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

-The 1st half of Fiscal Year ending Dec. 2024-

August 6, 2024

TOKYO OHKA KOGYO CO., LTD.

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Summary for 1H of FY2024

FY2024 1H Results

- **Revised upward the 1H earnings forecasts** (July 26, 2024).
- Net sales were **up 17.0 billion yen or 22.0% YoY** to **94.7 billion yen**, a significant increase due to a recovery of the semiconductor market backed by **increased demand for generative AI and for the Chinese market**, and the impact of exchange rate changes.
- Operating income was **up 2.5 billion yen or 23.3% YoY** to **13.4 billion yen**, a significant increase due to **increased sales** and the **impact of exchange rate changes**.

FY2024 Consolidated Forecasts

- **Revised upward the full-year earnings forecasts** (July 26, 2024).
- Assumptions:
  Expect an increase in demand for our products due to widespread penetration of **generative AI** and an increase in demand for the Chinese market.
- Expect **significant YoY growth in both revenue and profit** based on the current market situation, the usage status of our products and the launch of operation of customers' new plants.
  Net sales: 193.4 billion yen (up 19.2%),
  Operating income: 29.3 billion yen (up 29.0%)

Shareholder Returns

- Under the dividend policy targeting 4.0% of a consolidated dividend on equity ratio, DOE, **the interim dividend is 29 yen. The annual dividend is forecast to be 58 yen.**
- Maintain the forecast of **dividend growth of consecutive 7 years**.

(Note) The Company conducted a 3-for-1 stock split for common shares on January 1, 2024. Dividend forecasts for FY2024 reflect the effect of the stock split.

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Summary(FY2024 1H)

(Millions of yen,%)

	FY2023 1H	FY2024 1H				
			Change	%	Initial Forecast	Progress (%)
Net sales	77,674	94,736	+17,062	+22.0	83,100	114.0
Electronic functional materials	41,848	51,360	+9,511	+22.7	45,600	112.6
High purity chemicals	34,865	42,475	+7,609	+21.8	36,500	116.4
Other	959	900	(58)	(6.1)	1,000	90.1
Operating income	10,904	13,443	+2,538	+23.3	11,100	121.1
Ordinary income	11,806	14,110	+2,303	+19.5	11,600	121.6
Profit attributable to owners of parent	5,355	9,143	+3,788	+70.7	6,800	134.5
EBITDA	14,691	17,570	+2,879	+19.6	15,100	116.4

Average exchange rate (US$) : ¥134.2／$ (FY2023 1H) ⇒¥151.5／$ (FY2024 1H)

- Net sales: Up 22.0% YoY due to a recovery of the semiconductor market backed by increased demand for generative AI and growth of Chinese market, and the impact of exchange rate changes.
- Operating income: Up 23.3% YoY due to increased sales and the impact of exchange rate changes.
- Profit attributable to owners of parent: Up 70.7% YoY due to increased operating income and an absence of business restructuring costs recorded last year.

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Balance Sheets

(Millions of yen)

	As of June 30, 2024	vs. December 31, 2023
Current Assets	148,420	+14,092
Cash and deposits	62,093	+5,276
Notes and accounts receivable	41,385	+7,486
Inventories	34,916	+1,833
Property, plant and equipment	82,163	+8,928
Intangible assets	1,668	+279
Investments and other assets	40,836	(2,075)
Current Liabilities	53,462	+14,835
Notes and accounts payable	25,898	+5,567
Long-Term Liabilities	14,167	(3,589)
Total net asset	205,457	+9,977
Total asset	273,088	+21,223

Buildings and structures +433
Machinery, equipment and vehicles (592)
Tools, furniture and fixtures +469
Land +359
Construction in progress +8,208

Investment securities +1,183
Long-term time deposits (6,000)
Long-term deposits +1,443
Long-term prepaid expenses +809

Notes and accounts payable +5,567
Short-term borrowings +3,965
Income taxes payable +2,219
Accounts payable - facilities +1,991

Long-term borrowings (3,900)
Long-term unearned revenue +358

Retained earnings +5,664
Treasury stock +168
Valuation difference on available-for-sale securities +1,127
Foreign currency translation adjustment account +4,035

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Cash Flows

(Millions of yen)

	2023/6	2024/6
Cash flows from operating activities	+8,987	+13,543
Income before income taxes and minority interests	+10,302	+14,793
Depreciation	+3,786	+4,127
Decrease (increase) in trade notes and accounts receivable	+4,127	(5,848)
Decrease (increase) in inventories	(5,608)	(275)
Decrease (increase) in trade notes and accounts payable	(2,329)	+4,579
Increase (decrease) in advances received	+1,034	(7)
Income taxes paid	(4,102)	(2,099)
Cash flows from investing activities	(5,481)	(2,080)
Cash flows from financing activities	(3,998)	(7,006)
Translation adjustments	+1,780	+2,120
Net increase (decrease) in cash and cash equivalents	+1,288	+6,577

Major breakdown
Purchase of property, plant and equipment
(8,578)
Increase (Decrease) in Long-Term Deposits
+6,000
Proceeds from transfer of business
–

Major breakdown
Dividends paid
(incl. minority shareholders)
(7,167)

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Earnings Forecasts (Full-year)

(Millions of yen,%)

	FY2023	FY2024				
		Revisions of Forecasts	Change	%	Initial forecast	Progress (vs. initial forecast)
Net Sales	162,270	193,400	+31,129	+19.2	179,200	+7.9
Electronic functional materials	87,799	105,500	+17,700	+20.2	97,900	+7.8
High purity chemicals	71,992	86,100	+14,107	+19.6	79,300	+8.6
Others	2,477	1,800	(677)	(27.3)	2,000	(10.0)
Operating income	22,706	29,300	+6,593	+29.0	26,800	+9.3
Ordinary income	24,260	30,400	+6,139	+25.3	27,700	+9.7
Profit attributable to owners of parent	12,712	19,800	+7,087	+55.8	17,600	+12.5
EBITDA	30,420	37,700	+7,279	+23.9	35,100	+7.4
ROE	7.2	10.3	+3.1	–	9.3	–

Average exchange rate (US$) : ¥140.3／$ (FY2023) ⇒¥145.0／$ (FY2024)

- Net sales: Forecast to increase 19.2% YoY due to a recovery of the semiconductor market backed by increasing demand for generative AI and growth of Chinese market, and the impact of exchange rate changes.
- Operating income: Forecast to increase 29.0% YoY due to an increase in sales and the impact of exchange rate changes.
- Profit attributable to owners of parent: Forecast to increase 55.8% YoY due to an increase in operating income. Net sales and net income are expected to reach record highs.

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Capital Investments/Depreciation/R&D

(Millions of yen,%)

	1H FY2023 Result	1H FY2024 Result	Progress (vs. initial forecast)	FY2023 Result	FY2024 Revised Forecast	Change	Initial Forecast
Capital Investments	6,380	11,220	41.1	15,052	27,400	+12,347	27,300
Depreciation	3,786	4,127	49.7	7,713	8,300	+586	8,300
R&D	6,038	7,537	52.0	12,658	15,000	+2,341	14,500

- Capital Investments: Expect to be in line with the plan.
- Depreciation: Expect to be in line with the plan.
- R&D: The plan has been revised taking into account research and development expenses in 1H.

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(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.

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