



Innovations in packaging.

Engaging in Management That is Conscious of the Cost of Capital and Share Price (Update)



TOMOKU Co., Ltd.

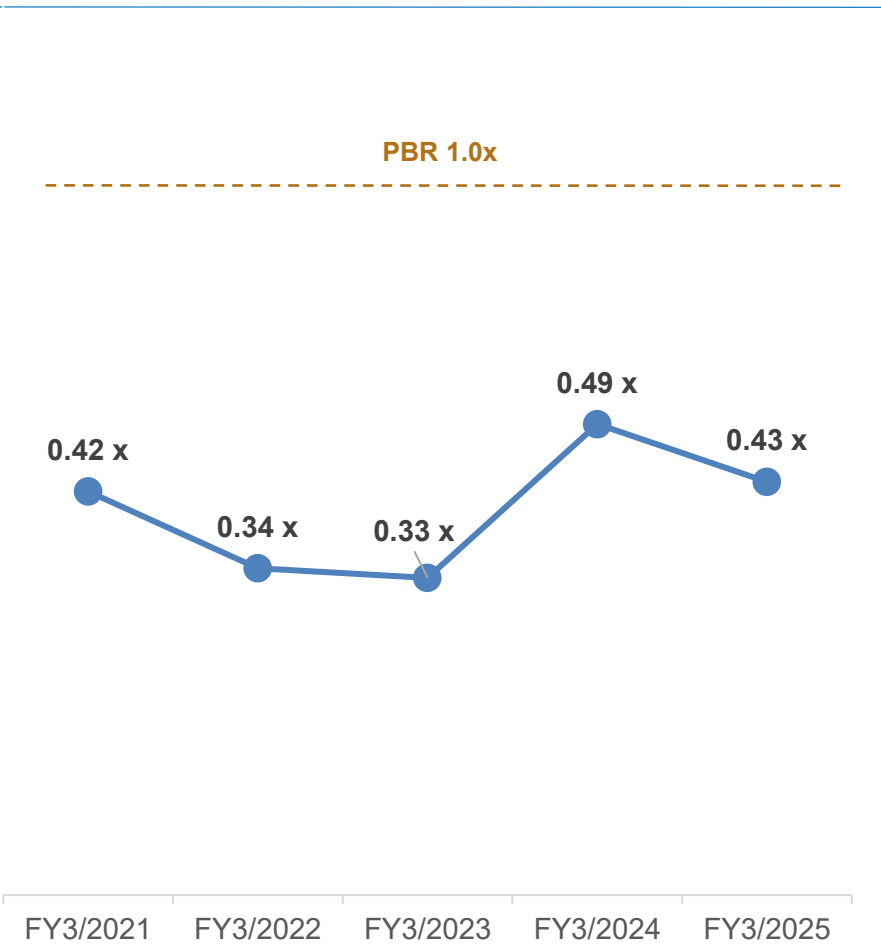
TSE Prime

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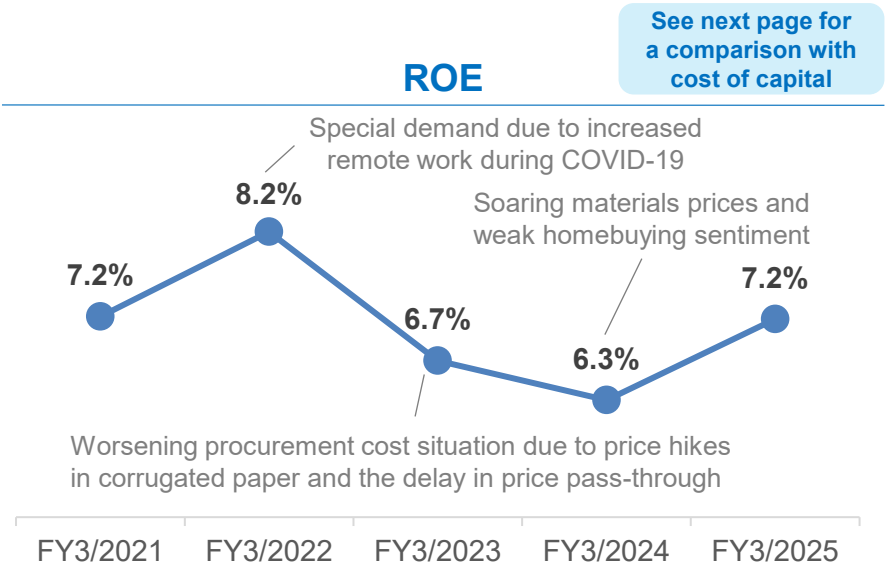
May 29, 2025

PBR ratio remains well below 1x leading to challenges in embedding the company growth strategy

PBR

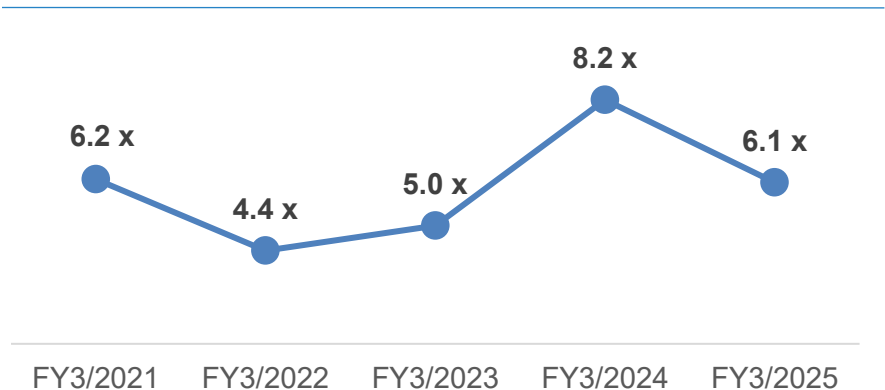


ROE



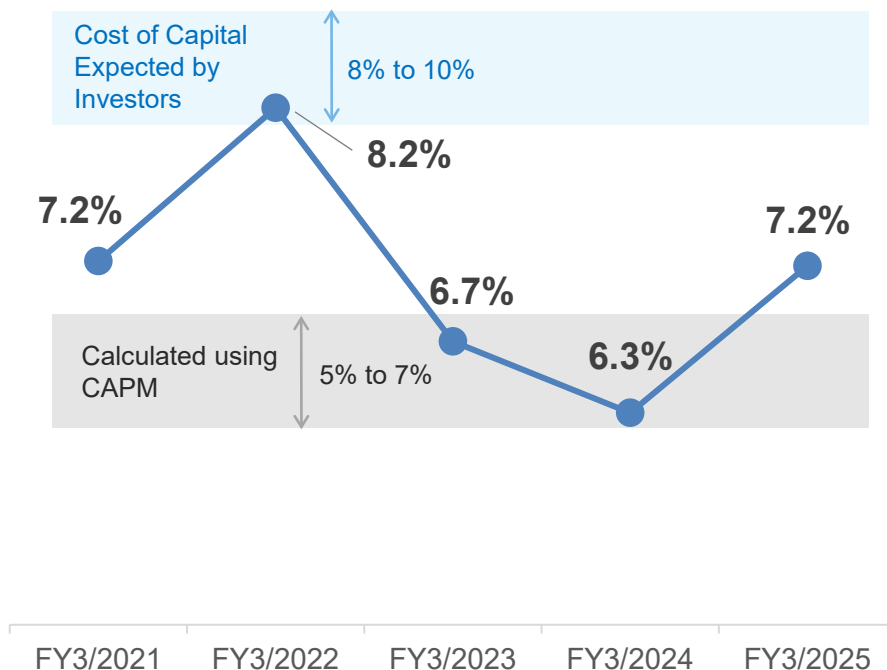
See next page for a comparison with cost of capital

PER



ROE is generally above the estimates calculated by CAPM, but has not reached the level of cost of equity required of the Company as we understood based on dialogue with investors and shareholders

ROE and Cost of Capital (Concept)



Cost of Capital Calculation Method

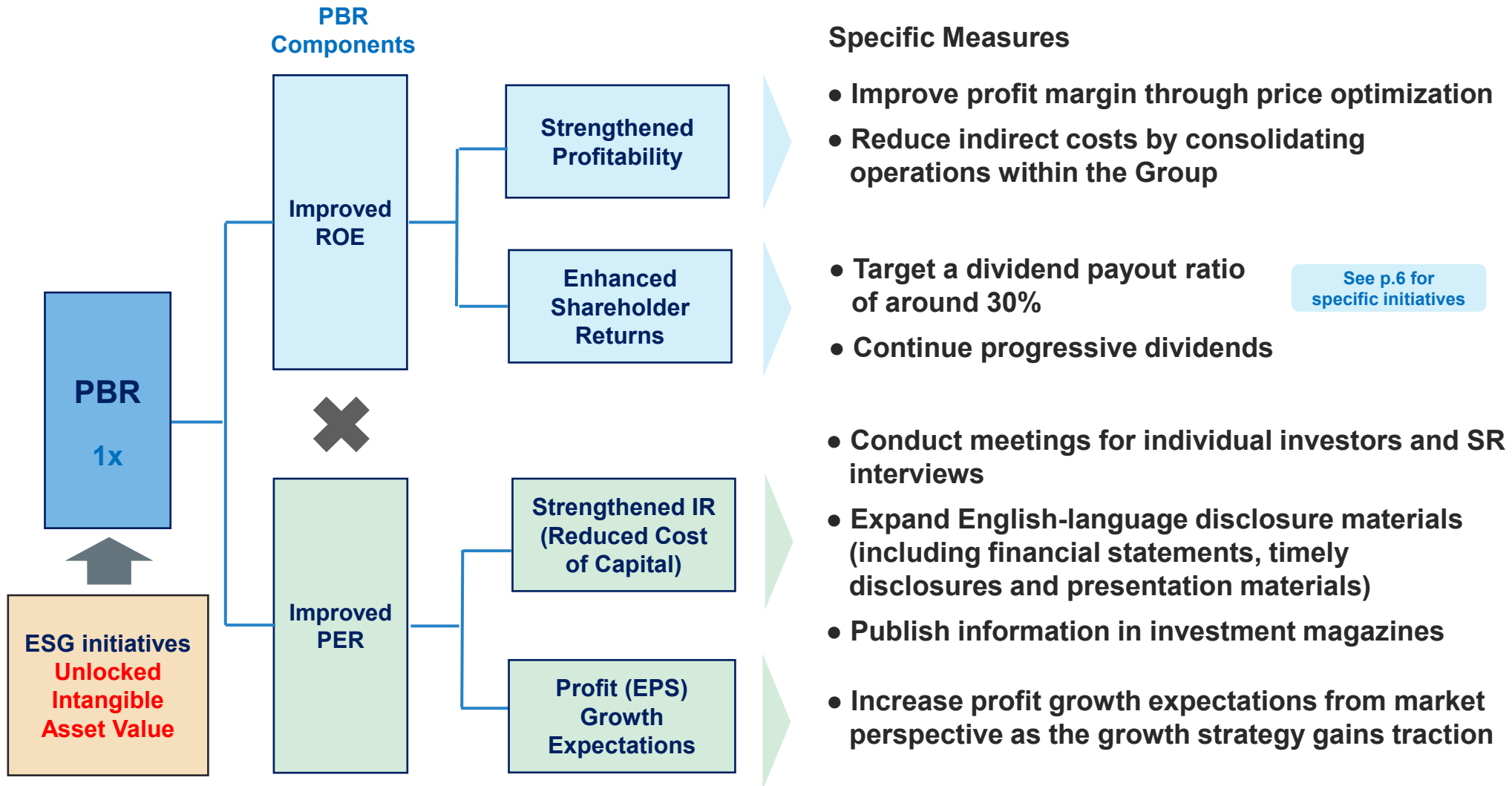
Discussions with Investors

- In the second half of fiscal 2023, we conducted interviews with several investors and shareholders with whom we have regular contact regarding the cost of capital they expect from the Company
- We learned the expected cost of capital was between 8% and 10%

CAPM

- CAPM estimates based on our standards indicate a cost of capital of about 5% to 7%
- Results of independent calculations performed by an outside advisor were comparable to these figures

Improve PBR levels through higher ROE and PER



Conduct dialogue with shareholders and investors, mainly through financial results briefings and individual meetings

Dialogue/Interviews

FY2024 dialogues and interviews:
37 (with 26 companies)

Main Company Representative

Financial Results Briefing

Representative Director, President and Chief Executive Officer
Director, Senior Managing Executive Officer
Director, Managing Executive Officer

Individual Meeting

Director, Senior Managing Executive Officer
Director, Managing Executive Officer

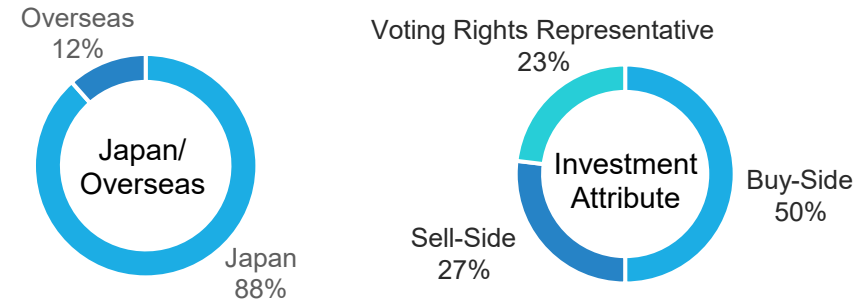
General Meeting of Shareholders

All directors and members of the Audit & Supervisory Board

Tomoku Kyoeikai

Director, Senior Managing Executive Officer

Shareholder/Investor Attributes



Main Topics

- ✓ Group earnings estimates and forecasts
- ✓ External environment and earnings estimates/forecasts by business
- ✓ Factors affecting earnings increase/decrease
- ✓ Second Medium-Term Business Plan progress and future management policies
- ✓ Business portfolio approach
- ✓ Investment policy, including shareholder returns
- ✓ Status of ESG initiatives
- ✓ Expectations for IR activities and expanded information disclosure

Maintaining Shareholder Returns: Annual Dividend of 100 yen per Share for FY3/2025 (+30 yen vs. the Previous Year)

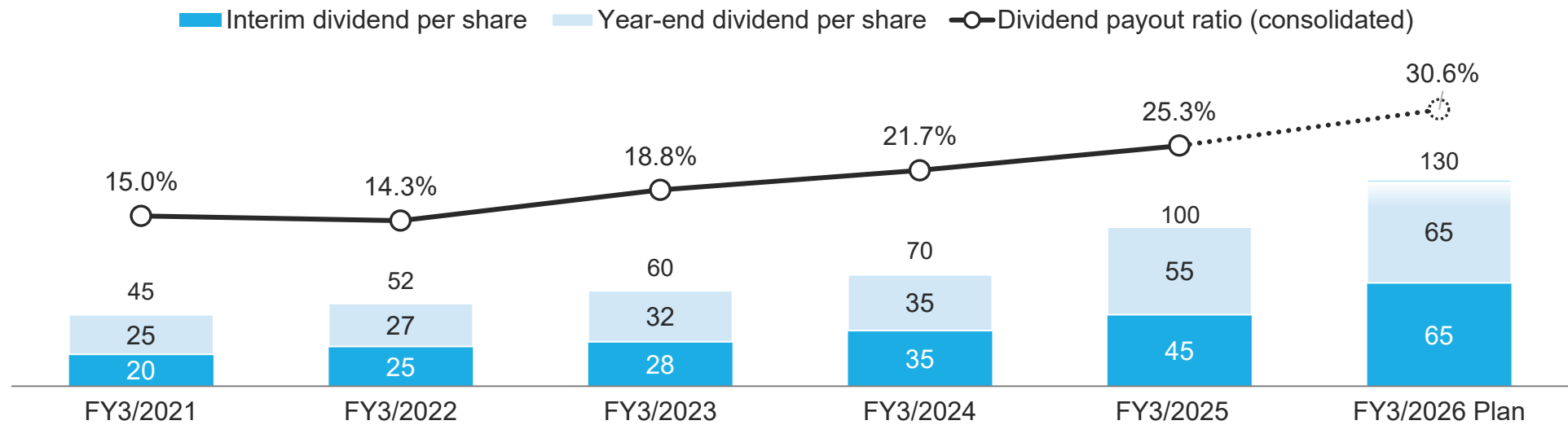


Policy

- Dividends will be based on progressive increases in line with medium- and long-term profit growth (target payout ratio of approximately 30%)
- We will conduct share buybacks in an opportunistic manner

***FY3/2025:** Payout ratio 25.3%, annual dividend 100 yen (interim 45 yen + year-end 55 yen)
(Initial plan: 21.1%)

***FY3/2026 (Plan):** Payout ratio 30.6%, annual dividend 130 yen (interim 65 yen + year-end 65 yen)





Innovations in packaging.

Reference: ESG Initiatives

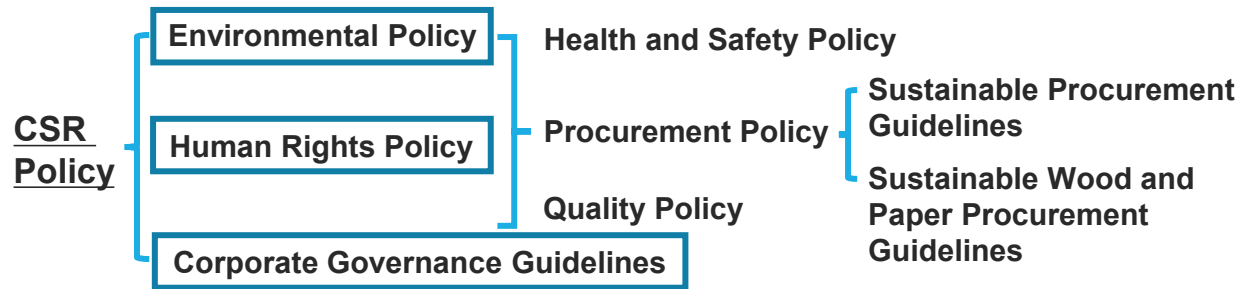


TOMOKU

Group Management Philosophy and Policy Structure

Enveloping Quality, Value, and Life

High Moral
High Quality
High Return



Group Code of Conduct

Sustainability Framework

Sustainability Committee chaired by the president
Deliberates sustainability issues and reports to the Board of Directors



Materiality

Global Environmental Conservation	Diverse Human Resources and Respect for Human Rights	Stronger Governance
Local Community Development	Safety and Security of Products and Services	

Reduce GHG emissions by 50% by 2030 (vs. 2013; Scope 1+2): Adopt renewable energy, efficiency improvements, and process enhancements

Corrugated Container and Display Carton

Target: Production and other facilities

Switch all electricity used in operations to renewable energy sources, convert boiler fuel from heavy oil to city gas

Switch to LED lighting, adopt battery-powered on-site lifts

Housing

Targets: Sweden House (custom-built houses), Tamazen (ready-built houses)

Reduce residential energy consumption by 50% as compared to Japanese Energy-Saving Standards 2016



Contribute over the medium to long term to environmentally and human-friendly cities that embrace education, medical care, and welfare

Lateral expansion of Sweden Hills (Swedish houses in the suburbs of Sapporo)

Absorb CO₂ emissions within the area through forest conservation and afforestation

Serve as a model for CO₂ absorption and reduction activities in other future subdivisions

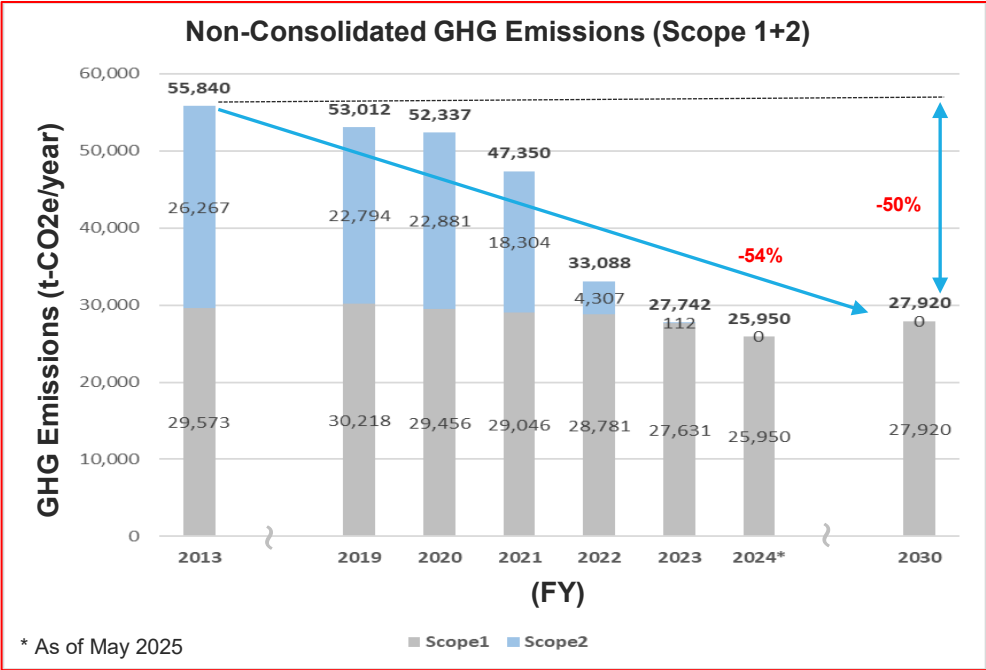
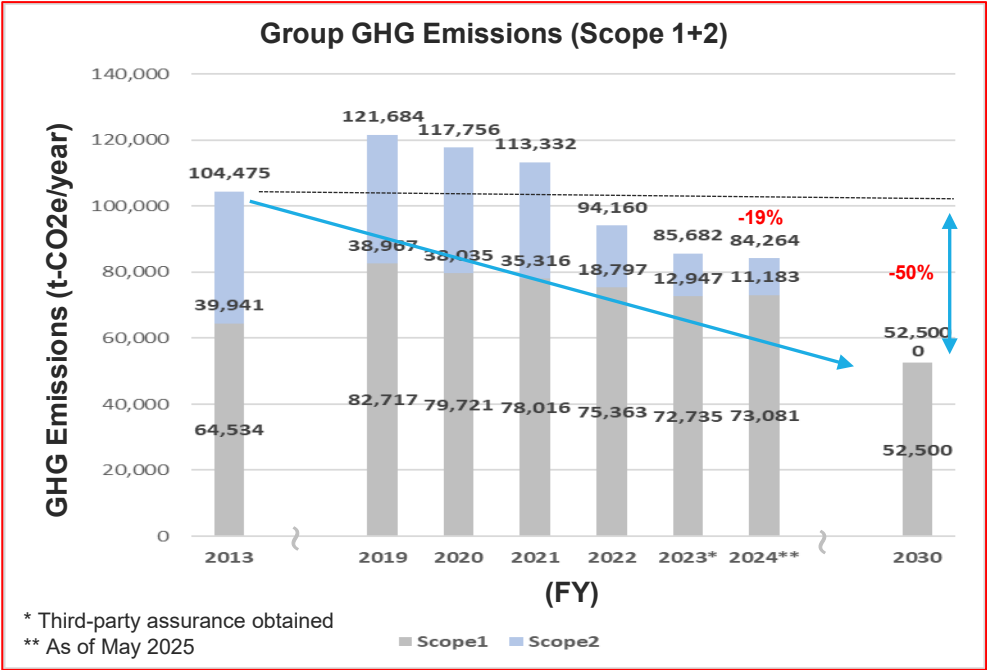
Transportation and Logistics

Target: Energy Savings in Warehouse Facilities and Transportation Systems

Improve dispatch planning efficiency, improve ratio of vehicles in use, adopt environmentally friendly trucks

Green Project activities (e.g., fuel efficiency improvements through the use of renewable electricity in warehouse facilities, energy-saving operations, and engine idling restrictions), adopt battery-powered on-site lifts

Status of efforts and plans to achieve target of reducing greenhouse gas (GHG) emissions by 50%



Greenhouse Gas (GHG) Emissions Reduction Initiatives

- | | |
|---|--|
| ● Switch all electricity used in operations to renewable energy sources | ● FY3/2023: Adopted at 7 Tomoku factories and 3 Tohun warehouses |
| | ● FY3/2024: Adoption at all 17 Tomoku factories; expanded gradually to group companies |
| | ● FY3/2025: Tomoku headquarters, Sweden Hills Golf Club, Gifu and Hanyu distribution centers, etc. |
| ● Boiler fuel heavy oil ⇒ Convert to gas | ● 13 factories converted to gas |
| ● LED lighting, battery-powered on-site lifts | ● Beginning in April 2021 and rolled out thereafter |
-
- | | |
|--|--|
| ● Percentage of ZEH buildings (new construction) | ● FY3/2025: 50.8% |
| ● Primary residential energy consumption | ● FY3/2023: -39% ⇒ FY3/2024: -42% ⇒ FY3/2025: -42% *1 (average of all properties under construction) |
| ● New initiatives for next-generation solar power generation | ● Began proof-of-concept tests for the first lightweight, recyclable film-type solar power generation system for residential use |

*1 BEI reduction ratio = 100 - (Designed primary energy consumption / Standard primary energy consumption)%, Sweden House results

Initiatives toward 100% sustainable raw materials

• Purchase of FSC-certified containerboard

In principle, we purchase FSC-certified* containerboard; 86.8% of containerboard purchased in fiscal 2024 was FSC-certified

*FSC (Forest Stewardship Council) certification: A system that certifies forest management from a wide range of perspectives, including legality, labor and indigenous people's rights, and community relations.

• Supply chain management

Conduct self-assessment questionnaire (SAQ) for suppliers regarding legal compliance, environment, human rights, etc.

Conducted for all suppliers of corrugated cardboard container materials in fiscal 2024

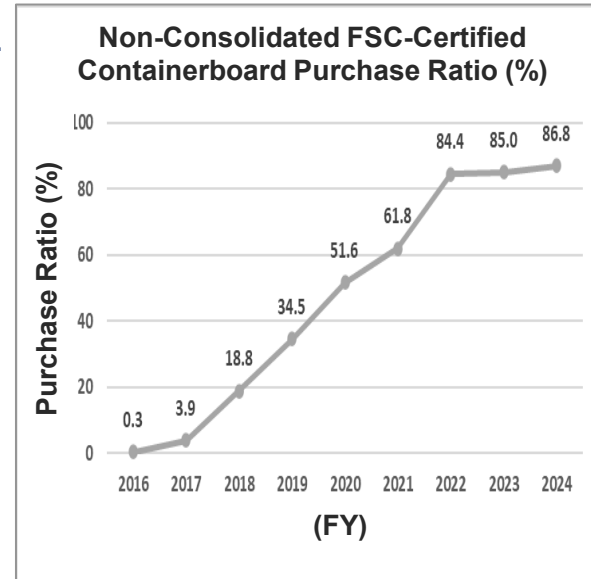
• Purchase housing materials that encourage the conservation of forest resources

The Housing segment (Sweden House) is engaging in business that considers the conservation of forest resources

- Panel production and assembly using Nordic timber, a strictly managed forest resource

⇒ Housing that conserves forest resources, protects ecosystems, and prevents global warming

- Support sustainable forest management under our Wood Procurement Policy
- Create an assessment system based on wood production area and species; procure wood in favor of forest conservation



Recycling (corrugated cardboard, waste disposal at housing construction sites, etc.)

Take the initiative in waste reduction and recycling, recognizing the trend toward circular economies

• Corrugated container and display carton segment

Recycle 100% of corrugated containerboard scraps into containerboard; achieve 98.4% recycling mark labeling

• Housing segment

Improve panels used at housing construction sites to reduce waste

Prevent Global Warming

Greenhouse gas reduction 50% (2030)

Conserve Biodiversity

Sustainable raw materials 100% (2030)

Respect Human Rights

Human rights training 100% of Group employees

Implement human rights due diligence 100% of Group companies

Supply Chain*

Conduct supply chain SAQ

Occupational Health and Safety

Improve workplace environments toward zero accidents 0 workplace accidents

Diversity & Inclusion*

	FY2023 Results	FY2024 Results
Ratio of female employees 20% (by 2030)	19.4%	19.2%
Ratio of female managers 10% (by 2030)	4.1%	4.8%
Male employee parental leave utilization 100%	106.3%	108.8%
Paid leave utilization 70%	55.9%	56.8%
Disabled employee employment rate 3.0%	2.4%	2.8%

Local Community Development*

- Interact with local residents at all plants; hold plant tours, study sessions, on-site classes, and work-study programs for social and environmental experiences (aimed at local elementary and junior high schools)
- Contribute to child support projects by utilizing the corporate version of the hometown tax program

*Tomoku, non-consolidated

Disclaimer

These materials include forward-looking statements of prospects based on current plans, assumptions, estimates, and projections regarding business and industry trends.

These forward-looking statements are subject to various risks and uncertainties. Known risks, unknown risks, uncertainties, and other factors may cause financial performance to differ materially from those presented in forward-looking statements. We make no guarantees that the statements and forecasts in forward-looking statements are accurate. Financial performance may differ significantly from these forward-looking statements.

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