# Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending December 31, 2024 [J-GAAP]

November 12, 2024

Company name: Tokyo Ohka Kogyo Co., Ltd.
Listing: Tokyo Stock Exchange (Prime Market)
Securities Code: 4186 URL: https://www.tok.co.jp/eng
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Scheduled date to commence dividend payments: —
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: No

(Yen amounts are rounded down to millions, unless otherwise noted.)

## 1. Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending December 31, 2024 (January 1, 2024 to September 30, 2024)

### (1) Consolidated Operating Results

(% indicates the rate of increase/decrease year-on-year.)

| | Net sales | | Operating income | | Ordinary income | | Profit attributable to owners of parent | |
|---|---|---|---|---|---|---|---|---|
| First nine months ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| September 30, 2024 | 146,547 | 23.5 | 23,243 | 50.5 | 24,034 | 44.9 | 15,636 | 107.9 |
| September 30, 2023 | 118,620 | (9.1) | 15,446 | (31.9) | 16,589 | (29.6) | 7,520 | (50.6) |

(Note) Comprehensive income: First nine months ended September 30, 2024 ¥17,721 million [2.1%]
First nine months ended September 30, 2023 ¥17,360 million [-17.1%]

| | Basic earnings per share | Diluted earnings per share |
|---|---|---|
| First nine months ended | Yen | Yen |
| September 30, 2024 | 129.08 | 128.94 |
| September 30, 2023 | 62.19 | 62.11 |

(Note) The Company conducted a 3-for-1 stock split for common shares on January 1, 2024. “Basic earnings per share” and “Diluted earnings per share” are calculated assuming the stock split had been conducted on January 1, 2023.

### (2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio |
|---|---|---|---|
| As of | Millions of yen | Millions of yen | % |
| September 30, 2024 | 266,152 | 202,783 | 72.1 |
| December 31, 2023 | 251,864 | 195,480 | 72.9 |

(Reference) Equity: As of September 30, 2024: ¥191,821 million As of December 31, 2023: ¥183,654 million

## 2. Cash Dividends

| | Annual dividends per share | | | | |
|---|---|---|---|---|---|
| | 1st quarter | 2nd quarter | 3rd quarter | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended December 31, 2023 | — | 82.00 | — | 86.00 | 168.00 |
| Fiscal year ending December 31, 2024 | — | 29.00 | — | | |
| Fiscal year ending December 31, 2024 (Forecast) | | | | 29.00 | 58.00 |

(Note) Revisions to the most recently disclosed dividend forecasts: None

(Note) In light of the above stock split, the amounts for the fiscal year ended December 31, 2023 are on a pre-split basis and for the fiscal year ending December 31, 2024 (forecast) reflect the effect of the stock split.

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2024 (January 1, 2024 to December 31, 2024)

(% indicates the rate of increase/decrease year-on-year)

| | Net sales | | Operating income | | Ordinary income | | Profit attributable to owners of parent | | Basic earnings per share |
|---|---|---|---|---|---|---|---|---|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Full year | 193,400 | 19.2 | 29,300 | 29.0 | 30,400 | 25.3 | 19,800 | 55.8 | 163.24 |

(Note) Revisions to the most recently disclosed financial results forecast: None
There has been no change in the financial results forecast announced on July 26, 2024.

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Application of special accounting treatment in preparing the quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

| | |
|---|---|
| As of September 30, 2024 | 127,800,000 shares |
| As of December 31, 2023 | 127,800,000 shares |

(ii) Number of treasury shares at the end of the period

| | |
|---|---|
| As of September 30, 2024 | 6,602,358 shares |
| As of December 31, 2023 | 6,735,402 shares |

(iii) Average number of shares outstanding during the period

| | |
|---|---|
| First nine months ended September 30, 2024 | 121,132,013 shares |
| First nine months ended September 30, 2023 | 120,930,196 shares |

(Note): In light of the above stock split, "Total number of issued shares at the end of the period (including treasury shares)," "Number of treasury shares at the end of the period," and "Average number of shares outstanding during the period" are calculated assuming the stock split had been conducted on January 1, 2023.

* Review of the accompanying quarterly consolidated financial statements by certified public accountants or an audit firm: No

* Explanation of the proper use of financial results forecast and other special notes

The financial results forecast stated in this report is based on the information available as of the date of the release of this report, and actual results may differ from the forecast due to a variety of factors.

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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## 1. Overview of Operating Results, Etc.

### (1) Overview of Operating Results for the First Nine Months Ended September 30, 2024

During the nine months ended September 30, 2024, the electronics market, which is the main customers for the Group's products, saw a year-on-year increase in demand for semiconductors due to a recovery in the PC and smartphone markets and an expansion of the generative AI market.

Under these circumstances, the Group has made an all-out effort to promote the company-wide strategies set out in the "tok Medium-Term Plan 2024," a three-year medium-term plan with FY2024 as the final year.

As a result, for the nine months ended September 30, 2024, the Group recorded net sales of ¥146,547 million (up 23.5% year-on-year), operating income of ¥23,243 million (up 50.5% year-on-year), ordinary income of ¥24,034 million (up 44.9% year-on-year), and profit attributable to owners of parent of ¥15,636 million (up 107.9% year-on-year).

Operating results by business segment is not disclosed, but net sales by division are as follows.

Net sales in the Electronic Functional Materials Division amounted to ¥79,099 million (up 23.3% year-on-year), in the High-Purity Chemicals Division amounted to ¥65,915 million (up 23.9% year-on-year) and in other divisions amounted to ¥1,532 million (up 21.4% year-on-year).

### (2) Overview of Financial Position as of September 30, 2024

(Assets)

Total assets as of September 30, 2024 increased by ¥14,287 million from December 31, 2023 to ¥266,152 million.

Total current assets increased by ¥10,433 million mainly due to increases in cash and deposits of ¥4,360 million and in notes and accounts receivable - trade of ¥5,480 million.

Total non-current assets increased by ¥3,853 million mainly due to an increase in property, plant and equipment of ¥13,439 million associated with capital investments despite a decrease in investments and other assets of ¥10,004 million due to withdrawals of long-term time deposits.

(Liabilities)

Total liabilities as of September 30, 2024 increased by ¥6,984 million from December 31, 2023 to ¥63,368 million mainly due to an increase in notes and accounts payable - trade of ¥4,167 million.

(Net assets)

Total net assets as of September 30, 2024 increased by ¥7,303 million from December 31, 2023 to ¥202,783 million mainly because retained earnings increased by ¥8,635 million due to securing of profit.

As a result, the equity ratio as of September 30, 2024 stood at 72.1%.

### (3) Explanation about Future Forecast Information Including Consolidated Financial Results Forecast

There has been no change in the financial results forecast announced in "Notice on Revisions of Forecasts" dated July 26, 2024. The foreign exchange rate is assumed to be $1=¥145.

In the event that we need to revise, we will disclose promptly.

## 2. Quarterly Consolidated Financial Statements and Major Notes

### (1) Quarterly Consolidated Balance Sheet

(Millions of yen)

| | FY12/23 (As of December 31, 2023) | First nine months of FY12/24 (As of September 30, 2024) |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 56,816 | 61,176 |
| Notes and accounts receivable - trade | 33,898 | 39,379 |
| Securities | 3,999 | 3,999 |
| Merchandise and finished goods | 11,060 | 12,217 |
| Work in process | 7,397 | 8,121 |
| Raw materials and supplies | 14,624 | 13,212 |
| Other | 6,604 | 6,735 |
| Allowance for doubtful accounts | (74) | (80) |
| Total current assets | 134,328 | 144,762 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 40,665 | 39,260 |
| Other, net | 32,569 | 47,413 |
| Total property, plant and equipment | 73,235 | 86,674 |
| Intangible assets | 1,389 | 1,808 |
| Investments and other assets | | |
| Retirement benefit asset | 4,267 | 4,374 |
| Long-term time deposits | 12,000 | — |
| Other | 26,652 | 28,538 |
| Allowance for doubtful accounts | (7) | (5) |
| Total investments and other assets | 42,912 | 32,907 |
| Total non-current assets | 117,536 | 121,389 |
| Total assets | 251,864 | 266,152 |

(Millions of yen)

| | FY12/23 (As of December 31, 2023) | First nine months of FY12/24 (As of September 30, 2024) |
|---|---|---|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 20,331 | 24,498 |
| Short-term borrowings | 486 | 4,389 |
| Income taxes payable | 1,391 | 3,993 |
| Provision for bonuses | 2,537 | 4,381 |
| Other | 13,881 | 13,334 |
| Total current liabilities | 38,627 | 50,598 |
| Non-current liabilities | | |
| Long-term borrowings | 10,000 | 6,100 |
| Retirement benefit liability | 809 | 833 |
| Other | 6,947 | 5,836 |
| Total non-current liabilities | 17,756 | 12,770 |
| Total liabilities | 56,384 | 63,368 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 14,640 | 14,640 |
| Capital surplus | 15,315 | 15,410 |
| Retained earnings | 143,630 | 152,265 |
| Treasury shares | (10,940) | (10,746) |
| Total shareholders' equity | 162,646 | 171,569 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 9,759 | 9,787 |
| Foreign currency translation adjustment | 11,603 | 10,738 |
| Remeasurements of defined benefit plans | (354) | (273) |
| Total accumulated other comprehensive income | 21,007 | 20,252 |
| Share acquisition rights | 140 | 121 |
| Non-controlling interests | 11,684 | 10,840 |
| Total net assets | 195,480 | 202,783 |
| Total liabilities and net assets | 251,864 | 266,152 |

**(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income**

**(Quarterly Consolidated Statement of Income)**

**(First Nine Months Ended September 30, 2023 and 2024)**

(Millions of yen)

| | First nine months of FY 12/23 (January 1, 2023 – September 30, 2023) | First nine months of FY 12/24 (January 1, 2024 – September 30, 2024) |
|---|---|---|
| Net sales | 118,620 | 146,547 |
| Cost of sales | 77,030 | 93,575 |
| Gross profit | 41,589 | 52,972 |
| Selling, general and administrative expenses | 26,143 | 29,728 |
| Operating income | 15,446 | 23,243 |
| Non-operating income | | |
| Interest income | 210 | 260 |
| Dividend income | 387 | 363 |
| Foreign exchange gains | 399 | — |
| Gain on valuation of derivatives | — | 32 |
| Subsidy income | — | 327 |
| Other | 339 | 375 |
| Total non-operating income | 1,336 | 1,359 |
| Non-operating expenses | | |
| Interest expenses | 60 | 64 |
| Share of loss of investments accounted for using equity method | — | 77 |
| Loss on valuation of derivatives | 76 | — |
| Foreign exchange losses | — | 350 |
| Other | 57 | 75 |
| Total non-operating expenses | 193 | 567 |
| Ordinary income | 16,589 | 24,034 |
| Extraordinary income | | |
| Gain on change in equity | — | 183 |
| Gain on sale of non-current assets | 220 | 15 |
| Gain on sale of investment securities | 103 | 508 |
| Other | 45 | — |
| Total extraordinary income | 369 | 707 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 79 | 89 |
| Loss on sale of shares of subsidiaries and associates | 837 | — |
| Loss on sale of businesses | 1,720 | — |
| Other | 1 | 0 |
| Total extraordinary losses | 2,638 | 89 |
| Profit before income taxes | 14,319 | 24,652 |
| Income taxes - current | 4,427 | 7,040 |
| Income taxes - deferred | (64) | (1,013) |
| Total income taxes | 4,362 | 6,027 |
| Profit | 9,957 | 18,625 |
| Profit attributable to non-controlling interests | 2,436 | 2,989 |
| Profit attributable to owners of parent | 7,520 | 15,636 |

**(Quarterly Consolidated Statement of Comprehensive Income)**
**(First Nine Months Ended September 30, 2023 and 2024)**

(Millions of yen)

| | First nine months of FY 12/23 (January 1, 2023 – September 30, 2023) | First nine months of FY 12/24 (January 1, 2024 – September 30, 2024) |
|---|---|---|
| Profit | 9,957 | 18,625 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 2,989 | 28 |
| Foreign currency translation adjustment | 4,467 | (1,013) |
| Remeasurements of defined benefit plans | (53) | 81 |
| Other comprehensive income (loss) | 7,403 | (903) |
| Comprehensive income | 17,360 | 17,721 |
| Comprehensive income attributable to: | | |
| Owners of parent | 14,131 | 14,880 |
| Non-controlling interests | 3,229 | 2,840 |

## (3) Notes to Quarterly Consolidated Financial Statements

### (Notes Concerning Going Concern Assumption)

Not applicable.

### (Significant Changes in Shareholders' Equity)

Not applicable.

### (Additional Information)

(Transaction to grant the Company's shares to employees, etc. through a trust)

Based on the resolution at the Board of Directors meeting held on August 7, 2019, the Company resolved to introduce "Trust-Type Employee Stock Ownership Plan" ("Plan") with an aim to enhance the Company's welfare program as well as to improve its medium- to long-term corporate value by providing employees with incentives for an increase in stock prices.

(1) Overview of the transaction

The Plan is an incentive plan for all employees in the "Tokyo Ohka Employees Stockholding Association" ("Stockholding Association"). Under the Plan, the Company sets up the "Tokyo Ohka Employee Stockholding Association Trust" ("Stockholding Trust") at a trust bank, and the Stockholding Trust purchases in advance the number of the Company's shares expected to be purchased by the Stockholding Association over five years from the date the trust is set up and sells the shares to the Stockholding Association every month on a certain date. Any gains on sale of shares accumulated in the trust upon expiry of the Stockholding Trust will be distributed as residual assets to those satisfying the beneficiary eligibility requirements. As the Company provides guarantee for the loans payable made by the Stockholding Trust to purchase the Company's shares, the Company is liable to pay the outstanding balance of the loans payable, equivalent to loss on sale of shares accumulated in the Stockholding Trust due to a decline in stock prices, upon expiry of the Stockholding Trust.

The Plan aims to improve our medium- to long-term corporate value by providing employees with incentives for an increase in stock prices and also to support employees' asset building as a measure to enhance our welfare program by promoting purchase and holding of shares through enhancement of the Stockholding Association.

(2) The Company's shares remaining in the Trust

The Company's shares remaining in the Trust are recorded as Treasury shares in Net assets at the carrying amount at the Trust (excluding ancillary expenses). The carrying amount and number of treasury shares as of December 31, 2023 and September 30, 2024 were ¥437 million and 315 thousand shares and ¥328 million and 236 thousand shares, respectively.

(Note) The Company conducted a 3-for-1 stock split for common shares on January 1, 2024. The number of shares above reflects the effect of the stock split.

(3) The carrying amount of the loans payable recorded under the gross method

Not applicable.

**(Quarterly Consolidated Statement of Cash Flows)**

Quarterly consolidated statement of cash flows for the first nine months ended September 30, 2024 is not prepared.

Depreciation (including amortization of intangible assets) for the nine months ended September 30, 2024 is as follows:

(Millions of yen)

| | First nine months of FY 12/23 (January 1, 2023 - September 30, 2023) | First nine months of FY 12/24 (January 1, 2024 - September 30, 2024) |
|---|---|---|
| Depreciation | 5,702 | 6,199 |

**(Segment Information, Etc.)**

[Segment information]

I First nine months of the fiscal year ended December 31, 2023 (January 1, 2023 – September 30, 2023)

1. Information about net sales and income or loss by reportable segment

The disclosure is omitted as the Group operates a single business segment.

II First nine months of the fiscal year ending December 31, 2024 (January 1, 2024 – September 30, 2024)

1. Information about net sales and income or loss by reportable segment

The disclosure is omitted as the Group operates a single business segment.

**(Revenue Recognition)**

Information on the breakdown of revenue arising from contracts with customers

The Group operates a single business segment, and the information on the breakdown of revenue arising from contracts with customers is as follows.

(Millions of yen)

| | First nine months of FY 12/23 (January 1, 2023 - September 30, 2023) | First nine months of FY 12/24 (January 1, 2024 - September 30, 2024) |
|---|---|---|
| Electronic functional materials | 64,162 | 79,099 |
| High-purity chemicals | 53,195 | 65,915 |
| Other | 1,262 | 1,532 |
| Revenue from contracts with customers | 118,620 | 146,547 |
| Other revenue | — | — |
| Net sales to customers | 118,620 | 146,547 |