TOKYO OHKA KOGYO CO., LTD.
Supplemental Data of Business Results

— Fiscal Year ended December 2019 —

Feb. 13, 2020

TOKYO OHKA KOGYO CO., LTD.

© 2020 TOKYO OHKA KOGYO CO., LTD.

Summary

(Millions of yen)

	FY2018/12 Result	FY2019/12		
			Change	%
Net sales	105,277	102,820	(2,457)	(2.3)
Operating income	10,505	9,546	(959)	(9.1)
Ordinary income	10,734	9,707	(1,027)	(9.6)
Profit attributable to owners of parent	6,875	5,410	(1,465)	(21.3)

- **Average exchange rate (US$) : ¥109.5／$ (FY2018/12) ⇒ ¥108.1／$ (FY2019/12)**
- **Net sales :** Decreased 2.3% year on year due to a slowdown in demand for semiconductors triggered by the U.S.-China trade friction and also to the impact of the amendment to US GAAP Note
- **Operating income :** Decreased 9.1% year on year due to a decrease in net sales
- **Profit :** Decreased 21.3% year on year due to an extraordinary loss and an increase in non-controlling interests in net income

Note : An overseas consolidated subsidiary adopting US GAAP applied ASC 606 "Revenue from Contracts with Customers" effective January 1, 2019.

© 2020 TOKYO OHKA KOGYO CO., LTD.

Performance Forecasts by Business Segment

(Millions of yen)

	FY2018/12 Result	FY2019 /12		
			Change	%
Net sales	105,277	102,820	(2,457)	(2.3)
Material business	102,621	98,986	(3,635)	(3.5)
Electronic functional materials	58,793	58,249	(544)	(0.9)
High purity chemicals	43,733	40,674	(3,059)	(7.0)
Other	95	63	(32)	(33.3)
Equipment business	2,655	3,833	+1,178	+44.4
Operating income	10,505	9,546	(959)	(9.1)
Material business	14,765	13,462	(1,303)	(8.8)
Equipment business	(883)	(286)	+597	–
Eliminations and corporate	(3,376)	(3,628)	(252)	–

Note1: Effective January 1, 2019, TOK changed the cost allocation method to evaluate and manage financial results by business segment more appropriately, and part of corporate expenses was allocated to Material Business. Following this change, the year-on-year comparison is conducted using the figures reclassified under the new allocation method.

Note2:An overseas consolidated subsidiary adopting US GAAP applied ASC 606 "Revenue from Contracts with Customers" effective January 1, 2019.

tok

© 2020 TOKYO OHKA KOGYO CO., LTD.

Balance Sheets

(Million of yen)

	FY2019	YoY
Current Assets	93,282	(6,619)
Cash and deposits	46,405	(9,687)
Notes and accounts receivable	23,887	+1,347
Inventories	17,439	+194
Property, plant and equipment	55,057	+6,698
Intangible assets	661	+103
Investments and other assets	37,485	+3,346
Current Liabilities	20,316	(1,059)
Notes and accounts payable	10,345	(1,036)
Long-Term Liabilities	14,437	+3,713
Total net asset	151,733	+875
Total asset	186,486	+3,529

Buildings and structures +6,198
Machinery (2,748)
Furniture and fixtures (308)
Land (116)
Construction in progress +3,225

Long-term loans payable +1,272

Retained earnings +23
Treasury stock (1,153)
Unrealized gain on available-for-sale securities +1,380
Foreign currency translation adjustments (271)

Note : An overseas consolidated subsidiary adopting US GAAP applied ASC 606 "Revenue from Contracts with Customers" effective January 1, 2019.

tok

© 2020 TOKYO OHKA KOGYO CO., LTD.

Cash Flows

(Millions of yen)

	FY2018	FY2019
Cash flows from operating activities	+14,311	+12,743
Income before income taxes and minority interests	+9,814	+8,657
Depreciation	+7,063	+7,216
Decrease (increase) in trade notes and accounts receivable	(420)	(1,367)
Decrease (increase) in inventories	(1,770)	(388)
Decrease (increase) in trade notes and accounts payable	+1,092	(943)
Increase (decrease) in advances received	(147)	(37)
Income taxes paid	(2,221)	(2,302)
Cash flows from investing activities	(8,013)	(17,286)
Cash flows from financing activities	+4,333	(5,789)
Translation adjustments	(741)	(289)
Net increase (decrease) in cash and cash equivalents	+9,889	(10,621)

Major breakdown
Purchases of property, plant and equipment (14,774)

Major breakdown
Proceeds from long-term loans payable +1,372
Purchase of treasury shares (1,371)
Dividends paid (incl. minority shareholders) (5,759)

© 2020 TOKYO OHKA KOGYO CO., LTD.

Earnings Forecasts (Full-year)

(Millions of yen)

	FY2019	FY2020 Forecast		
			Change	%
Net sales	102,820	107,000	+4,180	+4.1
Operating income	9,546	11,300	+1,754	+18.4
Ordinary income	9,707	11,700	+1,993	+20.5
Profit attributable to owners of parent	5,410	7,900	+2,490	+46.0

- **Exchange rate assumptions (US$) : ¥108.1/$ (2019/12) ⇒¥105.0/$ (2020/12)**
- **Net sales :** Material Business is assumed to advance to a growth stage in response to the recovery trend in semiconductor production. Forecast to increase 4.1% year on year
- **Operating in come :**
  Forecast to increase 18.4% year on year due to profit increase in Material Business despite an increase in corporate expenses
- **Profit attributable to owners of parent :**
  Forecast to increase 46.0% year on year partly due to a rebound from declined profit attributable to owners of the parent in FY2019/12

© 2020 TOKYO OHKA KOGYO CO., LTD.

Performance Forecasts by Business Segment

(Millions of yen)

	FY2019	FY2020 Forecast		
			Change	%
Net sales	102,820	107,000	+4,180	+4.1
Material business	98,986	103,200	+4,214	+4.3
Electronic functional materials	58,249	60,400	+2,151	+3.7
High purity chemicals	40,674	42,700	+2,026	+5.0
Equipment business	3,833	3,800	(33)	(0.9)
Operating income	9,546	11,300	+1,754	+18.4
Material business	13,462	15,300	+1,838	+13.7
Equipment business	(286)	(100)	+186	–
Eliminations and corporate	(3,628)	(3,900)	(272)	–

© 2020 TOKYO OHKA KOGYO CO., LTD.

Capital Investments/Depreciation/R&D

(Millions of yen)

	FY2019	FY2020 Forecast		
			Change	%
Capital Investments	14,183	5,600	(8,583)	(60.5)
Depreciation	7,216	7,000	(216)	(3.0)
R&D	8,879	9,500	+621	+7.0

© 2020 TOKYO OHKA KOGYO CO., LTD.

www.tok.co.jp/eng

(Note)

This presentation material contains forward-looking statements that describe future prospects of TOKYO OHKA KOGYO CO., LTD. (the Company) in terms of business planning, earnings and management strategies. Such statements are based on management's judgement, derived from information available to it at the time such information was prepared. Readers are cautioned not to rely solely on these forward-looking statements, as actual results and strategies may differ substantially according to changes in the Company's business environment.

tok

© 2020 TOKYO OHKA KOGYO CO., LTD.