize should be reviewed accordingly. Taking note of the growing number of Japanese companies adopting share price-related KPIs, we will continue the ongoing discussion in the Nomination and Compensation Advisory Committee.



Ikeda: As you say, the first question is whether the engagement indicator itself is truly appropriate. In practice, the voices from some of the employees at the overseas sites are questioning the value of repeating a similar engagement survey every year. There is therefore room to consider the content of the indicators as well as how the surveys are designed. There has been real value in using a common measure up to this point. Building on that foundation going forward, we will need to rethink how we measure engagement and how it translates into real improvements in management.

— Outside Director Dialogue —

Nakajima: The engagement indicator is the KPI set out in tok Medium-Term Plan 2027 alongside ROE, so for now, we should continue to track it diligently. However, whether it needs to be revised for the next medium-term plan is an important question to address. In particular, when it comes to evaluating the impact of using employee engagement as a KPI, the important factors are taking a multi-dimensional view over the medium to long term and examining how it connects to human capital management, organizational capability, and ultimately corporate value enhancement, rather than viewed simply through the lens of the short-term relationship to single-year performance. Near-term business performance, capital efficiency, and share price valuation are all healthy, and there is no doubt this reflects the hard work of the current employees. However, those indicators are also the result of the steady efforts accumulated by those who came before us, and of technology development pursued for over a decade, such as the stacking technologies now coming into full bloom. Managing the business for the long term and with a broad perspective is essential. I am fully in support of the Group's frank and open corporate culture and the emphasis placed on employee autonomy, so I have no objection to prioritizing engagement. As Director Ando mentioned, we need to examine whether the current survey methodology and indicator design are truly optimal for the Group going forward, and we must make the effort to find a better approach.

Furthermore, attracting talented people will be an increasingly important management challenge going forward. Mid-career recruitment in particular means competition for human resources and capital, pure and simple. In addition to improving engagement among current employees, becoming a company that outstanding external human capital actively chooses is a topic we cannot afford to avoid. How we approach that will have a major bearing on what the Group looks like ten years from now.

Ichiyanagi: I believe that the most important factor in thinking about human capital management is whether employees have dreams and aspirations for the future. In recent years, career transition services have become widely available, which has increased human capital mobility. In this environment, it is not simply enough to provide employment. Employees need to feel that they can grow with the Group and achieve their career and life goals. Creating an environment where people can look back on their careers and feel that working in our Group led to something meaningful will become increasingly important going forward. This thinking applies to the executive compensation system as well. Continual system reviews are important so that executives have even stronger incentives to enhance corporate value. For example, the current stock compensation structure leaves room to explore a more effective design from the perspective of both strengthening human capital and enhancing corporate value.



Topic 4: Tokyo Ohka Global Employee Shareholding Association System

Please discuss the outcomes and challenges of human capital investment to date, focusing on the Tokyo Ohka Global Employee Shareholding Association System introduced in August 2023.

Ando: This is a highly meaningful initiative. A system that allows employees to hold shares in their own company and share in the tangible experience of corporate growth is very effective in raising awareness of the enhancement of corporate value. The shareholding association system has existed for some time; however, the newly introduced mechanism, which grants restricted stock and stock units (collectively referred to as "restricted stock etc."), has strengthened the stance of sharing in the fruits of growth. Extending a motivational structure not only for executives but also for employees, as well as for overseas Group employees, is genuinely valuable.

Ichiyanagi: From the employee's perspective, however, reactions are mixed. In surveys and other feedback, there are voices saying, "I would rather have higher wages than stock." There is a risk that employees may misinterpret this as the company using stock grants as a substitute for wage increases, so it is important to carefully communicate the intent of the system. Under this system, all domestic and overseas Group employees are given the option to acquire restricted stock etc., but participation is voluntary. As of the end of 2025, the participation rate was 93% domestically and 74% overseas. Since then, the share price has almost doubled, and I expect more employees are beginning to feel the tangible value of the system. I hope that ongoing internal IR activities will deepen the understanding of the plan and drive participation rates even higher.

Ikeda: Reactions from overseas sites vary by region with some locations showing very high participation rates and others lower rates. In many of the lower-participation regions, the constraint of the three-year transfer restriction appears to be the main reason. Going forward, thorough communication and internal IR activities will be needed to increase participation in those regions.

Nakajima: We should raise wages where appropriate but informed by industry benchmarks, labor market trends, and our own business performance. At the same time, restricted stock has a different character and purpose from wages. If employees come to see restricted stock grants as part of their compensation and benefits package, the fundamental purpose of this system is diminished. The system is an opportunity for employees to hold shares in the company, and through that, to feel closer to the expectations that shareholders have of us as a listed company, to view their own work through the lens of corporate value, and to share in the joy of seeing the company grow from a broader perspective. It is, in essence, a human capital investment.

Contribution to Society through Innovation and Enhancement of Corporate Value

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Core Competencies and Capital Continue to Be Refined - 1

Building profit-generating intellectual capital through world-class microprocessing technology

Over the past 50 years or so, semiconductors have evolved mainly through the miniaturization of circuit line widths in the front-end process. **(See pages 8–9)**
As the circuit line width of semiconductors becomes finer, they become faster, more power-efficient, smaller, and lower in cost, which results in a greater social impact.
TOK has been involved in reducing power consumption per operation to approximately 1/5000 or less over the past 55 years of semiconductor miniaturization while helping to reduce power consumption per operation, improve operating speed, and reduce costs per transistor. In so doing, we have grown the business and continue to meet the social expectations of promoting decarbonization and improving productivity through artificial intelligence (AI).
Currently, TOK is leveraging this core competency in back-end processes as well. **(See pages 8–9)**

Semiconductor Miniaturization History [Front-end Processes]*1, *2, *3

1970s

Social expectations

More efficient economic activities

tok
First semiconductor positive photoresist developed in Japan



Circuit line width of semiconductors

10 μm to 1.5 μm

Examples of final products
Calculators*2



2000s

Social expectations

Social networking

tok
ArF excimer laser photoresists



Semiconductor process nodes

130 nm to 32 nm

Examples of final products
Smartphones



2025–

Social expectations

Further productivity improvements through evolution of AI

tok
EUV photoresists



Semiconductor process nodes

2 nm

World's cutting edge

Examples of final services
Generative AI



*1: Includes estimates by TOK for the decades shown. *2: The photos of examples of final products and services on this page are for illustration purposes only. *3: 1 μm = 1,000 nm

CORE COMPETENCE 1

World-leading
microprocessing technology
Value creation area = 1 nanometer and below
≦ **0.000001 mm**
(Approx. 1/100,000 and below the thickness of a human hair)

Outcomes
Contributing to semiconductors
Miniaturization
Cost Reduction
Energy Efficiency
Speed Improvement
and more

Core Competencies and Capital Continue to Be Refined - 2

Building strong manufactured capital through world-leading high-purity processing technology

The world-leading high-purity processing technology (manufacturing capital) of TOK is rooted in the founding business, contributes to improving production quality across all processes, including both front-end and back-end processes.
TOK released fine chemical products by leveraging this processing technology to satisfy the many social expectations of the early post-war era in Japan. Through subsequent global expansion, these chemical products have been adopted by many customers, including world-leading semiconductor manufacturers.
The synergy effect from the interaction with world-leading microprocessing technology (intellectual capital) is particularly significant and contributes substantially to the improved competitiveness and market share in advanced fields by improving customer yields, reducing costs, and lowering the environmental impact.

Trends in level of high-purity processing (impurities)*4, *5

1970s

Social expectations

Higher productivity

tok
High-purity chemicals and semiconductor photoresists



Level of impurities
≤ 1 ppm

2000s

Social expectations

Resource saving and environmental contribution

tok
High-purity chemicals and semiconductor photoresists



Level of impurities
≤ 100 ppt

2025–

Social expectations

Higher purity processing

tok
High-purity chemicals and semiconductor photoresists



Level of impurities
≤ 1 ppt

World's cutting edge



Value provided
Higher yield in semiconductor production



Value provided
Reduced material loss in semiconductor/LCD production



Value provided
Pursuing ultimate defect reduction with state-of-the-art equipment

CORE COMPETENCE 2

World-leading high purity processing technology

Level of impurities in cutting-edge products
1/1,000,000,000,000 or less

Outcomes
Contributing to semiconductor manufacturing

Yield Improvement
Cost Reduction
Environmental Impact Reduction
and more

*4: 1 ppm = 1/1,000,000; 1 ppt = 1/1,000,000,000,000 *5: Includes estimates by TOK for the decades shown.

Core Competencies and Capital Continue to Be Refined - 3

Long-term R&D (intellectual capital) cultivating world-class 3D stacking technology

As the trend of exponentially rising technical difficulty and development costs accompanying miniaturization advances in the front-end processes is intensifying, 3D stacking technology, which involves vertical stacking in the back-end processes, is becoming increasingly important for the future evolution of semiconductors. TOK began developing packaging materials and WHS materials that form the core of this technology more than 20 years ago. As a result of long-term R&D, one of the important intangible assets (corporate culture) since the founding of the company, we have created many earnings drivers, including products with the top global market share; in addition, stacking technology has become a new core competency that is making an increasingly significant contribution to business performance.

Evolution of 3D semiconductor packaging technology*6, *7

1990–

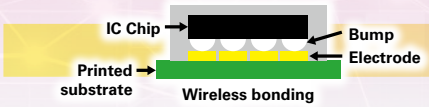
Social expectations

More advanced communication



tok Packaging materials

Flip chip integration





Examples of final products
Mobile phone

2012–

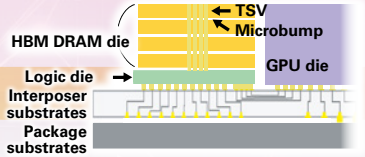
Social expectations

Solving complex social challenges



tok Packaging materials WHS materials

2.5D structure





Examples of final products
Cloud server
Supercomputers

2023–

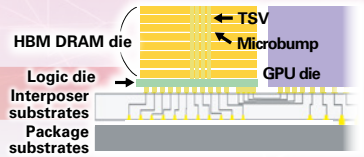
Social expectations

Further acceleration of AI



tok Packaging materials WHS materials

Chiplet





Examples of final services
Generative AI

World's cutting edge

CORE COMPETENCE 3

World-leading
3D stacking technology

Value creation examples

Contributing to 12-layer stacking of DRAM for HBM

Contributing to 300+ layer 3D-NAND

Outcomes
Contributing to semiconductor devices

Energy Efficiency
Speed Improvement
High Integration

and more

*6: Includes estimates by TOK for the decades shown. *7: The photos of examples of final products and services on this page are for illustration purposes only.

Core Competencies and Capital Continue to Be Refined - 4

Refining human capital and expanding social and relationship capital through customer-oriented strategies

TOK opened its first overseas site in 1987 and accelerated global expansion in step with the offshoring of the semiconductor industry. The company established customer-oriented sites in the United States, South Korea, and Taiwan where human capital from the trifecta of development, manufacturing, and marketing functions work in close collaboration. The tough assignment of meeting the expectations of world-leading semiconductor manufacturers on-site on a daily basis hones the human capital of TOK and builds high added value through collaboration, strong relationships of trust, and new human connections (social and relational capital). This virtuous cycle accelerates innovation and creates new social impacts, which leads to improved engagement among employees seeking fulfillment, contributions to customers and society, and personal growth.
TOK is currently focused on evolving its global strategy to flexibly respond to the increasingly multipolar international expansion of each customer. **(See page 17 "Message from the President")**

Progress in the global strategy

1987

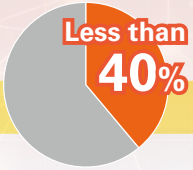
Customer oriented

Opening of first overseas site

Ohka America, Inc. (the present Tokyo Ohka Kogyo America, Inc.)



Overseas sales ratio (FY 2000/3)





Received the SCQI Award from Intel Corporation (1996)

2012

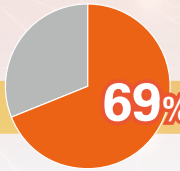
Customer oriented

Established customer-oriented bases with integrated trifecta functions

TOK Advanced Materials Co., Ltd. (Korea) became the starting point for the overseas customer-oriented strategy



Overseas sales ratio (FY 2013/3)





Expanding recruitment of local foreign nationals (Korea)

2025

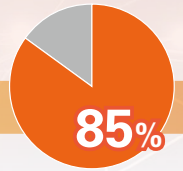
Customer oriented

Deploying customer-oriented strategies globally

Currently deploying meticulous customer-oriented strategies in Japan/U.S./Korea/Taiwan/Germany



Overseas sales ratio (FY 2025/12)





Received the 2024 TSMC Excellent Performance Award

Creation of social impact worldwide

CORE COMPETENCE 4

Customer-oriented strategies

through the trifecta of development, manufacturing, and marketing

Examples of strengths that are difficult to replicate

Speed of response in realizing customer requirements

Results

Overseas sales growth over the past 10 years (FY 2025/12 vs. FY 2016/3)

2.9 times

Improving customer satisfaction

Strengths and Capital Continue to Be Refined

Continuing to evolve value creation power with the linkage and synergy among capital resources at the core

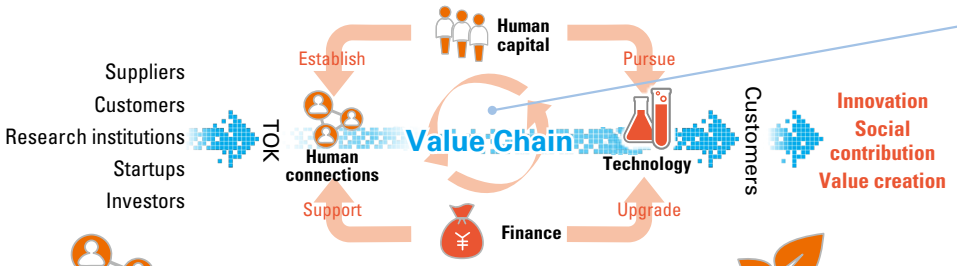
As TOK continues to ensure success in the most advanced areas of semiconductors, the company will also strengthen its human capital, the core driving force behind growth, while sustaining long-term value creation in the decarbonization and other fields with substantial environmental contributions by strategically enhancing technology (manufactured capital and intellectual capital) and human connections (social and relationship capital) based on robust financial capital and cash generating abilities. Under our material issues, we will further expand the interaction between capital resources, thereby creating a greater social impact and fostering further innovation.

	Human capital	Intellectual capital	Manufactured capital
Strengths	● Driving force: Continuous strengthening of personnel measures focused on happiness ● Pursuing DE&I to strengthen business competitiveness	● Sustaining high levels of R&D investment ● Corporate culture supporting long-term R&D	● The ability to deliver world-leading microprocessing, high purity processing technology, and stacking technology as consistently high-quality, high-volume production products
Strength Details	■ **Increase investments in human capital as a growth strategy** Pursue measures that align with individual values of personnel and their happiness ● Average annual salary per person increased by 2.05 million yen over the past 10 years*1 ● High employee stock ownership plan participation rate across the TOK Group **(See page 4)** ● Ratio of paid leave taken stood at 79.7%, which was significantly higher than the national average of 66.9%.*2 ● KPIs for performance-linked share-based remuneration for officers consist of ROE and an employee engagement indicator ● Personnel system based on the mission grade system ● Executive Fellow system, SP position system, Mukai Technology Award, Different recognition systems, such as the performance incentive system and TOK SHINKA AWARD ■ **Merit-based hiring and promotions regardless of nationality or gender** The number of foreign employees across the Group is increasing The ratio of local hires in overseas management positions is stable at a high level of around 60% ● The number and ratio of female employees is increasing *1 Unconsolidated basis *2 Source: Ministry of Health, Labour and Welfare's Summary 2025 of General Survey of Working Conditions for fiscal years 2024 or 2023	■ **High ratio of R&D costs to net sales** Maintain the ratio of R&D costs to net sales to around 8% ● Strengthen R&D functions in Japan, the United States, South Korea, and Taiwan ● Research capabilities in functional polymer materials and development capabilities of their application technologies ● Development capabilities in new high-functional materials and production technologies ■ **Marketing capabilities in R&D** Strong collaboration between development and marketing ● Accelerate development from a stringently customer-oriented perspective by integrating development and marketing under the eternal startup spirit and blue ocean strategy ■ **Long-term development** A willingness to take on challenges based on the management principle of creating a frank, open-minded business culture ● A frank, open-minded business culture that supports the challenges of the persistent pursuit and deepening of knowledge, taking on new challenges, and exploring new seeds as a culture that has continued for more than 10 years even though R&D in cutting-edge fields is becoming increasingly more difficult ■ **Enhance corporate value through IP activities** Work to maximize short-, medium-, and long-term cash generating ability ● Efficient use of invested capital (financial capital + intellectual capital + human capital)	■ **Microprocessing technology** Material technology for making semiconductor circuit line widths finer **(See page 24)** ■ **High purity processing technologies** Reduce impurities in products to the ultimate limit **(See page 25)** ■ **3D stacking technology** Material technology for high-density or 3D stacking of devices and semiconductor packages **(See page 26)** ■ **Niche top products** DNA of the founder, Shigemasa Mukai: "Create materials that are supported by advanced technologies and that cannot easily be imitated by other companies" ● Focus on niche business fields shaped by radical and rapid technological changes ● Continue to develop the business model and bring to market new, high-end, high-value-added products ■ **People-friendly smart factories** Introduce automation and robotics to achieve high operational efficiency and safety (e.g., Aso Kumamoto Site)
Future Strengthening Measures	■ **Accelerating the supplementation of "lacking human capital" towards realizing tok Vision 2030** ■ **Employee engagement scores are rising, but TOK is focusing on further improvement**	■ **KPI targets raised significantly with achievement in sight** The KPI target of R&D efficiency* was raised from 200% to 400% in 2025. Achievement is expected in FY 2026 * R&D efficiency = Operating income over the past five years/R&D costs over the preceding five years	■ **Expansion and renewal of manufacturing facilities** Strengthen and update the lack in manufactured capital towards achieving tok Vision 2030
DX Initiatives	■ **Work to develop human capital to achieve the Group-wide KPI target of 27% or more in digital human capital by FY 2027**	■ **Build an environment for leveraging knowledge assets suited to the AI era through generative AI proof-of-concept initiatives and knowledge infrastructure development**	■ **Integration of production database with production management and monitoring systems across five domestic sites is complete, enabling unified production data. A cross-site platform for analyzing productivity and quality is now being established**
Related material issues			

* Explanation of related material issue icons: Contribution to society through innovation and enhancement of corporate value / Pursuit of happiness by human capital / Development of the semiconductor ecosystem / Evolution of sustainability governance

Strengths and Capital Continue to Be Refined

A Value Chain Built on Four Pillars of Earning Power





TOK is accelerating advances in its value chain through digital technology



Social and relationship capital

Strengths

- Strengthen the company by staying abreast of customers who are leading global innovative technology
- Build a robust ecosystem through co-creation with suppliers

Strength Details

■ **Establish sites covering the trifecta of development, manufacturing, and marketing in the United States, South Korea, Taiwan, and Germany where many customers are located**

Close collaboration with local customers who are leading global innovative technology
Introduce prototype production lines equal to those of customers

- Quickly commercialize R&D achievements and build a robust relationship of trust in the fast-changing semiconductor and electronics industries

■ **Provide customers in all areas with a full portfolio, including legacy products**

■ **Create cutting-edge value with suppliers**

Create from the formulation of raw materials together with suppliers

- Strengthen initiatives for human rights and environmental conservation through supplier engagement

■ **Build innovation ecosystems**

Collaborate with customers as well as various other stakeholders to drive innovation in state-of-the-art semiconductor fields

- Expand collaboration with startup companies with excellent technical capabilities, academic personnel, consortia, and other partners

Future Strengthening Measures

■ **Flexibly respond to risk distribution and global multisite operations of customers**

Turn rising geopolitical risks into opportunities
Further promote and expand the contributions of international human capital within the Group

DX Initiatives

■ **Further strengthen trust with global customers and suppliers through enhanced digital infrastructure and security across the Group**

Related material issues

Natural capital

Strengths

- Contribute to decarbonization through business
- Minimize negative impacts

Strength Details

■ **Expand the contribution to reductions from products**

Develop and provide multiple products that contribute to decarbonization

- Reduce power consumption through the miniaturization of semiconductors
- TOK holds the world's top market share*1 in g/i-Line photoresists, which are essential for manufacturing the power semiconductors that serve as the core components of renewable energy systems and EVs, as well as next-generation SiC/GaN power semiconductors. Sales of g-/i-Line photoresists have reliably accounted for almost 10% of consolidated net sales.

■ **Responsible care activities***2

Appropriate management as a manufacturer that handles chemical substances and that uses large volumes of water in the production processes, combined with efforts for conserving biodiversity

- Focus efforts on minimizing environmental risks in the production process and throughout the supply chain
- Concentrate on biodiversity conservation through participation in nature conservation activities

*1 Based on the actual shipment volume in 2025 (Source: calculated based on Fuji Chimera Research Institute, Current Status and Future Outlook for markets related to advanced/noteworthy semiconductors 2026)
*2 Please refer to the following definition: https://www2.nikkakyo.org/english/responsible-care

Future Strengthening Measures

■ **Strive to minimize absolute CO_2 emissions**

TOK established interim targets to align the 1.5°C goal with the growth strategy through 2030, and the company is expanding environmental investments to reduce absolute emissions rather than just emission intensity.

DX Initiatives

■ **Use utility data visualization to digitally monitor electricity, gas, and other energy consumption to enable more sophisticated investment decisions for energy savings and CO_2 reduction**

Related material issues

Financial capital

Strengths

- Balance sheet management encompassing all nonfinancial capital
- Dividends based on net assets

Strength Details

■ **Balance sheet management**

Pursue an optimal balance between investment, cash reserves, and shareholder returns

- Execute the niche top strategy in innovative fields
- Aggressively take risks as an R&D-driven company
- Focus investments in human capital, decarbonization, and sustainability

■ **Strategic policy on cash reserves**

Establish a policy on the cash reserves of investment reserves and risk reserves

- Long-term technology development, sustained commitment to long-term challenges, and response to unforeseen events such as major disasters
- Financial soundness is maintained at a high level (R&I Credit Rating: A+ [Stable])

■ **Enhancement of dividends**

DOE (Dividend on Equity) 4.0% policy

- Provide steady and continuous shareholder returns

Future Strengthening Measures

■ **Pursuit of higher asset efficiency**

ROE Targets: 13.0% (FY 2030/12)

■ **To maximize cash generating capability**

Promote investment and business strategies using EBITDA, ROIC, and IRR as monitoring indicators

DX Initiatives

■ **Use management and financial dashboards to digitally visualize investment efficiency and profitability to enable more sophisticated management and investment decisions**

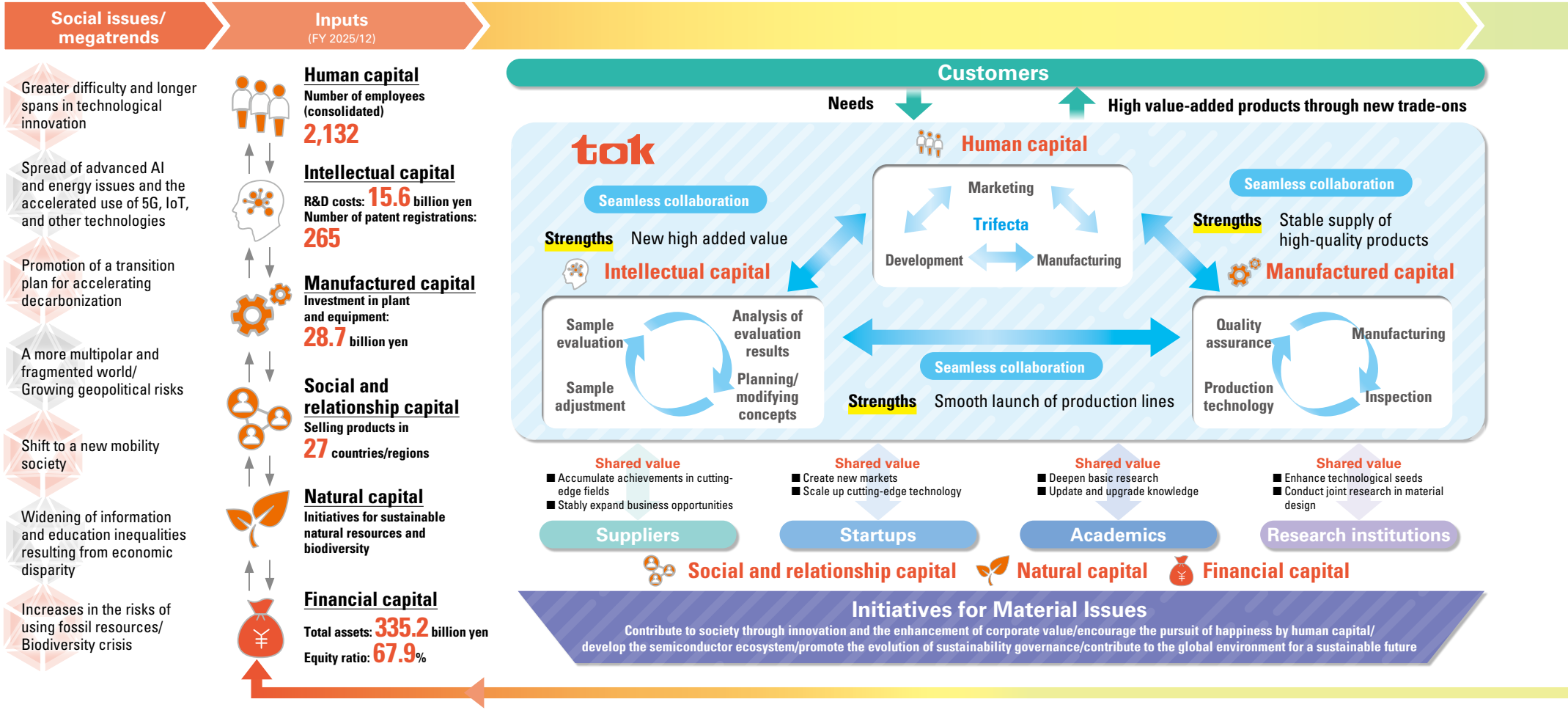
Related material issues

* Explanation of related material issue icons: Contribution to society through innovation and enhancement of corporate value | Pursuit of happiness by human capital | Development of the semiconductor ecosystem | Evolution of sustainability governance | Contribution to the global environment for a sustainable future

Business Model and Value Creation Process

TOK sustainable value creation process

Under the management vision, The e-Material Global Company™ contributing to a sustainable future through chemistry, TOK will continue to create value from the long-term perspective and with aim of contributing to tok Vision 2030, becoming a 100-year company by 2040, and achieving carbon neutrality by 2050. The refined core competencies, management resources, material issue framework, and DX initiatives that underpin both the agile responses to rapidly evolving technology and long-term R&D will be essential to achieving this vision. TOK will continue to flexibly upgrade the value creation process while closely monitoring the business environment as it succeeds at the world's cutting edge, thereby enhancing sustainable corporate value.

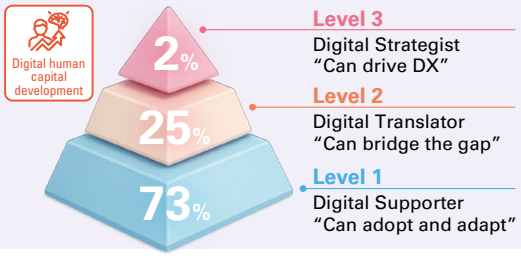


Business Model and Value Creation Process

OurDX

DX value creation 1

TOK has defined the meaning of digital human capital and is developing it globally. Under a digital human capital certification framework, more than 10% of all employees are now active as DX promoters.



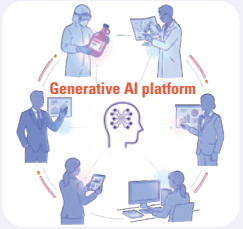
DX value creation 2

RPA and similar tools have been introduced primarily for sales administration and distribution operations. After making processes visible, standardizing, and improving efficiency, TOK is rolling out these improvements horizontally across each site.

On-the-ground practice and IT standardization and governance are working together to advance the standardization of proven efficiency improvements

DX value creation 3

TOK is building the data in a cloud-based information infrastructure and developing a generative AI platform. The effective use of information assets is underway



Outputs	Customers	Final benefits	Outcomes
See page 33 Photoresists, high-purity chemicals, new business products, and other products	Semiconductor and electronic component markets, healthcare markets, and other markets	End products, end users, and others	Realize advanced trade-ons and promote technological innovation by providing cutting-edge materials Reduce energy consumption and the time per operation of semiconductors and improve operational efficiency and product development speed Control and reduce energy consumption of equipment by using semiconductor technology Strengthen cybersecurity through new innovations and detect misinformation Realize a safe, autonomous vehicle society with automotive devices that combine high performance and high reliability Disseminate information and an educational infrastructure with electronic devices at lower prices Minimize negative impacts (By resource conservation, reduce the various emissions, improve consumption per base unit, and prevent disasters and workplace accidents)

Drive toward a happier society through the creation of a positive social impact

See pages 11–12

Reduce economic disparity due to the digital divide

Contribute to global economic growth

Reduce road congestion hours

Help to contain increased power consumption due to the rapid expansion of data centers

Improve the efficiency of renewable energy systems

Enhance sustainable corporate value

Reinvest in sustainable value creation

Product Portfolio and Regional Portfolio

Maximize synergies between technologies and convert risks into opportunities

TOK applies world-leading microprocessing and 3D stacking technologies across each of its electronic functional material products. The company also pursues synergies between technologies by leveraging world-class, high-purity technology for manufacturing high-purity chemicals and for defect reduction across all products.
By flexibly deploying this product portfolio across the global markets, TOK thoroughly implements customer-oriented strategies and risk diversification by focusing its efforts on converting geopolitical risks into opportunities.

Electronic functional materials

Materials for semiconductor front-end and back-end processes and display materials

World-leading microprocessing/ high purity processing technology/ stacking technology

High-purity chemicals

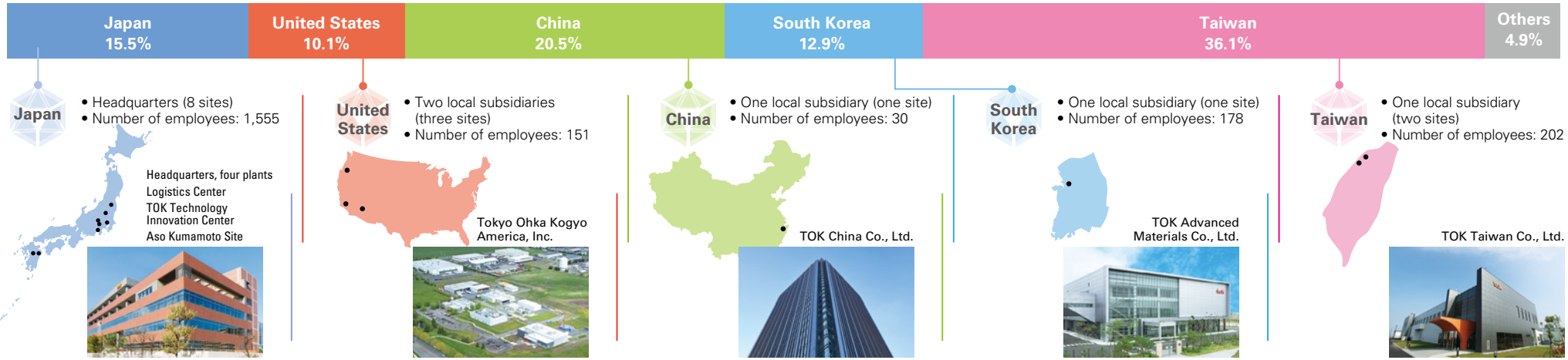
Thinners, developing solutions, and surface treatment agents for semiconductor front-end and back-end processes

Net sales by product



FY 2025/12 Consolidated net sales 237 billion yen

Net sales by region

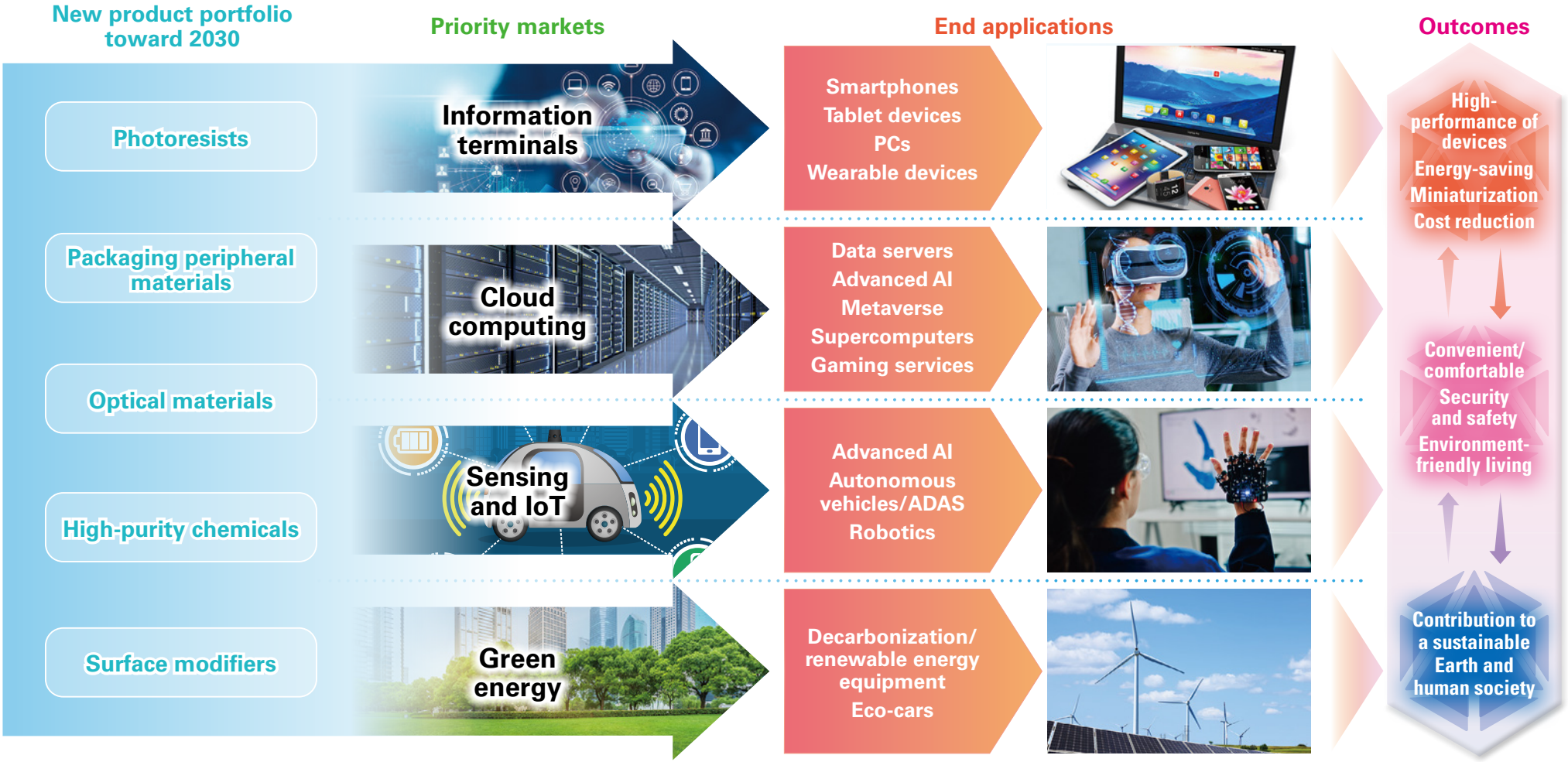


* Number of employees and sites as of December 31, 2025

Toward 2030

Focused on five high-feasibility product portfolios for growth toward 2030

In 2025, the TOK Group identified five product portfolios as priority areas for achieving tok Vision 2030. By deploying these portfolios, which represent the most advanced areas of semiconductors where TOK's feasibility is highest, across the four focus areas of information terminals, cloud computing, sensing and IoT, and green energy, the company aims to deliver a variety of different forms of value (outcomes) to society through end applications, the pursuit of sustainable growth, and enhanced corporate value.



Overview of tok Medium-Term Plan 2027

tok Medium-Term Plan 2027 (From FY 2025/12 to FY 2027/12)

tok Medium-Term Plan 2027 is a medium-term management plan set by backcasting from tok Vision 2030. TOK set six qualitative objectives aimed at realizing the management vision, as well as quantitative nonfinancial targets in addition to traditional financial targets. TOK will establish a solid basis for achieving the management vision by employing seven key strategies that will lead to the next medium-term plan.

Features

- Medium-term plan for attaining tok Vision 2030
- "Go beyond 27, Jump to the Future!!"

Key Strategies

[1] Create and strengthen a safe, secure work environment where every employee can feel comfortable both physically and mentally **(See pages 49–60, 77–80, and 83–84)**

[2] Build a robust supply chain **(See pages 62–66)**

[3] Deepen customer relationships and expand the customer base through enhanced marketing capabilities **(See pages 36–41)**

[4] Pursue cutting-edge technologies and develop unique technologies for the TOK Group **(See pages 13–18, 24–26, and 36–41)**

[5] Establish a financial foundation to support long-term R&D and stable production **(See pages 43–47, 94–95, and 98)**

[6] Establish a digital infrastructure aimed at creating new value **(See pages 29, 31, and 46)**

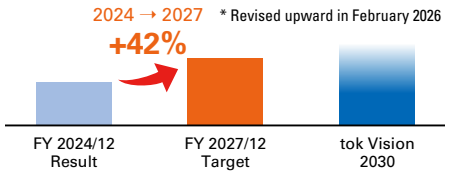
[7] Foster a corporate culture that contributes to SDGs **(See page 6)**

Strategies by Product

[1] Semiconductor photoresists

■ Sales increase by exceeding market growth with share expand

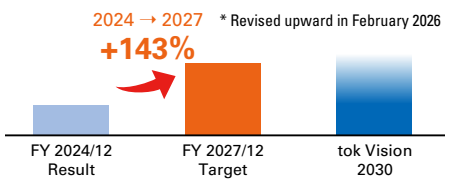
Sales performance and targets



[2] Various electronic materials
(MEMS materials, WHS materials, display materials, etc.)

■ Sales expand by increasing share in existing and new markets

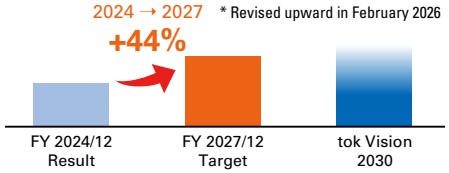
Sales performance and targets



[3] High-purity chemicals

■ Sales expand by demand increase and build supply system

Sales performance and targets



Objectives

[Qualitative Objectives]

- Gain the top 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 (FY 2027/12)]

Financial targets

* Revised upward in February 2024

- Consolidated net sales: 295 billion yen
- Consolidated operating income: 58 billion yen
- EBITDA: 72 billion yen
- ROE: 14.0%

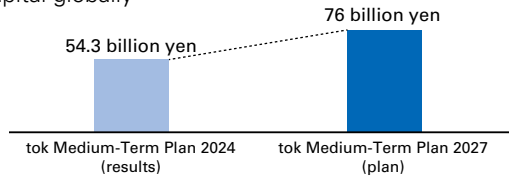
Nonfinancial targets

- Employee engagement: +5.4 points (vs. 2024)
- CO_2 emissions (Scope 1 + 2): Cut by 27% (compared to FY2019)/ 35,000 tons- CO_2e or less

Capital investment plan

[Record-high capital investment plan]

■ To strengthen the supply chain, proactively invest capital globally

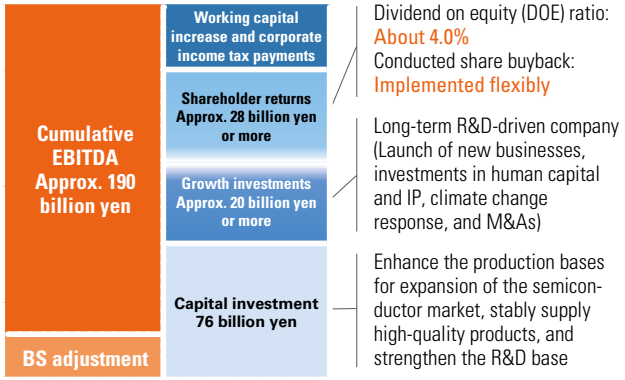


Balance sheet management

[Pursue a new optimal balance among investments, cash reserves, and shareholder returns]

■ The company will allocate the generated EBITDA to stable and continuous dividends targeting a dividend on equity (DOE) of 4.0%, invested in capital expenditures and growth investments anticipating demand in the semiconductor market, in addition to flexible allocation to share buybacks.

Three-year cash flow plan (conceptual graph)



Overview of tok Medium-Term Plan 2027

tok Vision 2030

Management Vision

Contribute to a sustainable future through chemistry as The e-Material Global Company™

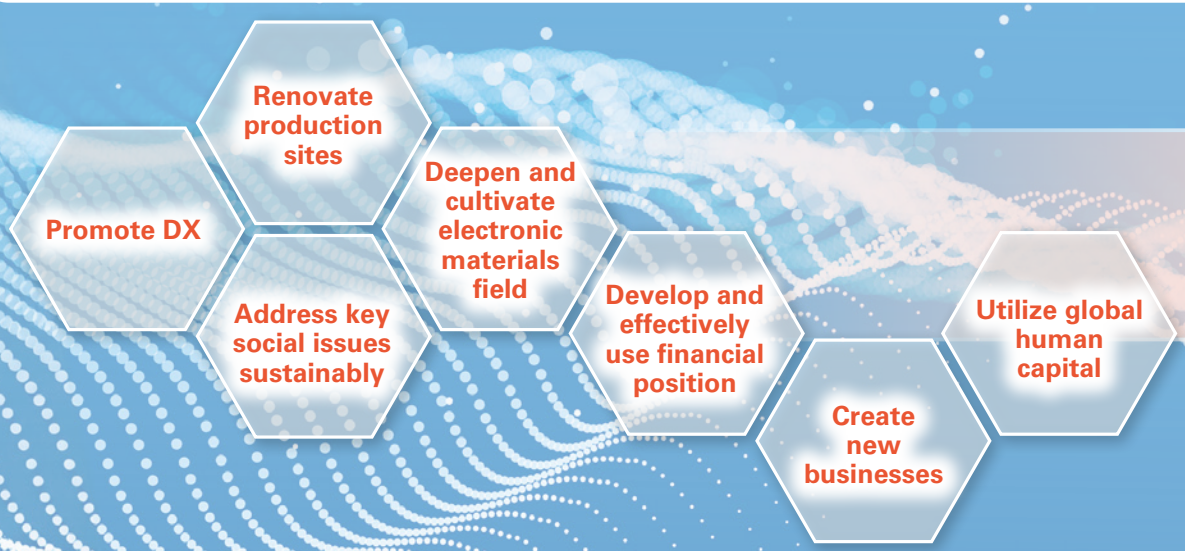
Thoughts embodied in the Management Vision

The management vision incorporates five concepts: contributing to the SDGs, customer-oriented perspective, elevating chemical technology to greater heights, global growth, and becoming a unique company in the electronic materials field.

Initial (formulated in August 2020)
Net sales: **200 billion yen** EBITDA: **45 billion yen**
ROE: **10.0% or higher**

After upward revision (revised in February 2024)
Net sales: **350 billion yen** EBITDA: **77 billion yen**
ROE: **13.0%**

- Provide new innovations that inspire customers
- Earn trust from stakeholders worldwide
- Continue developing high technological capabilities and show international presence
- Sustainably enhance corporate value with an aim to contribute to the SDGs
- All employees can work with enthusiasm and pride



Seven strategies toward 2030

Succession to become a 100-year company

— Three Division Manager Dialogue —



Hirotaka Yamamoto
Director,
Managing Executive Officer,
Division Manager,
Manufacturing Division

Kosuke Doi
Director,
Senior Managing Executive Officer,
Division Manager,
Marketing Division

Katsumi Ohmori
Director,
Managing Executive Officer,
Division Manager,
Research and Development Division

The Trifecta of Customer-Oriented Strategies Driving Corporate Value Enhancement and Tokyo Ohka Kogyo's Unique Capital

Behind Tokyo Ohka Kogyo's recent growth and corporate value expansion, including its competitive advantage in the most advanced semiconductor segments, lies the essence of the customer-oriented strategy: trifecta value creation through development, manufacturing, and marketing, along with our distinctive earning strengths. In this dialogue, three division managers discuss the reality of the inimitable trifecta value creation and earning strengths.

Theme 1: Reflecting on FY 2025 and Trifecta Value Creation

As the respective leaders of development, manufacturing, and marketing, you work in close collaboration every day. Please begin with your reflections on FY 2025 and any key highlights.

Doi: One of our core competencies is the customer-oriented strategy built on the trifecta of development, manufacturing, and marketing. In the Marketing Division, which I oversee, we are strengthening our marketing capabilities as the primary point of contact with customers and deepening our marketing capabilities to take a broader view of markets, technology, and customer challenges and translate those into strategies. Our focus is on realizing customer needs quickly at high quality. To achieve this, the Marketing Strategy Department identifies priority markets, priority customers, and key themes and executes on those with precision on the front lines, further strengthening our proactive marketing approach. We also leverage sales offices across domestic and international regions to capture latent needs and translate them into new development themes and business opportunities.

In new business areas, the New Product Sales Expansion Department works closely with the New Business Development Division in a unified effort to pursue new market development, business viability assessments, and business model creation.

On the interface between marketing and manufacturing, we ensure that quality, scalability, and stable supply are factored in from the earliest stages of development by sharing customers' quality requirements while advancing quality development with mass production in mind. Our strengths lie in high quality and a stable supply, and we pursue differentiation through quality and supply reliability rather than through price competition. In the Chinese market, for example, while the technical capabilities of local manufacturers have improved, our competitive advantage lies in the consistency of our mass production quality and stable supply capabilities, including lot management. By making the most of this strength, and through the combined efforts of development, manufacturing, and marketing, we aim to earn long-term trust from our customers.

tok Medium-Term Plan 2027 Product Category Targets/Strategy/Progress

Segment	Medium-Term Plan Targets	Net Sales Growth Rate (FY 2024 to FY 2027)	
		Original Targets (Announced February 2025)	Revised Targets (Announced February 2026)
Semiconductor photoresists • Advanced materials • KrF excimer laser photoresists • Legacy materials • Packaging materials	Sales Increase by Exceeding Market Growth with Increased Market Share.	+37%	▶ +42%
Various electronic materials • MEMS materials • WHS materials • Display materials • Others	Sales Expand by Increasing Share in Existing and New Markets	+20%	▶ +143%
High-purity chemicals • Thinners • Developing solutions • Surface modifiers	Sales Expand by Demand Increase and Build Supply System	+34%	▶ +44%

— Three Division Manager Dialogue —

These customer-oriented strategies have delivered strong results, and in FY 2025, the first year of tok Medium-Term Plan 2027, we set another all-time performance high with the marketing plans for each product category revised upward as shown in the table on page 36.

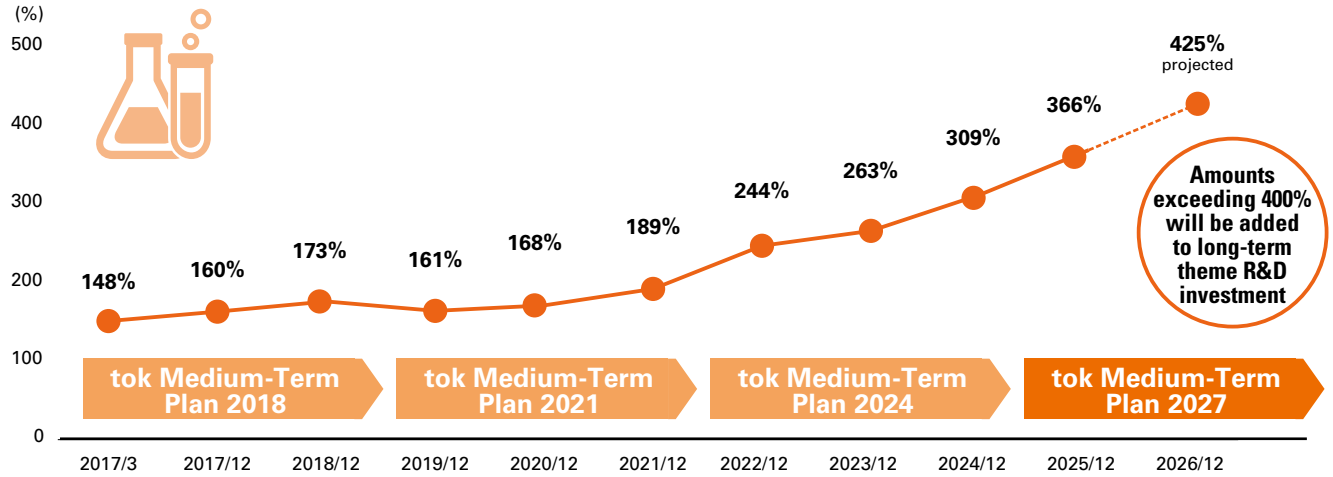
Yamamoto: In the Manufacturing Division, which is responsible for manufacturing, we are working to reinforce mass production quality strengths that were developed through front-end semiconductor materials, while also building out production capacity for back-end materials, which continue to grow rapidly. Back-end materials are high-viscosity materials designed for thick film formation, which present different challenges from front-end materials. However, given our extensive technical and manufacturing expertise in high-viscosity materials, we believe we can demonstrate our strengths in this area as well.

In addition, back-end materials in recent years are used in high-value-added applications, such as GPUs for generative AI, making quality and supply reliability demands extremely high. Drawing on our long-cultivated quality management capabilities, we will continue to strengthen our competitive position in the back-end market as well.

Ohmori: In the Research and Development Division, which I oversee, we are similarly focused on both front-end and back-end materials, and last year we raised our KPI target for R&D Efficiency from 200% to 400%. Our competitors are often major chemical companies with an overwhelmingly greater scale than ours, and to continue winning in that environment, the greatest challenge is finding ways to concentrate our limited management resources in priority areas. One key answer to that challenge is the trifecta approach of development, manufacturing, and marketing working as one. The Marketing Division identifies priority markets and key devices and then selects development themes as must-win projects. The Research and Development Division then concentrates management resources on materials development aligned with those themes. By working closely with the Manufacturing Division from the earliest stages of development, we are advancing product development that incorporates scalability and quality from the outset. By collaborating closely with the Manufacturing Division from the sample development stage, we are able to stably supply the high added value unique to Tokyo Ohka Kogyo as a mass-produced product.

KPI: R&D Efficiency Trend (five-year moving average)*

* R&D efficiency = Operating income over the past five years/R&D costs over the preceding five years



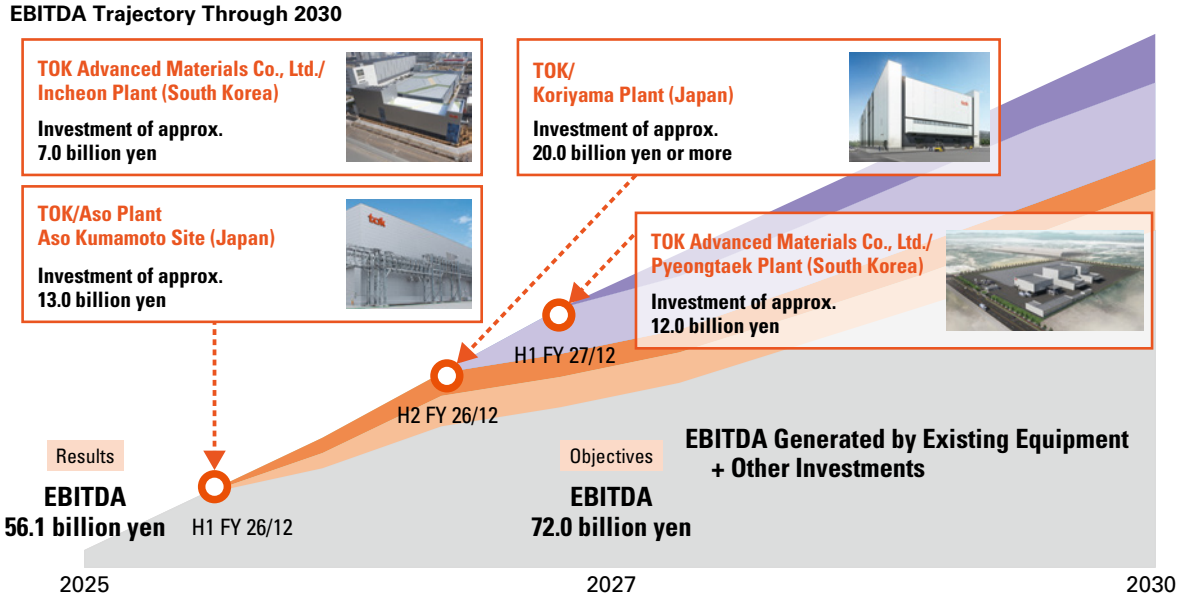


Yamamoto: On the manufacturing side, production plans and capital expenditures are being formulated through backcasting from the 2030 net sales target of 350.0 billion yen, which was revised upward to 1.7x in 2024. By translating our sales targets into concrete production plans, large-scale, long-term capital investments and production preparations are made possible based on a clear medium- to long-term view, rather than reacting on an ad hoc basis. Our net sales have grown significantly since 2019 and have now expanded to over 230.0 billion yen. Alongside that, production volumes have increased substantially, making it more important than ever to build out a production structure with the future in mind. **(See the chart on page 38)** Underpinning all of this is our monthly trifecta meeting for development, manufacturing, and marketing. By sharing the 2030 goals and regularly reviewing progress together, the manufacturing floor is able to plan ahead with foresight, and I can feel the strong effect of the trifecta approach on management.

— Three Division Manager Dialogue —

Expanding Cash Generation Capacity Through Manufacturing Capital Reinforcement

EBITDA Trajectory Through 2030



Theme 2: Trifecta Value Creation in the Development of Environmentally Friendly Products

Demand for PFAS-free products is growing as an environmental theme across the semiconductor industry. Please discuss your trifecta activities in relation to these products.

Doi: We have positioned the development of PFAS-free products as one of our key competitive strategies. In 2025, we established a cross-organizational promotion structure that focused on two pillars: PFAS-free conversion of existing products and PFAS-free development in new products. For existing products, we are developing fluorine-free versions of g-line, i-line, and KrF resists that maintain equivalent performance and quality to current products in response to growing demand for fluorine-free alternatives, particularly in Europe. Some of these have already begun to be adopted. We are also actively communicating this progress at major domestic and international trade shows to demonstrate that we are delivering on our environmental commitments in a concrete way. By providing samples to a wide range of customers and steadily promoting and building adoption, we will proceed with a phased transition to fluorine-free products.

Ohmori: The greatest challenge in developing PFAS-free products is resolving the trade-off between environmental responsibility and the inherent performance of the resist. PFAS materials offer excellent properties in terms of sensitivity, mass productivity, water repellency, and film thickness uniformity. Achieving these same characteristics with alternative materials is a major development challenge. The trifecta approach of development, manufacturing, and marketing plays a critical role in addressing this challenge. The Marketing Division identifies which themes to prioritize on the basis of market needs, the Manufacturing Division advances the stable procurement of alternative materials and supply chain development, and the Research and Development Division pursues the combination of environmental performance and product performance through integrated work on molecular design, formulation, and process design. Looking ahead, we will accelerate trifecta-based development to realize next-generation materials that achieve both environmental responsibility and performance at a high level.

Yamamoto: The PFAS-free conversion of existing products is being advanced as an integrated effort between the Research and Development Division and the Manufacturing Division with a dedicated working group in place to handle everything from raw material procurement and material evaluation to sample creation. We fully support development through the Manufacturing Division, including the acquisition of evaluation data and conducting sample evaluations tailored to the specific requirements of each customer using our own evaluation equipment.

To convert new materials to be PFAS-free, on the other hand, a fundamental rethink of molecular design is required, and the Research and Development Division is taking the lead in this work. In addition, since the level of demand and the pace of adoption for PFAS-free materials can vary by region and customer, we are responding to each situation accordingly.

Doi: As a result of these collective efforts, our work on PFAS-free materials is establishing a competitive advantage over peers. In particular, rather than simply pursuing environmental compliance, our aim is to achieve fluorine-free products that maintain the same performance and characteristics as the products currently in use by customers. For customers, the ability to switch without significantly changing their process conditions is what matters, and this is one of our key strengths. We will continue to advance development through the trifecta approach with the fundamental policy of achieving a balance between environmental performance and product performance at a high level and further strengthen our competitive advantage.

— Three Division Manager Dialogue —

Theme 3: Specific Approaches to Strengthening Management Resources

As a prerequisite for seamless trifecta value creation, each of the three divisions must continuously strengthen their respective contributions to the four earning strengths: technology (intellectual and manufacturing capital), talent (human capital), and human connections (social and relationship capital). Please begin by discussing the strengthening of technology (intellectual and manufacturing capital) in each division, including outcomes and challenges in FY 2025 and key initiatives going forward.

Ohmori: Our fundamental strategy in technology, or intellectual and manufacturing capital, is to continuously refine the core competencies of microfabrication technology, high-purity technology, and stacking technology.

Our microfabrication technology continues to solve a wide range of challenges and trade-offs through the customer-oriented strategy with the world's leading-edge customers by translating those solutions into innovations both large and small. In addition to EUV photoresists and advanced packaging materials, and with an eye toward the limits of the chemically amplified resists that are our current mainstay, we are investing resources in the emerging technologies of metal oxide resists (MOR) and small molecule resists (SMR) in preparation to address future technology transitions.



In high-purity technology, we are creating new added value through the adoption of surface modifiers and other materials in leading-edge production lines, which contributes to improvements in customer yield.

In stacking technology, centered on WHS materials, the results of our long-running M&E strategy are beginning to emerge in full force. **(See page 14, "Message from the President")** Even after transferring the equipment business to AIMECHATEC, Ltd. in 2023, we continue to generate solid results in the materials domain.

Yamamoto: We view technology as a combination of intellectual and manufacturing capital. Our strength lies in the Research and Development Division generating outcomes and added value with the Manufacturing Division delivering those to customers with consistently high quality. In semiconductor materials, one of the most important dimensions of quality and added value is achieving defect-free output and contributing to customer semiconductor production yields. For that reason, we are continuously working to advance quality management technology and expand the inspection and analysis equipment, in addition to investing in manufacturing equipment. As generative AI, various electronic devices, and semiconductors continue to evolve, the quality assurance requirements for semiconductor materials and the equipment and analysis technologies needed to meet such requirements are becoming more sophisticated. With that in mind, our plan for approximately 76.0 billion yen in capital expenditures, the largest in our history and set out in tok Medium-Term Plan 2027, also incorporates the strengthening of the quality management infrastructure. Maintaining and continuously improving the highest possible quality is a permanent priority for Tokyo Ohka Kogyo.

Doi: Tokyo Ohka Kogyo's approach to *continuing its efforts to enhance technology*, one of its management philosophies, extends beyond chemistry into marketing, and we work to advance marketing technology, which we describe as *seeing the forest while nurturing each tree*, viewing markets and customers from a broad perspective, and evolving our communication and negotiation capabilities with customers. As part of that effort, the SP (Specialist) career track introduced to the Marketing Division several years ago allows employees to deepen their expertise through professional certifications in the areas of certified marketing professionals, negotiation analyses, and business career certification (sales and marketing), which develops human capital who can thrive as specialists in marketing. We are also currently focusing on broadening the information-gathering networks to improve the accuracy with which we track market trends. Specifically, we are strengthening ties with major semiconductor manufacturing equipment makers, peripheral materials manufacturers, and industry specialists to enable more multi-dimensional information gathering than ever before. Strengthening relationships with semiconductor manufacturing equipment makers is positioned as an important initiative for gaining early insight into market trends.

Please discuss the strengthening of talent (human capital) in each division, including outcomes and challenges in FY 2025 and key initiatives going forward.

Doi: The Marketing Division has been sponsoring marketing strategy conferences since 2024 to enhance the motivation of our marketing human capital and to foster a sense of unity globally. Each session brings together two to three different members from overseas offices and is held from morning to late afternoon with a focus on discussions rather than reporting. After the conference, we host a social gathering that includes younger employees to deepen communication and mutual understanding across offices.

Partly as a result of these efforts, engagement in the Marketing Division is among the highest in the company. The Marketing Strategy Department maintains a very high score, which I believe is driving high motivation and a strong sense of organizational cohesion.

Ohmori: In the Research and Development Division, we continue to use *tough assignments* at overseas customer-oriented sites as the cornerstone of human capital development by actively placing younger employees at our development sites in the United States, Taiwan, and South Korea where they work on development alongside customers. We place strong value on giving them the

— Three Division Manager Dialogue —

opportunity to accumulate a range of experiences, both challenging and rewarding, through this customer-oriented environment.

Each development site operates with a collaborative structure of Japanese employees and local engineers, and we are also promoting rotations not only through overseas assignments from Japan but also between overseas development sites, such as engineers from Taiwan and South Korea rotating to the United States. By experiencing different customers and business practices across different countries and regions, employees build a broader range of experience, and we leverage the strength of having multiple overseas sites in our human capital development process.

In addition, in alignment with our company-wide digital human capital development efforts, the Research and Development Division works to improve development efficiency through data science and materials informatics (MI). Developing human capital in these digital areas is also being reinforced as an important part of developing the next generation of development engineers.

Yamamoto: In recent years, a great deal of attention at Tokyo Ohka Kogyo has been focused on technology development in the most advanced semiconductor segments, but the Manufacturing Division, which I oversee, plays the role of delivering that added value to customers in the form of photoresists, high-purity chemicals, and other mass-produced products with consistently high quality and a stable supply. It is the largest repository of human capital in the Group.

On the human capital side, the introduction of the Tokyo Ohka Global Employee Shareholding Association System has broadly improved company loyalty and engagement overall. At the same time, challenges in the manufacturing environment remain around the question of creating a workplace where employees can fully bring their capabilities to bear, and we continue to work on addressing this potential.

Responding to aging facilities is also an important theme at many of our domestic plants, and having employees take an active role in major projects, including full plant rebuilds rather than just equipment upgrades, has contributed to a sense of achievement, pride, and improved engagement. One example of this is the Aso Kumamoto site, which was completed in 2024, where the manufacturing team now shows the highest engagement scores within the division. We intend to continue building on experiences like this through our ongoing capital investment projects. The Manufacturing Division also faced the challenge of limited travel opportunities that made it harder to broaden the perspectives of employees. We have therefore been implementing cross-plant rotations to foster inter-departmental exchange, which has yielded meaningful results in the form of new discoveries and improvements.

In addition, we are making steady progress in the digitization of manufacturing operations with many proposals emerging for automating and streamlining work that was previously done manually, including initiatives that have received internal recognition. We will continue to drive transformation in manufacturing through digital technology.

Please discuss the strengthening of human connections (social and relationship capital) in each division, including outcomes and challenges in FY 2025 and key initiatives going forward.

Doi: While continuing to focus on the customer-oriented strategy at the leading edge of semiconductor miniaturization in front-end applications, we are placing greater emphasis on a customer-collaborative model in back-end materials and high-purity chemical surface modifiers where we advance development together with customers. Particularly in the back-end applications, we are seeing more cases where customers, equipment makers, and ourselves work together to support the ramp-up of WHS materials where we support the increases alongside equipment makers. As a result, the Marketing Division is developing human capital who can handle not just development but also on-site ramp-up support. We are also promoting joint experiments and evaluations with customers.



From the medium- to long-term perspective, we place importance on developing a strategy with the evolution of the AI market in mind. As the landscape continues to shift from generative AI to agentic AI and physical AI, we will further strengthen collaboration with external partners, including equipment makers, peripheral materials manufacturers, and semiconductor industry experts, to build a backcasting strategy that captures market changes from an upstream vantage point. As physical AI spreads, the semiconductor devices and materials required are expected to change. Our aim is to capture those changes as early as possible by broadening the external networks and getting in front of future market shifts.

Ohmori: For development, we value consortia and academic collaborations as avenues for relationship-building beyond the current customer-oriented strategy. While the customer orientation is primarily focused on responding to customer needs, consortia create an environment where customers, equipment makers, and research institutions work on long-term technology development as equals, making it a naturally relationship-building setting. It is particularly important for younger engineers to build human connections in these forums, and over the long term, those networks become significant social and relationship capital that can lead to industry collaboration and smooth partnerships in the future. As in marketing, we also place importance on technical exchanges with equipment makers and materials suppliers who make up the semiconductor ecosystem, and by deepening the communication between engineers, we increase the potential for new innovations to emerge. We also actively create opportunities for engineers across the semiconductor ecosystem

— Three Division Manager Dialogue —

to connect through technical exchange events.

Yamamoto: In the Manufacturing Division, building relationships with customers follows the same approach as in marketing and development: we maintain continuous connections across all levels, from management to department and section heads to individual contributors with manufacturing team members serving as the face of Tokyo Ohka Kogyo's manufacturing and playing the role of supporting our quality and a stable supply.

In an environment of continued market expansion, close communication with raw material suppliers is critically important, and we work to maintain close coordination on a day-to-day basis to ensure a stable supply. Japanese materials manufacturers possess a very high level of technical capability, and Japan's materials ecosystem carries significant weight globally. We will continue to cherish and nurture this ecosystem going forward.

Theme 4: Tokyo Ohka Kogyo's Inimitability

Even if a competitor attempted to replicate our trifecta customer-oriented strategy, what are the characteristics and strengths unique to Tokyo Ohka Kogyo that would make it virtually impossible to achieve the same result?

Doi: Tokyo Ohka Kogyo has many strengths, but I believe our greatest strength is the advantage that comes from being the market leader. From a marketing perspective, our long-standing top share of the semiconductor photoresist market is the foundation of the high level of trust our customers place in us. That trust allows customers to share a great deal of information and candid feedback with us, which we are then able to apply to product development and proposals. Having previously served concurrently as the manager of the Research and Development Division, I can add that because so many customers use our products, our products represent the baseline for next-generation development. This means our technology and expertise carry forward naturally into next-generation development and contribute to faster alignment with customers and a stronger competitive advantage over rivals.

The top-share market position is a major asset within the materials supplier ecosystem. The expectation that partnering with us means growing together and a greater openness to sharing information generates the momentum that strengthens the competitiveness of both sides. There is a virtuous cycle unique to the market leader that simply cannot be accessed from the number two position. That is precisely why continuing to maintain our top share is critically important for Tokyo Ohka Kogyo in my opinion.

Ohmori: From my perspective of leading research and development, what I feel most strongly is how deeply our management philosophy is embedded in the organization. Every engineer is aware of our philosophies, including the creation of a frank and open-minded business culture, the continuation of efforts to enhance technology, raising the quality levels of products, and contributing to society through approaches challenging R&D with these as a guiding compass. Behind this is a culture where no one is afraid of failure, and employees are not blamed, but the failure is instead used as a springboard for the next challenge. Because the company firmly supports that attitude, engineers can continue taking on new challenges with confidence and practice the technology development that allows us to keep winning.

The speed with which we respond to customer challenges is also a major strength. Even compared to major integrated chemical companies, our response is reliably faster, and in the most advanced areas where the pace of technological innovation is accelerating, that speed is an inimitable competitive advantage. We will continue to evolve this culture and sense of urgency by working to deliver sustained growth and enhance corporate value.

Yamamoto: Our greatest strength compared to other companies is our organizational culture. Because we concentrate the vast majority of management resources on semiconductor materials, everyone is pointed in the same direction and can work on the business with a genuine sense of unity. The major chemical companies can sometimes have limited points of contact between different businesses, but there are no such barriers here. Cross-functional collaboration is seamless, and I feel that a genuinely open and communicative organizational culture has taken root.

Another distinguishing feature of the company is that not only marketing but also key personnel from development and manufacturing actively participate in customer dialogue. The structure in which development, manufacturing, and marketing meet customers together as a unified team is something unique to Tokyo Ohka Kogyo compared to other companies, and I believe it speaks to the depth of our commitment to those customers.

Our full-lineup approach, covering the entire process, is also a significant competitive advantage. The fact that customers find us easy to consult on any matter is what builds trust and raises the barriers to entry for competitors. As the head of manufacturing, I am committed to further developing this inimitability and translating it into even greater competitiveness for Tokyo Ohka Kogyo.



Intellectual Property Strategy

Intellectual property strategy for continuing to succeed at the world's cutting edge and enhance corporate value

Chima Shinohara
Deputy Division Manager,
Research and Development Division



Strengthen the competitive advantage through an open/closed strategy

To achieve sustainable growth and enhance corporate value, the TOK Group is focused on R&D and the active filing of patents mainly in the most advanced areas of semiconductor microfabrication, high-purity processing, and 3D stacking technologies. In addition, TOK is building a lasting competitive advantage for continuous success at the world's cutting edge by applying an open/closed strategy to proprietary manufacturing and mass production technologies, as well as expertise in the areas of quality assurance and stable supply.

Linking IP activities directly to corporate value enhancement

To connect these IP activities directly to corporate value enhancement, TOK has organized its initiatives from two perspectives: expanding revenue and improving the efficiency of invested capital. On the revenue side, the Intellectual Property Department works in close coordination with the Research and Development Division, Manufacturing Division, and Marketing Division in a trifecta approach to maximize short-, medium-, and long-term cash generation. On the invested capital side, TOK is focused on improving efficiency and increasing the level of sophistication through AI and other tools, as well as on refining the capital allocation.

In practice, IP portfolio management and technology landscape analyses are integral to day-to-day operations, and TOK combines the digital technologies of AI tools, custom prompts, and programming languages to maintain both productivity and quality in IP activities.

Initiatives to link IP activities to sustain corporate value enhancement

Work to maximize short-, medium-, and long-term cash generating ability

Make efficient use of invested capital (financial capital + intellectual capital + human capital)

▼

Ensure the continuous evolution of IP activities to continuously succeed at the world's cutting edge and grow EBITDA

▼

Enhance sustainable corporate value

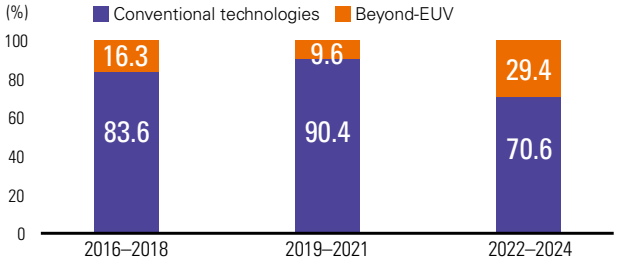
Closely aligned with business strategy

TOK promotes tailored IP strategies that reflect the unique characteristics of both existing and new businesses as an example of how IP activities are closely aligned with the business strategy.

For existing businesses, IP activities are positioned as the key driver of the competitive advantage. TOK uses IP landscape analyses that combine patent, technology, and market data to understand its competitive position and the broader competitive environment and then reflects those findings in IP activities to strengthen business profitability. As part of this effort, TOK is working to strategically increase filings in Beyond-EUV, a next-generation priority technology area.

For new businesses, the Intellectual Property Department is involved from the earliest stages of product development and concept planning, which provides early visibility into technology trends, competitive patents, and commercialization risks to inform decision-making, thereby contributing to the creation of business opportunities and improving development efficiency.

Trends in filing ratio: Beyond-EUV (next-generation priority technology) vs. conventional technologies



KPIs to strengthen overall IP activities

As KPIs to measure the outcomes of IP activities overall, TOK will continue working to achieve and maintain targets of 6,000 active patents, an 80% patent registration rate, and an 80% overseas filing ratio. TOK is also expanding KPIs that treat IP activities as a source of cash generation and competitive strength. Specifically, TOK combines the external evaluation metrics of TR values and PAI values* with proprietary internal assessments to emphasize not only the quantity but also the quality of patents and then uses these assessments in the evaluation criteria for its invention recognition program and in filing and maintenance decisions.

* TR value: A technical value indicator for patent families; PAI value: A competitive strength and total value indicator for patent portfolios. Both sourced from the patent analysis tool PatentSight+™.

Advancing international education and expanding overseas filings

With more than 80% of all sales and patent filings coming from overseas, TOK is working to secure IP rights in key markets while strengthening its global IP management framework through dialogue and education initiatives with overseas subsidiaries.

Dialogue with management and monitoring by the Audit and Supervisory Committee

TOK holds ongoing discussions with management on R&D and business operations from an IP perspective while deepening the understanding of management issues and IP activities through executive study sessions and similar forums. The Audit and Supervisory Committee, which is composed primarily of outside directors, receives updates on the status and challenges of IP activities and then monitors and provides recommendations to improve governance effectiveness. TOK will continue to strengthen collaboration among its business, development, and IP functions as it remains focused on sustained corporate value enhancement through its intellectual property.

Message from the Executive Officer of Accounting and Finance

Integrated thinking management encompassing six capitals and evolving through a financial capital strategy with a ten-year perspective.

Toward further expansion of the equity spread

The long term approach pays off with ROE, market capitalization, and PBR reaching all-time highs.

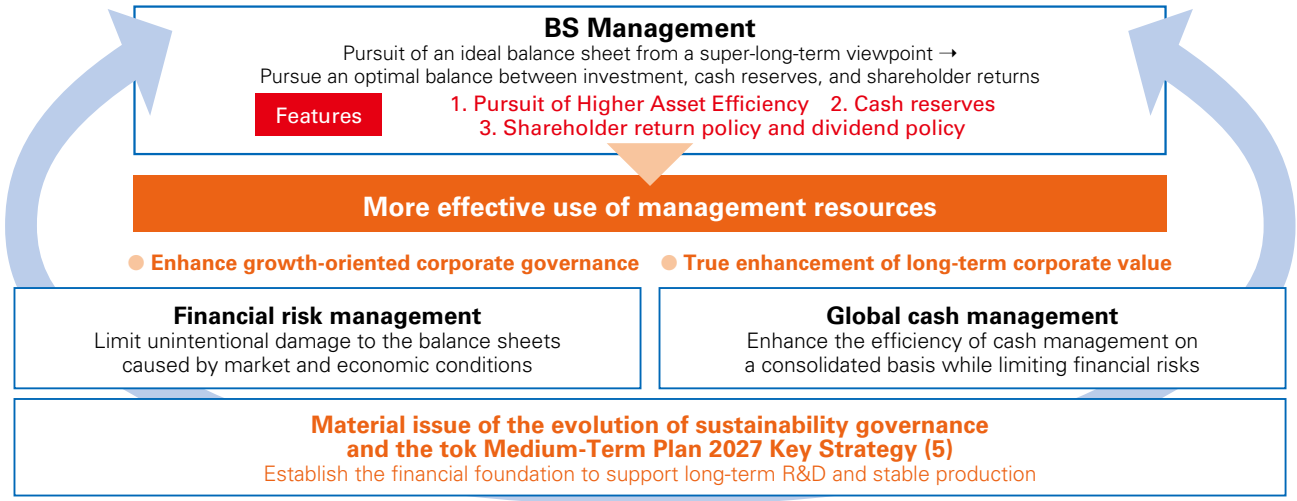
In the fiscal year ending December 2025, the first year of the tok Medium-Term Plan 2027 back-cast from tok Vision 2030, profitability improved with the operating margin reaching a record high of 20%. Combined with the diversification of funding sources and appropriate use of financial leverage, ROE reached a record high of 15.6%. TOK recognizes that by sustainably generating returns greater than the cost of capital, the company has been able to steadily expand its equity spread.

As of June 30, 2026, market capitalization totals approximately 1.4 trillion yen, roughly four times the value three years ago, while PBR stands at approximately 5.8x, both are all-time highs. TOK takes this as a sign that expectations from the capital markets have risen significantly. TOK understands this reflects a degree of recognition and further anticipation of the results of growth investment and capital efficiency improvements, as well as the full lineup strategy that leverages strengths across both the front-end and back-end semiconductor processes and across both advanced and legacy segments.

The essence of corporate value enhancement lies in the fact that capital markets recognize TOK as capable of sustainably generating returns greater than the cost of capital. As a company built on a sustained R&D commitment, years of investment in research, capital expenditures, and a customer-oriented strategy have improved operating margins and ROIC, pushing ROE significantly above the cost of equity. In particular, growth expectations driven by expanding AI and the data center markets in recent years have further widened the TOK equity spread. TOK recognizes that the rise in PBR and market capitalization reflects the strong expectation for sustained value creation. At the same time, management has



Continue to promote the trifecta of BS management, financial risk management, and global cash management

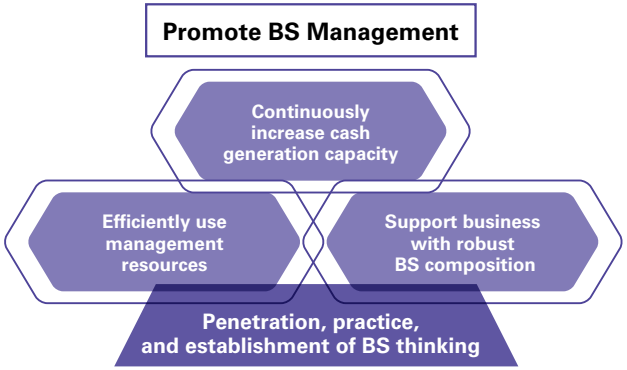


Okikuni Takase
Executive Officer and Department Manager,
Accounting and Finance Department

Message from the Executive Officer of Accounting and Finance

made a commitment to keep ten years' worth of financial and nonfinancial data in mind, consider the next move from a back-cast perspective, and swiftly identify and address day-to-day challenges. TOK will continue these efforts and accelerate BS management toward the material issue theme of "Evolution of sustainability governance."

BS management with an eye toward 2030



Actively engage with outside directors on the cost of equity and its underlying assumptions

Regarding the cost of equity that underpins the equity spread, TOK continually discusses its level and underlying assumptions at meetings of the Board of Directors, which reflect the changes in the recent business environment and performance trends. With the intent to further expand the equity spread through capital allocation and investment decisions, TOK actively seeks the advice of outside directors with CFO experience, drawing on their extensive experience and specialized knowledge for valuable recommendations and insights on the appropriateness of the current financial strategy and capital policy.

Advancing record-high capital investment

Steady progress in strengthening earning power with a ten-year horizon

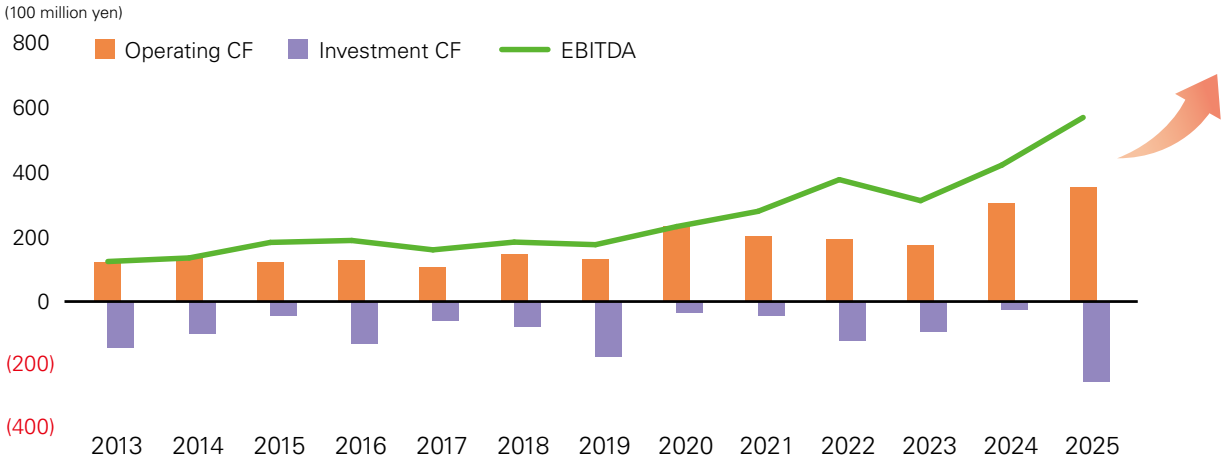
As shown in the investment cash flow trend over the past ten years (see the chart below), TOK has continued to invest with a ten-year perspective through a back-cast approach and has been largely unaffected by market fluctuations, such as the silicon cycle. The company has achieved sustained growth by delivering on its long-term R&D commitment and customer-oriented strategy.

As a result, operating cash flow and EBITDA, which measure the unique earning power of TOK in terms of finance, consisting of technology (intellectual and manufacturing capital), human capital, human connections (social and relationship capital), and finance (financial capital), have improved significantly over the past ten years. This momentum was maintained in fiscal 2025, the first year of the tok Medium-Term Plan 2027. As a result, TOK revised upward the final-year targets of the Medium-Term Plan in February of this year and revised upward the EBITDA-based cash in target to 190 billion yen, approximately 75% higher than the previous medium-term plan and approximately four times the level of ten years ago. The current cash generation capacity, which is more than sufficient to fund future growth investment and shareholder returns, is extremely strong.

Maintaining competitive advantages by avoiding underinvestment

At the same time, the technological evolution and competitive landscape surrounding the TOK Group are constantly changing, and the current competitive advantages are not guaranteed to last. Furthermore, to remain successful at the global frontier, investment in intellectual and human capital is far from complete. In fact, TOK is now at the stage where new technical challenges and development themes are continuously emerging. In terms of manufacturing capital,

Past ten years of cash flow and EBITDA trends*



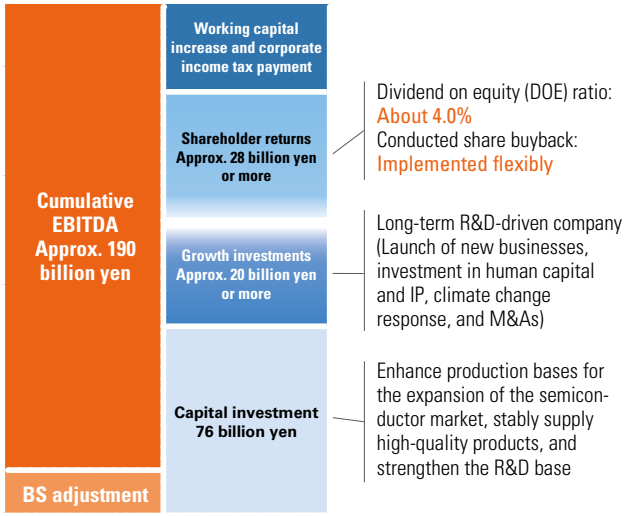
* Fiscal year-end changed to December from 2017. The fiscal year that ended December 31, 2017, was an irregular nine-month period in Japan but 12 months overseas.

Message from the Executive Officer of Accounting and Finance

TOK cannot say with confidence that sufficient capacity for future growth has been fully secured; therefore, avoiding underinvestment is recognized as one of the key challenges in maintaining the TOK Group's future competitive advantage. In addition, some of the TOK Group factories have been in operation for many years. Beyond replacing key equipment to strengthen manufacturing capital, TOK aims to establish quality control and inspection standards on par with those of its world-leading customers, thereby strengthening intellectual resources and social and relationship capital.

Based on this mindset, the tok Medium-Term Plan 2027 includes the largest capital expenditure program in the company's history (76 billion yen over three years) **(See pages 36–41, "Three Division Manager Dialogue")**, and more than 20 billion yen will be allocated to growth investments, including human and intellectual capital.

Three-year cash flow plan (conceptual graph)



Initiatives toward ROIC and ROE improvement targeting nonfinancial capital

ROE = ROA × Financial leverage

Improve the numerator of ROA based on the ROIC tree while dividing the denominator into invested business assets and cash reserves and pursuing the medium- to long-term efficiency of each

Invested business assets Achieve efficient business operations based on the ROIC tree perspective

ROIC

Maximize cash generation
- Pursuit of EBITDA and EBITDA margin

Improve the invested capital turnover ratio
- Effective use of assets (targeting all of financial capital, manufacturing capital, intellectual capital, social and relationship capital, human capital)
- Redefinition of judgment criteria for capital investment and enhancement of monitoring

Cash reserves Retain cash reserves as a management objective (moving target)

Cash reserves = Investment reserves + Risk reserves

Toward field-driven ROIC improvement

ROIC has nearly doubled over the past ten years

To translate the above growth strategies reliably into an expanded equity spread and corporate value, TOK will continue to focus on ROIC activities rooted at each business site. Although the TOK Group continues to expand business, centered on advanced and high-value-added segments as the world's top-share manufacturer of semiconductor photoresists, long-term customer relationships and intense competition can sometimes cause the internal rate of return (IRR) of certain products to diverge from initial expectations. For this reason, TOK will maintain and strengthen profitability across the Group as a whole by pursuing asset efficiency centered on ROIC.

TOK positions ROIC improvement as part of broader ROA improvement and places significant importance on CCC improvement. As such, TOK has used ROIC as a macro-level KPI and accepted the challenge of improving asset efficiency through a bottom-up approach using the ROIC tree framework. In part because of these efforts, ROIC in the fiscal year ending December 2025 has more than doubled compared to ten years ago.

Activate ROIC activities

To drive further progress in ROIC activities, TOK is launching two new initiatives from the fiscal year ending December 2026.

The first initiative is the appointment of dedicated accounting and finance personnel at each factory. TOK has always operated under a headquarters-centric structure, but in light of current and planned expansions in factory capacity, the company is transitioning to a new structure in which accounting and finance personnel are paired with managers at each factory. This will enable a deeper understanding of

Message from the Executive Officer of Accounting and Finance

on-site conditions and more effective activities for asset efficiency improvement.

The second is data utilization as part of company-wide DX. Even at the factories and sites that have already achieved high utilization rates and seem to have limited room to improve asset efficiency, TOK is working with the IT Digital Division to conduct a detailed analysis of equipment operation data, fixed asset turnover, and related metrics. This analysis is used to visualize areas with room for improvement, build on-site buy-in, and drive voluntary improvement activities. By combining field-initiated improvement activities with the newly appointed factory-level accounting and finance personnel, TOK will broaden cross-departmental and cross-level communication grounded in data, which will then lead to further ROIC improvement.

Pursuit of capital efficiency improvement through integrated thinking management encompassing six capitals

In the ROIC activities described above, TOK will continue to pursue integrated thinking management that draws on the combined strength of all six capital categories: financial capital, manufactured capital, human capital, intellectual capital, social and relationship capital, and natural capital.

A recent representative example of this is lifecycle management of manufactured capital. TOK has long had a culture of taking good care of manufacturing equipment, and much of the equipment that has already been fully depreciated remains in full working condition today through diligent maintenance and upkeep. Accordingly, when retiring manufacturing capital that has reached the end of its useful service life within TOK, the company now sells it on the secondary market through leasing companies and similar channels, making it available to new users rather than simply disposing of it. Equipment used for g-line and i-line processes, which are legacy devices for TOK, still commands strong global demand, and many models are difficult to obtain after production has ceased. As a result, these assets are highly valued in the market and generate new financial capital.

This case illustrates how new social and relationship capital connections with leasing companies enabled the recycling of manufactured capital, contributing to improved asset efficiency while delivering environmental value through the preservation of natural capital. Furthermore, this experience has heightened the environmental awareness and resource recycling mindset of on-site human capital and led to the acquisition of new intellectual capital in the form of more efficient manufacturing capital use and expertise. The TOK Group will continue to pursue ROIC improvement through field-driven integrated thinking management.

Toward the realization of tok Vision 2030

Maximizing cash generation through a continuously evolving product portfolio to enhance corporate value

Building on the efforts described above, the TOK Group will focus on expanding its six product portfolio categories for the year 2030: photoresist, package-related materials, optical materials, high-purity chemicals, surface modification materials, and new businesses **(See page 33)**. For photoresist and high-purity chemicals, which currently account for the majority of earnings, TOK will continuously and objectively assess these businesses through the lens of expected growth rates and the cost of capital and will continue to ensure maximum cash generation capacity regardless of how the markets change. As part of this effort, TOK will pursue its full lineup strategy for photoresists, covering everything from the most advanced miniaturization processes to legacy segments **(See page 10 "TOK Photoresists")**, strengthening the framework for flexible response to changes in market conditions and technology trends, which will enable stable and growing earnings.

Specifically, for the advanced segments of EUV and ArF photoresists, TOK will allocate a certain amount of cash as an upfront investment to successfully compete in the highly intense development races with the expectation of continued high growth rates and margins.

For legacy segments of g-line and i-line photoresists, and for KrF photoresists, the initial investment phase has largely concluded, and sales are growing in line with semiconductor industry growth. For KrF photoresists, TOK will focus on further growing this as a stable revenue source.

While the company holds the world's top market share in EUV, KrF, g-line, and i-line photoresists, development competition in advanced segments is intense. Therefore, TOK will generate stable cash in relatively lower-volatility legacy segments while pursuing cash growth in the high-expectation advanced segments. By flexibly managing this product portfolio in response to market changes, TOK aims to increase its overall cash generation capacity and enhance corporate value.

In addition, WHS materials within package-related materials, one of the 2030 product portfolio categories, has begun to experience significant growth, while adoption of Surface modification materials is expanding in advanced process applications. The steady expansion of new fields beyond photoresists and high-purity chemicals will be communicated through IR activities and other channels to shift the perception in capital markets that TOK is a single-pillar photoresist company, as well as to earn further recognition as a company with multiple strong pillars. Looking toward 2030, TOK aims to achieve ROE and ROIC to stably exceed the cost of capital and to maximize the enhancement of corporate value through sustained expansion of the equity spread.

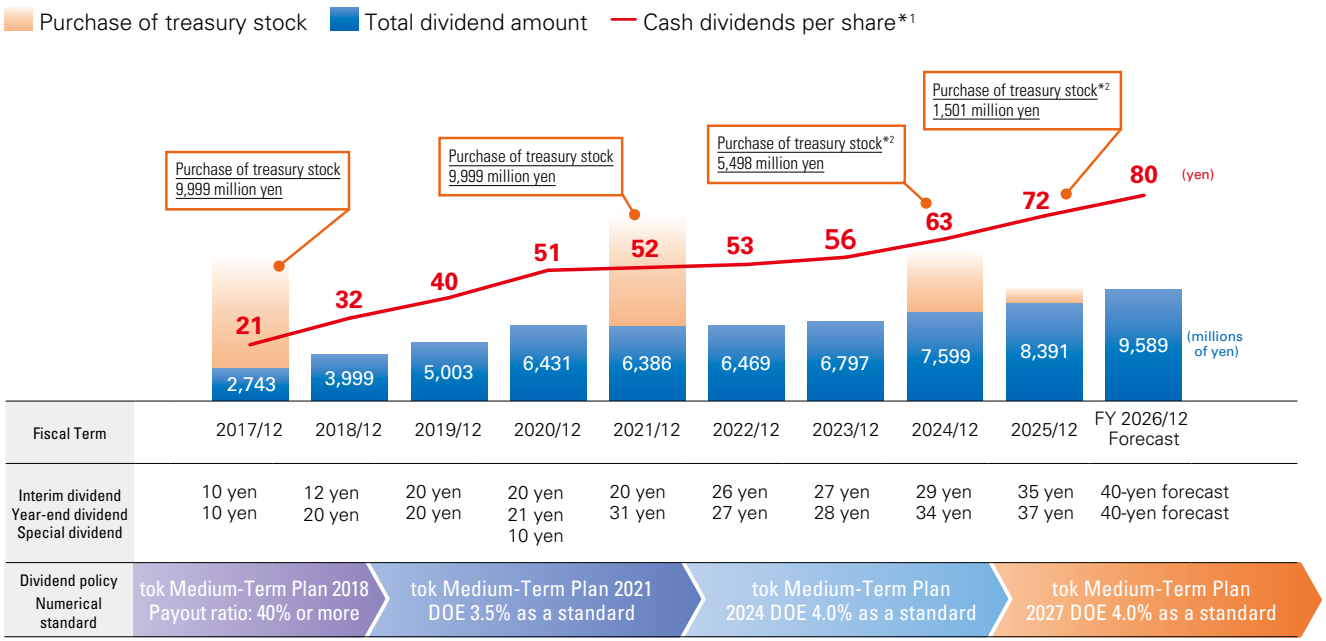
Shareholder return policy

Continuing the DOE 4.0% policy while working toward further evolution

Under the final-year targets of the tok Medium-Term Plan 2027, which was revised upward in February of this year, and

Shareholder returns and dividends per share

■ Dividend policy targeting a DOE of 4.0%
■ Flexible share buybacks also to be implemented



Fiscal Term	2017/12	2018/12	2019/12	2020/12	2021/12	2022/12	2023/12	2024/12	2025/12	FY 2026/12 Forecast
Interim dividend Year-end dividend Special dividend	10 yen 10 yen	12 yen 20 yen	20 yen 20 yen	20 yen 21 yen 10 yen	20 yen 31 yen	26 yen 27 yen	27 yen 28 yen	29 yen 34 yen	35 yen 37 yen	40-yen forecast 40-yen forecast
Dividend policy Numerical standard	tok Medium-Term Plan 2018 Payout ratio: 40% or more		tok Medium-Term Plan 2021 DOE 3.5% as a standard			tok Medium-Term Plan 2024 DOE 4.0% as a standard			tok Medium-Term Plan 2027 DOE 4.0% as a standard	

* Stock split of one share into three shares implemented effective January 1, 2024 (effective date)
*1 Calculated by rounding down amounts under 1 yen after the stock split conversion for FY 2023/12 and earlier
*2 Acquisition period: November 13, 2024, to January 30, 2025

the DOE 4.0% policy, TOK raised the three-year total shareholder return target from approximately 24 billion yen or more to approximately 28 billion yen or more. Taking this into account, the cash dividend applicable to the year per share was increased by nine yen from the previous fiscal year to 72 yen for FY 2025/12, the highest dividend ever, and is expected to be 80 yen for FY 2026/12, which will also be the highest ever.

The dividend policy based on DOE has generally been well received by shareholders and investors. In tok Medium-Term Plan 2027, the company will implement the largest capital investment and R&D investment ever as mentioned above, realizing the trade-on of shareholder returns and growth investment while steadily advancing activities to reinvest acquired cash and enhance corporate value to meet the expectations of shareholders who support TOK's long-term R&D approach. Going forward, TOK will continue to review how the DOE 4.0% policy should evolve in consideration of a range of options, including its relationship to the dividend payout ratio and total return ratio.

Raising the standard of tax compliance as part of our commitment to social and relationship capital

Toward the evolution of worldwide tax governance

The TOK Group will continue to emphasize tax payments as a means of providing returns to social and relational capital from TOK. Against a backdrop of significant business growth in recent years, TOK expanded the tax personnel and deepened collaboration with external specialists to proactively respond to tax system changes both domestically and internationally.

Building on this, the TOK Group will be sure to fully understand taxation and tax customs, as well as product market conditions, in all regions where the Group does business, while maintaining an overview of tax affairs and identifying the requirements at each entity on a consolidated basis. At the same time, the Group will continue to formulate a transfer pricing policy based on the information above, incorporate the policy into the transfer pricing documents for Base Erosion and Profit Shifting (BEPS), and enhance training for group tax personnel in each country. In the future, TOK will deepen collaboration with a wide range of stakeholders domestically and internationally and focus on further strengthening worldwide tax governance in line with BEPS 2.0 and Pillar Two.

Pursuit of Happiness by Human Capital

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Special Feature

Employee × External Expert Dialogue

What Does It Mean to Become a Shareholder in Your Own Company?

— Our Work, Well-being, and the Future of the Company



Shuichi Ishii
Functional Materials Development Division

Yasuto Ishinabe
General Affairs Division

Tomo Suzuki
Waseda University Professor

Seo Myung Won
TOK Advanced Materials Co., Ltd. Marketing Division

Ami Fukuda
Utsunomiya Plant

Suxiong Lin (Polly)
TOK Taiwan Co., Ltd. Advanced Technology Materials Division

[Profile]

Professor Tomo Suzuki
Professor at Waseda University (DPhil, Oxford; former Oxford professor). After 23 years in the UK, joined Waseda University's School of Commerce as a professor in 2017. Specializes in research on citizen wellbeing and sustainable societal development in mature economies.

Suxiong Lin (Polly)
Works in sales at TOK Taiwan Co., Ltd., handles various products including photoresists, coordinates between internal and external stakeholders to close gaps, and focuses on delivering better products to customers.

Ami Fukuda
Works in supply chain management at the Utsunomiya plant, responsible for production planning, and coordinating with sales and manufacturing to ensure stable production.

Seo Myung Won
Works in sales at TOK Advanced Materials Co., Ltd., South Korea, and handles display materials and lens materials for CMOS image sensors. Also serves as the point of contact for new material segments by handling customer relations and cleaning solution marketing.

Yasuto Ishinabe
Works in the General Affairs Division and handles a wide range of tasks that support internal operations, including stock-related work, such as the employee shareholding association system, real estate and office management, and internal approval documentation management.

Shuichi Ishii
Works in the Functional Materials Development Division and is engaged in the development of new materials for advanced photoresists.

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To start, could you give us a brief introduction of yourself, Professor Suzuki?

Suzuki: I am Japanese, but I spent around 23 years in the UK conducting research. Currently, I research management and economics from the perspectives of both Japan and the West, and I am involved in providing recommendations to the government. In that context, I have examined many corporate case studies, and that is how I came to be connected with Tokyo Ohka Kogyo (TOK). Having advocated for the introduction of restricted stock units in Japan, I was approached early on by President Taneichi, and we have been exchanging views on an ongoing basis ever since.



Q. What were your first impressions of the Restricted Stock and Restricted Stock Unit system?

Suzuki: The TOK Group introduced a restricted stock and restricted stock unit system in 2024, and grants have been made twice, globally in 2024 and 2025. We would like to hear your candid thoughts and impressions when you first received a grant under this system.

Ishii: Receiving the grant was recognition of my contribution to the company's growth during a period of significant business expansion driven by the semiconductor market growth that followed COVID-19 pandemic.

It deepened my sense of unity with the company and sense of belonging, and I felt a stronger desire to proactively consider myself as part of the company's future.

Fukuda: At first, I had a vague sense that investing in stocks was difficult and a little daunting, but the introduction of the restricted stock system prompted me to join. I was attracted by the idea of employees participating in the company's growth from a shareholder's perspective. I see real value in this system in the way it creates a virtuous cycle: daily efforts lead to improved performance, which is then reflected in the stock price, and that in turn contributes to an increase in the value of the shares granted and to asset building for the employees.

Polly: I felt genuinely delighted when I received my first grant. It gave me a real sense that I was growing with the company, and it motivated me to work even harder going forward.

Q. What is the significance of this system from an expert's perspective?

Suzuki: Everyone has shared such wonderful impressions. Let me add a few comments from a specialist's perspective. That is, the significance of restricted stock needs to be understood from a macro perspective at the level of Japan as a whole.

The idea that a corporation belongs to its shareholders is widely accepted around the world. Investors have provided capital by taking on risk, and companies have grown as a result. This system has made a significant contribution to the development of capitalism. However, in Japan, the situation has been changing in recent years. To put it simply, as markets mature and room for growth becomes more limited, some companies can now operate and reinvest internally without relying on external fundraising.

As a result, shareholder behavior has also changed. There is growing pressure to take profits as dividends rather than reinvest for the future, a trend seen not only in Japan but also in parts of Europe and other Asian markets. In this environment, an important question for companies becomes: "Who do we want as shareholders?" When shareholders primarily seek short-term profit maximization, pursuing medium- to long-term growth becomes difficult.

One answer to this is having employees become shareholders. Financial investors rationally pursue profit maximization, whereas employee shareholders tend to make decisions premised on the sustained growth of their company. They are less likely to push for excessive dividends and more likely to act in ways that enhance corporate value through reinvestment.

When this thinking received media attention, one of the first executives to take notice was President Taneichi of TOK. Through extended discussions with TOK's management team, I sensed the clear intention to achieve medium- to long-term growth together with employees. In other words, there was a strong desire to have the employees who consider the company's growth and carry out day-to-day operations be shareholders.

Ishii: Honestly, I had not previously realized the depth of intention and context behind it.

Seo: Hearing this has really deepened my understanding. So, the company wants shareholders who will stay connected to it for the long term with genuine attachment, rather than those who are trading short term. My understanding of this system has shifted. I now see it as a mechanism that deepens the relationship between employees and the company.

Fukuda: Hearing this, I have a renewed sense of the level of trust the company places in its employees. Today we have

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members from different countries and with different roles, but as members of the TOK Group, I am reminded of the importance of each person committing fully to their own roles and of how that accumulation contributes to the company.

Polly: I joined as a mid-career hire, and compared to the Japanese company in Taiwan where I previously worked, I find TOK's approach distinctively positive. At other companies, stock ownership plans and equity incentives were sometimes limited to Japanese employees with restrictions on non-Japanese staff. At TOK, regardless of nationality, overseas employees are recognized as full members of the Group and are included in the program, which I find truly meaningful. This really highlights for me the difference in corporate culture.



Suzuki: I am glad you understand that. From my perspective, what TOK is doing is deeply significant. The effort to grant shares to employees and build a new kind of relationship, one where employees are also shareholders, strikes me as a genuinely forward-thinking initiative.

Q. What intentions has management put into this system?

Suzuki: The restricted stock and restricted stock unit system is, in formal terms, simply a mechanism for granting company shares to employees. In practice, however, I believe significant differences in philosophy emerge in how it is implemented. President Taneichi and the management team who championed this program have consistently prioritized the happiness and motivation of employees. Motivation here means more than just compensation. It refers to a state in which people want to take the initiative and want to contribute more. The environment in which one can work with that kind of drive is, I believe, what leads to a genuine sense of fulfillment and wellbeing for employees. This may carry a value that goes beyond simple cash compensation. In that sense, I see a strong affinity between a management philosophy that prioritizes employee wellbeing and motivation and the mechanisms of restricted stock and stock units. I would very much like to hear, candidly, how well the management intent and philosophy have actually taken root among employees.

Polly: I feel that this program and happiness are closely linked. When the company grows, the results are reflected back to me as a shareholder, so improved performance translates not just into a bonus but also into an increase in the value of my shares. That creates a tangible sense of reward, along with a more positive and fulfilling feeling toward the work. In that sense, I see it as a program that contributes to greater wellbeing.

Seo: I feel the same way. Knowing that the company values me this much naturally makes me want to try even harder. When my efforts are reflected in corporate value and the share price, and that in turn contributes to building my personal assets, it helps me maintain a consistently high level of motivation for the work. This virtuous cycle feeds back into my own satisfaction and sense of fulfillment, and as a result, I feel that I can work in a forward-looking and energized way.



Q. What makes a workplace where people find meaning in their work?

Suzuki: It is wonderful that management's intentions are beginning to reach people on the front lines like yourselves. When do you actually feel that you are working with energy and a sense of purpose?

Ishinabe: For those of us in General Affairs, our "customers" are our fellow employees. When I receive words of gratitude from them, I get a genuine sense that I have contributed to their motivation through my work, and that gives me a real feeling of accomplishment.

Polly: Since I work in sales, I coordinate across many internal departments and divisions, including Production Technology Development and SCM Procurement. When I can reach an outcome that genuinely works for both sides, a real win-win result, that is when I feel the greatest sense of achievement. The TOK Group feels a little different from a typical Japanese company. Here, for example, when you consult with a marketing colleague, it does not stay siloed internally. If needed, people from group companies will join the meeting, share their understanding, and work through the discussion openly. I find this open, two-way style of communication, which leads to better proposals, really positive.

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Ishii: For me, a workplace where I find meaning is one where you do not have to carry everything alone but can tackle challenges as a team. In development work, I used to think that whether a customer adopted our product was the main measure of fulfillment, but looking back, I realize I have been able to stay positive even in processes that did not reach that outcome.

Behind that is a workplace environment where, when you face a challenge, people around you engage constructively and support you in finding a solution. Being able to exchange candid views with my supervisor and team and think through the next step gives me the confidence to face new challenges.

Being in an environment where we face technical challenges seriously and solve them together as a team, that is what makes a workplace with genuine meaning.



Fukuda: Like Polly, I also joined as a mid-career hire. When I first joined the company, I was assigned to handle SCM* at a factory on my own without sufficient knowledge or experience, and I felt a great deal of anxiety.

However, my senior colleagues and my manager at the time trusted me and gave me the space to try, which meant I could face the work without being paralyzed by fear of failure. Even when things did not go well, there was an environment where I could think about how to do better next time, and I was able to keep moving forward positively.

That accumulation of experience built my confidence, and I now feel that I am able to work with genuine energy and engagement.

* Supply Chain Management



Seo: In terms of working with energy, for me personally a big part of it is simply that I enjoy meeting and talking with people. Beyond the business conversations, the casual chats before and after, the occasional meal or conversation in passing, I find real satisfaction in that day-to-day communication, and that is one of the reasons I feel marketing suits me.

Not every interaction leads to a good result, but the moments after a meeting when you manage to have a slightly more personal conversation with a customer, or when you feel the relationship has deepened a little, those feel like signs that your effort has been recognized and trusted, and they are a real source of fulfillment.

I also think of sales as not just delivering results but embodying the company's values. Even when a deal does not go through, if the customer appreciated how sincerely you handled it, that can open the door to the next opportunity. When someone says something like "TOK was the first to reach out to us," I feel a real sense that the daily effort is connecting to future value creation and share price growth.

Each relationship gradually contributes to improving the company's overall image and expanding opportunities for business deals, which ultimately feeds into enhanced corporate value. Being able to feel that directly is, for me, one of the most meaningful parts of working in marketing.

Q. Is the management philosophy of "Create a frank and open-minded business culture" taking root on the front lines?

Suzuki: One of the TOK Group's management principles is "Create a frank and open-minded business culture." Do you feel that a culture of speaking freely and taking on challenges is genuinely present in your workplace?

Ishii: I feel we have an environment where we can pursue development freely and openly. My manager's approach is that self-directed theme-setting is respected, although delivering the results expected from your assigned responsibilities remains the foundation. So, within the overall development policy and objectives, I am also able to explore ideas and angles that come from my own sense of what matters. Even practical things like purchasing reagents are handled smoothly with appropriate judgment and approval, which allows research to move forward without friction. Being given a certain degree of autonomy creates a culture where you can think for yourself and take initiative.

Polly: In terms of the office environment, TOK Taiwan, like the headquarters, has no partitions, and the default is working where you can see each other's faces. That naturally leads to conversation throughout the day with plenty of casual chat as well. At the same time, when focus is

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necessary, such as in meetings, people genuinely buckle down and discuss things properly. There is a healthy rhythm to the way we work. I think this combination of everyday communication and the ability to switch into focused mode is what creates an open, comfortable atmosphere.

Ishinabe: I do not consciously think about the phrase "Create a frank and open-minded business culture" every day, but in important tasks and at key moments, I feel I am trusted with real responsibility and autonomy. If I bring forward a proposal about a challenge, it is usually received positively, and if something is not possible, the reasons are shared with care. From there, it is also possible to build on the discussion and adjust the direction together. Through that process, I am allowed to express my ideas openly and have them genuinely heard, and I feel that a culture of free expression is truly embedded within the company.

In practice, I handle the implementation and administration of the restricted stock and restricted stock unit systems, and I hold shares in the company myself. Within that open culture, I am motivated as a shareholder to help make the business and the company even better.



Fukuda: Reflecting on my own work through the lens of "Create a frank and open-minded business culture," a recent example that comes to mind is changing where I sit. I used to work at a desk in the office, mainly handling administrative tasks on a computer, but I realized that to truly understand what is happening across the supply chain, I needed to grasp in real time what was happening on the floor.

Therefore, I moved my workspace to an area closer to the factory floor where I could communicate directly with the people there and address issues on the spot. This was made possible by my manager's understanding and encouragement, for which I am grateful. Being able to narrow the distance between myself and the floor, and to change the way I work at my discretion, feels like another expression of the spirit of "Create a frank and open-minded business culture."

Seo: In terms of openness, marketing work involves identifying challenges on your own and moving proactively. When given instructions by a manager, the details of the task are rarely specified, and there are few hard constraints on how tasks must be accomplished.

What I hear most often is: "There is no single right answer in marketing." It is about thinking for yourself, consulting when you are unsure, and finding your own answer. Then approaching customers in your own way.

In that environment, the freedom to act independently gives me a real sense of autonomy, and I can engage with my work proactively.

Q. What do you want to take on next within the TOK Group?

Suzuki: It sounds like the TOK Group has a genuinely open culture with a strong foundation that supports people in taking on new challenges. Earlier, I said that President Taneichi and management have embedded in the restricted stock and restricted stock unit systems a commitment to employee happiness and motivation. As you said, there is also the desire for employees to actively take ownership in the enhancement of corporate value. What initiatives do you want to take on going forward, and how do you hope to contribute to enhancing corporate value?

Polly: One thing I am considering is strengthening local technical capabilities. In Taiwan, with a limited number of engineers and a diverse product range, marketing personnel are expected to provide technical explanations. When issues arise during product evaluation, rapid feedback is critical. However, there are times when the current setup does not fully allow for immediate responses.

I want to deepen my own expertise and product knowledge, including in the area of photoresists, so that I can provide technical feedback locally. The goal is to expand the range of what I can handle before escalating to Japan, improving both the speed and quality of customer support.

I believe that working toward this will broaden my perspective and ultimately raise the level of what I do. In the sense that corporate value enhancement and personal growth go hand in hand, I see this as an initiative that aligns with the thinking behind the restricted stock unit system.

Ishinabe: What I want to take on is connected to the restricted stock and restricted stock unit system as well, and that is activating the employee shareholding association system. Right now, employees participate in the program as recipients of share grants, but when you think about it together with the association system, I would like to expand that going forward to include employees actively choosing to purchase shares themselves.

If we can get to a place where each employee genuinely wants to own shares in the company, that will contribute not only to improved well-being but also to enhanced corporate value. If employees can experience growth in the value of the shares they have purchased themselves, on top of the shares

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granted by the company, that could create an even stronger virtuous cycle.

I am now exploring what initiatives might help achieve that, but rolling it out globally is a significant challenge. I want to face that challenge and work toward further activating the employee shareholding association system.

Ishii: As a technical person, I want to continue honing my skills. I had the experience of seeing the materials that I developed become adopted, and in those moments, I was struck by how quickly a product could reach customers once it gains traction.

Going forward, though, I want to go beyond just my own development work and become more involved in the full process, from upstream to downstream, collaborating across all departments involved with a product and actually visiting customers in person.

Under the TOK Group's customer-oriented strategy, I want to actively engage in the kind of value creation that integrates the trifecta of development, manufacturing, and marketing, and contribute to enhancing corporate value through that process.

Fukuda: In the planning work, once you have acquired a certain level of experience, it is possible to cover the overall process from raw material procurement to product shipment. What is less clearly defined, however, is the decision-making criteria along the way.

Going forward, I want to work on clarifying those criteria. Having clear standards means everyone can understand the situation accurately using the same information to make appropriate decisions. It also drives greater visibility of the information and improves overall operational efficiency.

Right now, the SCM floor relies heavily on the knowledge of experienced people, particularly those who have worked in the field for many years. By organizing and systematizing that information and expertise, I want to push forward with clarifying the work and reducing the dependence on individuals. That is a contribution that I can make: helping build that foundation.

Seo: On the challenge of marketing, I want to actively communicate the "new TOK." For example, with existing customers, photoresists and thinners are already highly regarded, and TOK is well known as a photoresist manufacturer. At the same time, for the cleaning solutions that we now handle, many customers are still at the stage of realizing "Oh, you work in that area, too."

I am proactively introducing our technology and stepping up outreach around "Here is what else we can do." When customers express new needs, I work with the relevant departments internally and push for proposals along the lines of "Is there a technology or a product we can offer for this?"

By communicating value in new areas alongside existing business, I want to help expand recognition of the company and open up new opportunities.

Q. Closing reflections

Suzuki: Thank you all for today. Hearing about the energized workplace and the culture that supports people in taking on challenges was genuinely inspiring for me as well. Did anything shift positively in your thinking through this conversation?

Fukuda: Yes. I already felt that I was working with energy and purpose in my day-to-day role, but thinking about it from a broader perspective, I realized that rather than being satisfied with where matters are, I need to set even higher goals and work toward them. Today's conversation helped me recognize that. I want to raise my level of awareness even further going forward.

Suzuki: That is exactly the key point, I think. Management clearly has a strong philosophy and is thinking seriously about the future of employees and the company, and that does come through. But translating it all the way down to the level of day-to-day work is never easy. In fact, even for management, how to make it take root on the front lines is an ongoing challenge, and I think today's dialogue is part of that effort.

What matters is that these intentions reach every one of you individually and lead to improvements in daily work and changes in behavior. The accumulation of that is what connects to improved business results. It is easy to say, but what is truly critical is whether employees can genuinely believe in it and give it everything they have.

Message from the Executive Officer of Human Capital

We will continue to evolve our human capital initiatives, raise employee engagement and happiness, and enhance corporate value in the process.

Reinforcing a cycle that connects the purpose at work with profit to build a shared experience of well-being

Continuing to evolve sustains the long-term growth of people and the organization

Since joining the company in 1991, I worked in the semiconductor manufacturing equipment business until 2023 **(See page 14, "Message from the President")**. Having spent my career in a field where the pace of technological change was as rapid as, and at times faster than, the materials business, I came to understand through first-hand experience that *continuing to evolve* is the foundation of sustained growth.

As the division manager of Human Capital, guided by this belief, I am committed to continuously developing new and better human capital initiatives that deepen employee engagement and drive the sustained growth and enhancement of corporate value of the Group.



Policy on Utilizing Human Capital

Since the founding of the company, employees have been the greatest asset of the TOK Group. The company's human capital policy is based on the following five principles derived from its long-held philosophy that human capital is one of the company's most important assets.

- Never forget that business always starts with people.
- Any discrimination within the company and among employees is strictly prohibited.
- Ensure full compliance with all applicable laws and regulations as well as fair and equal compensation.
- Educate personnel and promote creativity as a company that develops innovative technologies.
- Make sure that the personnel systems are based upon performance while emphasizing and ensuring transparency.

Toward further embedding and passing on *tok-ism*

Long before the Policy on Utilizing Human Capital described above was formally articulated, Tokyo Ohka Kogyo has consistently cultivated a culture of placing people first. Looking back to when I joined the company, while the specific expressions and systems have evolved with the times, the fundamental belief in valuing people has never changed. In recent years, under the material issue of *the pursuit of happiness by personnel*, the systems and environments related to human capital have been steadily strengthened, and we have worked to enhance personnel, including among mid-career-hire employees. Going forward, we intend to evolve our human capital initiatives from the perspective of preserving and passing on what it means to be a part of Tokyo Ohka Kogyo, including our distinctive values and culture of tok-ism. I believe one of my most important responsibilities is to create an environment where every employee shares in tok-ism and is able to thrive while connecting their own growth with the growth of the company.

Creating a virtuous cycle of happiness for human capital, company growth, and contribution to society

So, what does "happiness" mean for the employees in the Group? Drawing on the voices of employees through engagement surveys and other feedback, the Human Capital Division has identified four happiness drivers: *finding meaning and purpose in the work, experiencing personal growth, feeling that their contributions matter, and feeling financially secure.*

Driving *the pursuit of happiness by personnel* described above requires that the company continue generating profit. Profit makes it possible to give back to employees and to invest further in growth. For that reason, I believe it is important to strengthen the virtuous cycle in which employee engagement and corporate profit mutually reinforce each other.

Work accounts for a significant portion of every employee's life. Making that time fulfilling and allowing employees to work autonomously while finding purpose and experiencing growth contributes to individual happiness and to the company in equal measure.

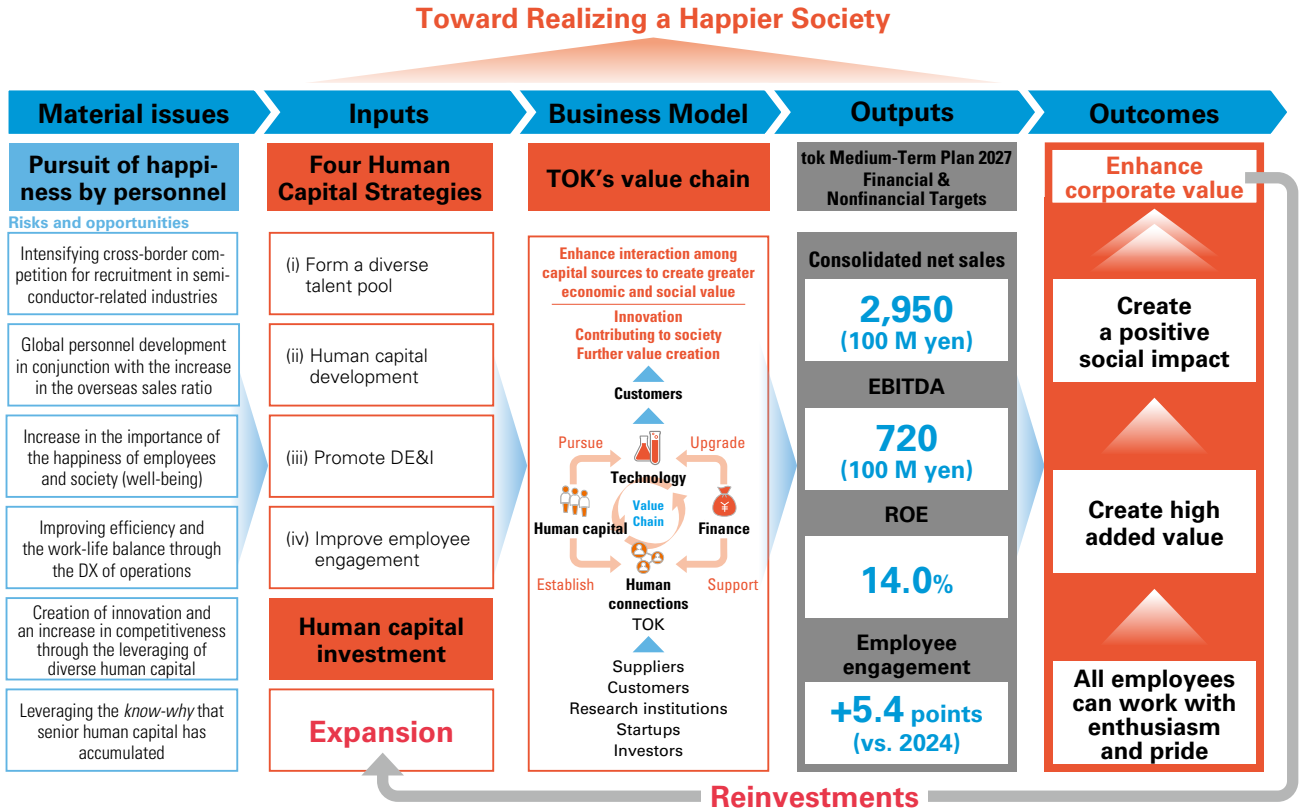
People are the driving force behind the Group's sustained growth and the enhancement of corporate value. When each individual brings their capabilities to bear and creates value, corporate profits expand, and those results are returned not only as compensation but as opportunities for growth and an improved work environment. This deepens the sense of purpose, which in turn leads to the next cycle of value creation.

This virtuous cycle begins with enhanced employee happiness, which drives company growth, which in turn broadens our contribution to society. The cycle expands

Shogo Ishihara
Director, Executive Officer and Division Manager,
Human Capital Division

Message from the Executive Officer of Human Capital

Human Capital Strategy Roadmap for Greater Growth, Corporate Value Enhancement, and a Larger Virtuous Cycle



Pathways connecting four human capital strategies to enhanced corporate value

(i) Form a diverse talent pool to ensure the scale of talent needed for business growth while also securing diversity, capture expanding opportunities, and improve the depth and balance of the development vision, business concept, and decision-making, leading to revenue growth and improved business profitability and return on investment, leading to enhancement of corporate value

(ii) Human capital development, leading to improved human capital performance, leading to improved business results, leading to corporate value enhancement

(iii) Promote DE&I, leading to greater diversity of ideas and approaches to risk-taking, leading to improved depth and balance of development vision, business concept, and decision-making, leading to improved business profitability and return on investment, leading to corporate value enhancement

(iv) Improve employee engagement, leading to improved human capital performance, leading to improved business results, leading to corporate value enhancement

our positive social impact and delivers meaningful returns to all stakeholders, including employees, shareholders, and investors alike. Our Group will continue to generate this virtuous cycle, creating an ever-greater source of happiness for all involved.

I believe continuing to make this cycle stronger and more reliable is one of my most important responsibilities as the leader of human capital.

Happiness is found on the other side of challenge and high aspiration

I also believe that employee growth and happiness exist on the far side of challenge and effort. Truly appreciating the value of happiness is difficult when one is in a state of constant comfort. A deep sense of achievement and fulfillment comes from facing a difficult challenge and finding a way to overcome it. For that reason, we will strengthen our human capital initiatives to encourage employees to set their sights high and continue to challenge themselves autonomously, rather than settling for the status quo.

The employee engagement indicator improving steadily

As a result of these combined initiatives, our employee engagement indicator for FY 2025 rose 1.9 points compared to FY 2024, which put us on track toward our FY 2027 target of a 5.4-point improvement. This also reflects the fact that, since 2022, employee engagement indicators have been embedded in the evaluation framework for executive remuneration system and have been set as a quantitative target in our medium-term plan, successfully taking root as a shared priority across all levels of the organization. In addition, wage increases of more than 5% have been implemented for the past four consecutive years, and a series of new human capital initiatives and related investments in rapid succession have been executed, including the Tokyo Ohka Global Employee

KPI

Employee engagement indicator positive response rate

Employee engagement* 2027 target

Improve 5.4 points (vs. 2024)

* Employee engagement: Average positive response rate across nine survey items related to employee engagement and the employee-friendly environment

Message from the Executive Officer of Human Capital

Shareholding Association System, a 65-year retirement system with maintained compensation, and renewals of domestic and overseas business sites and facilities as well as the establishment of new production sites. I am confident that these continuous efforts to evolve have contributed to these results.

FY 2025 employee engagement survey results

- **The Employee Engagement KPI rose 1.9 points compared to FY 2024,** confirming a steady upward trend with scores improving across 77% of all survey items.

On the qualitative side, the following were maintained at a high level or enhanced for the second consecutive year as factors generating strong engagement in the Group:

- **A quality- and customer-focused organizational culture exemplified by high quality and customer orientation**
- **Competitive compensation and benefits, supported by returns tied to performance**
- **The penetration of strategy and direction through management's commitment to transformation and active dialogue**

The information confirms that management's sincere intention to value people and draw out their potential is effectively reaching employees. Going forward, we will continue to strengthen the virtuous cycle in which the penetration and reinforcement of strategy and direction serve as the foundation for deepening employee satisfaction with the returns they receive for their contributions, enabling compensation and benefits and performance management to mutually elevate each other.

At the same time, we have identified the following as new priority areas:

- **Support growth through the provision of stretch opportunities and feedback**

Building on existing efforts that include the introduction of an extended retirement age system, expansion of training and education programs, and enhancement of recognition initiatives, we will further strengthen growth support through feedback as a new addition.

- **Strengthen the onboarding foundation as human capital continues to expand**

This has also been identified as a new challenge. In addition to DX initiatives and human capital development through job rotation, going forward, we will focus on accelerating the time to full contribution for new employees. Through these initiatives, we will further strengthen the larger virtuous cycle that elevates the growth aspiration of each individual and channels the energy created into the enhancement of corporate value.

KPI

$$\text{Value creation ability} = \frac{\text{Value added over the last five years}}{\text{Personnel costs for the previous five years}}$$

Operating the KPI of value creation ability

In implementing the Human Capital Strategy Roadmap described above, we will pursue sustainable value creation through active investments in human capital, the driving force behind technology and human connections that together constitute our value chain. We will also monitor and operate the KPI called Value Creation Ability to measure the outcomes and degree of progress of this investment. Similar to R&D efficiency, which is the KPI for our development divisions, this indicator is based on our corporate culture of long-term R&D and the management philosophy where we set the numerator as the value added over the most recent five years and the denominator as personnel costs for the previous five years, which places the focus on human capital management from the long-term perspective.

While expanding the investment in human capital (the denominator), we will specifically work to further increase the added value (the numerator) while maintaining a consistently high value creation ability. We have begun operating this indicator in a way that informs our decisions on bonuses and new human capital investments in consideration of how the indicator is trending.

Moreover, in operating these indicators, we work closely with HR, Accounting, Finance, and Corporate Communications/IR departments, incorporating financial insights and the latest knowledge from capital markets through repeated discussions to pursue the three-way integration and maximization of synergies among human capital, financial capital, and social and relationship capital. **(See pages 43–47, "Message from the Executive Officer of Accounting and Finance")**

Addressing expanding risks and opportunities

Shifts in global competition and changes in the domestic labor market

Geopolitical risks in the semiconductor industry continued to materialize in 2026, and semiconductors have taken on even greater importance as a strategic commodity with direct implications for national economic security and industrial competitiveness. The rapid progress in advanced AI is driving global demand for cutting-edge semiconductors, and the importance of acquiring and developing highly specialized human capital has grown across our industry, including our own company. Competition for human capital across borders is intensifying both domestically and internationally.

Against this backdrop of intensifying global competition, major global semiconductor manufacturers, who are our customers, are increasingly diversifying their global strategies. In order to respond more flexibly, we are focusing on further diversifying Group human capital as part of our customer-oriented strategy, one of our core competencies.

In Japan, where the declining birthrate and aging population continue to be issues, the decreasing working-age population and increasing healthy life expectancy have made more effective utilization of senior employees' skills and expertise an essential priority for sustained corporate and economic growth.

Evolving human capital activation initiatives and recruitment activities

In response to these multiple risks and opportunities, the Group focuses on further activating domestic and international human capital, strengthening diversity from the medium- to long-term perspective, and continuously evolving recruitment activities.

As part of building this foundation, we introduced the Tokyo Ohka Global Employee Shareholding Association System in August 2023. This plan has been positively received both domestically and internationally as an initiative designed to foster individual ownership and a greater awareness of long-term corporate value among each employee. Our most recent

Message from the Executive Officer of Human Capital

internal surveys confirmed an increased awareness of participation in the enhancement of corporate value and a greater sense of unity within the company. Against this backdrop of changing attitudes, participation rates are tracking at high levels. **(See page 4, "Highlights: Human Capital as the Driving Force in the Growth of Corporate Value")**

In addition, since it has now been over a decade since we began our overseas customer-oriented strategy in earnest, the capabilities of our locally hired human capital have grown considerably. We are therefore promoting cross-border opportunities for Group human capital to thrive. The training and career development of Indian engineers who joined in the fiscal year ended December 2025 is progressing as planned, and we are advancing initiatives that will help open up the Indian market from the medium- to long-term perspective.

In our domestic and international recruitment activities, pre-offer conversations and follow-up events with existing employees to reduce mismatches have contributed to hiring candidates who thrive, as well as to keeping our attrition rate low and stable. We also continue to introduce new approaches, which include direct university visits and information sessions, outreach to new universities and network expansion, and weekend seminars for mid-career-hire candidates. Over the medium to long term, we will also keep a close eye on semiconductor market trends and the progress of operational efficiency through DX by focusing on proactively preventing potential human capital surplus risks in the future.

Growing number of employees covered by the retirement-at-65 system with maintained compensation/ new measures being developed to activate employees reaching managerial retirement age

In the innovative field of semiconductors, pursuing agile, day-to-day responses is crucial while simultaneously running long-run R&D programs spanning more than a decade. **(See pages 13–18, "Message from the President")** The intellectual capital and human connections built up over the careers of senior employees, including the acquisition of deep technical knowledge and relationships, continue to create significant value in our cutting-edge business strategy. In addition, as our Group's production volumes continue to reach new all-time highs against the backdrop of expanding semiconductor markets, and as the prevention of workplace accident risk requires our constant and maximum effort, the "know-why" accumulated by senior employees in occupational health and safety is also indispensable. We are therefore focused on maximizing the contributions of the senior workforce.

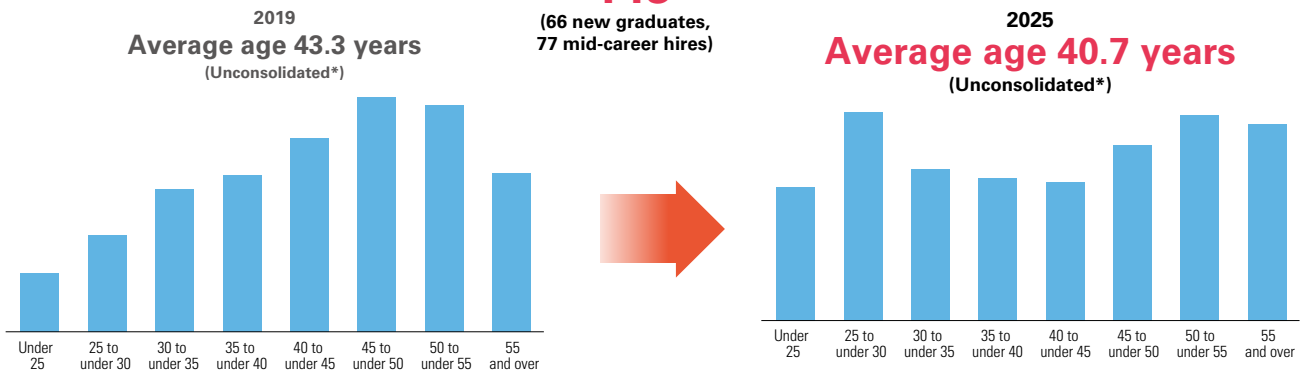
Specifically, we began operating the 65-year retirement system with maintained compensation in 2025, and the number of employees covered by the system has continued to grow steadily in 2026, which contributed significantly to value creation on the frontlines. This groundbreaking system maintains the same role-based salary for employees over the age of 60 as they received during their careers of active service. By fully utilizing this system, we aim to enhance our ability to address increasingly complex business and technical challenges in the cutting-edge and occupational health and safety areas described above, while also strengthening the effective passing on of intellectual capital from senior to younger employees, thereby creating a virtuous cycle in our human capital portfolio.

In addition, we are currently developing new measures to further motivate employees reaching managerial retirement age. By creating a system where these employees can continue to leverage the expertise and insight gained over long careers on the frontlines and in management roles in the Group, even after reaching managerial retirement age, we are contributing primarily through education and training, deeper technical expertise and the transfer to others, occupational health and safety activities, and mentoring, all while maintaining their motivation. We intend to implement this system once it is finalized.

Strengthening the sustainability of our medium- to long-term talent portfolio

The talent acquisition that underpins the evolution of our human capital initiatives has continued with over 100 hires over the past four consecutive years with consolidated and unconsolidated employee numbers in the talent pool reaching all-time highs in the fiscal year ended December 2025. By strengthening both new graduate and mid-career recruitment, we successfully reduced the average employee age (unconsolidated) in the fiscal year ended December 2025 by 0.2 years compared to the previous year and by 2.6 years compared to 2019. Going forward, we will pursue the realization of tok Vision 2030 by strengthening the sustainability of human capital in both the qualitative and quantitative aspects.

Number and breakdown of recruitment (new graduates/mid-career hires)



* Excluding those seconded from TOK to other companies and contract workers, but including people seconded from other companies to TOK

Message from the Executive Officer of Human Capital

Executive study sessions evolving to develop future management talent

We regard the development of the next generation of management as one of our key priorities. As part of that effort, we hold Executive Study Sessions for human capital identified as potential future leaders of the Group. These sessions are planned and held systematically for approximately a dozen participants, consisting of domestic directors and candidates from overseas Group companies selected as next-generation management prospects, with the president, outside directors, and former members of senior management serving as facilitators. The sessions foster the perspectives, aspirations, and mindsets expected of management while deepening mutual understanding and generating synergies across the Group through strengthened communication among participants.

Focusing on the Human Capital Division's overarching aspiration, ideal personnel profile, and divisional activity policy to continue winning at the world's cutting edge

Through the material issues, risks, and opportunities, as well as Medium-Term Plan initiatives communicated thus far, the Human Capital Division will provide maximum support from the human capital perspective for value creation that allows the Group to continue winning at the world's cutting edge to achieve long-term enhancement of corporate value. At the launch of tok Medium-Term Plan 2027 in 2025, we articulated the overarching aspiration, ideal personnel profile, and divisional activity policy for this purpose as follows with *providing robust support for the potential of those who take on challenges* as our key phrase. Under this plan, our focus will be on human capital investments and four human capital strategies guided by this key phrase.

■ Overarching aspiration
- **Promote self-actualization through individual autonomous learning and action to solve more challenging social and technical issues**
- **Provide opportunities and environments where individual capabilities can be fully utilized**
- **Create a virtuous cycle where individual happiness increases from self-actualization, resulting in enhanced corporate value**
- **Through the above, become a company where all employees can demonstrate enthusiasm and pride in their work**

■ Desired candidate profile
- **People who can think, learn, judge, and act independently while continuing to take on challenges**
- **People who can pursue expertise while maintaining a broad view of the entire business**
- **People with human strengths (curiosity, boldness, integrity, respect, empathy, collaboration, and completion)**

■ Division activity policy (excerpt)
- **Ensure the formation of a talent pool that supports growth and development**
- **Provide robust support for the potential of those who take on challenges and engage in human capital development**
- **Develop broad-minded management personnel with human strengths and passion**
- **Create environments where individual capabilities can be fully utilized**

Further improving corporate value by expanding investment in human capital

In terms of human capital investment, we have continued to increase annual wages by approximately 2% to 5% over the past ten years, and we have implemented wage increases exceeding 5% for four consecutive years since 2022.

Per-capita education and training expenses are trending upward as well, and going forward, under our divisional activity policy of *providing robust support for the potential of those who take on challenges*, we intend to invest generously in the education and training that contributes to the Group's further growth and enhancement of corporate value. However, training is not an end in itself. We are building a system that allows employees to experience meaningful outcomes as a result.

Furthermore, we expanded our award system to further promote a culture of praise. The Mukai Technology Award recognizes outstanding R&D and now features a prize amount maintained above the competitive benchmark. We also sponsor the TOK Shinka Award for fields other than R&D to further improve motivation. From the fiscal year ended December 2024, we expanded the award scope to include our overseas Group companies as part of our efforts to strengthen global consolidated management, which resulted in many employees from overseas sites receiving awards that provided the momentum for further strengthening the Group's global competitiveness. In addition, from 2025, we introduced "digital utilization" as a new evaluation criterion. By recognizing initiatives that use digital technology to overcome challenges and improve business processes or methods of working, we are driving greater adoption of digital tools and advancing operational transformation across the Group.

Wage increase status

Implemented wage increases exceeding 5% for four consecutive years from 2022 to 2025

Trend in education and training expenses per person (Unconsolidated)



* Average of 159 listed companies in the Research on Education and Training Expenses in FY 2025 by the Sanro Research Institute: 36,000 yen

Realize a major virtuous cycle by strengthening the forming of a diverse talent pool and promoting DE&I

The TOK Group achieved a record-high ratio of women in senior and middle management positions and a record-high ratio of women among the overall number of employees in the fiscal year ended December 2025. As society has evolved, so too have our internal systems with childcare leave, return-to-work programs, childcare-based remote work, and hourly leave all contributing to meaningful results, alongside efforts to reduce the physical workload on the manufacturing floors. We will continue to refine our systems and environment to maintain and improve a fair and equitable organization to ensure that hiring, promotion, and the nature of work are not influenced by gender, age, nationality, or other factors. As one example, the proportion of women in their 20s has exceeded 30%, and male employees taking childcare leave has grown at an accelerating pace in terms of both duration and rate in recent years, reaching a take-up rate of 66.7% in the fiscal year ended December 2025.

The number of non-Japanese employees is also on the rise, and the overall proportion of non-Japanese employees

Message from the Executive Officer of Human Capital

across the Group has remained stable at approximately 25% in recent years with the overseas management localization rate reaching 68.8%, which is an all-time high. We will further expand human capital exchange between Group companies and accelerate the creation of synergies from knowledge and values built on mutual understanding.

Number of non-Japanese employees

	2021	2022	2023	2024	2025/12
Number of non-Japanese employees (unconsolidated)	17	24	16	15	26
Number of non-Japanese employees (consolidated)	475	524	457	483	509
Ratio of non-Japanese employees (consolidated, %)	26.2	26.9	24.3	24.2	23.9

* The decrease in 2023 was due to the restructuring of overseas consolidated subsidiaries.

KPI

Ratio of women in senior and middle management

Objective for 2030: Increase by twofold (vs. 2020) **2025 result: 1.6x**

KPI

Childcare leave user rate among male employees

Target: 70% or above

Indices related to female employee participation (Unconsolidated)*1

	2021	2022	2023	2024	2025/12
Ratio of female new employees hired (%)	17.0	26.4	22.4	32.1	33.9
Ratio of women among the overall employees (%)	14.0	14.6	15.3	16.1	17.0
Difference in average tenure figures for men and women (years)	8.4	8.1	7.9	8.2	8.4
Ratio of women in senior and middle management (%)	3.8	4.0	4.5	4.5	5.2
Ratio of women on the Board of Directors (%)*2	7.7	7.1	10.0	20.0	10.0

*1 Employees exclude those seconded from TOK to other companies and contract workers but include people seconded from other companies to TOK
*2 The ratio of women on the Board of Directors is as of April of next year.

Wage difference between male and female employees (percentage of female wages to male wages) (Unconsolidated)*1

	2025/12
All workers (%)	68.1
Permanent employees*2 (%)	68.2
Fixed-term employees*3 (%)	88.8

*1 Wage: Includes base salary, payment for overtime work, and bonuses but excludes retirement allowance, commuting allowance, and other allowances.
*2 Permanent employees: Secondees exclude those seconded from TOK to other companies but include persons seconded from other companies to TOK
*3 Fixed-term employees: Include temporary employees but exclude dispatched temporary worker staff

Supplementary explanation concerning difference:
Although there are no gender-based differences in the wage system or policies, gender disparities exist in the distribution of personnel by grade, including management positions, which has led to differences in wages. In the coming years, TOK will promote the appointment of female managers with the goal of doubling the ratio of women in senior and middle management positions by 2030 (vs. 2020).

Number of users of childcare-related systems (Unconsolidated)

	2021	2022	2023	2024	2025/12
Childcare leave system (number of users)	27	31	40	43	47
Shorter working hours (number of users)	16	17	24	32	7
Childcare time (number of users)	13	15	37	69	96
Childcare leave system (number of male users)	8	12	24	29	27

Ensuring the health and safety of human capital

Promote health and productivity management

Since formulating the Health Management Declaration in June 2022, the TOK Group has been dedicated to health management. We will continue to foster an environment where individuals can achieve self-realization and enhance their well-being both mentally and physically. In April 2026, the division manager of the Human Capital Division became chairperson of a newly established Health Management Promotion Committee that was composed of departments from across the company, both domestically and internationally, as well as the Tokyo Ohka Kogyo Health Insurance Society to build a framework to drive health management on a global basis.

As one of the ways to create an environment where employees can maintain physical and mental health and maximize individuality and abilities, TOK continued to implement Collab Health for the prevention and identification of diseases in cooperation with the Tokyo Ohka Kogyo Health Insurance Society while encouraging officers and employees to maintain and promote health. For example, the company launched the My Health Web as a portal to provide health-related information for improving knowledge of health and increasing awareness among officers and employees. The company also holds periodic walking festivals with the participation of the president and many officers and employees.

TOK also expanded the sites where public health nurses are appointed to provide counseling services for mental and physical health and work to reduce the percentage of employees who smoke while strengthening countermeasures against passive smoking. TOK will continue to enhance the PDCA cycle of health and productivity management through its aim to nourish a health culture where officers and employees autonomously manage their health status.

These efforts are appreciated, and TOK was recognized in the 2026 Certified Health and Productivity Management Outstanding Organizations Recognition Program by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi in March 2026 for the eighth time.

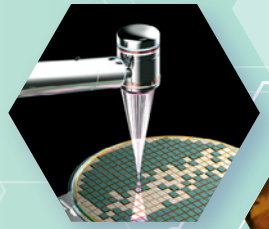
By reinvesting the fruits of growth in human capital, TOK will continue to create a major virtuous cycle of corporate value enhancement

Through the series of human capital initiatives described above, the TOK Group will continue to invest in human capital and promote the self-realization of each individual by enhancing skills and capabilities. By contributing to solutions to complex social and technical challenges, TOK aims to further enhance the value and competitiveness of its products.

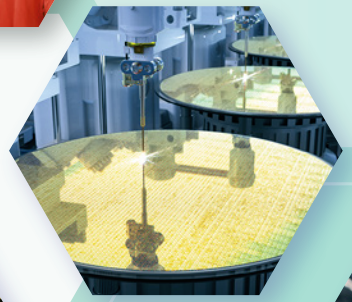
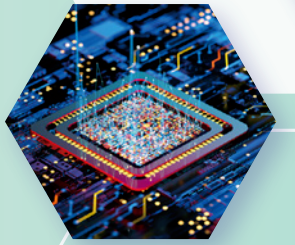
Through these efforts, TOK will achieve further revenue growth and corporate value enhancement and reinvest the resulting profits in human capital, continuously generating the *larger virtuous cycle* of human capital happiness and corporate value enhancement.

Development of the Semiconductor Ecosystem

62 Stakeholder Engagement
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65 Risk Management






Stakeholder Engagement

Toward the material issue of the development of the semiconductor ecosystem

As both risks and opportunities surrounding the semiconductor industry expand, Tokyo Ohka Kogyo intends to become a corporate group truly trusted by stakeholders inside and outside the company by accelerating the construction of supply systems that can respond immediately to market fluctuations and supply chain optimization through the medium-term plan key strategy of "Build a robust supply chain."
By minimizing supply chain risks while building win-win relationships with all stakeholders, TOK will contribute to the development of the semiconductor ecosystem, which is the major premise for the improvement of corporate value.

Tokyo Ohka Kogyo will build stronger supply chains that function and develop reliably even in the BANI era by strengthening engagement with all stakeholders.



TOK will help to resolve and mitigate the new social issues facing humanity along with unanticipated risks, potential risks, and risks that have actually materialized by enhancing the shared value with stakeholders.

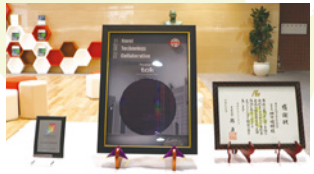
Customers

■ **Shared value**
- Provide new added value that inspires customers (tok Vision 2030)
- Develop relationships of trust that allow continued value creation in innovative fields
- Ensure a production structure that guarantees a stable supply to society
- Expand the social impact through semiconductors

■ **Policies and basic initiatives**
- tok Medium-Term Plan 2027 Key Strategy (2) Build a robust supply chain
- Record-high investments in plants and equipment to support stable production in the semiconductor industry as a long-term growing trend
- Further deepen and advance customer-oriented strategies (trifecta of development, manufacture, and marketing)
- Flexible response to customers' global multi-site deployment considering geopolitical risks
- Risk diversification and conversion of risks into opportunities by having production sites in four regions across the world
- Advanced initiatives in environmentally sustainable products

■ **Communication channels**
- Customer-oriented sites established in Japan, the United States, China, South Korea, Taiwan, Europe, and Singapore and collaboration and engagement at customer sites

■ **Specific examples and latest achievements**
- Received supplier awards from many customers



2024 TSMC
Excellent Performance Award

Shareholders and investors

■ **Shared value**
- Long-term sustainable growth and corporate value enhancement
- Stable and continuous dividends targeting DOE 4.0%/flexibly implement share buybacks
- Increased capital efficiency
- Reduced capital costs
- Strengthened engagement through constructive dialog

■ **Policies and basic initiatives**
- Promote transparent, fair, and continuous IR activities
- Officer and department manager of the General Affairs Department undertakes management and oversight as the IR Officer.
- Opinions and requests gathered through dialogue are compiled and shared with all executives

■ **Communication channels**
- Business results meetings for analysts/institutional investors (4 sessions*)
- Individual meetings with analysts/institutional investors (436 sessions*)
- Briefings for individual investors (nine sessions*) to discuss financial results
- Integrated reports, business reports to shareholders (Q2), and notices of the convocation of ordinary general meetings of shareholders are published on the TOK website.

■ **Specific examples and latest achievements**
- Individual meetings with analysts/institutional investors including ESG-related topics (8 sessions*)
- Selected as a constituent stock for JPX Nikkei Index 400 (As of August 29, 2025)

* Achievements in FY 2025/12

SX Brand 2026

Designated as an SX Brands 2026 by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange (May 2026)

Stakeholder Engagement

Employees and future generations

■ Shared value
- Share and practice integrated thinking that results in all activities contributing to society
- Powerful virtuous cycle through win-win relationships between the company and employees
- Personnel systems and human capital measures that align with individual values under the mission grade system
- Expand the environment for working longer term including enhancement of the re-employment system

■ Policies and basic initiatives
- The philosophy of the TOK Group Policy on Leveraging Human Capital is incorporated into the measures
- Focus on Key Strategy 1 under the tok Medium-Term Plan 2027 **(See page 34)**
- Set employee engagement indicators as quantitative targets for the medium-term plan and KPIs for a remuneration system for officers

■ Communication channels
- Employee engagement survey
- Dialogue sessions between young employees and the president, internal IR
- Issue group reports in multiple languages (Japanese/English/Traditional Chinese/Simplified Chinese/Korean/German)
- Internal whistleblowing system to identify compliance risks early and take corrective and preventive action

■ Specific examples and latest achievements
- Strengthened communication fosters unity on a global basis (by issuing online group reports, providing the president's video message in multiple languages, holding global roundtables, and expanding the scope of internal awards globally)
- Implemented sustainability briefing sessions for all domestic employees, directors, and auditors: 100% participation rate*
- Introduced the Tokyo Ohka Global Employee Shareholding Association System

* Achievements in FY 2025/12



Held children's workplace visit program

Suppliers and startups

■ Shared value
- Solid partnership to create high added value and high and stable quality
- The supply chain guarantees a stable supply for society while respecting the environment and human rights.
- Based on the Occupational Health and Safety Policy, the utmost priority is placed on the maintenance of the health and safety of all internal and external personnel (workers) who provide services in the work environment of the TOK Group, and efforts are made to eliminate workplace accidents.
- Open innovation through corporate ventures

■ Policies and basic initiatives
- Chemical substance regulations, customer requirement standards, and the TOK procurement policy are shared through the TOK Group Standards on Chemical Substance Management.
- Business transactions reflect the principles of impartiality, fairness, and transparency based on the CSR Policy while respecting human rights, society, and the global environment.
- Information is managed in accordance with the TOK Group Information Management Policy

■ Communication channels
- Inspection and verification of manufacturing systems through periodic audits (on-site and online)
- Conducted CSR assessments using the results of supplier surveys.
- Joint research and development in the new R&D building

■ Specific examples and latest achievements
- Acceleration of open innovation in the TOK Technology Innovation Center and Semiconductor manufacturing materials laboratory

IRRESISTIBLE MATERIALS

Strategic investment and co-development partnership established with UK-based Irresistible Materials, Ltd.

Academics, research institutions, and consortium

■ Shared value
- Initiatives for a technological breakthrough through industry-academia collaboration from a long-term viewpoint; enhancement and streamlining of basic research
- Activities to expedite the R&D process through collaboration with international research institutions
- Efforts to acquire business opportunities through participation in the industrial consortium

■ Policies and basic initiatives
- Accumulate technological seeds that will lead to future blue oceans and new concepts
- Acquire a broad range of technological seeds through open innovation in order to input internal resources in full scale as soon as the market takes off

■ Communication channels
- Send TOK human capital to universities and research institutions in Japan and overseas
- Joint research and development
- Provide grants for research and development through the Tokyo Ohka Foundation for the Promotion of Science and Technology

■ Specific examples and latest achievements
- Established a joint laboratory with Yokohama City University (July 2019)
- Established a joint research site with the Tokyo Institute of Science (June 2023)
- Concluded an agreement to promote cooperation and collaboration with the University of Hyogo (January 2025)
- Provided grants through the Tokyo Ohka Foundation for the Promotion of Science and Technology in 2025: 140 projects, 60.3 million yen



Participated in US-JOINT consortium of ten Japanese and American materials and equipment companies (Silicon Valley)

National/ local governments and local communities

■ Shared value
- Sustainable development of society
- Realization of society where people are happy
- Response to global risks that include climate change and geopolitical risks
- Response to unexpected risks that will emerge

■ Policies and basic initiatives
- Purpose: Contribute to a sustainable future through chemistry
- Close collaboration with national and local governments and local communities toward the realization of tok Vision 2030
- Proactively promote social contribution activities in the areas around TOK business sites by emphasizing cooperation and collaboration with local communities and establishing relationships of trust
- Set CO_2 emission reduction targets as quantitative targets for medium-term management plan

■ Communication channels
- Negotiations with governmental authorities in Japan, the United States, South Korea, Taiwan, China, and Europe for environmental regulations and applicable laws and regulations
- Activities in accordance with each country's policies and targets for climate change response and biodiversity conservation
- Emphasize local communication during normal times as the basis of stable value provision to society

■ Specific examples and latest achievements
- Dialogue about the environment and safety: 535 participating employees*
- Dialogue with local communities

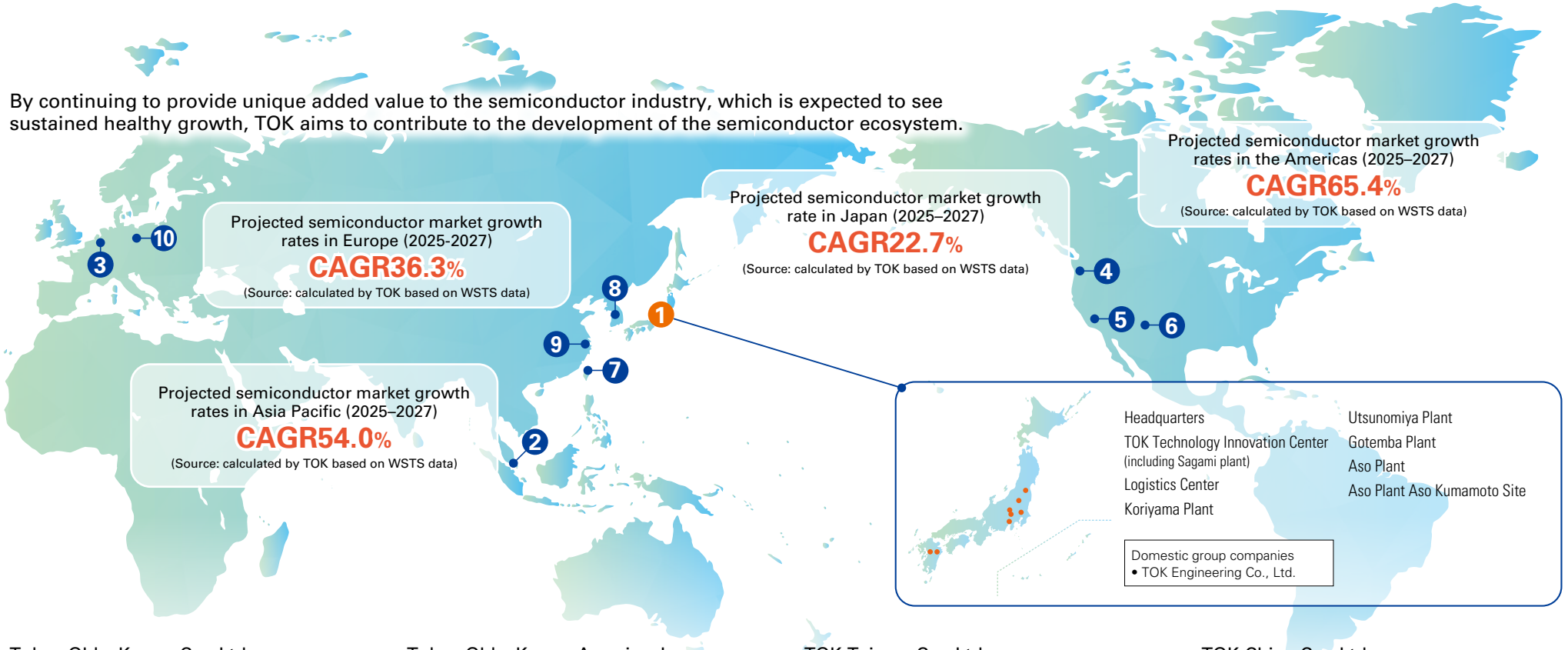
* Achievements in FY 2025/12



Participated in World Cleanup Day as part of beach cleanup at Fenggeng Beach in Xinfeng District, Hsinchu County

Toward the Evolution of Our Global Network

By continuing to provide unique added value to the semiconductor industry, which is expected to see sustained healthy growth, TOK aims to contribute to the development of the semiconductor ecosystem.



Tokyo Ohka Kogyo Co., Ltd.

1 Headquarters
TOK Technology Innovation Center
(including Sagami plant)
Logistics Center
Koriyama Plant
Utsunomiya Plant
Gotemba Plant
Aso Plant
Aso Plant Aso Kumamoto Site

2 Singapore Branch

3 Europe Branch

Tokyo Ohka Kogyo America, Inc.

Established: April 1989

Business: Manufacture and sales of photoresists, and the development, manufacture, and sales of photoresist-related chemicals

4 Headquarters/Oregon Plant (Oregon)

5 Sales Office (California)

6 TOKCCAZ, LLC. (Arizona)

Established: May 2022

TOK Taiwan Co., Ltd.

Established: January 1998

Business: Manufacture and sales of photoresists, and the development, manufacture, and sales of photoresist-related chemicals

7 Headquarters (Hsinchu City)
Tongluo Plant (Miaoli County)

TOK Advanced Materials Co., Ltd.

Established: August 2012

Business: Development, manufacture, and sales of photoresists and related chemicals

8 Headquarters/Incheon Plant (South Korea)

TOK China Co., Ltd.

Established: January 2021

Business: Sales of photoresists, and sales of photoresist-related chemicals

9 Headquarters (China)

micro resist technology GmbH

Became a subsidiary in March 2025.

Business: Photosensitive photoresists, nanoimprint materials, development, manufacture, and sales of hybrid polymers

10 Headquarters/Berlin Plant (Germany)

Risk Management

Addressing risks toward enhancing sustainable corporate value

The Group's sustainable growth and corporate value enhancement depends on precisely addressing a variety of risks that have major impacts on business. TOK strives to identify and prevent the diverse risks imaginable in the business environment at home and abroad in the BANI era, as well as within the semiconductor industry, while developing measures to minimize the negative impact of materialized risks and working to build and strengthen a global risk management framework.

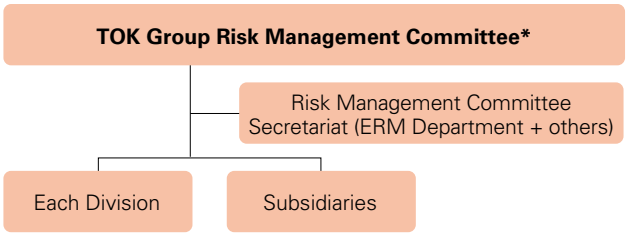
Risk Management System

Centralized management by the TOK Group Risk Management Committee, chaired by the President

The TOK Group Risk Management Committee, chaired by the president, meets four times a year to review the risk management framework in a timely manner and flexibly formulate and strengthen risk management policies. In addition, to respond effectively to a wide range of risks, TOK has established the TOK Group Risk Management Regulations and TOK Group Risk Management Standards, and based on these, TOK manages risk in a timely manner, including the identification of risks with significant impact across the categories of management, business, environmental, compliance, economic, social, and political risks, along with analysis of those risks, determination and implementation of countermeasures, and evaluations. TOK focuses on suppressing the materialization of risks and minimizing their impact when they do materialize with senior management directly involved in responding to particularly significant risks.

Risk Management Committee Diagram

* Chaired by the President and Chief Executive Officer



Toward maximizing corporate value

The ERM Department leads more effective risk countermeasures toward sustainable development of the semiconductor ecosystem

The ERM Department, established in April 2024 to comprehensively and professionally address all short-, medium-, and long-term risks recognized by the TOK Group, is working alongside management and each division to develop measures in response to a wide range of risks, including supply chain risk, natural disaster risk, geopolitical risk, and cyber risk.

In today's environment where the TOK Group's business continues to expand and external conditions change moment by moment; simply continuing business operations is not sufficient. The department will continue to lead the risk response measures that reflect actual conditions on the ground, rather than allowing risk management to become a formality.

By closely linking risk management with growth strategies, the department will strive for initiatives toward the material issue of the development of the semiconductor ecosystem and sustainable corporate value improvement.

Toward minimizing future risks and strengthening risk response capabilities

Given the intense changes currently underway because of conflicts and wars between countries and regions and related to economic security and industrial policy, the ERM Department is developing human capital with specialized knowledge and experience while working to collect information from internal and external organizations. For themes with high potential for future impacts, the department collects information at an early stage, strives for early risk detection, and secures enough time to respond. Through these comprehensive initiatives, TOK focuses on advance preparation to minimize future risks and strengthen the TOK Group's overall risk response capability.

Additionally, the department strengthens risk response capabilities by visualizing and analyzing the different risks through multifaceted risk assessments to understand the relationships between risks and incident occurrence situations by conducting as many scenario analyses as possible. Then, the department seeks to strengthen risk response capabilities across TOK by feeding back the analysis results to each department.

Strengthening risk assessment and governance

For themes defined as major risks by the TOK Group Risk Management Committee described above, responsible executives serve as risk owners and oversee activities to reduce risks and continuously improve the response within an established framework.

Currently, TOK particularly identifies supply chain risks, natural disasters, geopolitical risks, and cyber risks as major risks, extracting specific scenarios related to each risk, quantitatively evaluating their impact while setting targets, and promoting risk reduction measures step by step.

Additionally, when large investment projects are discussed by the Board of Directors, the department provides objective risk evaluation reports and shares risks with management, leading to further governance strengthening.

Strengthening BCP (Business Continuity Plan) with employee safety as the top priority

As part of ERM Department-led BCP strengthening, TOK recognizes large-scale natural disasters, which could have a severe impact on the TOK Group given its many domestic manufacturing sites, as a realistic risk that could happen and is working to rebuild and refine its BCP.

In particular, a Nankai Trough earthquake and the eruption

Risk Management

of Mt. Fuji are positioned as risks that could have a critical impact on the TOK Group's business continuity; dedicated executive risk managers have been appointed for each. Response policies are then decided by the TOK Group Risk Management Committee, chaired by the president, and specific countermeasures are implemented. For a Nankai Trough earthquake, drawing on lessons learned from the damage to the Koriyama plant during the 2011 Great East Japan Earthquake, and on the premise that TOK's main sites are not in areas that would be directly hit by a tsunami, TOK is focusing on disaster mitigation, minimizing damage, and strengthening the system for rapid recovery and impact minimization in the event of a disaster. The principle of putting human life first has also been established, dictating that in the event of a risk materializing, securing the safety of employees and their families is the top priority and that business resumption plans will only be initiated once their safety has been confirmed.

In fiscal 2025, to further strengthen the above series of disaster response measures, more advanced disaster preparedness drills and other activities were conducted to further improve disaster literacy. Going forward with the recognition that natural disasters are difficult to predict, TOK will continue to conduct early preparedness drills and discussions that assume worst-case scenarios while advancing a BCP strategy that ensures both the protection of human life and business continuity.

Toward efficiency and strengthening of the security export control system

Gathering risk information and strengthening systems and improving operational efficiency

In responding to changes in the business environment, including the further escalation of US-China trade friction, the introduction of reciprocal tariffs and growing geopolitical risk beyond 2026, TOK is primarily focused on responding to laws and regulations with potential impacts across each country and region. As the risk-related information that the TOK Group must collect is rapidly increasing, TOK established a Security Export Control Section within the ERM Department to focus on comprehensive and rapid information collection and management. The section promotes active education, training, and qualification acquisition to develop many specialized professionals while accelerating direct communication with external organizations to improve information collection accuracy. From fiscal 2025 onward, collaboration with regulatory authorities has been strengthened in response to tightened foreign exchange and trade control regulations.

In addition, ad hoc TOK Group Risk Management Committee meetings have been convened as needed to implement swift countermeasures in response to supply chain disruptions stemming from the closure of the Strait of Hormuz.

Enhancement and strengthening of economic security response

Toward preventing technology transfer/outflow

TOK recognizes technology transfer and outflow overseas as a major issue not only for the TOK Group but for the entire industry. The TOK Group responds to various countries' policies and regulations, including the Foreign Exchange and Foreign Trade Act and U.S. EAR legislation. As it works toward reducing technology transfer risks, TOK considers the strengthening of information management as its most important issue, including measures to prevent unintentional information outflow. Therefore, under the leadership of the Information Management Committee, TOK strengthens and promotes the establishment of the latest IT management systems at all TOK Group sites, including overseas subsidiaries, and measures to prevent information leakage accompanying human capital outflow as a way to minimize risks.

As the TOK Group's semiconductor photoresists are increasingly regarded as technologies that Japan should protect, the Group identifies supply chain risks, risks of technology leakage overseas, and cybersecurity risks, while focusing on maintaining the stable production and supply of its products.

Toward more advanced information management

Strengthening information management and security levels from a global perspective

Leaks of information assets could substantially compromise the competitive advantages of the TOK Group and threaten its survival as a business entity. The environment surrounding business is drastically changing. The risk of information asset leakage may impose a significant threat to the Group not only to the Group as a company but also to its surrounding supply chain. With the understanding that strengthening the information management framework is a critical priority both in terms of protecting corporate value and fulfilling social responsibility, TOK will further strengthen its efforts by operating a PDCA cycle for information security. Currently, building on the proprietary information protection (PIP) management evaluations conducted through 2024, which visualized and raised the security levels of each group company, TOK consolidated management standards and reinforcement items to build a framework for appropriate information management across the entire group. In response to the increase in cyberattacks in recent years, TOK is focusing through the Information Management Committee on a wide range of assessments and strengthening of training systems. Additionally, TOK implements unannounced tests for all employees several times a year as a method that is more effective than conventional online education, thereby strengthening information literacy across the Group.

→ **TOK Group Information Management Policy**
https://www.tok.co.jp/eng/sustainability/governance-activity/information-management

→ **Please refer to the Securities Report for major business risks and countermeasures. (Japanese language only)**
https://www.tok.co.jp/application/files/9717/7432/8945/securities_2512.pdf

Evolution of Sustainability Governance

68 Directors and Officers

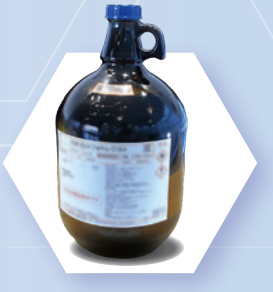
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83 Occupational Health and Safety Initiatives













Directors and Officers



Directors

Noriaki Taneichi
❶ Representative Director, President & Chief Executive Officer
Nomination and Compensation Advisory Committee Member
(Number of Shares Owned: 110,000)

1986 Joined the Company
2009 General Manager, Marketing Development Department
2011 General Manager, New Business Development Department
2015 Executive Officer; Deputy Division Manager, New Business Development Division
2017 Director; Executive Officer; Division Manager, New Business Development Division
2019 Representative Director, President, and Chief Executive Officer (to the present)

Kosuke Doi
❷ Director, Senior Managing Executive Officer, Division Manager, Marketing Division
(Number of Shares Owned: 51,000)

1986 Joined the Company
2009 General Manager, Advanced Material Development Department 1
2011 President and Director of Tokyo Ohka Kogyo America, Inc.
2016 Executive Officer of the Company
President and Director of Tokyo Ohka Kogyo America, Inc.
2019 Executive Officer; Division Manager, New Business Development Division
2020 Managing Executive Officer; Division Manager, Marketing Division
2022 Director; Managing Executive Officer; Division Manager, Marketing Division and Division Manager, Research and Development Division
2023 Director; Senior Managing Executive Officer; Division Manager, Marketing Division and Division Manager, Research and Development Division
2025 Director; Senior Managing Executive Officer; Division Manager, Marketing Division (to the present)

Hirotaka Yamamoto
❸ Director, Managing Executive Officer Division Manager, Manufacturing Division
(Number of Shares Owned: 29,000)

1992 Joined the Company
2013 Plant General Manager of TOK Advanced Materials Co., Ltd.
2019 Deputy Division Manager, Corporate Planning Division of the Company
2020 Executive Officer; Division Manager, Corporate Planning Division
2023 Director; Executive Officer; Division Manager, Manufacturing Division
2025 Director; Managing Executive Officer; Division Manager, Manufacturing Division (to the present)

Katsumi Ohmori
❹ Director, Managing Executive Officer, Division Manager, Research and Development Division
(Number of Shares Owned: 17,000)

1991 Joined the Company
2012 General Manager, Next-Generation Material Development Department
2016 Deputy Division Manager, Research and Development Division
2020 Vice President and General Manager of Research Laboratory of TOK Advanced Materials Co., Ltd.
2021 Executive Officer and Deputy Division Manager, Research and Development Division of the Company
2025 Executive Officer; Division Manager, Research and Development Division
2025 Director; Executive Officer; Division Manager, Research and Development Division
2026 Director; Managing Executive Officer; Division Manager, Research and Development Division (to the present)

Shogo Ishihara
❺ Director, Executive Officer and Department Manager, Human Capital Division
(Number of Shares Owned: 13,000)

1991 Joined the Company
2019 General Manager, Equipment Marketing Department
2023 Division Manager of Semiconductor Process Equipment Division and General Manager of Equipment Marketing Department of AIMECHATEC, Ltd. (on secondment)
2025 Deputy Division Manager, Human Capital Division of the Company
2025 Executive Officer; Division Manager, Human Capital Division
2026 Director; Executive Officer; Division Manager, Human Capital Division (to the present)

Directors and Officers

Hisashi Ando

❻ Outside Director

Nomination and Compensation Advisory Committee Chairman

(Number of Shares Owned: 3,000)

1979 Joined Sony Chemical Corporation (currently Dexerials Corporation)
2006 Corporate Executive; Kanuma Plant Manager of Sony Chemical & Information Device Corporation (currently Dexerials Corporation)
2007 Executive Officer; Kanuma Plant Manager of Sony Chemical & Information Device Corporation
2010 Director; Kanuma Plant Manager of Sony Chemical & Information Device Corporation
2012 Director and Executive Officer; Senior General Manager, Research and Development Division; Kanuma Plant Manager of Dexerials Corporation
2014 Director and Senior Executive Officer; Senior General Manager, Research & Development Division; Procurement, New Business Planning & Promotion of Dexerials Corporation
2016 Director and Managing Executive Officer; Officer in charge of Manufacturing & Technology; Corporate R&D Division Head of Dexerials Corporation
2016 Representative Director and Senior Managing Executive Officer; Corporate R&D Division Head of Dexerials Corporation
2019 Representative Director and Senior Managing Executive Officer of Dexerials Corporation
2019 Director and Managing Executive Officer; Lieutenant President of Dexerials Corporation
2020 Director and Managing Executive Officer; Lieutenant President of Dexerials Corporation; President of Dexerials America Corporation
2020 Technical Advisor of Dexerials Corporation
2022 Outside Director of the Company
2022 Outside Director of AeroEdge Co., Ltd. (to the present)
2023 Outside Director (Audit and Supervisory Committee Member) of the company
2025 Outside Director of the Company (to the present)

Yusuke Narumi

❼ Director

Standing Audit and Supervisory Committee Member

(Number of Shares Owned: 32,000)

1988 Joined the Company
2012 General Manager, Marketing Department
2019 General Manager, Display and PV Panel Material Marketing Department
2019 General Manager, Imaging Material Marketing Department
2020 Executive Officer; Division Manager, New Business Development Division
2021 Director; Executive Officer; Division Manager, New Business Development Division
2025 Director (Standing Audit and Supervisory Committee Member) (to the present)

Kazuo Ichiyanagi

❽ Outside Director, Audit & Supervisory Committee Member

Nomination and Compensation Advisory Committee Member

(Number of Shares Owned: 3,000)

1977 Joined Teikoku Tsushin Kogyo Co., Ltd.
2005 Executive Officer in charge of Development Dept.; General Manager, Development Dept. of Teikoku Tsushin Kogyo Co., Ltd.
2008 Executive Officer responsible for Development & Engineering and in charge of Engineering Management Department of Teikoku Tsushin Kogyo Co., Ltd.
2008 Executive Officer responsible for Development & Engineering of Teikoku Tsushin Kogyo Co., Ltd.
2009 Director; Executive Officer responsible for Development & Engineering of Teikoku Tsushin Kogyo Co., Ltd.
2009 Director; Executive Officer responsible for Development Headquarters of Teikoku Tsushin Kogyo Co., Ltd.
2010 President of Teikoku Tsushin Kogyo Co., Ltd.
2019 Director and Advisor of Teikoku Tsushin Kogyo Co., Ltd.
2020 Outside Director of the Company
2023 Outside Director (Audit and Supervisory Committee Member) (to the present)

Ayako Ikeda

❾ Outside Director, Audit & Supervisory Committee Member

Nomination and Compensation Advisory Committee Member

(Number of Shares Owned: —)

1984 Registered as attorney and affiliated with the Daini Tokyo Bar Association Joined Harago Law Offices (currently Harago & Partners Law Offices)
1990 Joined Steptoe & Johnson LLP, USA
1991 Admitted to the New York State Bar
1992 Joined Hamada & Matsumoto (currently Mori Hamada & Matsumoto)
2002 Professor at The Legal Training and Research Institute of Japan (in charge of defense in civil cases)
2006 Deputy Secretary General of Japan Federation of Bar Associations
2015 Executive Director of Japan Federation of Bar Associations Vice President of Daini Tokyo Bar Association
2021 Outside Director (Audit & Supervisory Committee Member) of Tokai Tokyo Financial Holdings, Inc. (to the present)
2024 Outside Director of the Company
2025 Partner at Harago & Partners Law offices (to the present)
2025 Outside Director (Audit and Supervisory Committee Member) (to the present)

Isao Nakajima

❿ Outside Director, Audit & Supervisory Committee Member

Nomination and Compensation Advisory Committee Member

(Number of Shares Owned: —)

1982 Joined Tokyo Gas Co., Ltd.
2008 General Manager, Finance Dept. of Tokyo Gas Co., Ltd.
2011 General Manager, Middle Branch of Tokyo Gas Co., Ltd.
2012 General Manager, TG-Group Reorganization Project Dept. of Tokyo Gas Co., Ltd.
2013 Executive Officer General Manager, Residential Sales Planning Dept., Residential Sales and Service Div. of Tokyo Gas Co., Ltd.
2015 Senior Executive Officer, CFO and in charge of Finance Dept., Accounting Dept., Purchasing Dept. and Real Estate Management Dept. of Tokyo Gas Co., Ltd.
2017 Senior Executive Officer, CFO and in charge of Finance Dept., Accounting Dept. and Personnel Dept. of Tokyo Gas Co., Ltd.
2018 Senior Managing Executive Officer, CFO and in charge of Finance Dept., Accounting Dept., Personnel Dept. and Purchasing Dept. of Tokyo Gas Co., Ltd.
2019 Standing Audit & Supervisory Board Member of Tokyo Gas Co., Ltd.
2021 Director and Standing Audit Committee Member of Tokyo Gas Co., Ltd.
2023 Director and Chairman of the Board of Tokyo Gas Real Estate Co., Ltd.
2025 Outside Director (Audit and Supervisory Committee Member) of the Company (to the present)

Skills and experience required for directors of TOK

Name	Position	Nomination and Compensation Advisory Committee	Skills and experience						
			Management experience in other corporate groups	Research & development/ Technology/ Production	Sales/ Marketing	Legal/ Compliance/ Risk management	Finance/ Accounting	Global experience	Personnel/ Labor
Noriaki Taneichi	Representative Director, President & Chief Executive Officer	●		●	●			●	
Kosuke Doi	Director			●	●			●	
Hirotaka Yamamoto	Director			●				●	
Katsumi Ohmori	Director			●				●	
Shogo Ishihara	Director		●		●			●	●
Hisashi Ando	Outside Director	●	●	●	●				
Yusuke Narumi	Director (Standing Audit and Supervisory Committee Member)			●	●			●	
Kazuo Ichiyanagi	Outside Director (Audit and Supervisory Committee Member)	●	●	●	●			●	
Ayako Ikeda	Outside Director (Audit and Supervisory Committee Member)	●	●			●		●	
Isao Nakajima	Outside Director (Audit and Supervisory Committee Member)	●	●		●	●	●		●

Executive Officer

Gitae Kim
Senior Managing Executive Officer
Representative Director and President, TOK Advanced Materials Co., Ltd.

Atsushi Sawano
Managing Executive Officer
Chairman and President, TOK TAIWAN CO., LTD.

Naoki Watanabe
Executive Officer
Division Manager, New Business Development Division

Okikuni Takase
Executive Officer
Division Manager, Accounting and Finance Division

Shoji Otaka
Executive Officer
Division Manager, Corporate Planning Division

Yuichi Honma
Executive Officer
Division Manager, General Affairs Division

Shinichi Isogai
Executive Officer
Division Manager, IT and Digital Division

Naoki Tatsuno
Executive Officer
Chairman and President, TOK CHINA CO., LTD.

Kazuyuki Shiotani
Executive Officer
President, TOKYO OHKA KOGYO AMERICA, INC.

Motoko Samezawa
Executive Officer
Managing Director and President, micro resist technology GmbH

Corporate Governance

Further strengthen corporate governance to sustainably enhance corporate value.

TOK's Path to Stronger Corporate Governance

2003	● Executive officer system introduced ● Number of directors adjusted appropriately
2006	● Selected one outside director for the first time ● Tenure of directors shortened from two years to one year
2013	● Added one outside auditor, bringing the total to three
2015	● Appointed an outside director (female) bringing the total to two
2018	● Established the Nomination and Compensation Advisory Committee
2019	● Appointed a chairperson to chair the Board of Directors ● Formulated the Corporate Governance Guidelines
2020	● Added one outside director bringing the total to three ● Introduced a new remuneration system for directors with ROE and other evaluation indicators
2021	● Resolved to discontinue anti-takeover measures
2022	● Appointed four outside directors with an increase by one; elected one non-operating director ● Introduced an employee engagement indicator into the evaluation of the remuneration system for officers
2023	● Shifted to a company with an Audit and Supervisory Committee ● Launched executive study sessions focused on developing future management human capital
2024	● Appointed an outside director (female) ● Appointed the first female executive officer ● Established a new ERM department

Basic Concept

The TOK management vision has been to become "The e-Material Global Company™" for contributing to a sustainable future through chemistry under its management principles since the establishment of TOK by creating a frank and open-minded business culture, continuing its efforts to enhance technology, raising the quality levels of products, and contributing to society. TOK believes that realizing this will lead to benefits shared by shareholders and other stakeholders and improve its corporate value.

The company strives to realize its management vision by placing the enhancement of corporate governance as one of the most important issues, ensuring transparency and the solidity of management and efficiency, and expediting the decision-making process.

In addition, as part of our material issue of the evolution of sustainability governance, which began in 2025, and the qualitative target in tok Medium-Term Plan 2027 to build a solid management foundation to realize tok Vision 2030, Tokyo Ohka Kogyo works to enhance corporate governance. The company is conducting business in accordance with the Tokyo Ohka Kogyo Corporate Governance Guidelines, which set forth the fundamental policies and mindset on continuously strengthening corporate governance.

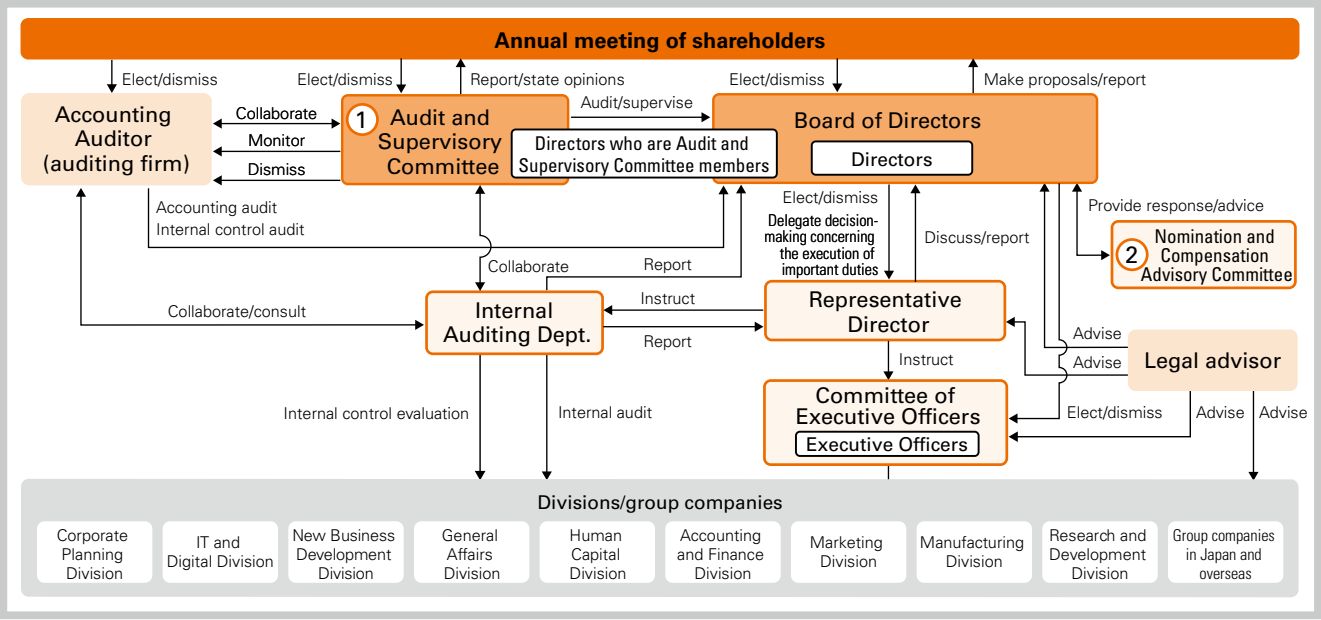
→ Tokyo Ohka Kogyo Corporate Governance Guidelines(Japanese Language only)
https://www.tok.co.jp/sustainability/governance-activity/corporate-governance

Type of System

TOK adopted the Audit and Supervisory Committee system. The shift was made because it is considered the most effective means to enhance corporate governance and to achieve more transparent management through the Audit and Supervisory Committee. A majority of members are independent outside directors who audit and supervise the legitimacy and validity of the execution of duties while establishing a structure that more accurately caters to the expectations of stakeholders in Japan and overseas, as well as to enable the delegation of the executive decision-making authority of the Board of Directors to the directors, thereby strengthening management with more agile managerial decision-making and execution under appropriate supervision by the Board of Directors.

Corporate Governance

Diagram of Corporate Governance System (As of March 30, 2026)



Holding of Council of Directors

The Council of Directors consists of directors, executive officers, and the heads of related departments and other members. The Council meets to discuss reductions in the distance between the Board of Directors and employees and to achieve more transparent management. Specifically, the Council

- conducts open discussions and exchanges views on management challenges,
- identifies issues and discusses approaches to key management priorities,
- feeds back the identified directions to the Board of Directors and the Committee of Executive Officers, while deepening Group-wide discussions of management challenges and connecting those discussions to deliberations and decisions at the Board of Directors.

Audit and Supervisory Committee

Diagram ①

As of March 27, 2026, the Audit and Supervisory Committee consists of four directors who are Audit and Supervisory Committee members (including three outside directors). The Audit and Supervisory Committee meets once a month on a regular basis and holds extraordinary meetings as required in order to discuss important audit-related matters received from Audit and Supervisory Committee members and to propose resolutions. The Audit and Supervisory Committee members attend meetings of the Board of Directors and audit the execution of duties by the directors (excluding directors who are Audit and Supervisory Committee members) while receiving reports from the directors and requesting explanations when necessary. The auditing complies with the Audit Standards established by the Audit and Supervisory Committee, the audit policy of the company, and the division of duties. Additionally, the Audit and Supervisory Committee receives reports from the accounting auditors (auditing firm) on the execution of duties concerning accounting matters and verifies the validity of audit methods and results and requests explanations when necessary.

In order to improve the effectiveness of Audit and Supervisory Committee audits and to ensure the smooth execution of audit duties, one person is assigned to assist with the duties of the Audit and Supervisory Committee while serving in other positions.

Assessment of the Effectiveness of the Board of Directors

Time of evaluation	December 2025 (questionnaire survey)
Evaluation items	◆ Composition of Board of Directors ◆ Effectiveness of Board of Directors ◆ Information related to Board of Directors ◆ Decision-making process ◆ External communication
Evaluation results ○ ... Favorable/appropriate ▲ ... Requiring improvement	○ Have an impartial composition offering inside directors with a thorough understanding of each field and a good balance between experience and actual performance ○ Maintain diversity by incorporating outside directors with differing backgrounds, knowledge, and expertise ○ The size of the Board of Directors, frequency of meetings, matters discussed, and time spent on discussions are all appropriate. ○ In an atmosphere of frank and open discussions, rapid decision-making has been achieved by having outside directors that can provide high levels of transparency. ○ Internal control functions are also assessed as broadly sound. ▲ Self-improvement ▲ Ongoing consideration of how to advance appropriate communication with institutional investors and other stakeholders ▲ Further enrich discussions on business portfolio optimization and new business strategy, global strategy, and human capital strategy
Measures to implement and matters to examine based on the evaluation results	● Improvement measures proposed by the Board secretariat to resolve issues in response to the above evaluation results and their implementation

Corporate Governance

Nomination and Compensation Advisory Committee Diagram ②

TOK established the Nomination and Compensation Advisory Committee to enhance corporate governance by strengthening the fairness, transparency, and objectivity of all procedures related to the nomination, dismissal, and remuneration of directors. **(See pages 72–75)**

As of March 27, 2026, a majority of the members of the Nomination and Compensation Advisory Committee are independent outside directors, and the Committee is chaired by an independent outside director. The chair is Hisashi Ando, an outside director, and the members are Noriaki Taneichi, the president, and Kazuo Ichiyanagi, Ayako Ikeda, and Isao Nakajima, who are outside directors.

Main activities of the Nomination and Compensation Advisory Committee for the fiscal year ended December 2025

- Individual interviews with executive officers
- Selection of director and executive officer candidates
- Confirming and exchanging opinions on the compensation structure, performance-linked compensation targets, and the composition of the Board of Directors for the next term and beyond
- Discussions and exchanges of opinions on executive development at TOK

Major Decisions and Agenda of Meetings of the Board of Directors (FY 2025/12 onwards)

- Revision of multi-stakeholder policy
- Review of tok Medium-Term Plan 2027
- Execution of fundraising, discussion of balance sheet management
- Review of authority regulations
- Construction of Pyeongtaek Plant at TOK Advanced Materials Co., Ltd. (high-purity chemicals manufacturing)
- Investment in and co-development with Irresistible Materials, Ltd.
- Formulation of IT and digital management policy and regulations
- Review of TOK Group information management policy and regulations
- Formulation of the FY 2026 financial risk management policy
- Granting of restricted stock through the employee shareholding association system
- Reporting and discussion on IR activities
- Reporting and discussion on occupational health and safety, environmental, and quality activities
- Made German micro resist technology GmbH a wholly owned subsidiary
- Reporting and discussion on committee activities (Information Management Committee, Risk Management Committee, Compliance Committee, Security Export Control Committee, Pension Committee)
- Progress reporting and discussion on tok Medium-Term Plan 2027
- Reporting and discussion on Corporate Governance Code compliance
- Reporting and discussion on initiatives for advancing health management

Remuneration for Directors and Auditors

TOK determines the basic policy of remuneration for directors as follows.

Remuneration for Directors and Auditors

[Basic Policy on Determination of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members, Outside Directors, and Non-operating Directors)]

The company established a Nomination and Compensation Advisory Committee chaired by an independent outside director to serve as an advisory function to the Board of Directors. The committee convened to examine the preferred remuneration system for the company in consideration of the outlook for the business environment and the approach to corporate governance in Japan based on which the company's remuneration policy for directors (excluding directors who are Audit and Supervisory Committee members, outside directors, and non-operating directors; hereinafter referred to as "eligible director") has been determined as follows.

[Basic Principle of Remuneration]

Support the company's sustainable value creation

- Set the composition and level of remuneration to provide the healthy motivation to generate sustainable growth and corporate value in the medium to long term
- Clarify responsibility for performance results in each fiscal year by fairly and impartially reflecting quantitative evaluations on the basis of financial performance and the evaluation of efforts to address issues in consideration of the medium- to long-term strategy in performance-linked bonuses
- Strive to create sustainable corporate value by continuously providing long-term incentives linked to the company's medium- to long-term performance
- Promote the long-term holding of shares while serving in management and share interests with shareholders

Ensure objectivity and transparency in remuneration decisions

- Determine the remuneration decision policy and the individual number of payments upon deliberation by the Nomination and Compensation Advisory Committee, which is composed primarily of outside directors
- Employ an independent remuneration advisor and set an appropriate remuneration level in consideration of the company's business characteristics and performance based on verification through comparisons with corporate groups of the same size using objective data from outside while considering recent public opinion
- Proactively disclose the information necessary for stakeholders, including shareholders, in order to monitor the relationship between remuneration and corporate value

[Remuneration Structure]

The company's remuneration structure for eligible directors consists of basic remuneration, which is the fixed salary, and performance-linked remuneration. Performance-linked remuneration consists of a performance bonus that is linked to company-wide performance for each fiscal year, a performance-linked share-based remuneration system

Corporate Governance

(performance share units) associated with the sustainable creation of corporate value, and a restricted share-based remuneration system that is provided to continually share value with shareholders through the continued holding of stock. Specific numerical targets, performance-linked coefficients, and other indicators required for calculating compensation under performance-linked compensation are determined by the Board of Directors each fiscal year, following a recommendation from the Nomination and Compensation Advisory Committee in order to clearly establish accountability for results in that fiscal year. An outline of each remuneration component is presented below.

[Payment Rate of Basic Remuneration and Performance-Linked Remuneration]

As for the weight of each remuneration component, the ratio of basic remuneration as a fixed salary to performance-linked remuneration was set at approximately 55:45 in order to provide a healthy incentive to generate sustainable growth and increase corporate value in the medium to long term. The ratio of basic remuneration to the performance-linked bonus (standard amount) to performance-linked share-based remuneration (standard amount) to restricted share-based remuneration (standard amount) is set at roughly 1 (55%) to 0.27 (15%) to 0.18 (10%) to 0.36 (20%). The composition of remuneration is indicated in the figure below.

Composition of remuneration



(i) Basic remuneration
(ii) Performance-linked bonus (standard amount)
(iii) Performance-linked share-based remuneration (standard amount)
(iv) Restricted share-based remuneration (standard amount)

[Level of Remuneration]

The level of remuneration for eligible directors is appropriately set according to each position in order to provide healthy incentives for excellent personnel who generate sustainable growth and increase corporate value in the medium to long term. The level is specified by benchmarking against comparable corporate groups selected on the basis of the company's business characteristics using the officer remuneration survey data managed by an external remuneration advisor and other information.

Outline of Remuneration Components

Type of remuneration	Objective/summary
Basic remuneration	Fixed cash salary based on position
Performance-linked bonus	**Performance-linked cash remuneration to evaluate the steady achievement of targets for each fiscal year** • To clarify the responsibility for results in each fiscal year, the payment rate is determined within a range from 0% to 200% of the standard amount in proportion to the degree of achievement of the targets for the EBITDA margin and consolidated net sales for each fiscal year, which are key performance indicators. • In some cases, the payment rate determined above may be multiplied by any of 0.95, 1.00, or 1.05 depending on a discretionary evaluation by the Nomination and Compensation Advisory Committee or by the president. • Paid in a lump sum after the end of each fiscal year.
Performance-linked share-based remuneration (performance share unit)	**Performance-linked share-based remuneration provides an incentive to sustainably increase corporate value** • The number of shares to grant is determined within the range of 0% to 200% of the standard amount (the "payment rate") and calculated as designated by the Board of Directors of the company according to the achievement rate for numerical targets, such as earnings during the performance evaluation period. • The Board of Directors of the company determines the indicators required for the calculation of numerical targets, performance-linked coefficients, and specific shares granted.*1 • The method for calculating the number of the company's shares granted and the amount of cash paid is as follows. First, the number of the company's shares to be granted to each eligible director is calculated in accordance with formula (i) below (fractions of less than 100 shares being rounded down), then the amount of cash paid to each eligible director (cash for payment of taxes) is calculated in accordance with formula (ii) below. (i) Number of company shares granted to each eligible director Standard share unit number*2 × Payment rate × 50% (ii) Amount of cash to be paid to each eligible director (Standard share unit number × Payment rate – Number of the company's shares calculated in (i) above) × Stock price at the time of the grant • Shares are granted in a lump sum after the end of a performance evaluation period.
Restricted share-based remuneration system	**Share-based remuneration to further facilitate the alignment of interests with shareholders by promoting long-term holding of stock** • Restricted shares are granted in the number determined by the company's Board of Directors each fiscal year in accordance with the rank of each eligible director. • The restriction on transfers is lifted when conditions are met, such as when the restriction period expires, or when an eligible director retires or resigns from the position before the restriction period expires by reason of the expiration of the term of office, death, or some other reason that the company's Board of Directors deems justifiable, and ceases to serve as a director, executive officer, employee, or any other equivalent position stipulated in advance by the Board of Directors of the company.

*1 The performance evaluation period for the performance-linked share-based remuneration system as of March 24, 2026, is the three-year period from the fiscal year ended December 31, 2025, through the fiscal year ending December 31, 2027. With the aim of creating sustainable corporate value, the company will use the ROE target, which is a strategic indicator in the Medium-Term Business Plan, and an employee engagement indicator as a nonfinancial indicator for evaluation during this evaluation period.
*2 Determined by the Board of Directors in accordance with the rank of each eligible director

Corporate Governance

[Remuneration Decision Process]
In order to guarantee the objectivity and transparency of the process of determination of the remuneration for eligible directors, the Nomination and Compensation Advisory Committee formulates standard amounts for the respective remuneration components ("remuneration table") and the proposed remuneration for each eligible director, and the company's Board of Directors deliberates and resolves whether the president and chief executive officer may determine the remuneration table and the remuneration for each eligible director based on the propositions above. The president and chief executive officer then determine the remuneration table and the remuneration for each eligible director within the range approved at the general meeting of shareholders.

[Remuneration for Eligible Directors]
The remuneration for eligible directors is determined by the process described above within the range approved at the general meeting of shareholders. The remuneration range includes the portion paid as salary and the bonuses for official duties undertaken by directors who also serve as executive officers. The ranges for remunerations are as follows.

Type of remuneration	Remuneration range
Basic remuneration	Within 330 million yen per year (including the portion for non-operating directors)
Performance-linked bonus	Within 180 million yen per year
Performance-linked share-based remuneration (performance share unit)	The total monetary remuneration claims and cash for tax payments provided to eligible directors as remuneration related to the new performance-linked, share-based remuneration system is within an amount per fiscal year equivalent to 141,000 shares multiplied by the stock price at the time of the grant.
Restricted share-based remuneration system	The total monetary remuneration claims provided as remuneration related to the restricted share-based remuneration system is within 120 million yen per year.

[Basic Policy on Determination of Remuneration for Outside Directors (excluding Directors Who Are Audit and Supervisory Committee Members)]
Remuneration for outside directors, who serve in the oversight function from an independent standpoint from business execution (excluding directors who are Audit and Supervisory Committee members), consists only of basic remuneration at a set amount, which is determined after considering the result of a comparison with corporate groups of the same size.

The Nomination and Compensation Advisory Committee formulates the proposed remuneration for each outside director (excluding directors who are Audit and Supervisory Committee members), and the company's Board of Directors deliberates and resolves whether the president and chief executive officer may determine the remuneration for each outside director (excluding directors who are Audit and Supervisory Committee members) based on the propositions above. The president and chief executive officer then determine the remuneration for each outside director (excluding directors who are Audit and Supervisory Committee members) within the range (up to 40 million yen per year) approved at the general meeting of shareholders.

[Basic Policy on Determination of Remuneration for Non-operating Directors]
Remuneration for non-operating directors, who serve in the oversight function from an independent standpoint from business execution, consists only of basic remuneration at a set amount, which is determined after considering the result of a comparison with corporate groups of the same size.

The Nomination and Compensation Advisory Committee formulates the proposed remuneration for each non-operating director, and the company's Board of Directors deliberates and resolves whether the president and chief executive officer may determine the remuneration for each non-operating director based on the propositions above. The president and chief executive officer then determine the remuneration for each non-operating director within the range (up to 330 million yen per year for directors (excluding directors who are Audit and Supervisory Committee

Remuneration for Directors and Members of the Audit and Supervisory Committee (FY 2025/12)

Position	Total remuneration (millions of yen)	Total of various types of remuneration (millions of yen)				Number of eligible personnel
		Basic remuneration	Performance-linked bonus	Performance-linked, share-based remuneration	Restricted share-based remuneration system	
Directors (excluding Audit and Supervisory Committee members and outside directors)	493	236	110	59	86	5
Audit and Supervisory Committee members (excluding outside directors)	30	30	—	—	—	1
Outside directors and auditors	58	58	—	—	—	4

(Notes) 1. The total remuneration for directors includes the portion paid as salary for officer duties undertaken by directors who also serve as officers.
2. As the performance indicators pertaining to performance-linked remuneration, EBITDA margin and consolidated net sales as key managerial indicators are applied to the performance-linked bonus in order to clarify responsibility for the results of each fiscal year, while ROE and nonfinancial employee engagement as strategic indicators in the medium-term business plan are applied to performance-linked, share-based remuneration in order to pursue the creation of sustainable corporate value. In FY 2025/12, the EBITDA margin stood at 23.7%, consolidated net sales at 237 billion yen, ROE at 15.6%, and the employee engagement indicator at around the standard value.

Remuneration for directors and auditors (FY 2025/12)

Name	Total remuneration (millions of yen)	Position	Company	Total of various types of remuneration (millions of yen)			
				Basic remuneration	Performance-linked bonus	Performance-linked, share-based remuneration	Restricted share-based remuneration system
Noriaki Taneichi	182	Director	Submitting company	87	40	22	31

(Note) The table only includes officers who receive remuneration of 100 million yen or more in total.

Corporate Governance

members and outside directors) approved at the general meeting of shareholders.

[Basic Policy on Determination of Remuneration for Directors Who Are Audit and Supervisory Committee Members]
Directors who are Audit and Supervisory Committee members are responsible for supervising and auditing the execution of duties by directors (excluding directors who are Audit and Supervisory Committee members) in a position independent of the execution of duties. They receive only basic remuneration in the form of a fixed salary, which is determined and paid following discussions by directors who are members of the Audit and Supervisory Committee within a remuneration framework (within 100 million yen per year) approved at a general meeting of shareholders with reference to comparisons with companies of similar scale.

Internal Control System

With the further increase in overseas sales ratio, we are focusing on enhancing Group internal control systems, including strengthened integrated management and management control with overseas subsidiaries, which is of increasing importance, and establishing compliance systems. This section is an overview of the initiatives: the group management system, compliance system, risk management system, the improvement of information management, and supply chain management.

→ **For further details on internal control, please see the *Corporate Governance Report*. (Japanese language only)**
https://www.tok.co.jp/application/files/9417/7485/8045/260330_2.pdf

Group Management System (GMS)

In order to establish and maintain the global business management systems, the TOK Group defined 16 fields for group-wide consistent initiatives as management functions, established group-wide common rules, and promoted the operation and maintenance of the Group Management System (GMS) as the basis for continuous improvement. Through these initiatives, TOK will steadily reduce group risks and enhance its corporate value.

[Organization Structure for Promoting GMS]
The division manager of the Corporate Planning Division responsible for supervising subsidiaries was appointed the chief officer for GMS in order to maintain GMS as an important mechanism within the TOK Group. The ERM Department under the Corporate Planning Division functions as the secretariat for GMS. In this way, TOK will maintain group-wide activities to enhance corporate value and reduce risks while enhancing dialogue with subsidiaries and strengthening the headquarters function to supervise them.

[GMS Initiatives]
The entire Group needs to be optimized in order to achieve the enhancement of sustainable corporate value. Therefore, the company will implement self-inspections to check the management functions and identify problems at the subsidiaries, provide support for improvement, and perform post-improvement monitoring.

In the fiscal year ended December 2025, TOK conducted an audit of the human resources management function responsible for overseeing its human capital and confirmed the operating status of the GMS. TOK also reviewed the check systems in place to reduce risks in production management. The resolution rate for minor corrective items identified through self-assessment reached 100%. The Company also made progress with an 86% resolution rate on key issues.

Sixteen GMS Management Functions

Business management	Sales management	Accounting/Financial management	Purchase/Procurement management
Risk management	Human resource management	Production management	EHS management
Compliance	Information management	Security export control	SCM
R&D	Import control	IT and digital management	(as the basis) GMS

Compliance

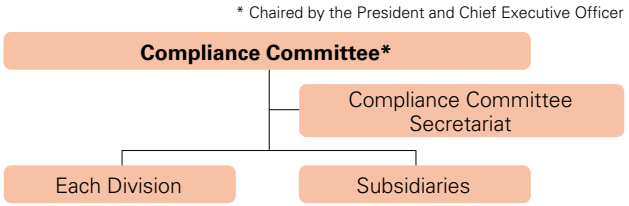
The TOK Group makes concerted efforts to enhance its compliance system from the perspective that maintaining relationships of trust with all stakeholders is a prerequisite for sustainable development as a corporation that coexists with society. The Group strives to improve the awareness of compliance by all officers and employees to ensure strict compliance with laws and regulations, the Articles of Incorporation, company rules, and social norms.

[Compliance Promotion System and Standards of Conduct]
Compliance activities are being promoted with the participation of all employees and led by the Compliance Committee, which consists of TOK officers and undertakes awareness raising and dissemination activities at Group companies with the support of the Legal Department (Compliance Committee Secretariat). In order to prevent violations of compliance, the Compliance Committee collects information about potential problems and compliance issues from each site, along with corrective actions and the planned time of correction, and monitors progress on a periodic basis. The standing Audit and Supervisory Committee members and the Internal Auditing Division as the internal audit department attend the Compliance Committee to share key points in audits, thereby improving the quality and effectiveness of audits. The Ethics and Anticorruption Policy has been established as a subordinate policy under the CSR Policy with the aim of improving the awareness of compliance by each officer and employee and to clarify the values and code of conduct to be shared. This policy is also applicable to subsidiaries in Japan and overseas and is translated into the local language of each group company to be distributed to all officers and employees.

→ **Ethics and Anticorruption Policy**
https://www.tok.co.jp/eng/sustainability/governance-activity/compliance

Corporate Governance

Compliance Committee Diagram



Supply Chain Management (CSR Procurement)

With the overseas sales ratio exceeding 80% and its supply chain spreading across the world, the TOK Group operates in accordance with the RBA Code of Conduct.

Establishing the Human Rights Policy and the CSR Procurement Policy under the CSR Policy based on social norms

In 2020, TOK formulated the CSR Policy based on the laws of the relevant countries and regions and social norms (referring to the Universal Declaration of Human Rights, the Guiding Principles on Business and Human Rights, ISO 26000, the RBA Code of Conduct, and other guidelines), under which the company also established the Human Rights Policy and the CSR Procurement Policy. TOK also formulated the CSR Procurement Policy Guidelines to help suppliers understand the TOK CSR Procurement Policy and asked them to consider social issues, including the maintenance of respect for human rights, regulatory compliance, environmental conservation, and occupational health and safety. Furthermore, the company asks key suppliers to agree to its CSR Policy and submit written agreements. TOK also asks them to respond to a questionnaire to research the status of response to social issues and uses the results to conduct CSR assessments. Based on the assessment results, TOK determines whether an audit is required for corrective action. In the fiscal year ended December 2025, no suppliers were assessed as requiring an audit.

→ **CSR Procurement Policy**
https://www.tok.co.jp/eng/sustainability/social-activity/procurement

Respect for Human Rights

As subordinate policies to the CSR Policy, the company also formulated the Human Rights Policy in October 2020 in reference to the Universal Declaration of Human Rights, the Guiding Principles on Business and Human Rights, ISO 26000, the Responsible Business Alliance (RBA) Code of Conduct, and other guidelines.

Continued and enhanced human rights education, supplier engagement, and conflict minerals initiatives under the Human Rights Policy

In the fiscal year ended December 2025, to further embed this policy, TOK held sustainability briefings for all officers and employees working at its domestic sites, as well as similar briefings for a portion of contractors and raw material suppliers at each site.

In addition, since 2024, as part of supplier communication targeting a portion of its raw material suppliers, TOK has been visiting suppliers at each manufacturing site to share their CSR initiatives and raise mutual awareness of environmental and human rights issues, working toward better sustainability outcomes together. Regarding conflict minerals, TOK requires advance due diligence on sourcing from conflict-affected and high-risk areas. As of December 2025, TOK does not use 3TG conflict minerals or cobalt.

→ **Human rights policy**
https://www.tok.co.jp/eng/sustainability/social-activity/human_rights

Prohibition of child labor and forced labor

The Human Rights Policy clearly states that the TOK Group prohibits child labor, forced labor, bonded labor, and human trafficking regardless of employment status. The company explicitly states in the CSR Procurement Policy that procurement is made with consideration for social issues, such as human rights and occupational health and safety. TOK also conducts assessments that include human rights for suppliers and confirms the absence of child labor and forced labor. For the fiscal year ended December 2025 period, the incidence of both child labor and forced labor was zero.

Strengthening the penetration of global standards including initiatives for human rights

To advance the supply chain from the perspectives of the environment and occupational health and safety, as well as in the aspects of human rights, ethics, and management, the TOK Group promotes measures in accordance with the RBA Code of Conduct as a global standard based on the Human Rights Policy, the Ethics and Anticorruption Policy, the Environmental Policy, the Occupational Health and Safety Policy, and the CSR Procurement Policy. **(See pages 77–80, "Message from the Director of the Environment and Occupational Health and Safety")**

Prevention of harassment

The Human Rights Policy states that the TOK Group prohibits all activities that may be regarded as harassment. TOK codified the Detailed Rules on Harassment to prevent harassment and facilitate responsive improvement measures through the four whistleblowing channels (respectively reporting to the legal advisor, the Audit and Supervisory Committee members, the Legal Division, or the external specialist), self-declaration, direct reporting to the Human Resources department, and the establishment of an outside counseling section. In the fiscal year ended December 2025, TOK also improved information sensitivity to detect the slightest signs and to ensure prevention, identification, and rapid handling while promoting training for officers and senior employees as well as all managers as a newly added target group. In addition, TOK established a Supplier Hotline as a reporting channel for stakeholders and published it on its website.

Message from the Director of the Environment and Occupational Health and Safety

TOK will continue to accelerate the close integration between material issue themes, corporate value enhancement, and the Medium-Term Plan.

Toward maximizing corporate value over the short, medium, and long term

A pathway from environmental and occupational safety initiatives to corporate value enhancement

The TOK Group is maximizing its positive impact on society through our semiconductor materials-focused business expansion **(See pages 11–12 "OUR EDGE AND POSITIVE IMPACT")**. Meanwhile, through environmental and occupational health and safety activities under my supervision, we will minimize any negative impact by addressing the material issues: evolution of sustainability governance, contribution to the global environment for a sustainable future, and development of the semiconductor ecosystem, thereby aiming to maximize corporate value.

As specific measures, our basic policy in the manufacture of semiconductor photoresists, packaging materials, high-purity chemicals, and other products places the highest priority on the establishment of a safe, comfortable work environment and the stable quality needed by customers at all sites in Japan and overseas. Furthermore, we define workers as all internal and external stakeholders who provide labor under the TOK Group's work environment, and we strive to evolve activities on the basis of the Environmental Policy and Occupational Health and Safety Policy to minimize the negative impacts from operational stoppage risks and environmental risks. In this way, TOK will reduce short-term, medium-term, and long-term growth inhibitors thereby enhancing sustainable corporate value.



Hirotaka Yamamoto
Director, Managing Executive Officer Division Manager, Manufacturing Division

Environmental Policy

The TOK Group strives to do businesses by achieving a sustainable society, by investing appropriate management resources, and by ensuring health, safety, and an appropriate environment through the Responsible Care Initiatives*.

- Comply with all environmental laws and regulations in each country and region in which we operate.
- Strengthen the safe-and-environmentally-friendly handling and management of chemical substances.
- Promote the efficient use, reduce, reuse, and recycling of resources.
- Promote activities to conserve energy and mitigate global warming.
- Promote environmental pollution prevention activities.
- Promote a healthy biodiversity.

* Responsible Care Initiatives: to ensure the environment, health, and safety related to all processes of chemical substances from development, manufacturing, distribution, use, final consumption, and disposal and recycling.

Strengthening the driving forces of value creation

Strengthening occupational health and safety initiatives

Positioning human capital as the driving force behind corporate value enhancement in this way, the TOK Group works to closely align its efforts on the material issue theme of the pursuit of happiness by human capital and Medium-Term Plan Priority Strategy 1 of creating and strengthening a safe and secure work environment where every employee can feel comfortable both physically and mentally, and in fiscal 2025, TOK advanced its occupational health and safety initiatives.

Specifically, against a backdrop of accelerating regrowth in the semiconductor industry, development of the TOK Group's growth strategy, and a rapid expansion in production volumes in the recent years, the risk of occupational accidents is growing in importance. In response, in fiscal 2025 TOK continued to advance its efforts to ensure safety through on-site inspections, equipment measures, safety education, and organizational coordination **(See pages 83–84 "Occupational Health and Safety Initiatives")**.

Occupational Health and Safety Policy

The TOK Group, by prioritizing worker* health and safety when promoting our business activities, fosters safety cultures by preventing accidents, disasters, and illnesses in the workplace.

- Comply with all laws related to occupational health and safety in each country and region.
- Reduce risks by completing job hazards analysis.
- Provide comprehensive education and training for employees.
- Strive to strengthen the safety and disaster prevention systems for the purpose of minimizing and mitigating damage for accidents, disasters, or any other unforeseen event.
- Make effective and continuous improvements by investing appropriate resources.

* All internal and external personnel who provide service in the work environment of the TOK Group

Message from the Director of the Environment and Occupational Health and Safety

Strengthening the safety foundation through inspections, capital investment, education, and organizational coordination

In fiscal 2025, as domestic and international production volumes reached record highs, the TOK Group prioritized occupational safety as one of its top priorities and worked to strengthen the safety foundation from multiple angles. TOK recognizes that the risk of occupational accidents remains present and that continuous improvement and thorough on-site initiatives are essential; therefore, the company is focusing on the following four points.

The first is embedding dynamic safety inspections. For the past three years, TOK repeatedly conducted dynamic safety inspections in which the EHS Department stays on-site at each location for extended periods to observe how work is carried out and how safety measures are actually being implemented in order to identify latent risks. These have now developed into a company-wide participation initiative in which employees identify and address risks as the process progresses steadily toward becoming a site-led activity.

The second is risk reduction through capital investment. A key example is separating chemical piping from work areas where capital investment was made to reduce the points of contact between workers and chemicals in the production process for high-purity chemicals. By transitioning to a system that eliminates contact with particularly hazardous chemicals as a priority, TOK is reinforcing safety from a hardware perspective.

The third is enriching occupational health and safety education. Using the experiential "Safety Dojo" of an external specialist organization, employees undergo the simulated experiences of hazards that are a concern in chemical plants, such as pressurized liquid jets and electrostatic ignition. This kind of experiential learning raises each individual's ability to recognize risk and fosters greater safety awareness in daily work.

The fourth is strengthening organizational coordination. The Occupational Health and Safety Management Section, newly established in 2025, leads these safety initiatives while also strengthening collaboration with health and safety committees at each site and with the manufacturing sections that have an accurate grasp of on-site risks to thoroughly embed the three realities principle (actual place, actual thing, actual situation) and facilitate the sharing of safety information. Through this company-wide promotion framework, TOK is working to respond swiftly to on-site challenges and continuously improve the effectiveness of safety activities.

Addressing expanding risks and opportunities

Accelerating the people-friendly smart factories transformation as part of supply chain strengthening toward 2030

Building on the above occupational health and safety activities, the tok Medium-Term Plan 2027 continues to implement the largest-ever capital investment program as part of building a production scale-up system and supply chain with a view toward 2030 while simultaneously accelerating the people-friendly smart factories transformation by focusing on Key Strategy 1: "Create and strengthen a safe and secure work environment where every employee can feel comfortable both physically and mentally."

Specifically, the Aso Kumamoto site, a new manufacturing base for high-purity chemicals, is equipped with state-of-the-art automation equipment and robotic process automation (RPA) and started operations as a smart factory that is highly efficient and human friendly. Additionally, the world's largest photoresist manufacturing building under construction at the Koriyama plant focuses on human-friendly smart factory automation that is designed to enable a diverse range of human capital to excel by making it easier for female employees to handle heavy objects and by minimizing fall risks for older employees through improved workflows with the aim of building a factory and supply chain where a diverse workforce can work safely and with peace of mind.

Strengthening the supply chain from a global standards perspective

In building this domestic and international supply chain, under the material issue theme of the development of the semiconductor ecosystem and Medium-Term Plan Key Strategy 2 of building a robust supply chain, and in light of the growing importance of accident risk, human rights risk, and lifecycle assessment as production sites and operating hours expand, TOK is focusing on risk reduction through RBA audits and ISO 45001 certification.

In the RBA-VAP audits*, the Koriyama plant received the highest rating (Platinum) in 2021, a high rating (Gold) in 2023, and the highest rating (Platinum) again in 2025. The Ebina Logistics Center received the highest rating (Platinum) in both 2022 and 2024. TOK will continue to roll out its expertise from both sites horizontally to other locations. ISO 45001 certification has also been completed at all domestic sites and at the Taiwan and South Korea sites.

* RBA-VAP audit: Validated Audit Program conducted by Responsible Business Alliance

Carbon neutral investment, active progress on reducing domestic Scope 1 and 2 emissions

Carbon neutral investment, a key initiative for minimizing negative impact in support of corporate value enhancement, is advancing steadily toward achieving the ambitious interim targets established in 2024. As the TOK Group's production activities expand over the medium to long term, including the significant production increases currently underway, the company is committed to reducing absolute emissions rather than just emission intensity. On this foundation, the aim is to reduce 2030 emissions (consolidated Scope 1 and 2) by 30% compared to 2019 levels, targeting emissions that would otherwise increase significantly without reduction efforts, and TOK is focusing investments on proactive carbon neutrality.

The most significant key is reducing Scope 2; therefore, TOK changed over 70% of purchased electricity at all major domestic sites to renewable energy sources in September 2021, which resulted in a reduction of about 15,000 tons as of 2022 compared to 2019, and after switching to 100% in February 2023, TOK maintained annual reductions of approximately 20,000 tons through 2024. In fiscal 2025, despite increased production volumes, TOK worked to hold down emissions through a variety of different energy-saving investments and achieved its reduction targets, which demonstrated steady progress.

For Scope 1 reductions, TOK is treating new facility development and aging equipment updates that accompany business

Message from the Director of the Environment and Occupational Health and Safety

expansion as opportunities by advancing three major investments for CO_2 emission reduction.

The first is the Aso Kumamoto site mentioned above. This site was established after TOK formulated its carbon neutral plan and has achieved a fully CO_2-free operation across the entire facility.



The new Aso Kumamoto site achieves both human-friendly smart factory automation and carbon neutrality

Second is the introduction of new equipment to the new photoresist manufacturing building currently under construction at the Koriyama plant, which will achieve the world's largest scale, world's highest quality, and highest production efficiency upon completion. In this building, we are converting the heat source essential for cleanroom temperature control from steam heating using gas boilers to hot water heating using heat pump units. The building is ultimately designed to operate CO_2-free, achieving CO_2 emission reductions.

Third is the boiler building update at the TOK Technology and Innovation Center (TTIC). Work is currently underway to convert the aging gas boilers to electric chillers with the aim of further CO_2 emission reductions through future investment plans.

Progress on reducing overseas Scope 1 and 2 emissions with Taiwan underway

For CO_2 emission reductions at overseas sites, TOK carefully assesses renewable energy prices in each country and uses a cloud-based system to set reduction targets for each overseas site while driving a three-year action plan linked to the medium-term targets. As part of this effort, discussions are underway with a partner at the Taiwan site for a renewable energy contract through solar power generation with preparations advancing toward full-scale implementation. Going forward, TOK plans to pursue similar initiatives in South Korea and the United States and will continue to accelerate similar carbon neutral investments both domestically and internationally under an execution-focused approach of moving forward steadily when the timing is right.

KPI

Energy-related CO_2 emissions (Scopes 1 and 2)

tok Medium-Term Plan 2027 Non-Financial Targets	2030 Medium-term Targets
Emissions of **35,000** tons-CO_2e or less	Emissions of **33,000** tons-CO_2e or less
(27% reduction compared to 2019)	(30% reduction compared to 2019)

Aiming to maximize positive impact on society by expanding reduction contributions through our business

While the TOK Group aims to minimize the negative impact on society through the above CO_2 emission reduction initiatives, the company will continue to expand reduction contributions through the many environmentally beneficial products while accumulating positive impact on society to drive sustainable corporate value enhancement.

Based on the original timeframe (short term = up to 2027, medium term = up to 2030, long term = up to 2050) in accordance with the ISSB (SSBJ) S2 disclosure standards and the TCFD framework, the Group will specifically contribute to the miniaturization of semiconductors and the reduction of power consumption through power semiconductors in all timeframes of short, medium, and long term while aiming for further contributions to reductions through the expansion of sales of materials for next-generation power semiconductors, such as SiC/GaN, and efforts to develop and market materials for photoelectric fusion devices in the medium and long terms **(See page 82)**.

From 2023, TOK has additionally been calculating part of the expected value of these reduction contributions and quantitatively disclosing the social impact created together with semiconductor manufacturer clients through TOK products **(See pages 11–12 "OUR EDGE AND POSITIVE IMPACT")**. Such disclosure is improving the quality of evaluations and dialogue with external stakeholders and experts, and the company takes pride in how it contributes to corporate value enhancement through improved employee motivation **(See pages 11–12 "My Motivation")**.

Examining carbon neutral measures looking beyond the 2030 medium-term targets

In addition, from a medium- to long-term perspective on the path to carbon neutrality, TOK is examining the use of carbon credits and other mechanisms as one of the options for future changes in the business environment. While full-scale utilization has not yet been reached, TOK will monitor developments in the relevant regulations and the progress of its own business and production plans and then assess the feasibility of their use going forward.

Converting the response to chemical substance regulations into flexible business opportunities with biodiversity in mind

Semiconductor-related industries use a diverse range of old and new chemical substances in response to the continuous need for new technological innovation and the stable supply of high-quality products. In this context, compliance with chemical substance management regulations and environmental and safety-related laws is a fundamental prerequisite for semiconductor material and chemical manufacturers from the biodiversity and sustainability perspectives. Under these circumstances, the TOK Group has endeavored to comply with the EU REACH regulation*1 and other applicable laws and regulations in its efforts to support customer products in the acquisition of CE Marking*2 and other certifications. The Group has also completely eliminated the use of PFOS*3 and PFOA*4 as of March 2021. The

Message from the Director of the Environment and Occupational Health and Safety

TOK Group completely eliminated the use of PFHxS*5 in July 2022. This created a new business opportunity as one of the group's advantages.

*1 This EU regulation manages the registration, evaluation, and accreditation of chemical substances through an integrated system that ensures the complete fulfillment of responsibility on the part of producers and thorough compliance with preventive principles.
*2 Marking that certifies product conformance to the essential EU requirements
*3 Perfluorooctane sulfonate
*4 Perfluorooctanoic acid
*5 Perfluorohexanesulfonic acid

Key responses to environmental and safety-related laws and regulations in each country/region in 2025

Japan
- Revision of the recognition criteria for poisons and deleterious substances under the Poisonous and Deleterious Substances Control Act
- Partial amendment to the Cabinet Order designating poisonous and deleterious substances
- Partial amendment of the Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture
- Partial amendment to the Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture Enforcement Order to designate PFHxS-related substances as Class I Specified Chemical Substances

Taiwan
- Partial amendment to the Act on Waste Management and Public Cleaning
- Partial amendment to Management Matters Related to the Designation and Handling of Chemicals of Concern

China
- Response based on National Standard GB 30000.1-2024 (Specification for Classification and Labelling of Chemicals)

South Korea
- Partial amendment of the Act on Registration and Evaluation of Chemical Substances

United States
- Addition of PFAS substances to the Toxics Release Inventory (TRI) list (annual)

Europe
- Update of the Substances of Very High Concern list by the European Chemicals Agency (ECHA)
- Amendment to Annex XVII of the European REACH Regulation
- Addition to Annex A (Substances for Elimination) of the Stockholm Convention

United Nations
- Amendment to the UN Recommendations on the Transport of Dangerous Goods

Working toward PFAS-free products

Regarding PFAS, which is widely used in semiconductor materials, including photoresists, and in semiconductor manufacturing equipment, the EU and the United States differ in their regulatory approaches, while in the EU, transitioning to alternative substances has become an important competitive strategy. The TOK Group will accelerate the development of PFAS-free products by fully leveraging the materials technology it has refined since the founding of the company.

Strengthening water risk management domestically and internationally

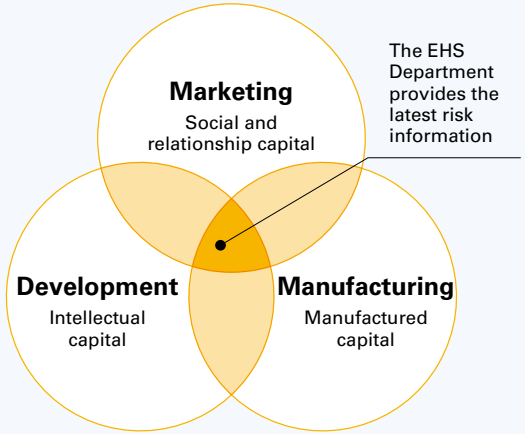
Water, a natural capital resource essential to the semiconductor industry, is an area in which the TOK Group is working to reduce water risk at its sites around the world.

Domestically, as a core initiative to reduce water consumption, a centralized pure water supply system is now in operation at the Koriyama plant and is delivering significant savings.

In Taiwan, where TOK's largest customer is located and which accounts for 36% of regional sales (FY 2025/12), TOK is strengthening its response to the water shortage risk. Working with a local specialist partner, TOK has established a system for the continuous monitoring of the water volume and has put in place a BCP framework to respond quickly when early signs of water shortage are detected. This ensures a stable water supply even in an environment with limited infrastructure.

TOK will support cutting-edge value creation and occupational health and safety through inter-capital collaboration and the three realities principle.

The EHS Department is closely involved in the trifecta inter-capital collaboration



In all of the material issues, Medium-Term Plan, and risk and opportunity responses described above, the trifecta of development (intellectual capital), manufacturing (manufactured capital), and marketing (social and relationship capital) will continue to work closely with the EHS Department in a customer-oriented strategy to support new growth and cutting-edge value creation.

TOK will promote site-led safety activities and continue to thoroughly embed the EHS Department-led the three realities principle (actual place, actual thing, and actual situation). By capturing latent risks and challenges on the front lines from an objective perspective and driving improvement, TOK will continue to advance toward sustainable corporate value enhancement.



Tatsuya Hashiguchi
General Manager,
EHS Department

TCFD-based Information Disclosure for Climate Change (including KPI objectives)

Tokyo Ohka Kogyo (TOK) aims to achieve 2050 carbon neutrality by setting KPI targets for the short, medium, and long terms. The company established new interim targets in February 2024 to align its growth strategy through 2030 with the 1.5°C target of the Paris Agreement. As an immediate milestone for steadily advancing these efforts, TOK clearly set CO_2 emission reduction target values as quantitative goals in its new medium-term plan tok Medium-Term Plan 2027 as KPIs through 2027. TOK continues to pursue the expansion of corporate value centered on minimizing absolute CO_2 emissions and maximizing reductions through short, medium, and long-term KPI target timelines.

The vision for society and the material issues of climate change

TOK pursues a prosperous, sustainable future filled with happiness and believes that carbon neutrality is the fundamental prerequisite for achieving this goal. As the starting point for the long-term initiatives to achieve this goal, the company implements initiatives to promote the material issue of the contribution to the global environment for a sustainable future and the tok Medium-Term Plan 2027 by backcasting from tok Vision 2030.

Governance

Under the unique material issue of the evolution of sustainability governance, the focus of the company is on the 2050 carbon neutrality initiatives through collaboration between the board of directors (role of monitoring and resolution) and the council of directors (role of theme setting and discussion) **(See pages 71 and 77–80)**. The council of directors discusses the latest climate change issues surrounding the company and shares the information with department and division heads, executive officers, and directors while the executive officers lead the implementation of initiatives at the worksites. These initiatives and the KPI trends are monitored by the board of directors for consistent updates in consideration of immediate climate change issues, changes in risks and opportunities, and progress on carbon neutral investments.

Risk management

Under the TOK governance structure and the risk management structure centered around the Risk Management Committee, which comprises the president, the division managers, and the ERM Department **(See pages 65–66)**, TOK will ensure the PDCA cycle of each activity in the effort to counter climate change. The company will implement continuous risk management with the president and chief executive officer as the chief risk management officer.

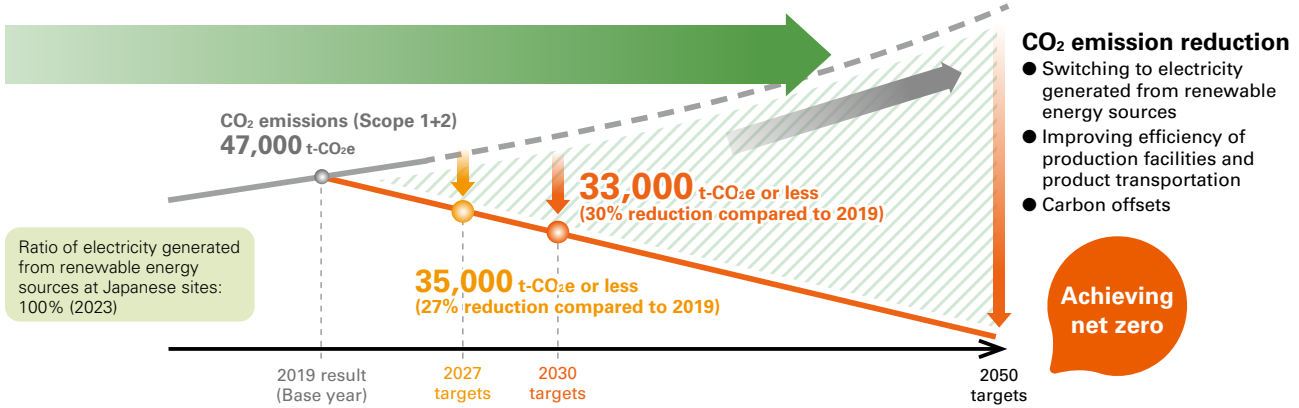
Strategies (scenario analysis)

TOK promoted an analysis of the average temperature increases by the end of the 21st century by referring to the 1.5-degree scenario and the 4-degree scenario presented by the Intergovernmental Panel on Climate Change (IPCC). The company then identified the risks for the overall group business, including a quantitative analysis of opportunities **(See pages 11–12, "OUR EDGE AND POSITIVE IMPACT" and the next page)**. In both the 1.5-degree scenario and the 4-degree scenario, the TOK Group reaffirmed the reasonable possibility of enhancing corporate value on a medium- to long-term basis through the process of taking advantage of abundant business opportunities in the miniaturization and multilayer stacking of semiconductors and in the demand for power semiconductors while contributing to decarbonization, as well as by adequately responding to the anticipated physical risks and strengthening resilience.

Indicators and targets

In the medium-term KPI targets for 2030, TOK aims to reduce the absolute CO_2 emissions of the entire group by 30% compared to 2019, while the factory production volume is expected to increase significantly through implementation of the growth strategy. This aggressive target is intended to reduce by more than 30% the emissions projected for 2030, which would increase significantly compared to 2019 levels if no reduction efforts were made. In addition, with an eye toward the 2030–2050 period following the achievement of this target, TOK is exploring the use of carbon credits and similar mechanisms as one option in consideration of future changes in the business environment and regulatory trends. Going forward, TOK will deepen the link to the progress and forecasts for its growth strategy and performance targets, and the company will consider disclosure at an appropriate time.

Medium-term targets for realization of carbon neutrality by 2050



TCFD-based Information Disclosure for Climate Change (including KPI objectives)

Response to climate-related risks and opportunities (scenario analysis)

★ The short term is defined as until 2027, the medium term as until 2030, and the long term as until 2050.

Risk type	Category	Risks on TOK business	★ Expected apparent time range	Key initiatives (countermeasures against risks)
Transition risks Primarily assuming the 1.5-degree scenario	Policy and regulatory risks	● Increase in costs due to carbon pricing (introduction of the carbon tax and expansion of emission rights trading)	Medium term to long term	● Curb cost increases by accelerating the reduction of CO_2 emissions by shifting to more energy-efficient manufacturing equipment and increasing the use of renewable energy **See pages 78–81 and 88** ● TOK shifted 100% of its purchased electricity to renewable energy sources at all key sites in Japan in February 2023. If a carbon tax of 10,000 yen per ton is introduced in Japan in the next few years, payment of the tax will be reduced through this shift by 10,000 yen x 20,000 tons and will equal 200 million yen **See pages 78–81 and 88** ● Explore the use of carbon credits and similar mechanisms as one option in consideration of future changes in the business environment and regulatory trends **See pages 78–81**
		● Increase in costs in response to more stringent policies and regulations to reduce CO_2 emissions in Japan and other countries where TOK has manufacturing sites	Short term to long term	● Take the necessary action without delay through the careful collection of information and negotiations with governmental agencies in each country, thereby coping with climate change as a member of local communities **See pages 78–81 and 88**
Physical risks Primarily assuming the 4-degree scenario	Acute risks	● Damage to facilities due to an increase in natural disasters	Short term to long term	● Continue water risk management at the TOK Technology Innovation Center and Logistics Center, the R&D hub facilities **See pages 80 and 89** ● Emphasize the BCP and resilience to natural disasters in the capital investment plan under tok Medium-Term Plan 2027 toward tok Vision 2030 **See pages 65–66**
	Chronic risks	● Increase in costs for process temperature control and product temperature control due to global warming	Short term to long term	● Develop more efficient, cost-effective means and methods for the control of process temperatures and product temperatures **See page 88**
		● Increase in water stress due to global warming and the difficulty in acquiring water resources	Medium term to long term	● Implement continuous measures in Japan and overseas to minimize water consumption for production activities and to maintain and improve effluent quality **See page 89**

Opportunities	★ Expected apparent time range	Key initiatives (how to grasp opportunities)
Further miniaturization of semiconductors Assume both the 1.5-degree scenario and 4-degree scenario	Short term to long term	● Stable supply, sales increase, development, and maintenance of the largest global market share for EUV photoresists for 7 to 2 nm processes ● Expected reduction in semiconductor power consumption by providing EUV photoresists for 7 to 2 nm processes (estimate for 2030) **Contribution to reduction: ▲79 TWh (equivalent to 0.2% of estimated global power consumption in 2030 [approximately 28 million tonnes of CO_2])***
Expand the power semiconductor market Assume both the 1.5-degree scenario and 4-degree scenario	Short term to long term	● Maintain the largest global market shares for g-/i-Line photoresists ● Ensure a stable supply and increase sales of g-Line and i-Line photoresists for power semiconductors **See pages 10–11 and 79**
Increase development needs for next-generation power semiconductors that achieve even lower power consumption Assume both the 1.5-degree scenario and 4-degree scenario	Medium term to long term	● Strengthen the advantage in g-Line and i-Line photoresists for silicon carbide (SiC) power semiconductors as the market grows and further strengthen development and marketing ● Reinforce the development and marketing of g-Line and i-Line photoresists for gallium nitride (GaN) gallium oxide (Ga_2O_3) power semiconductors **See pages 10–11 and 79** ● Expected reduction in power in solar and wind power generation, EVs, and data centers through the provision of g-Line and i-Line photoresists for SiC, GaN, and other next-generation power semiconductors (estimate for 2030) **Contribution to reduction: ▲172 TWh (equivalent to 0.5% of estimated global power consumption in 2030 [approximately 62 million tonnes of CO_2])***
Emergence of the photo-semiconductor market due to advances in photoelectric fusion technology Assume both the 1.5-degree scenario and 4-degree scenario	Medium term to long term	● Strengthen the development and sales of materials for optical-electrical convergence that realize overwhelmingly low power consumption compared to conventional semiconductors **See pages 18, 20–21, and 79**

* See the Note on page 11

Occupational Health and Safety Initiatives

Key initiatives in 2025

Safety activities that every employee can identify and proactively raise concerns about

Strategies

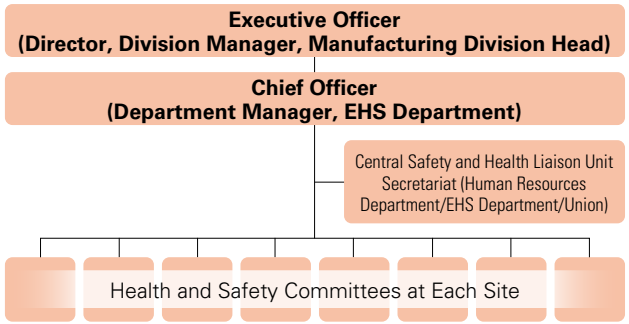
Basic Concept

The TOK Group recognizes that the health and safety of workers who support supply chain sustainability is its social responsibility as a company and required by all stakeholders. Additionally, by providing safe, comfortable workplaces, TOK cultivates and establishes a culture of safety. In tok Medium-Term Plan 2027, the company made "Build an environment where each employee can work safely and securely, both mentally and physically" a company-wide strategy, and TOK is working to resolve all challenges.

Health and Safety System

With the occupational health and safety system headed by the Director of the Manufacturing Division as the foundation, TOK works to prevent accidents based on the annual action plan of the Safety and Health Committee. Company-wide issues that cannot be addressed solely by a single site are examined by the Central Safety and Health Liaison Unit. The Safety and Health Liaison Unit implements the measures that must be horizontally developed across all sites and shares information. In 2025, TOK established a new Occupational Safety Management Section within the EHS Department, which serves as the central organization overseeing the creation of safe and secure workplaces. The section supports a wide range of occupational health and safety activities across each site. Based on this structure, the company promotes the prevention of injuries and fire accidents caused by chemical substances as well as severe injuries caused by machinery or heavy objects. In the event of an accident, TOK implements comprehensive safety measures to improve safety and rolls out those measures horizontally across the organization.

Occupational Health and Safety System Chart



Prevention of Workplace Accidents

The Occupational Health and Safety Policy is based on the CSR Policy; therefore, worker health and safety are positioned as top priorities in the implementation of accident, disaster, and illness prevention measures throughout the workplace as TOK works to cultivate a culture of safety. Following the significant increase in workplace accidents in 2023, TOK continued dynamic safety inspections focused on unsafe behaviors during work and then worked to identify risks and implement preventive measures across all production sites, including overseas subsidiaries. In 2025, TOK introduced safety training using simulated equipment that allows employees to experience hazards firsthand. This process placed greater emphasis on activities that encouraged a shift in safety awareness among employees. As a result of these efforts, the number of workplace accidents at domestic sites decreased steadily over the past three years, from 14 in 2023, to 12 in 2024, and 9 in 2025. In particular, a significant reduction in lost-time accidents occurred in 2025 with improvements seen in terms of severity. TOK will continue to share a safety-first mindset with all employees by placing continued emphasis on preventive occupational health and safety management and addressing risks before they materialize in pursuit of zero workplace accidents.

Expanding proactive safety inspections

As a result of the above initiatives, safety inspections at TOK are no longer led by managers but have evolved into something every employee thinks about independently so that they can recognize hazards and actively share them with one another. With the aim of deepening safety awareness among all employees, past accident case studies and safety inspection results are published on an internal portal site dedicated to occupational safety, which provides clear and accessible information on the key perspectives needed to ensure safety. By visualizing department-specific challenges based on insights gained from proactive safety inspections, TOK is working on the following:

- Developing and standardizing safety inspection checklists
- Conducting joint safety inspections across sites and departments
- Encouraging managers and experienced employees to lead by example
- Establishing a culture of mutual feedback in day-to-day work

Through these efforts, TOK is advancing a preventive approach to safety that addresses both unsafe conditions and unsafe behaviors.

Improvement activities using internal audits and third-party assessment opinions

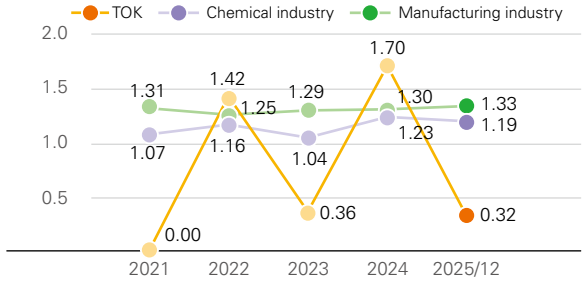
Integrated internal audits are conducted with regard to occupational health and safety, quality, and the environment by actively using auditors from other sites and new auditors to promote self-improvement while using the audit sites as venues for internal auditor competency improvement and information sharing. For third-party assessments, TOK pursues continuous improvements in health and safety activities based on international standards through the responses to the ISO 45001 (Occupational Health and Safety Management System) assessments. The certification process evaluates risk assessment validity and corrective action effectiveness, objectively confirming the maturity of the TOK safety culture. Furthermore, through Responsible Business Alliance (RBA) audits, TOK receives third-party evaluations of compliance with global standards with regard to labor, health and safety, environment, ethics, and management systems, which ensures international credibility and strengthens sustainability management.

Future Issues and Initiatives

Since workplace accidents arise from the latent risks in everyday tasks and behaviors, TOK believes that raising safety awareness among every individual employee is the most fundamental and effective countermeasure. Although the Occupational Health and Safety Emergency Declaration was lifted in September 2025, TOK will continue to build on the proactive safety inspections and enhanced risk assessments carried out under that declaration by promoting a mindset shift among employees and fostering a culture in which workplace accidents are seen as everyone's concern. TOK will focus on further improving the effectiveness of occupational health and safety activities driven by every employee.

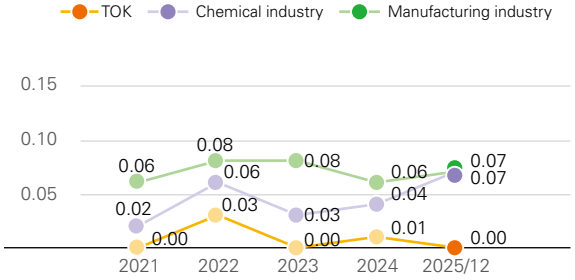
Indicators and targets

Frequency rate of workplace accidents (unconsolidated)



* Frequency rate: Shows the frequency of accidents as the number of deaths and injuries from workplace accidents per million work hours.
Frequency rate = (number of deaths and injuries due to workplace accidents/ number of work hours) × 1,000,000
(Number of deaths and injuries due to workplace accidents = number of deaths and injuries resulting in one or more lost workdays)
* Tokyo Ohka Kogyo's frequency and severity rates are calculated for the period from December 11, 2024, to December 10, 2025.

Severity rate of workplace accidents (unconsolidated)



* Severity rate: Shows the severity of accidents as the number of lost workdays per thousand work hours.
Severity rate = (number of lost workdays/ number of work hours) ×1,000
(Number of lost workdays = number of lost workdays of dead and injured workers due to workplace accidents)
Source of data for chemical and manufacturing industries: Ministry of Health, Labour and Welfare's Survey on Industrial Accidents

Human Resources of TOK



Creating an environment where everyone can think about safety

Kohei Hano
EHS Department

At the worksites of TOK, laws and internal rules are followed as *regulations to be observed*, but in some respects, a deeper understanding of safety fundamentals has not yet been fully achieved. For this reason, TOK emphasizes bottom-up activities where each individual at the worksite thinks independently about why the rule exists, why it must be followed, and where the risks may lie; the employee then connects these reflections to improvement activities.

TOK will continue these efforts to raise the safety awareness of every employee and foster and embed a strong safety culture.

Contribution to the Global Environment for a Sustainable Future

86 Reduction in Environmental Impact from Corporate Activities

88 Initiatives Toward Achieving Carbon Neutrality

89 Promotion of Resource Recycling: Initiatives to Address Water Risk

90 Promotion of Resource Recycling: Reducing Industrial Waste Emissions and Landfill Disposal

91 Air, Water, and Soil/Preserve Biodiversity

92 Strengthening Activities Related to Product Responsibility and Product Stewardship













Contribution to the Global Environment for a Sustainable Future

Reduction in Environmental Impact from Corporate Activities

* The reporting scope for the pages describing the contribution to the global environment for a sustainable future (pages 86–92) covers the unconsolidated basis and consolidated subsidiaries in Japan. In other cases, the scope of coverage is listed on each page.

Environmental Performance*

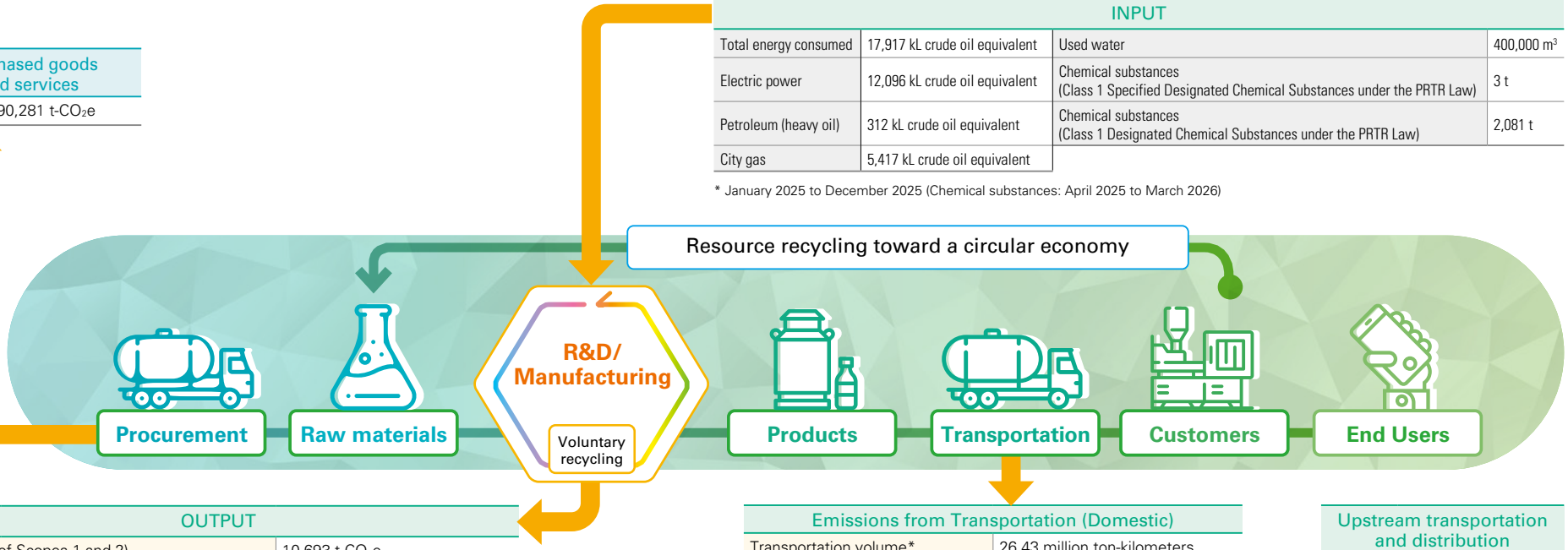
With the aim of *contributing to the global environment for a sustainable future* as a material issue, the TOK Group conducts daily quantitative and qualitative evaluations of the effects of its corporate activities on the global environment and implements a variety of different initiatives to minimize its impact.

* Environmental performance: Environmental performance evaluations are a method of evaluating the environmental activities and the results achieved by the company in qualitative and quantitative terms in accordance with its environmental policy, objectives, and goals.

Purchased goods and services		
Scope 3	Cat. 1	590,281 t-CO_2e

INPUT			
Total energy consumed	17,917 kL crude oil equivalent	Used water	400,000 m^3
Electric power	12,096 kL crude oil equivalent	Chemical substances (Class 1 Specified Designated Chemical Substances under the PRTR Law)	3 t
Petroleum (heavy oil)	312 kL crude oil equivalent	Chemical substances (Class 1 Designated Chemical Substances under the PRTR Law)	2,081 t
City gas	5,417 kL crude oil equivalent		

* January 2025 to December 2025 (Chemical substances: April 2025 to March 2026)



OUTPUT		
CO_2 (Sum of Scopes 1 and 2)		10,693 t-CO_2e
SOx*1		0.5 t
BOD*2		0.4 t
Office general waste		33 t (Recycling rate: 32.8%)
Industrial waste	General industrial waste	1,707 t (Recycling rate: 29.6%)
	Specially controlled industrial waste	5,211 t (Recycling rate: 60.0%)

Emissions from Transportation (Domestic)	
Transportation volume*	26.43 million ton-kilometers
Energy consumed	1,261 kL crude oil equivalent
CO_2 emissions (domestic)	3,370 t-CO_2e

* Waste transport is not included.

Upstream transportation and distribution		
Scope 3	Cat. 4	19,688 t-CO_2e

* January 2025 to December 2025

Waste generated in operations		
Scope 3	Cat. 5	6,805 t-CO_2e

Business travel and commuting		
Scope 3	Cat. 6	221 t-CO_2e
Scope 3	Cat. 7	785 t-CO_2e

* January 2025 to December 2025
*1 SOx: Abbreviation for sulfur oxides; produced from the combustion of fossil fuels containing sulfur and are considered substances that cause acid rain.
*2 BOD: Abbreviation for biochemical oxygen demand. Refers to the volume of oxygen required when pollutants in the water (organic substances) turn into inorganic substances or gases through the action of microorganisms. BOD is a major indicator for evaluating the degree of contamination of rivers and other bodies of water. A higher BOD value means a higher level of water contamination.

Please follow the URL below for more detailed information on the environmental impact by site.

Information on environmental impact by site: https://www.tok.co.jp/eng/sustainability/env-activity/greenhouse-gases

Contribution to the Global Environment for a Sustainable Future

Reduction in Environmental Impact from Corporate Activities

Emissions of Greenhouse Gases — Scopes 1, 2, and 3

Against the backdrop of the increasingly serious problem of climate change in recent years, companies must understand and manage not only the greenhouse gas emissions from their own business activities but also the emissions across the entire value chain, including the supply chain. TOK calculates the emissions directly caused by its business activities (Scope 1 and Scope 2) as well as indirect emissions outside the scope of its business activities (Scope 3) in accordance with the Ministry of the Environment's guidelines and the internationally recognized GHG Protocol calculation standards.

From 2026 onward, TOK will advance its calculation methods and data management systems in line with domestic and international sustainability disclosure requirements, including the SSBJ standards, and will work to provide highly transparent and comparable disclosures.

Scope 1	10,693 t-CO_2e	Scope 2	0 t-CO_2e
Scope 1 (overseas total)	2,611 t-CO_2e	Scope 2 (overseas total)	16,777 t-CO_2e

Scope 3 Emissions by Category (domestic total)

Cat. (Category)	Name	Emissions
Cat. 1	Purchased goods and services	590,281 t-CO_2e
Cat. 2	Capital goods	55,240 t-CO_2e
Cat. 3	Fuel and energy-related activities not included in Scope 1 and 2	6,315 t-CO_2e
Cat. 4	Upstream transportation and distribution	19,688 t-CO_2e
Cat. 5	Waste generated in operations	6,805 t-CO_2e
Cat. 6	Business travel	221 t-CO_2e
Cat. 7	Employee commuting	785 t-CO_2e
Cat. 8	Leased assets (upstream)	—
Cat. 9	Transport and distribution (downstream)	Not applicable
Cat.10	Processing of sold products	—
Cat.11	Use of sold products	—
Cat.12	End-of-life treatment of sold products	Not applicable
Cat.13	Leased assets (downstream)	—
Cat.14	Franchises	—
Cat.15	Investments	—

* January 2025 to December 2025
* Business trips and commuting by employees exclude people seconded to other companies.

Environmental Accounting*

TOK has used environmental accounting since 2000 in order to identify the expenses required for environmental conservation activities and the effects of such activities, as well as to help promote environmental management. Environmental conservation expenditures in 2025 covered capital investments and upgrades related to the transition to renewable energy, such as the installation of solar panels, including energy savings and pollution prevention measures, totaling 1,296 million yen.

* Environmental accounting: A system for understanding environmental conservation-related investments and the expenses incurred by businesses and other organizations, as well as the effects of such investments in quantitative terms (currency or physical quantity) and communicating such information to stakeholders

(Unit: millions of yen)

Category of the cost		Key Initiatives	Investment	Cost
Business area cost	Pollution prevention cost	Air, water, and other pollution prevention equipment and the renewal, operation, maintenance, and management of equipment	145	114
	Global environmental conservation cost	Energy conservation activities: non-FIT, non-fossil fuel certificate electricity purchase	579	127
	Resource circulation cost	Installation of melting equipment	0	203
Upstream/Downstream cost		Green purchasing, collection of used products	0	8
Administration cost		Approach to environmental management system	27	78
R&D cost		Research and development related to environmental conservation (costs of chemical substance screening)	0	14
Social activity cost		Cleanup activities around the production plants	0	1
Environmental remediation cost		Treatment of soil pollution by the construction of a new building	0	0
Total			751	545

* January 2025 to December 2025

Environmental Conservation Cost

Investments refer to the accounting for equipment associated with environmental conservation and improvement. Expenses are the sum of personnel and other operating expenses associated with environmental conservation. Computation of personnel expenses is based on the basic unit cost. Depreciation, personnel costs related to routine operations, and development-related investments are not included.

Economic Benefits Associated with Environmental Conservation Measures

Figures are calculated on the basis of internally realized benefits from the sale of materials with value and from the reduction of costs.

(Unit: millions of yen)

Effects		Amount
Revenue	Gain on the sale of recycled products	27
Cost savings	Reduction in disposal costs by reducing the volume of waste	414
Total		441

* January 2025 to December 2025
* Scope of environmental accounting covers all facilities in Japan. The reference is the *Environmental Accounting Guidelines 2005* published by the Ministry of the Environment.
* Amounts of less than one million yen have been rounded off.

Initiatives Toward Achieving Carbon Neutrality

Key initiatives/Results in 2025

KPI

Energy-related CO_2 emissions

2025 result	2030 targets*
Reduce by **36.7%** (vs. 2019)	Reduce by **30%** (vs. 2019)

Energy consumption intensity

2025 result	2030 targets
Reduce by **34** points (vs. 2019)	Reduce by **15** points (vs. 2019)

* From March 2024, TOK aims for a 30% reduction in absolute CO_2 emissions (consolidated) compared to 2019 under the new medium-term targets.

Strategies

Basic Concept

Toward the goal of carbon neutrality in 2050 based on the *contribution to the global environment for a sustainable future* as a material issue, the TOK Group quantitatively measures the environmental impact throughout the value chain and works to reduce the environmental load, including CO_2, with a full understanding of the impact that production activities have on the environment. TOK aims to achieve sustainable development through the development of photoresists and new products that further conserve resources and energy together with society.

Major 2025 initiatives and future key measures

Energy consumption in 2025 increased year over year because of higher production volumes and preparations for the start of operations at the Aso Kumamoto site. However, TOK has steadily implemented energy-saving measures on both the equipment and operational fronts, including the replacement of aging equipment with high-efficiency alternatives, optimization of airflow in its air conditioning and exhaust systems, the use of waste heat recovery systems, conversion from steam heating to heat pumps, and improvements in combustion efficiency through changes to boiler water treatment chemicals. As a result, the energy intensity at domestic sites improved by 34 points compared to fiscal year 2019.

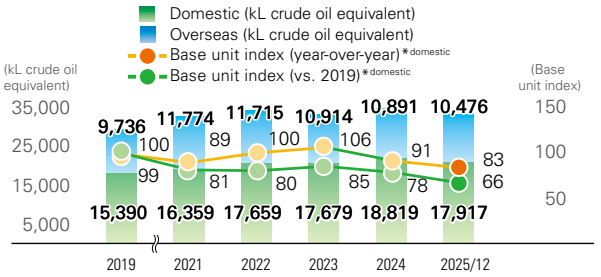
With regard to electricity-derived CO_2 emissions, TOK effectively reduced its Scope 2 emissions to net zero through the use of non-fossil energy certificates and achieved a 36.7% reduction in total energy-related CO_2 emissions compared to fiscal year 2019 as of 2025. Non-fossil energy certificates are an effective means of realistically and reliably advancing the decarbonization of electricity in consideration of the scale of TOK's business expansion and constraints related to site locations. At the same time, TOK is installing solar panels at the production sites as part of its transition to renewable energy.

In the area of logistics, TOK is promoting a modal shift through the use of rail container transport and working on energy-saving and decarbonization measures at logistics hubs, including the installation of solar panels at distribution centers. By pursuing energy optimization across the entire chain from production sites to logistics, TOK intends to reduce the environmental impact of its entire supply chain.

Going forward, TOK will continue to prioritize energy efficiency when selecting equipment for new investments and replacements of aging assets while advancing the visualization and optimization of energy use and enhancing energy management and the centralized management of environmental data across the entire group, including overseas sites, to further strengthen efforts toward achieving carbon neutrality by 2050.

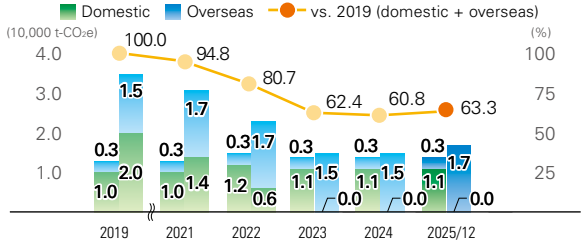
Indicators and targets

Energy consumed



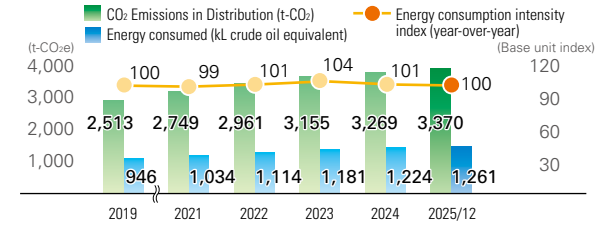
* Indicated for Scopes 1 and 2. For the latest figures for Scope 3, see page 87.
* The 2024 figures have been revised to reflect the addition of electricity from external warehouses.

CO_2 Emissions (Converted from Energy Consumption)



* Starting from 2024, displays are separated into Scope 1 (left bar graphs each year) and Scope 2 (right bar graphs each year) with 2019 comparisons changed from intensity-based to total volume-based comparisons.

Logistics CO_2 emissions/energy usage



* Waste transport is not included.
* Energy consumption intensity refers to the amount of energy required to transport one ton of cargo over 1 km.
* Some data from 2021 to 2023 has been revised.

Promotion of Resource Recycling: Initiatives to Address Water Risk

Key initiatives/Results in 2025

KPI

Water use volume in Japan

2025 result	2030 targets
Increase by 9% (vs. 2019)	Reduce by 15% (vs. 2019)

Strategies

Basic Concept

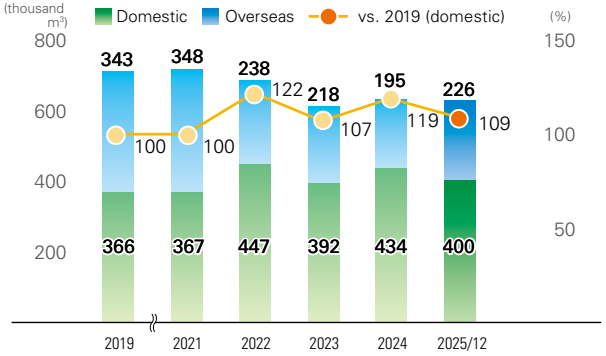
Amid the increasing public attention to water resources as a global sustainability requirement, water is an essential resource for use in the Group's products and manufacturing processes. Therefore, TOK strives to minimize the volume of water consumed for production and to improve the quality of wastewater. TOK will continue to make environmental contributions through its business activities while monitoring water risks with the *contribution to the global environment for a sustainable future* as a material issue.

Major 2025 initiatives and future key measures

Water consumption in 2025 increased by 9% compared to 2019 because of higher production volumes and expansion of manufacturing facilities. The increase reflects the fact that a certain volume of water use is essential from the perspective of quality assurance and safe operations in the chemical materials industry, as well as the temporary impact of flushing (cleaning) during equipment expansion and initial start-up preparations. At the same time, each site has implemented measures to promote water reuse, including the consolidation of pure water systems, the introduction of circulating cooling equipment, and improvements to the water circulation rate of existing cooling equipment. As a result, the centralized supply of primary pure water became operational in 2025 at the Koriyama plant, which contributed to an 8-point reduction compared to the previous year. These measures are improving water use efficiency based on the premise of stable operations. TOK will continue to pursue comprehensive initiatives that contribute to the stability of its business from both a risk and opportunity perspective, including efforts to ensure a stable supply of water resources and to address water risks associated with the increasing severity of natural disasters, under its medium-to-long-term target of reducing domestic water consumption by 15% by 2030, going beyond simple reductions in water use.

Indicators and targets

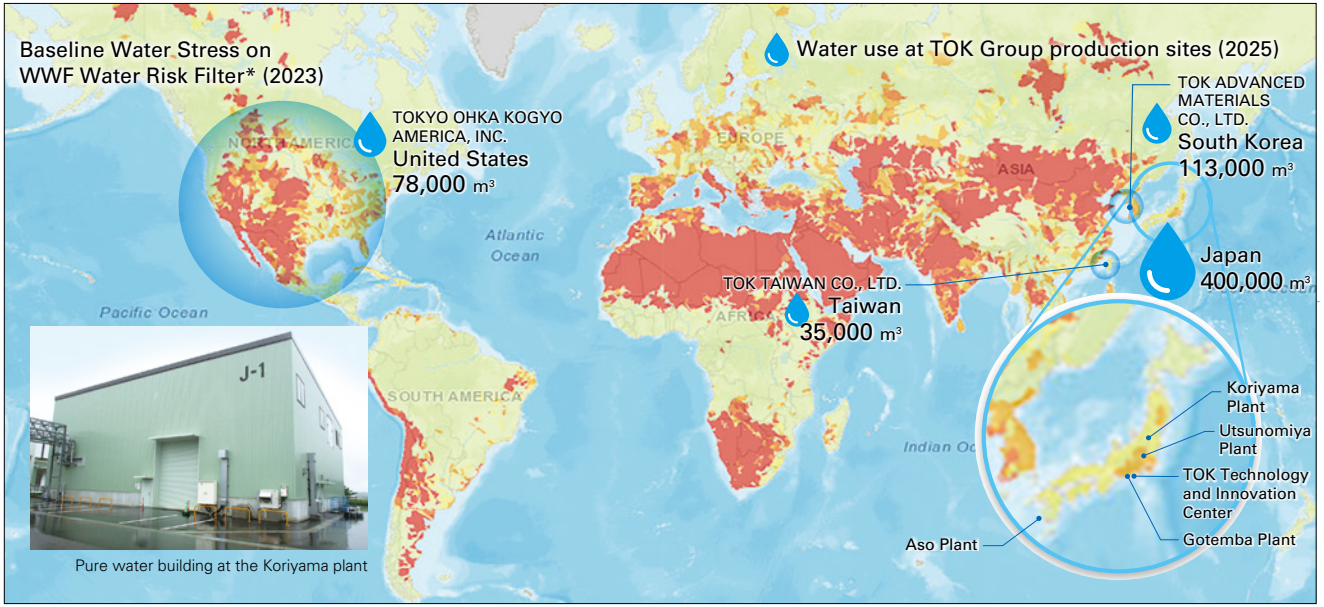
Changes in water use volume at domestic and overseas sites



* Starting from 2024, domestic 2019 comparisons have changed from intensity-based to total volume-based comparisons.

Worldwide Water Stress Situation as of 2023

Very low risk — Very high risk



Pure water building at the Koriyama plant

* Water Risk Filter: The water risk assessment database developed by the World Wide Fund for Nature and the German Investment and Development Cooperation (DEG)

Promotion of Resource Recycling: Reducing Industrial Waste Emissions and Landfill Disposal

Key initiatives/Results in 2025

KPI

Volume of industrial waste per base unit

2025 result
Up 55 points
(vs. 2019)

2030 targets
Reduce by 15 points
(vs. 2019)

Strategies

Basic Concept

As measures for a circular economy, the company promotes the 3Rs (Reduce, Reuse, and Recycle). TOK is working to make more effective use of its resources by restricting the volume of generated waste, thoroughly sorting all waste by type, and increasing the volume of recycled waste. The company strives to maintain zero emissions* by reducing the landfill disposal volume and by processing waste products through combustion or crushing, which is called intermediate treatment, as well as through stabilization and volume reduction initiatives.

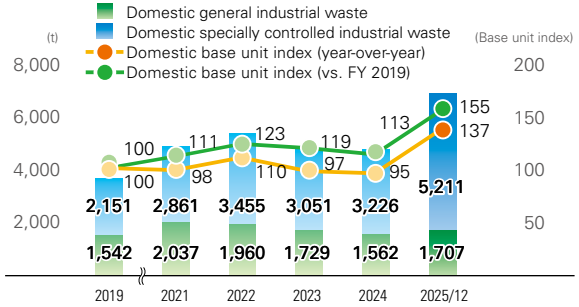
* Zero emissions: Landfill disposal volume (direct or after intermediate treatment) of less than 1% of industrial waste discharged by production activities

Major initiatives and future key measures from 2025 onward

TOK set the goal of reducing industrial waste intensity (per production volume) emissions by 15 points compared to 2019 levels by 2030 domestically by promoting a variety of initiatives to reduce waste and promote recycling. However, the intensity of industrial waste generation in 2025 increased because of the temporary waste arising from equipment expansion, flushing (cleaning), and equipment start-up preparations, which resulted in a 55-point increase compared to 2019 on an intensity basis. On the other hand, more than 80% of flammable waste oil is now being reused as recycled fuel as a result of ongoing efforts to recycle process effluent. With regard to plastic waste, TOK is advancing the generation of valuable materials through separation and in-house compaction and at some plants is collaborating with neighboring companies to jointly promote material recycling through sorted collection, thereby strengthening its plastic resource circulation efforts. In addition, disposal destinations for industrial waste are selected in consideration of recycling after intermediate processing, the effective use of incineration heat, and final disposal methods. As a result, the final disposal rate has been maintained below 1%, and zero emissions have been achieved for 12 consecutive years. TOK will continue to reduce waste generation and improve recycling rates as a group with the aim of realizing a circular economy.

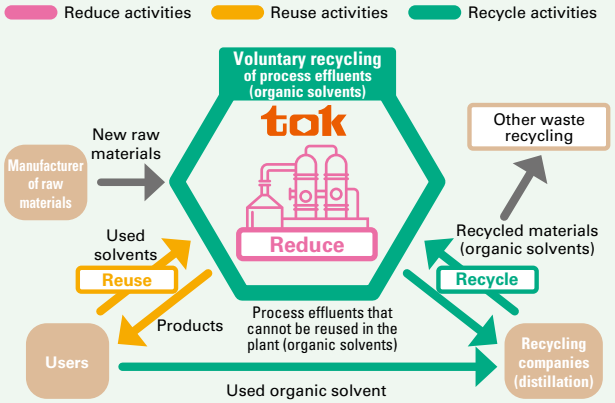
Indicators and targets

Amount of industrial waste generation*



* The base unit index is calculated after calculating general industrial waste and specially controlled industrial waste.

To realize a circular economy



Reduce activities

TOK engages in a broad range of activities to reduce waste to the fullest extent possible at all company manufacturing sites in Japan and around the world, including the internal processing of waste fluid through water treatment facilities by converting waste into items of value through sorting and reducing the generated waste through modifications of the manufacturing processes.

Reuse activities

Products incorporating organic solvents have been placed in stainless-steel containers since the late 1970s. This allows empty containers to be returned to TOK for reuse. In addition, some products are transported using tanker trucks.

Recycle activities

TOK recovers the organic solvents (process effluents) used in the manufacturing processes and refines those solvents on-site for reuse in the same processes, among other measures to reduce industrial waste generation. At the same time, raw materials that can be reused through distillation and refining are recycled with the help of trusted partners (recycling companies).

Reduce: This refers to reducing the volume of generated waste material. Reduction involves minimizing the volume of materials in products in order to minimize the volume that is eventually discarded.

Reuse: This refers to the repeated use of manufactured goods, containers, and other products in order to reduce the volume of generated waste materials and to conserve resources.

Recycle: This refers to the use of waste materials as resources rather than incinerating or sending the materials to a landfill, thereby conserving resources and preventing pollution.

Air, Water, and Soil/Preserve Biodiversity

Key initiatives/Results in 2025

KPI

NOx emissions into the air	No change (year-over-year)
Estimated CFC leakage volume	Approximately 4 t-CO_2e
Sustainability Briefing Sessions	Participation rate: 100%

Strategies

Basic Concept

With the *contribution to the global environment for a sustainable future* as a material issue, TOK takes steps to lighten its environmental impact by reducing the emissions of greenhouse gases* and chemical substances and by upgrading equipment, switching fuels, and reviewing the manufacturing processes to preserve the air, water, and soil environments upon which the livelihood of employees depend.

* Greenhouse gas: Gas in the atmosphere that allows sunlight to pass through but absorbs infrared rays emitted from the ground and seas. These gases are believed to cause global warming.

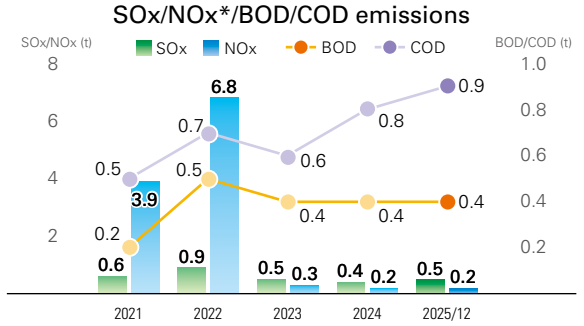
Major 2025 initiatives and future key measures

TOK completed the switch to natural gas as boiler fuel at all sites, except those in certain areas where a natural gas supply is unavailable. NOx emissions come from the regular use of smoke-generating facilities, but these have now been taken out of service. However, since they are maintained in a state of readiness for use as emergency equipment at any time, TOK continues to manage them as smoke-generating facilities and carries out measurements and monitoring in accordance with applicable laws and regulations.

The company also recognizes soil and groundwater contamination and the discharge of water pollutants as major risks that threaten the safety and health of local residents and employees and affect the ecosystem. TOK personnel regularly monitor soil and groundwater, and establish procedures for implementing protective measures and disclosing information promptly in the event of the detection of water pollutants exceeding the regulatory standards. TOK conducts regular drills to practice these procedures. For wastewater, TOK establishes voluntary management standards stricter than existing legal requirements and prefectural regulations and discharges only water that meets strict standards into public water bodies. In 2025, there were no environmental pollutant discharges exceeding the standards.

Furthermore, substances designated under the PRTR Act are managed appropriately through a dedicated system, and TOK personnel work to understand the emissions of VOCs and hazardous air pollutants and report appropriately to the relevant authorities.

Indicators and targets



* NOx emissions are from smoke-generating facilities subject to the Air Pollution Control Act.

Countermeasures against ozone-depleting substances

The TOK Group works to reduce the number of pieces of equipment using ozone-depleting substances as refrigerants across the group as a whole and promotes the transition to alternative substances and green refrigerants (non-fluorocarbon). Some equipment still uses specific fluorocarbons, such as CFC-11 and CFC-12, as refrigerants, but in the event of a leak, TOK will promptly consider countermeasures and recurrence prevention measures and share these across the entire company, thereby further strengthening its management framework for the prevention of fluorocarbon leaks. Fluorocarbon emissions in 2025 were approximately 4 t-CO_2e, calculated in accordance with the Act on Rational Use and Proper Management of Fluorocarbons.

In Japan, regular inspections of refrigerant equipment and the reporting of leak volumes are required under the Act on Rational Use and Proper Management of Fluorocarbons (revised Fluorocarbon Act). TOK will continue to develop the necessary framework to ensure that proper management, charging, and disposal are carried out.

* Data collection period: April 2025 to March 2026

Preserve biodiversity

The TOK Biodiversity Protection Declaration promotes activities to preserve biodiversity. Every year, TOK holds sustainability briefings for all domestic directors, auditors, and employees, as well as for some contractor employees at certain sites, covering topics that include biodiversity. TOK also sends employees to participate in forest conservation activities through the Kanagawa Trust Midori Foundation. At the Aso plant, employees participate in forest conservation activities aimed at fostering a rich ecosystem by improving and enhancing the water source recharge function of the Aso region. And, at the Koriyama plant, employees take part in Koriyama City's "I Love Road" (road cleaning) campaign, and at the Gotemba plant, employees collaborate with kindergarten children on fish release activities and participate in food drives with each plant advancing initiatives in partnership with the local community. While the purpose of the food drives is to support people in need of food, reducing food loss contributes to reduced pressure on land use and water resources associated with food production and supports biodiversity conservation at the same time. Through these steady efforts, TOK will continue to broaden its understanding and action on biodiversity conservation both within and outside the company and will carry on with initiatives that contribute to the global environment.

Strengthening Activities Related to Product Responsibility and Product Stewardship

Key initiatives/Results in 2025

Key measures

- **Establish a chemical substance information management system**
- **Continue to strengthen and operate a chemical substance management system**
- **Accurately evaluate chemical substance risks in a timely fashion and properly manage these risks**
- **Properly comply with PCB Special Measures Act**

Strategies

Basic Concept

The management of chemical substances is one of the key priorities for TOK from the perspective of its social responsibility. In addition to compliance with all laws and regulations, group-wide efforts ensure the proper management of chemical substances in the supply chain while TOK remains mindful of globally expanding environmental issues. The TOK Group defined its responsibility to local and international communities as one of the TOK Group Creeds that break down the management principles, and TOK has worked to reduce the impact on the environment by combating global warming, managing chemical substances, effectively using resources, and reducing waste, thereby gearing up the product stewardship activities for the development of the semiconductor ecosystem as a material issue.

Major 2025 initiatives and future key measures

To ensure appropriate chemical substance management and reliable compliance with the environmental laws of each country, TOK introduced a chemical substance information management system in 2005 to advance collection and promote centralized management of substance and legal information. In recent years, TOK has strengthened its framework for the swift and reliable determination of regulatory compliance against the backdrop of increasingly stringent and complex environmental regulations in countries around the world. As part of this effort, TOK realized automated regulatory compliance determination at the point of shipment in 2024 for the environmental regulation auto-assessment function that had been under development since 2022. In 2025, TOK expanded the scope of system enhancements, worked to improve the efficiency of chemical substance investigation operations, and strengthened regulatory compliance capabilities.

The company also established the TOK Group Standards on Chemical Substance Management to maintain and strengthen appropriate chemical substance information transmission systems by continuously updating and operating them in response to domestic and international legal revisions and customer requirements. From 2023 onward, TOK has operated under the eighth edition revised in 2022, which strengthened information sharing with suppliers to ensure that chemical substance information for raw materials was reflected in a timely manner in the safety data sheets (SDS) and labels, and the company continues to provide customers with accurate and timely information.

Furthermore, TOK carries out management to ensure legal compliance and risk reduction at each stage of development, manufacturing, marketing, and disposal. The company developed a roadmap targeting the complete elimination of low-concentration PCB-containing waste and products from all domestic sites by the end of March 2027. In 2024, TOK completed the disposal of all stored PCB waste, and the company is proceeding with phased updates and disposal of the equipment, including the PCBs currently in use to avoid disrupting business plans. As a result of these efforts, there is now only one piece of equipment remaining. TOK personnel also appropriately report the status of PCB storage and disposal to each prefecture as of March 31 each year.

Accurately evaluate chemical substance risks in a timely fashion and properly manage these risks

The risk management of chemical substances can be interpreted as risk management of each part of the supply chain.

To this end, the TOK Group must provide information in accordance with the flow of materials. In each stage of development, manufacturing, sales, and disposal, TOK creates and implements procedures for complying with all laws and regulations and managing risks.

Chemical substance risk management in each stage of the supply chain process



→ For details on chemical substance risk management at each stage of the supply chain, please refer to the URL below.

https://www.tok.co.jp/eng/sustainability/env-activity/chemical_substance

Data Section

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Trends of Key Ten-Year Data and Analysis

Ten-Year Financial Highlights

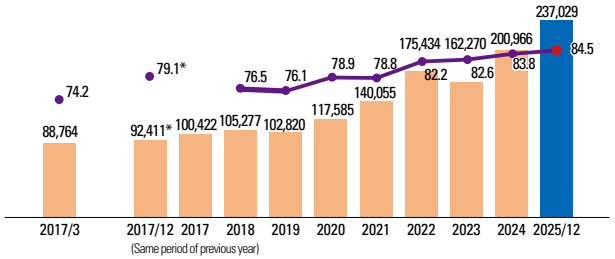
Net sales/Overseas sales ratio*

237,029 million yen

Net sales (millions of yen)

84.5%

Overseas sales ratio (%)



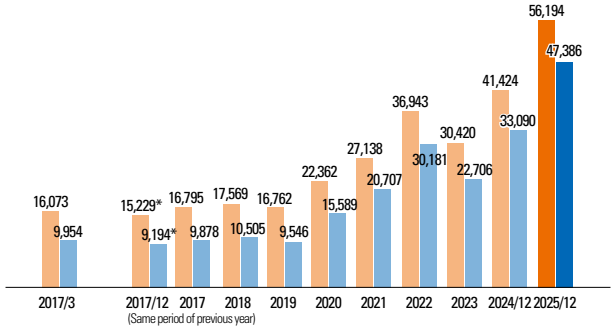
EBITDA/operating income*

56,194 million yen

EBITDA (millions of yen)

47,386 million yen

Operating income (millions of yen)



Even though TOK operates primarily in the semiconductor industry with its rapid technological changes and cyclical nature, the company maintains a long-term management perspective that spans decades. By holding strong competitive positions and market share across the full semiconductor spectrum, from leading-edge to legacy processes and from front-end to back-end operations, TOK has achieved sustained long-term growth in business performance. In FY 2025/12, the TOK Group achieved record-breaking results across all key metrics for the second consecutive year: revenue, cash generation (EBITDA), and operating income. In particular, with the expansion of the market for advanced AI applications in recent years, TOK expanded its market share in cutting-edge fields, including EUV photoresists for GPUs, ArF photoresists, and packaging materials, while maintaining the top global market share in legacy materials of g-line and i-line photoresists for power semiconductors that contribute to decarbonization, with the TOK Group's earnings showing strong downside rigidity and high upside elasticity in response to volatility in the silicon cycle and the global economy.

* Because of the change in the fiscal year-end, the fiscal year that ended December 31, 2017, was an irregular nine-month period in Japan but 12 months internationally.

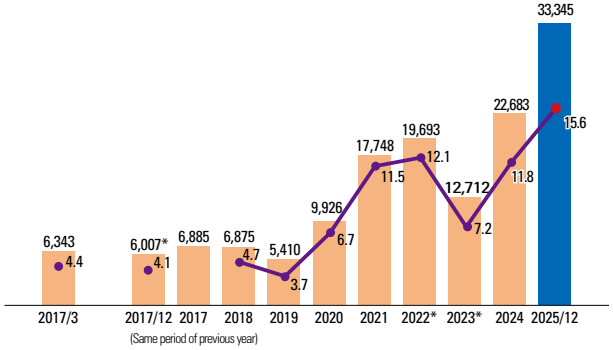
Profit attributable to owners of the parent*/ROE

33,345 million yen

Profit attributable to owners of the parent (millions of yen)

15.6%

ROE (%)



Total assets/Equity ratio/ Debt-to-equity ratio

335,292 million yen

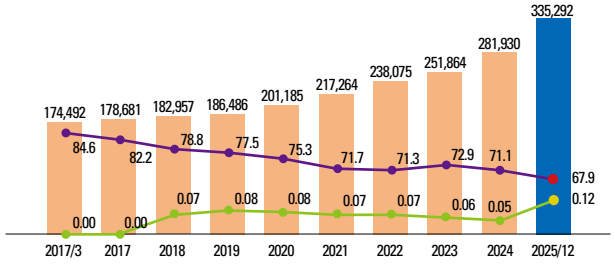
Total assets (millions of yen)

67.9%

Equity ratio (%)

0.12 times

Debt-to-equity ratio (Times)



Because of the influence of increased depreciation and amortization from large-scale cutting-edge capital investments, the volatility of operating income and of profit attributable to owners of the parent was large relative to EBITDA. However, profit attributable to owners of the parent reached a record high for the second consecutive fiscal year, and ROE also reached an all-time high in FY2025/12. In TOK Vision 2030, TOK is focusing on initiatives to place as much emphasis on ROIC as on ROE as a KPI for promoting BS management. **(See pages 43–47, "Message from the Executive Officer of Accounting and Finance")**.

* Because of the change in the fiscal year-end, the fiscal year that ended December 31, 2017, was an irregular nine-month period in Japan but 12 months internationally.

Under its cash reserve policy, which supports the development of technologies and continued challenges over the long-term and a rapid response to unforeseen events ..., TOK is focusing on BS management to build and effectively utilize its financial foundation with a constant view toward the next 10 years and beyond. **(See pages 43-47, "Message from the Executive Officer of Accounting and Finance")**. The equity ratio remained above 80% for many years; however, in recent years, the ratio has been adjusted to around 70% as a consequence of leverage due to long-term debt financing, better shareholder returns, large-scale share buybacks, and strategic financial capital policy.

Trends of Key Ten-Year Data and Analysis

Ten-Year Financial Highlights

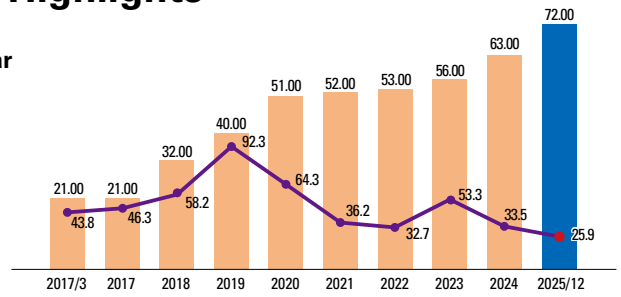
Dividends applicable to the year per share/Payout ratio

72.00 yen

Cash dividends applicable to the year (yen)

25.9%

Payout ratio (%)



Until FY 2016/3, TOK's basic policy was to maintain a consolidated dividend payout ratio of at least 30%, which was raised to at least 40% from FY 2017/3. Beginning with the year-end dividend for FY 2018/12, TOK introduced a new dividend policy targeting a DOE of 3.5%. Beginning with the year-end dividend for FY 2021/12, TOK raised its DOE target to 4.0% and has since pursued initiatives to achieve both growth investment and shareholder returns while meeting the expectations of long-term investors. **(See pages 43–47, "Message from the Executive Officer of Accounting and Finance")**.

* TOK conducted a three-for-one stock split of common shares on January 1, 2024. For FY 2023/12 and earlier, amounts were calculated based on the post-split number of shares, with fractions below one yen rounded down.

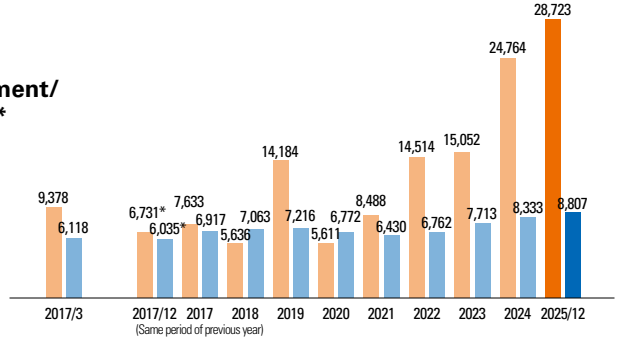
Investment in plant and equipment/ Depreciation and amortization*

28,723 million yen

Investments in plant and equipment (millions of yen)

8,807 million yen

Depreciation and amortization (millions of yen)



Depreciation and amortization increased as a result of large-scale investments in opening new sites up to tok Medium-Term Plan 2018; however, since tok Medium-Term Plan 2021, TOK has been investing in production equipment with longer depreciation periods, and the increase in depreciation and amortization has been moderate. Currently, TOK is promoting its largest-ever capital investment in production facilities to achieve tok Vision 2030 **(See pages 43–47, "Message from the Executive Officer of Accounting and Finance")**.

* Because of the change in the fiscal year-end, the fiscal year that ended December 31, 2017, was an irregular nine-month period in Japan but 12 months internationally.

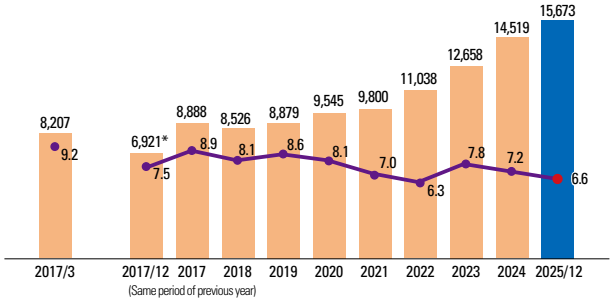
R&D costs/Ratio of R&D costs to net sales*

15,673 million yen

R&D costs (millions of yen)

6.6%

Ratio of R&D costs to net sales (%)



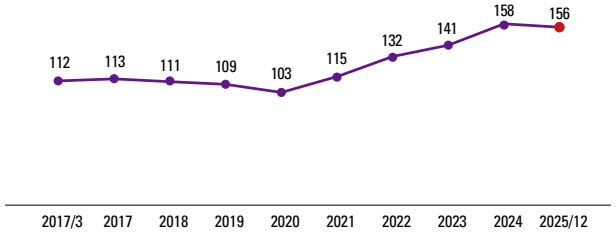
TOK continuously invests about 8% of net sales in R&D. TOK aims to achieve 400% R&D efficiency (operating income over the past five years divided by R&D costs over the preceding five years) as an R&D KPI while adding any surplus over 400% to R&D investment in medium to long-term strategic investments and super-long-term themes for the next ten years and thereafter. Currently, TOK is focusing on initiatives to ensure company growth regardless of which technology blooms and spreads in the market in the future through TOK's largest-ever R&D investment **(See pages 36–41, "Three Division Manager Dialogue")**.

* Because of the change in the fiscal year-end, the fiscal year that ended December 31, 2017, was an irregular nine-month period in Japan but 12 months internationally.

Exchange rate

156 yen

(Yen/U.S. dollars, as of the end of each fiscal year)



While the current long-term weak yen environment has a generally positive impact on business performance, TOK is also experiencing negative impacts from rising imported material costs, and the company is focused on minimizing these effects. To control financial risks associated with exchange-rate fluctuations and liquidity, TOK is taking specific hedging measures, including the use of forward exchange contracts, while promoting BS management in light of the recent escalation of global risks, including tariff risks. As part of these efforts, TOK is focusing on advancing global cash management to include adjustment of the balance of cash positions at overseas sites.

Trends of Key Ten-Year Data and Analysis

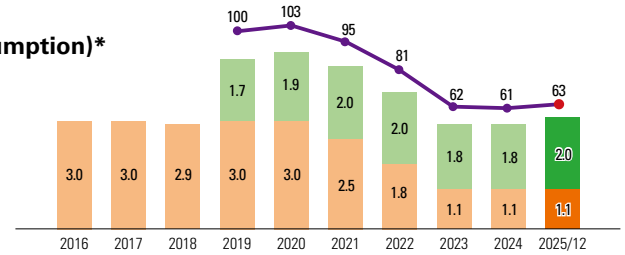
Ten-Year Nonfinancial Highlights

CO_2 Emissions (Converted from Energy Consumption)*

31,000 t-CO_2e

CO_2 emissions (10,000 t-CO_2e)
Domestic Overseas

63%
vs. 2019



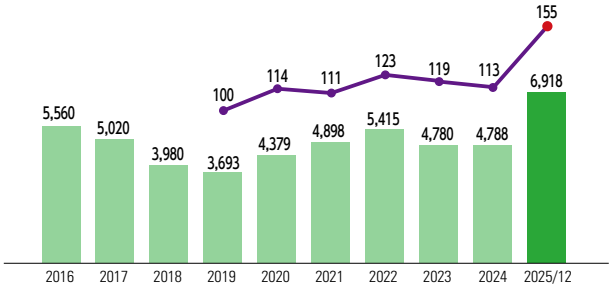
As TOK works toward achieving carbon neutrality by 2050, the company has been proactively implementing aggressive reduction measures, including switching 100% of purchased electricity at all major domestic facilities to renewable energy sources starting in February 2023. From 2024, TOK set a new medium-term target to align the growth strategy with the 1.5°C target by 2030 in order to reduce the Group's consolidated absolute emissions (Scopes 1 and 2) by 30% compared to 2019 **(See pages 77–80, 81 and 88)**.

* Indicated for domestic and overseas Scopes 1 and 2. Overseas is indicated from 2019.
FY 2019 comparisons have been changed from intensity-based metrics reported in previous integrated reports (through the 2023 edition) to total volume-based comparisons.

Volume of Industrial Waste*1

6,918 t
Amount of industrial waste generation (tons)

155 Base unit index
Base unit index (vs. 2019)

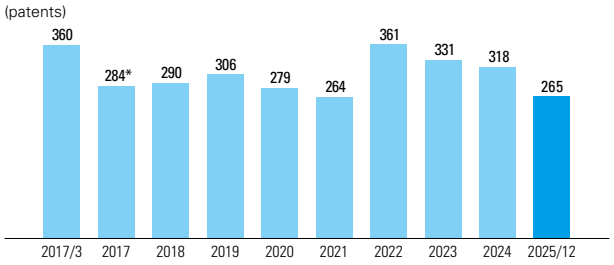


TOK achieved zero emissions*2 for twelve consecutive years because the volume of its industrial waste headed to landfill disposal via intermediate treatment remained below 1% of the total. TOK targets a reduction of 15 points in total for industrial waste by 2030 compared to 2019 (per base unit), and the company is promoting efforts to refine and reuse process effluents, to process effluents internally, to collect waste internally, and to convert waste into items of value. However, in 2025, the figure increased by 55 points compared to 2019 due to the opening of the Aso Kumamoto site **(See page 90)**.

*1 Total sum of general industrial waste and specially controlled industrial waste (Unconsolidated basis and consolidated subsidiaries in Japan)
*2 Definition of zero emissions: Landfill disposal volume (direct or after intermediate treatment) of less than 1% of industrial waste discharged by business activities

Number of patents registrations

265



Based on the IP landscape, TOK acquires patents in a strategic manner in the innovative semiconductor segment, new businesses, and new materials. Going forward, TOK will aim for the stable pursuit of business development through new and promising technologies while building barriers to entry by others through patent acquisition for enhanced intellectual capital. The company will formulate a more effective patent portfolio by selecting open or closed strategies for each case thereby pursuing the enhancement of competitiveness and corporate value **(See pages 33 and 42)**.

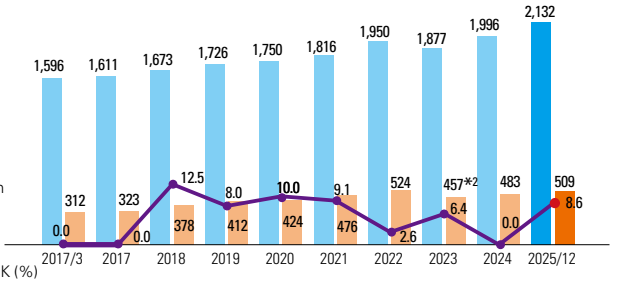
* Because of the change in the fiscal year-end, results for the fiscal year that ended December 31, 2017, are only for nine months.

Number of consolidated employees/ Number of consolidated foreign employees/Graduate turnover within three years of joining TOK*1

2,132
Number of employees (consolidated)

509
Number of foreign employees (consolidated)

8.6%
Graduate turnover within three years of joining TOK (%)



At TOK, the number of foreign employees increased as a result of the expansion of local customer-oriented strategies at overseas sites, an increase in the number of overseas development and production sites, and the emphasis on the proactive hiring of new graduates (slight reduction in 2023 due to fewer consolidated subsidiaries). TOK expanded the different personnel systems and training programs based on a frank and open-minded business culture as part of its management principle, as well as the basic philosophy that human capital is a company asset. As a result, the ratio of new graduate hires who resigned within three years of joining TOK remained at a low rate. In March 2026, TOK was recognized under the 2026 Certified Health and Productivity Management Outstanding Organizations Recognition Program for the eighth time overall **(See page 60)**.

*1 Unconsolidated
*2 The decrease in 2023 was due to the restructuring of overseas consolidated subsidiaries.

Trends of Key Ten-Year Data and Analysis

Ten-Year Nonfinancial Highlights

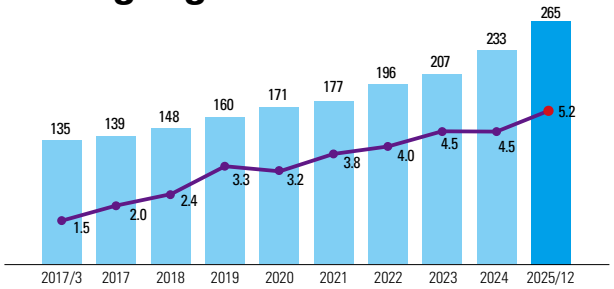
Number of female employees*1 Ratio of women in senior and middle management*2

265

Number of female employees

5.2%

Ratio of women in senior and middle management (%)

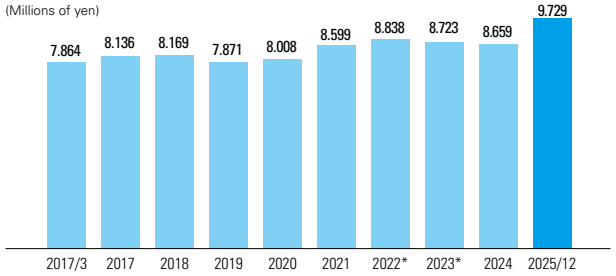


The number of women employees increased as a result of the proactive recruitment of new women graduates, coupled with enhanced support measures to retain women and promote them to senior and middle management. TOK continues to enhance flexible work styles, promote the formation of career plans, provide support for childrearing, and implement other measures. TOK achieved a record-high ratio of women in senior and middle management positions in FY 2025/12 from the effects of its efforts to recruit, retain, and promote women as human capital. TOK continues to promote the appointment of women as human capital toward the 2030 target (two-fold increase vs. 2020) **(See page 60)**.

*1 Unconsolidated (employees exclude those seconded from other companies to TOK, and include people seconded from TOK to other companies and contract workers.)
*2 Unconsolidated (excluding employees who undertake managing jobs but are not in management positions)

Average annual salary*

9.729 million yen



Over the past 10 years, TOK continued to increase wages by about 2% to 5% annually, and excluding bonus fluctuations due to performance-linked factors, the average annual salary has consistently risen. Going forward, TOK will continue to create sustainable added value and enhance corporate value by actively investing in technologies that build the value chain and human resources as the source of human connections. TOK sets value creation as a KPI to quantitatively measure the degree of implementation and is monitoring its progress **(See page 59)**.

* Unconsolidated

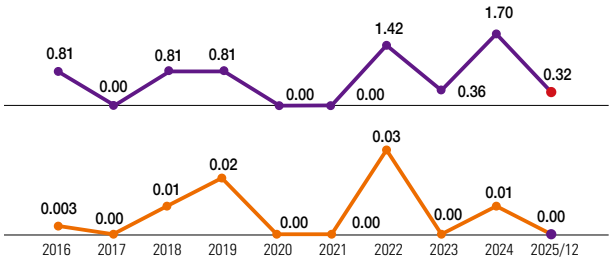
Frequency rate of workplace accidents/Severity rate of workplace accidents*

0.32

Frequency rate of workplace accidents

0.00

Severity rate of workplace accidents

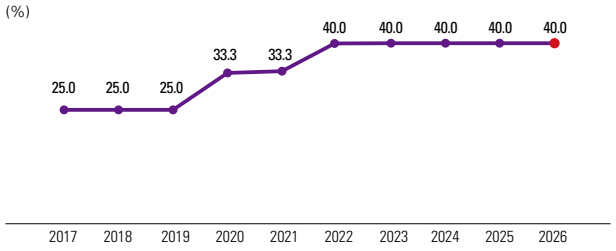


In 2024, while the Ebina Logistics Center retained its Platinum rating in the RBA-VAP re-audit, and all domestic sites and Taiwan/Korea sites obtained ISO 45001 certification, workplace accidents in 2025 totaled nine cases, which was a decrease of three cases year-over-year but not the substantial improvement that was targeted. This reflected the challenges of scaling production volumes as the business grew. While the Occupational Health and Safety Emergency Declaration issued in April 2023 has been lifted, the company is focusing its accident prevention efforts on rebuilding a safety culture. This includes reaffirming the importance of basic safety rules, breaking free from negative success experiences, and fostering a change in mindset.

* Unconsolidated

Ratio of Outside Directors

40.0%



TOK increased the number of outside directors by one each in 2015 and 2020, and one in 2022, to four. Therefore, the ratio of outside directors is now 40.0%. TOK maintains this ratio after its shift to a company with an Audit and Supervisory Committee.

* Based on a resolution adopted at the 93rd general meeting of shareholders that convened on March 30, 2023, TOK shifted to a company with an Audit and Supervisory Committee.

Trends of Key Ten-Year Data and Analysis

Changes in Medium-Term Management Plans and Ten-Year Key Data

Strategies:
- Reform business portfolios
- Upgraded customer-oriented strategies
- Develop human resources capable of global operation
- Strengthen the management foundation

Long-term management vision up to FY 2020/12:
Aim to be a globally trusted corporate group by inspiring customers with high value-added products

Features:
- Strengthen business portfolio reforms
- Returned to a growth trajectory
- Strengthen balance sheet management and introduce a new dividend policy

tok Vision 2030:
Contribute to a sustainable future through chemistry
The e-Material Global Company™

Strategies:
[1] Increase global market shares 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

Key Strategies:
[1] Create and strengthen a safe, secure work environment where every employee can feel comfortable both physically and mentally
[2] Build a robust supply chain
[3] Deepen customer relationships and expand the customer base through enhanced marketing capabilities
[4] Pursue cutting-edge technologies and develop unique technologies for the TOK Group
[5] Establish a financial foundation to support long-term R&D and stable production
[6] Establish a digital infrastructure aimed at creating new value
[7] Foster a corporate culture that contributes to SDGs

Consolidated fiscal year ended March 31, 2017, and December 31 of each year from 2017 onward	tok Medium-Term Plan 2018			tok Medium-Term Plan 2021			tok Medium-Term Plan 2024			tok Medium-Term Plan 2027	
	2017/3	2017/12*4	2018/12	2019/12	2020/12	2021/12	2022/12	2023/12	2024/12	2025/12	
Results of operation:											
Net sales	88,764	92,411	105,277	102,820	117,585	140,055	175,434	162,270	200,966	237,029	(millions of yen)
Materials Segment	86,558	90,531	102,621	98,986	114,773	137,725	170,329	162,270	200,966	237,029	
Equipment Segment	2,205	1,880	2,655	3,833	2,811	2,329	5,105	—*7	—	—	
EBITDA	16,073	15,229	17,569	16,762	22,362	27,138	36,943	30,420	41,424	56,194	
Operating income	9,954	9,194	10,505	9,546	15,589	20,707	30,181	22,706	33,090	47,386	
Income before income taxes	9,220	9,492	9,814	8,657	15,349	25,799	30,790	21,918	35,158	50,292	
Profit attributable to owners of the parent	6,343	6,007	6,875	5,410	9,926	17,748	19,693	12,712	22,683	33,345	
Free cash flow	(925)	4,169	6,298	(4,542)	19,472	15,182	6,608	7,831	27,413	9,903	
Investment in plant and equipment	9,378	6,731	5,636	14,184	5,611	8,488	14,514	15,052	24,764	28,723	
Depreciation and amortization	6,118	6,035	7,063	7,216	6,772	6,430	6,762	7,713	8,333	8,807	
R&D cost	8,207	6,921	8,526	8,879	9,545	9,800	11,038	12,658	14,519	15,673	
Net sales by region:											
Japan	22,933	19,319	24,750	24,549	24,819	29,681	31,214	28,295	32,539	36,638	
Taiwan	34,331	40,469	41,399	40,552	47,474	53,422	67,872	57,112	68,623	85,604	
South Korea	9,830	11,229	12,286	11,659	13,747	16,529	21,864	21,989	26,314	30,447	
United States	9,664	9,591	10,978	9,709	10,093	11,082	14,617	14,178	19,567	24,019	
China	—	—	9,383	10,676	15,217	21,534	29,888	30,574	42,770	48,611	
Other	12,004	11,801	6,478	5,672	6,232	7,803	9,978	10,119	11,150	11,708	
Per share data (yen/US dollars):											
Per share basic profit*6	48.73	46.10	54.97	43.34	79.80	143.57	163.18	105.10	187.29	278.42	
Cash dividends applicable to the year per share*8	20.00	20.00	32.00	40.00	51.00	51.00	53.00	55.00	63.00	72.00	
Net assets per share*6	1,128.05	1,163.66	1,153.12	1,163.74	1,217.06	1,293.39	1,404.75	1,516.99	1,671.82	1,898.90	
Financial condition at year-end:											
Total assets	174,492	178,681	182,957	186,486	201,185	217,264	238,075	251,864	281,930	335,292	
Total noncurrent liabilities	2,024	3,421	10,723	14,437	15,997	12,416	16,333	17,756	14,352	33,619	
Interest-bearing debt	135	—	10,000	11,772	11,451	11,541	11,241	11,107	11,101	27,134	
Net assets	152,931	153,517	150,857	151,733	159,994	165,190	180,960	195,480	213,473	242,299	
Key performance indicators (%):											
Operating margin	11.2	9.9	10.0	9.3	13.3	14.8	17.2	14.0	16.5	20.0	
ROE	4.4	4.1	4.7	3.7	6.7	11.5	12.1	7.2	11.8	15.6	
Ratio of R&D costs to net sales	9.2	7.5	8.1	8.6	8.1	7.0	6.3	7.8	7.2	6.6	
Equity ratio	84.6	82.2	78.8	77.5	75.3	71.7	71.3	72.9	71.1	67.9	
Debt-to-equity ratio (Times)	0.00	0.00	0.07	0.08	0.08	0.07	0.07	0.06	0.05	0.12	
Payout ratio	43.8	46.3	58.2	92.3	64.3	36.2	32.7	53.3	33.5	25.9	
DOE	1.9	1.9	2.8	3.5	4.3	4.1	4.0	3.8	4.0	4.0	
ESG-related data:											
Number of employees (consolidated)	1,596	1,611	1,673	1,726	1,750	1,816	1,950	1,877	1,996	2,132	
CO_2 emissions (converted from energy consumption) (10,000 t)*5	3.0	3.0	2.9	4.7	4.9	4.5	3.8	2.9	2.9	3.1	
Industry trends:											
Worldwide semiconductor market (millions of US dollars)*1 (Year)	412,221	412,221	468,778	412,307	440,389	555,893	574,084	526,885	630,549	795,640	
Worldwide photoresists sales (thousands of US dollars)*2	1,504,224	1,504,224	1,631,851	1,679,654	2,027,350	2,420,373	2,589,575	2,309,877	2,689,834	3,081,098	
Exchange rate (JPY/USD)*3	112	112	113	111	109	103	115	132	141	156	

Implement the largest-ever capital investment and R&D investment based on market regrowth from 2024 onwards

Equity ratio:
The equity ratio remained around 85% for a long time; however, TOK is continuing to pursue the optimal balance, which may be decreasing because of stronger balance sheet management.
(See pages 43–47, "Message from the Executive Officer of Accounting and Finance")

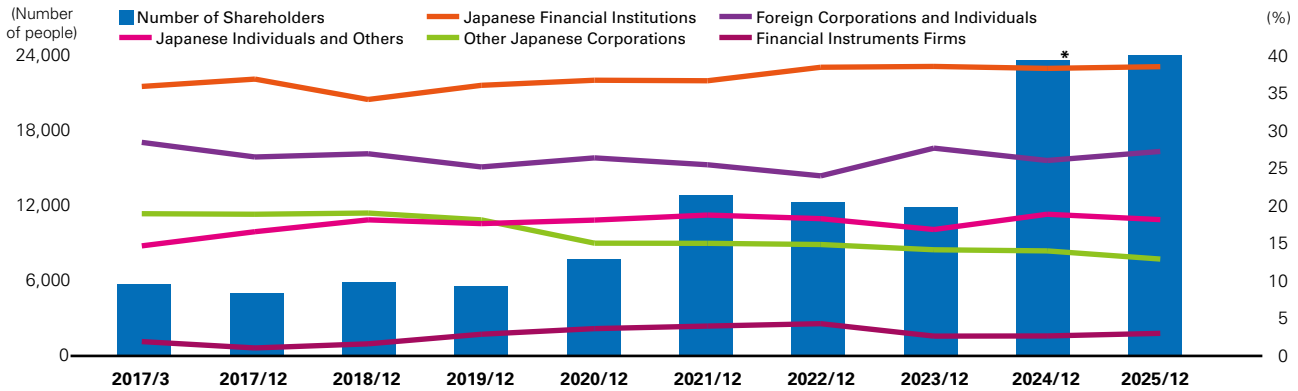
CO_2 emissions:
CO_2 emissions have steadily decreased through a variety of reduction measures, including the shift of 100% of purchased electricity at all key domestic sites to renewable energy sources starting in February 2023.
(See page 88, "Initiatives Toward Achieving Carbon Neutrality")

*1 Source: World Semiconductor Trade Statistics (WSTS) Because of the change in the fiscal year-end, the same values are indicated for FY 2017/3 and for FY 2017/12. *2 Source: Calculated by TOK based on data aggregated by SEMI (total sales of ArF and KrF excimer lasers and g- and i-Line photoresists) Because of the change in the fiscal year-end, the same values are indicated for FY 2017/3 and for FY 2017/12. *3 As of the end of each fiscal year *4 Because of the change in the fiscal year-end, the fiscal year that ended December 31, 2017, was an irregular nine-month period in Japan but 12 months internationally. *5 Values up to FY 2018/12 indicate unconsolidated basis and consolidated subsidiaries in Japan. Because of the change in the fiscal year-end, the totals for FY 2017/3 also represent the data from January to December. Accordingly, the same values are indicated for FY 2017/3 and for FY 2017/12. Values from FY 2019/12 include overseas subsidiaries. *6 TOK conducted a 3-for-1 stock split of common shares on January 1, 2024. Per share basic profit and net assets per share have been calculated assuming that this stock split was conducted at the beginning of FY 2015/3. *7 Because of the transfer of the equipment business, TOK transitioned to the single segment of materials from FY 2023/12. *8 TOK conducted a three-for-one stock split of common shares on January 1, 2024. For FY 2023/12 and earlier, calculated by converting to the number of shares after stock split and rounding down amounts under one yen.

Stock Information

Ten-year Trends of Shareholder Composition

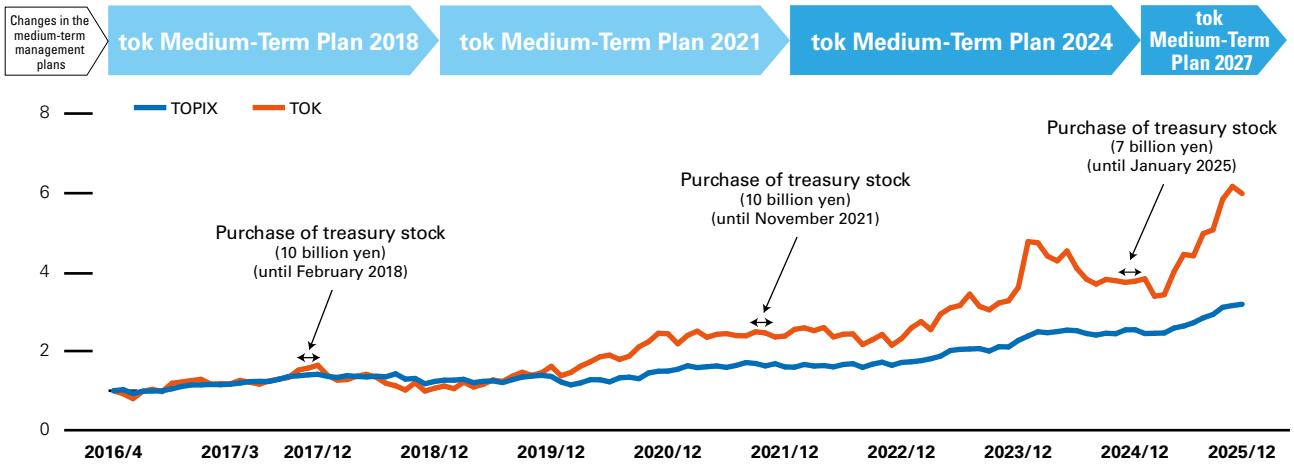
Changes in the number and composition (shareholding ratio) of shareholders



(Note) Treasury stock is included in "Japanese Individuals and Others."
* TOK conducted a three-for-one stock split of common shares on January 1, 2024.

Ten-year Trends of TOK TSR

Relative comparison with April 2016 being 1 (monthly, closing price basis)



Major Shareholders (Top 10)

(As of December 31, 2025)

Shareholder	Numbers of shares held (Thousand shares)	Ratio of shareholding (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	17,701	14.77
Custody Bank of Japan, Ltd. (Trust Account)	7,773	6.48
Meiji Yasuda Life Insurance Company	5,479	4.57
MUFG Bank, Ltd.	3,622	3.02
The Bank of Yokohama, Ltd.	3,079	2.57
Tokyo Ohka Foundation for the Promotion of Science and Technology	2,954	2.46
Mitsubishi UFJ Trust and Banking Corporation	2,861	2.39
Mitsubishi UFJ Capital Co., Ltd.	2,580	2.15
Tokio Marine & Nichido Fire Insurance Co., Ltd.	2,572	2.15
Tokyo Ohka Employee Shareholding Association	1,960	1.64

Notes: (1) The Company owns 7,922,000 shares of treasury stock, which are excluded from the above major shareholders.
(2) The ratio of shareholding is calculated from the number of shares (119,877,901 shares) obtained by subtracting the number of shares of treasury stock from the total number of shares issued.

Basic Stock Information

Stock listing	Prime Market, Tokyo Stock Exchange, Inc.
Category of industry	Chemicals
Securities code	4186
Share unit number	100
Accounting period	January 1 to December 31*1
Dividend record date (Year-end)	December 31
Dividend record date (Interim)	June 30
Total number of shares authorized	500,000,000 shares (As of December 31, 2025)*2
Number of shares issued	127,800,000 shares (As of December 31, 2025)*2

*1 The Company changed its fiscal year-end from March 31 to December 31 effective as of fiscal year 2017.
*2 The Company conducted a 3-for-1 stock split of common shares on January 1, 2024. The above number of shares is stated as the number of shares after the stock split.

Corporate Information/External Evaluation

Corporate Information

(As of December 31, 2025)



Headquarters

Corporate Name	Tokyo Ohka Kogyo Co., Ltd.
Established	October 25, 1940
Headquarters	150 Nakamaruko, Nakahara-ku, Kawasaki-shi, Kanagawa 211-0012, JAPAN
Number of Employees	2,132 (Consolidated)
Paid-in capital	14,640,448,000 yen
Website	https://www.tok.co.jp/eng
Stock listing	TSE Prime Market
Investor Relations Contact for this report	Public Relations IR Department 150 Nakamaruko, Nakahara-ku, Kawasaki-shi, Kanagawa 211-0012, JAPAN TEL. 044-435-3000 FAX. 044-435-3020

External Evaluation

Selected or recognized for indices

(As of July 2026)

- FTSE4Good

FTSE4Good

- FTSE JPX Blossom Japan Index

FTSE JPX Blossom Japan Index

- FTSE JPX Blossom Japan Sector Relative Index

FTSE JPX Blossom Japan Sector Relative Index

- S&P/JPX Carbon Efficient Index

S&P/JPX Carbon Efficient Index

- Sompo Sustainability Index

2026 Sompo Sustainability Index

- JPX-Nikkei Index 400

JPX-NIKKEI 400

- 2026 Outstanding Organizations of KENKO Investment for Health

2026 健康経営優良法人 KENKO Investment for Health 大規模法人部門

- SX Brands 2026

SX Brand 2026

Evaluations and commendations for various activities

- Taiwan Semiconductor Manufacturing Company
  2024 TSMC Excellent Performance Award

- Intel Corporation
  EPIC Distinguished Supplier Award (2022)
  Preferred Quality Supplier Award (2021, 2020, 2018, and 2016)



- Micron Technology, Inc.
  Micron Supplier Award (2022)



- Texas Instruments Inc.
  Supplier Excellence Award (2022 and 2018)



- Global Niche Top Companies Selection 100 (Ministry of Economy, Trade and Industry) (2020 and 2014)

- NIKKEI Integrated Report Award 2022, Semi-Grand Prize
  NIKKEI Integrated Report Award 2023, Grand Prize
  NIKKEI Integrated Report Award 2024, Excellence
  NIKKEI Integrated Report Award 2025, Semi-Grand Prize



- WICI Japan Integrated Report Award
  Silver Award (2024)
  Bronze Award (2023, 2021, and 2020)

WICI JAPAN Integrated Report Award 2024

Tokyo Ohka Kogyo Co., Ltd.

150 Nakamaruko, Nakahara-ku, Kawasaki-shi,
Kanagawa 211-0012, Japan
https://www.tok.co.jp/eng