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Tokyo Ohka Kogyo Co., Ltd. Announces Completion of Work to Increase in Production Capacity for Black Resist for Manufacturing LCD Color Filter

KAWASAKI, Kanagawa Prefecture, Japan, February 9, 2005 – Tokyo Ohka Kogyo Co., Ltd. (TOK) hereby announces that it has completed the work to increase its production capacity at its Utsunomiya plant for pigment dispersed black resist for manufacturing liquid crystal displays (LCD) color filter, and made a new start by entering into production with the increased facilities in the above plant, together with the existing operations. And now its completion has doubled TOK's total production capacity for black resist.

Pigment dispersed black resist is used for forming black matrix (*note) of LCD color filter. Metal has been mainly used for forming black matrix in a traditional process, however, black resist has been gradually applied in stead of metal to cope with the further growth in size of LCD glass substrate and also to consider environmental conservation. Accordingly, the market of black resist has steadily been expanded as the new market.

The black resist produced by our company is superior in both light blocking effect and supersensitivity, which are difficult to be successfully balanced, and excellent in the stability of its performance. Esteemed its high reliability in a comprehensive manner, customer demand for our products has been growing to a large extent. Furthermore, LCD market is expected to grow even further in a medium- and long-term prospect by the effect of penetration of LCD television and some other factors, although the pace of its growth is not consistent. Considering such LCD market growth together with widespread of the process applying black resist, it is expected that the customer demand for our products will be steadily expanded.

This investment not only increased the production capacity, but also improved the manufacturing technology to provide products with stable performance, and also developed quality management, in order to establish the system to deal with the demand for the products of higher quality. Consequently, we intend to provide products with more sophisticated and higher quality in the future.

Our group advances "Promoting Diversified Development of Microprocess Technology" as one of our current basic policies, based on the Microprocess Technology acquired over the years. We intend to extend our business further by actively advancing the research and development and investing in the field of flat panel display and by providing the technology and products with sophisticated and high quality in the future.

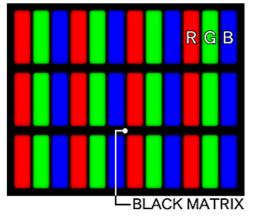
*Note: Pigment dispersed black resist is the photoresist which is colored black by pigment beforehand, and used for forming black matrix of LCD color filter. Black matrix is the black part in a lattice-shaped structure which surrounds the three colors of red (R), green (G) and blue (B) on a color filter as the attached figure shows, and it develops image contrast of LCD. Outline of the production capacity increase

- (1) Plant name:
- (2) Address:
- (3) Items of production capacity increase:
- 21-5, Kiyohara Industrial Park, Utsunomiya, Tochigi Prefecture, Japan Pigment dispersed black resist for forming black matrix of LCD color filter Approximately JP¥600 million

Tokyo Ohka Kogyo Co., Ltd. Utsunomiya Plant

(4) Scheduled investment:

■ Figure: Image of color filter structure



Tokyo Ohka Kogyo Co., Ltd. Utsunomiya Plant



Forward-Looking Statement: This news release contains forward-looking statements based on management's current expectations, estimates and projections. All statements that address expectations or projections about the future, including statements about the company's strategy for growth, product development, market position, expected expenditures and financial results are forward-looking statements. Some of the forward-looking statements may be identified by words like "expects", "anticipates", "plans", "intends", "projects", "indicates", "believes", and similar expressions. These statements are not guarantees of future performance and involve a number of risks, uncertainties and assumptions. Many factors, including those discussed more fully elsewhere in this release and in TOK's filings with the Ministry of Finance of Japan and Tokyo Stock Exchange, Inc., particularly its latest annual report and semiannual report, as well as others, could cause results to differ materially from those stated. These factors include, but are not limited to changes in the laws, regulations, policies and economic conditions, including inflation, deflation, interest and foreign currency exchange rates, of countries in which the company does business; competitive pressures; successful integration of structural changes, including restructuring plans, acquisitions, divestitures and alliances; cost of raw materials, research and development of new products, including regulatory approval and market acceptance.

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