

Part 4

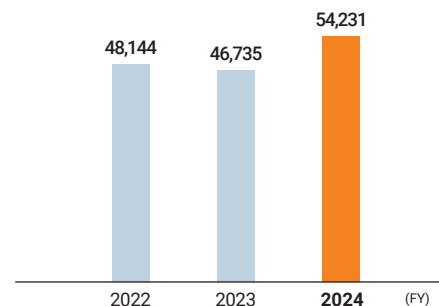
Financial/ Corporate information

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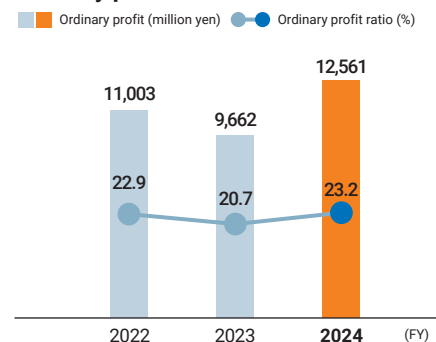
Financial highlights

Net sales (million yen)



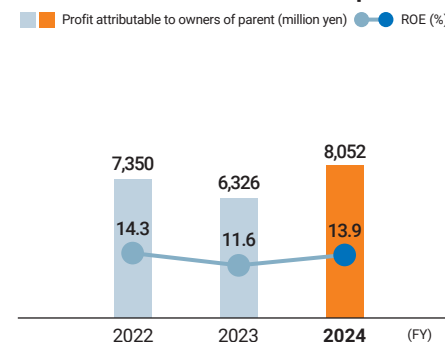
Net sales for fiscal 2024 increased 16.0%, to ¥54,231 million, a new record high, due to a recovery in the lucrative semiconductor field.

Ordinary profit



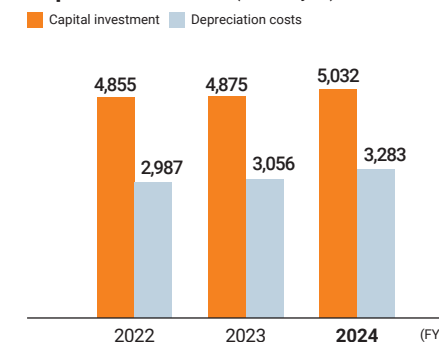
Ordinary profit for fiscal 2024 also increased 30.0% year-on-year to ¥12,561 million, a new record high, due to increased net sales in the profitable semiconductor field.

Profit attributable to owners of parent



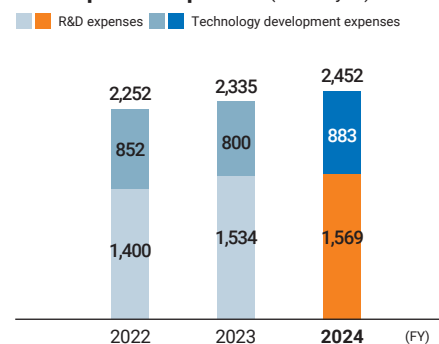
Profit attributable to owners of parent for fiscal 2024 increased 27.3% year-on-year to ¥8,052 million, and ROE was 13.9%.

Capital investment (million yen)



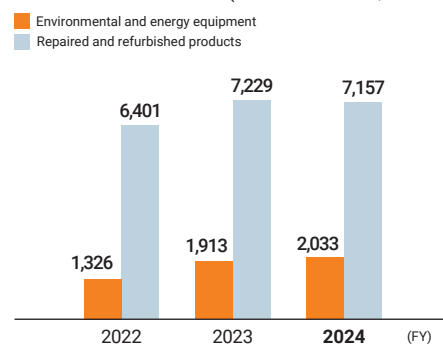
Capital investment for fiscal 2024 was ¥5,032 million. We constructed a new building at our Kobe plant, and installed new equipment to boost our production structure and efficiency, as well as advancing construction of new plants at our subsidiaries in China and Taiwan.

R&D expenses and technology development expenses (million yen)



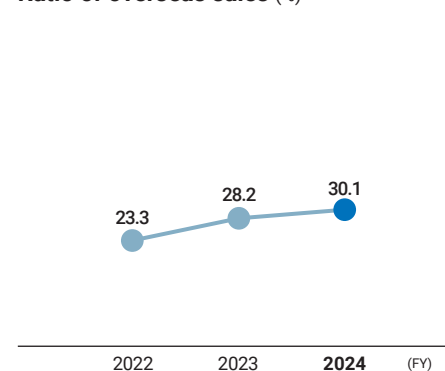
We maintained R&D spending and technology development spending at around 5% of consolidated sales. In fiscal 2024, we invested ¥2,452 million in R&D, a 5.0% increase year-on-year. Going forward, we will continue our efforts to in technological development for new coatings and to resolve issues faced by customers, to ensure our continued growth.

Financial value of orders received in environmental field (non-consolidated, million yen)



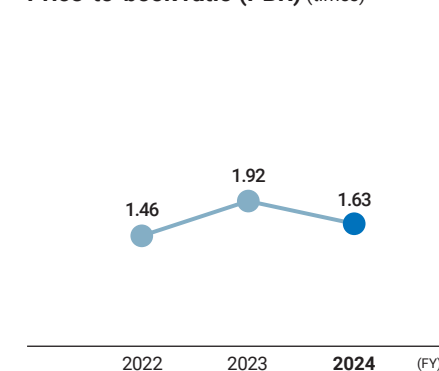
We are focusing on development and promotion of coating technology adapted to the greenhouse gas emission reduction and energy saving measures of customers, and for the popularization and increased efficiency of natural energy-derived power generation. In environmental and energy equipment, processing of battery-related equipment is proceeding favorably. Processing for repair and refurbishment of equipment parts for customers is also progressing steadily.

Ratio of overseas sales (%)



The ratio of overseas sales reached 30.1% in fiscal 2024, whereby we achieved our KPI goal of 25%. Ratio of overseas sales is comprised of export sales to overseas, sales of overseas subsidiaries, and overseas royalties earnings.

Price-to-book ratio (PBR) (times)

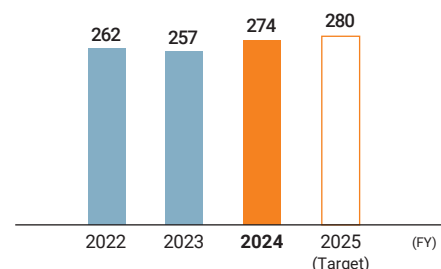


Our price-to-book ratio (PBR) was 1.63 times as at the end of fiscal 2024. We are aware that our cost of equity is 8–10%, but because ROE exceeded this, we think we were able to steadily maintain PBR at one or more times.

Non-financial highlights

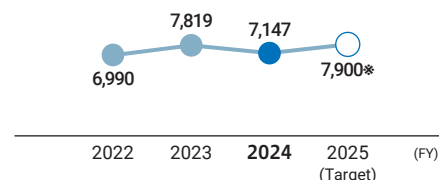
No. of patents owned (non-consolidated)

■ No. of patents owned



We aim to own 280 patents by 2025, and to submit 30 or more patent applications per year. We will continue to actively promote patent application in order to further boost our technological advantage.

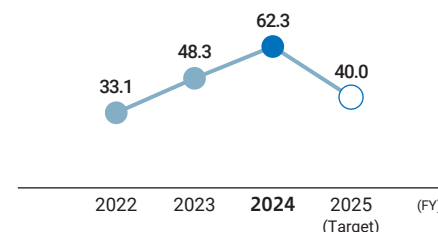
Greenhouse gas emissions (Scope 1, 2) (non-consolidated, t-CO₂)



We aim to reduce our greenhouse gas emissions. Our greenhouse gas emissions in FY2024 were 7,147 t-CO₂, achieving the goal set in the KPI to reduce greenhouse gas emissions to 7,900 t-CO₂ or less.

*Achieve 54% or less of fiscal 2013 emissions

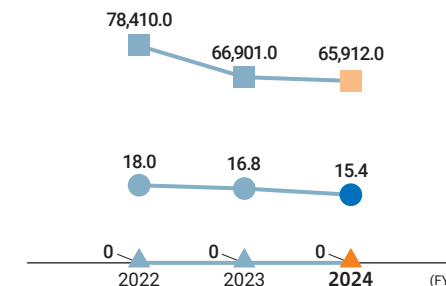
Ratio of waste recycled (non-consolidated, %)



We are striving to increase our ratio of waste recycled as part of our efforts to reduce waste. The ratio of waste recycled reached 62.3% in fiscal 2024, whereby we achieved our KPI goal of 40%.

Water intake amount (non-consolidated, m³)

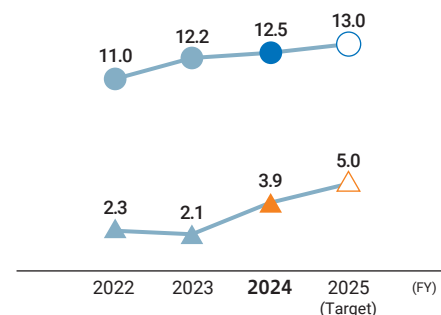
■ Clean water ● Pure water ▲ Groundwater



We consider water resource management a key environmental conservation issue and are striving to reduce the amount of water we use. Our water intake amount was 65,927.4 m³ in fiscal 2024, a 1.5% reduction year-on-year.

Percentage of female full-time employees and percentage of female managers (non-consolidated, %)

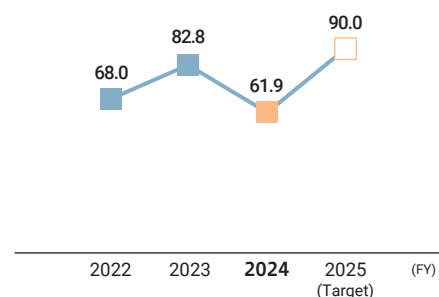
● Percentage of female full-time employees
▲ Percentage of female managers



We are promoting the advancement of women as part of our efforts to ensure diversity. Consequently, we are conducting a range of activities towards the achievement of our fiscal 2025 targets of 13% female full-time employees and 5% female managers.

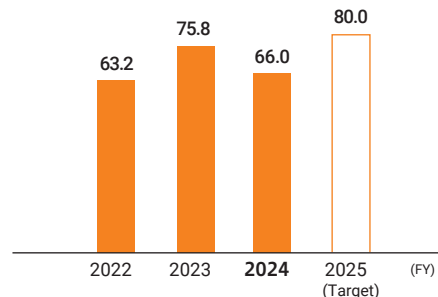
Ratio of men taking childcare leave (non-consolidated, %)

■ Ratio of men taking childcare leave



In fiscal 2024, the ratio of men taking childcare leave decreased 20.9 points year-on-year to 61.9%, but we continued efforts to promote the system with the cooperation of managers, to create a work environment conducive to leave-taking.

Educational spending per employee (non-consolidated, thousand yen)



We believe that employees being able to express their individuality and capabilities while enjoying their work is essential for the growth of the company and are therefore actively investing in training and reinforcement of human resources. TOCALO Co., Ltd. invested ¥66,000 per employee in employee education in fiscal 2024.

Frequency and severity of occupational accidents (non-consolidated)

	FY2022	FY2023	FY2024
Rate of frequency of occupational accidents	1.80* ¹	2.06* ¹	2.36* ²
Severity rate of occupational accidents	0.03* ¹	0.10* ¹	0.031* ²

In fiscal 2024, 14 occupational accidents occurred (zero resulting in death, six resulting in leave). We are striving to prevent occupational accidents through identification causes and countermeasures, as well as by sharing information about workplace accidents and near misses, with the aim of achieving zero occupational accidents.

*1 Not including temporary employees

*2 Including temporary employees

Six-year summary

Segment	Indicator	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
State of results, etc. (millions of yen)	Orders received	38,011	39,021	45,394	48,419	47,505	56,159
	Orders backlogged	6,195	6,143	7,896	8,349	9,260	11,349
	Net sales	38,084	39,294	43,813	48,144	46,735	54,231
	Operating profit	6,727	8,890	10,255	10,558	9,197	12,271
	Operating profit ratio (%)	17.7	22.6	23.4	21.9	19.7	22.6
	Ordinary profit	6,812	8,914	10,571	11,003	9,662	12,561
	Ordinary profit ratio (%)	17.9	22.7	24.1	22.9	20.7	23.2
	Net income attributable to owners of the parent	4,404	5,463	6,909	7,350	6,326	8,052
	Capital investments	2,313	4,822	4,385	4,855	4,875	5,032
	Depreciation costs	2,991	2,771	2,783	2,987	3,056	3,283
	R&D expenses	1,159	1,296	1,296	1,400	1,534	1,569
Per share information (yen)	Earnings per share (EPS)	72.45	89.86	113.62	120.83	105.53	135.45
	Net assets per share (BPS)	662.28	727.06	807.31	884.83	933.08	1020.04
	Annual dividend per share	25.00	35.00	45.00	50.00	53.00	68.00
	Dividend payout ratio (%)	34.5	38.9	39.6	41.4	50.2	50.2
	Dividend on equity ratio (DOE) (%)	3.9	5.0	5.9	5.9	5.8	7.0
Cash flow (millions of yen)	Cash flow from operating activities	6,621	10,588	9,873	9,894	7,877	9,077
	Cash flow from investment activities	(4,217)	(4,615)	(5,044)	(5,094)	(4,634)	(6,194)
	Cash flow from financing activities	1,871	(3,798)	(4,547)	(4,561)	(3,241)	(5,124)
	Balance of cash and cash equivalents at the end of this period	16,496	18,672	19,141	19,520	19,656	17,591
	Interest-bearing debt	8,145	6,031	4,249	2,802	5,002	3,796
Financial status (millions of yen)	Total assets	61,122	64,183	69,517	74,263	77,940	81,676
	Net assets	42,634	46,891	52,459	57,643	59,924	65,731
	Equity	40,263	44,201	49,099	53,839	55,460	60,646
	Equity ratio (%)	65.9	68.9	70.6	72.5	71.2	74.3
Financial indicators	Return on equity (ROE) (%)	11.3	12.9	14.8	14.3	11.6	13.9
	Return on assets (ROA) (%)	11.5	14.2	15.8	15.3	12.7	15.7
	Return on invested capital (ROIC) (%)	9.8	11.9	13.0	12.5	10.2	12.7
	Price earnings ratio (PER) (times)	14.1	16.1	12.0	10.7	17.0	12.3
	Price-to-book ratio (PBR) (times)	1.54	1.99	1.68	1.46	1.92	1.63
Non-financial indicators	Number of employees	1,060	1,121	1,176	1,300	1,389	1,516
	Sales per employee (thousands of yen)	35,929	35,052	37,256	37,033	33,647	35,772
	Non-consolidated educational spending per employee (thousands of yen)	—	32.5	54.2	63.2	75.8	66.0

Note: ROA = Ordinary profit ÷ Average total assets for the period. ROE = Net income attributable to owners of the parent ÷ Average equity for the period.

Figures for net sales and operating profit have been reconfigured to reflect changes to the disclosure method in FY2021 ("royalties and other income" was reclassified from non-operating income to net sales).

Material balance

Input (energy, raw materials, water intake)

		Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024
Energy consumption volume ^{*1,2}	Electricity (MWh)	39,824	42,491	42,891	39,848	41,085
	Kerosene (kl)	209	203	188	177	193
	LPG (kg)	10,615	16,014	16,188	20,024	22,970
	Diesel (kl)	31	32	26	92	83
	Gasoline (kl)	101	88	88	88	89
	Biodiesel (kl)	—	—	—	—	0.75
	City gas (m³)	160,944	165,732	149,164	154,406	180,566
	Acetylene (kg)	—	—	16,142	45,885	17,920
	Energy consumption (crude oil equivalent) (kl)	(10,456)	(11,125)	(11,189)	9,318 (10,433)	9,719
Trend regarding volume of use of raw materials ^{*3}	Thermal spray materials (t)	297.2	271.9	298.7	257.9	339.4
	Other materials (t)	59.2	94.3	113.1	138.5	99.8
Trend regarding volume of water intake	Clean water (m³)	65,850.0	69,552.0	78,410.0	66,901.0	65,912.0
	Pure water (m³)	18.1	16.5	18.0	16.8	15.4
	Groundwater (m³)	0.0	0.0	0.0	0.0	0.0

*1 The scope of aggregation was partially revised in FY2023.

*2 Results from FY2020 to FY2022 have been revised to correct an error in the aggregation of data on total energy consumption. The figures in parentheses are based on the standards prior to the revision of the Energy Conservation Law.

*3 Not including substrates.

Output (waste, emissions to atmosphere, effluent, recycling)

		Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024
Trend regarding volume of waste emissions	General business waste (t)	59.3	57.6	61.2	46.8	38.4
	Total industrial waste (t)	1,959.5	2,113.5	2,161.4	1,922.3	1,792.8
Trend regarding volume of emissions to atmosphere	PRTR Law Class 1 Designated Chemical Substances (t)	1.0	1.0	1.3	1.2	1.3
Effluent volume ^{*4,5}	Sewage (m³)	49,338.0 (1,640.1)	54,329.0 (1,939.4)	58,848.0 (1,518.1)	51,185.0 (1,298.5)	50,107.0 (852.5)
	Seawater (m³)	10,984.0	9,640.0	11,680.0	13,712.4	14,566.8
Recycling volume	Metal scraps (t)	108.4	90.1	111.7	150.5	197.5
	Thermal spray material waste (t)	27.4	21.2	15.1	12.4	27.5
	Blasting material waste (t)	716.4	686.2	715.6	723.6	944.2
	Oil waste/ Solvent waste (t)	12.0	12.0	16.6	32.0	33.9
	Paper (t)	46.2	38.3	33.2	38.2	39.1

*4 The numbers in parentheses are the volume of factory effluent that has undergone wastewater processing.

*5 Wastewater discharged from sites using septic tanks is defined as "seawater."

Company overview / Shareholder information (As of March 31, 2025)

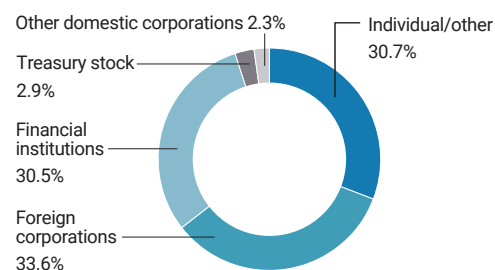
Company data

Company name	TOCALO Co., Ltd.
Established	July 1951
Head office	6-4-4, Minatojimaminami-Machi, Chuo-Ku, Kobe, Hyogo, 650-0047 Japan
Capital	2,658.823 million yen
Number of employees	Non-consolidated: 943 Consolidated: 1,516
Stock exchange	Tokyo Stock Exchange, Prime Market
Securities code	3433
Main banks	MUFG Bank, Ltd. The Mitsui-Sumitomo Bank, Ltd.

Stock information

Total number of issuable shares	160,000,000
Total number of issued shares	61,200,000 (including 1,744,662 treasury stock)
Number of shares per unit	100
Number of shareholders	13,945

Share ratio by owner



Major shareholder status

Shareholder name	Number of shares held (thousand shares)	Percent of total shares (%)*
The Master Trust Bank of Japan, Ltd.	10,831	18.22
Custody Bank of Japan, Ltd.	6,447	10.84
BBH FOR FIDELITY LOW-PRICED STOCK FUND (PRINCIPAL ALL SECTOR SUBPORTFOLIO)	2,736	4.60
TOCALO Employee Shareholding Association	2,563	4.31
NORTHERN TRUST CO.(AVFC) RE FIDELITY FUNDS	2,088	3.51
GOVERNMENT OF NORWAY	1,447	2.43
STATE STREET BANK AND TRUST COMPANY 505001	1,406	2.37
Kumiko Saijo	1,036	1.74
STATE STREET BANK WEST CLIENT - TREATY 505234	916	1.54
KIA FUND 136	778	1.31

*Calculated excluding treasury stock

Third-party evaluations

Inclusion in indices



S&P/JPX Carbon
Efficient Index



JPX-Nikkei Mid Small Index



FTSE Blossom
Japan Index



FTSE Blossom Japan
Sector Relative Index

Participation in initiatives



Task Force on
Climate-Related
Financial Disclosures



Declaration of
Partnership Building

External evaluation of ESG initiatives



CDP



Eruboshi Certification



Kurumin Plus
Certification



Health and Productivity Management
Outstanding Organization



NIKKEI Sustainable Management
Awards, Smart Work Edition



NIKKEI Sustainable Management
Awards, SDGs Management Edition

External evaluation for IR disclosure

Nikko Investor Relations homepage ranking Ranked Corporate Website in the All Markets Ranking and Sector Ranking (Metal Products)



Received the "Most Liked!" IR Award from Japan Investor Relations Association (JIRA)



Network

Global network



China

- ① TOCALO & HAN TAI (KUNSHAN) Co., Ltd.
- ① BAOWU EQUIPMENT INTELLIGENT TECHNOLOGY CO., LTD.
- ② TOCALO & HAN TAI Co., Ltd.
- ② High Shine Limited
- ③ SMS Siemag Technology (Tianjin) Co., Ltd.

Taiwan

- ③ TOCALO & HAN TAI TW Co., Ltd.
- ④ HAN TAI TECHNOLOGY Co., Ltd.

South Korea

- ⑤ DAE SHIN METALLIZING Co., Ltd.
- ⑥ TOPWINTeCH Corp.

Thailand

- ④ TOCALO Surface Technology (Thailand) Co., Ltd.

Indonesia

- ⑤ PT. TOCALO Surface Technology Indonesia

Vietnam

- ⑦ HAN TAI VIETNAM CO., LTD

India

- ⑧ ATS Techno Pvt. Ltd.

EU

- ⑨ Oerlikon Surface Solutions AG
- ⑩ Duma-BandZink GmbH

United States

- ⑥ TOCALO USA, Inc.
- ⑪ SMS group Inc.
- ⑫ NxEdge, Inc.

Brazil

- ⑬ SMS group Metalurgia do Brasil Ltda.

Number of sites

Japan: **3** companies, **28** sites

Overseas: **6** companies, **9** sites

Total: **9** companies, **37** sites

Japan network

● Office ● Plant ● Group company

