



TOKYO OHKA KOGYO CO., LTD.
Business Results

— Fiscal Year ended March 2016—

May 11, 2016

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**Consolidated Business Results
for FY2016**

Summary

(Millions of yen)

	FY2015	FY2016		
			Change	%
Net sales	88,086	89,969	+1,882	+2.1
Operating income	13,253	12,438	(814)	(6.1)
Ordinary income	14,443	12,684	(1,759)	(12.2)
Profit attributable to owners of parent	8,818	7,716	(1,101)	(12.5)

- Average exchange rate (US\$): ¥109.7/\$ (FY2015) ⇒ ¥119.3/\$ (FY2016)
- Net Sales: Began to decline in the fourth quarter and did not achieve the revised forecast (announced Nov. 5, 2015); however, net sales increased.
- Operating Income: Decreased due to the impact of performance decline in the Equipment Business, etc.
- Profit attributable to owners of parent: Decreased due to the decline in operating income and foreign exchange losses.

Non-operating Expenses or Income/ Extraordinary Losses or Income

(Millions of yen)

	FY2015	FY2016	YoY
Non-operating expenses or income	1,190	246	(944)
Interest and dividend income	+229	+287	+58
(Foreign exchange related losses/gains)	(+999)	(△371)	(1,370)
Foreign exchange (loss) gain	+1,459	(642)	(2,101)
Loss(gain) on valuation of derivatives	(460)	+270	+731
New plant related expenses	(496)	—	+496
Operating preparation expenses	—	(339)	(339)
Extraordinary losses or income	(141)	(906)	(764)
Gain on revision of retirement benefit plan	+622	—	(622)
Gain on sale of investment securities	—	+50	+50
Impairment loss	(622)	(752)	(87)
Loss on valuation of investment securities	—	(108)	(108)

Results by Business Segment

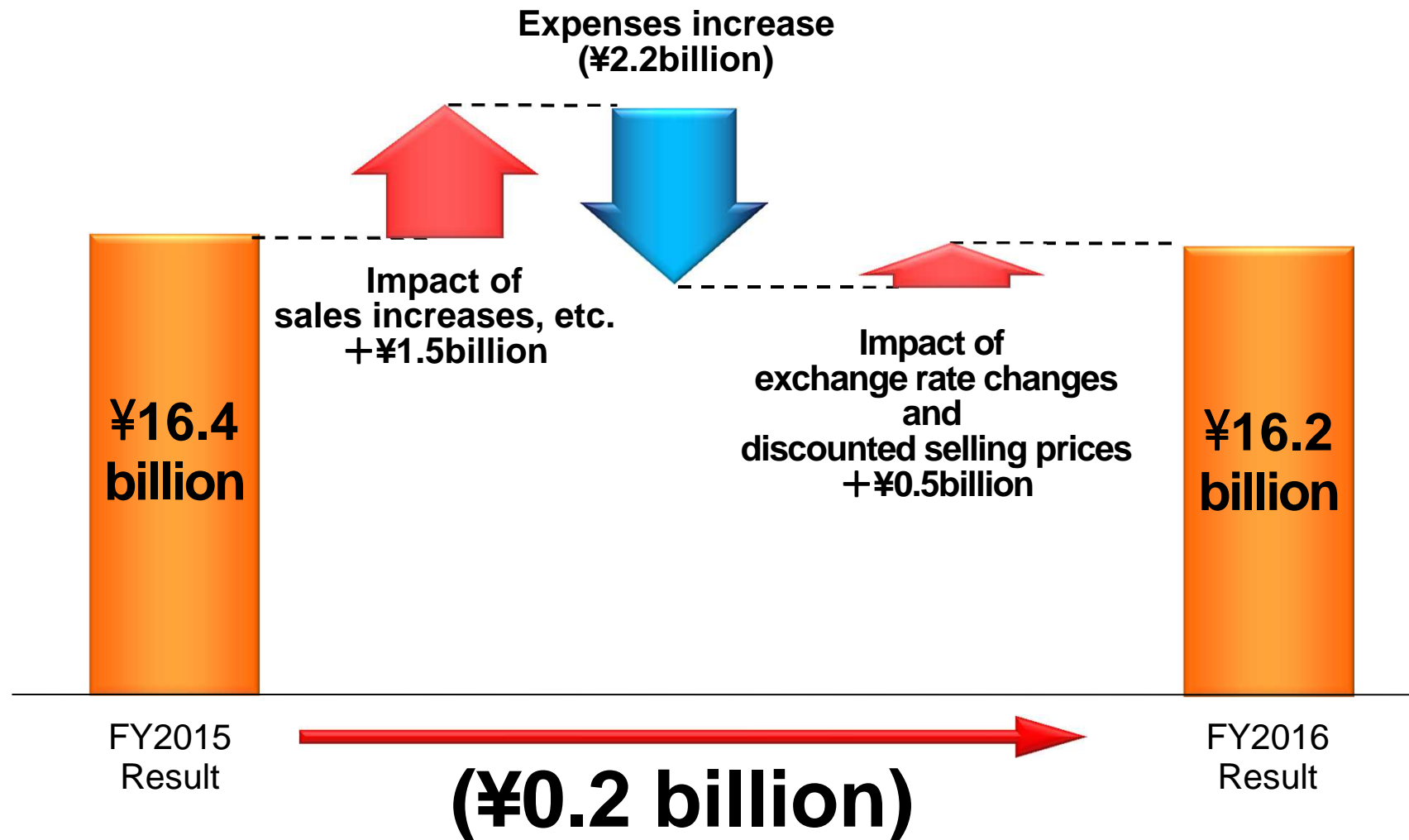
(Millions of yen)

	FY2015	FY2016		
			Change	%
Net sales	88,086	89,969	+1,882	+2.1
Material business	84,611	87,280	+2,668	+3.2
Electronic functional materials	49,818	51,134	+1,315	+2.6
High purity chemicals	34,844	35,931	+1,086	+3.1
Other	(52)	214	266	—
Equipment business	3,475	2,689	(786)	(22.6)
Operating income	13,253	12,438	(814)	(6.1)
Material business	16,355	16,203	(152)	(0.9)
Equipment business	20	(423)	(443)	—
Eliminations and corporate	(3,122)	(3,342)	(219)	—

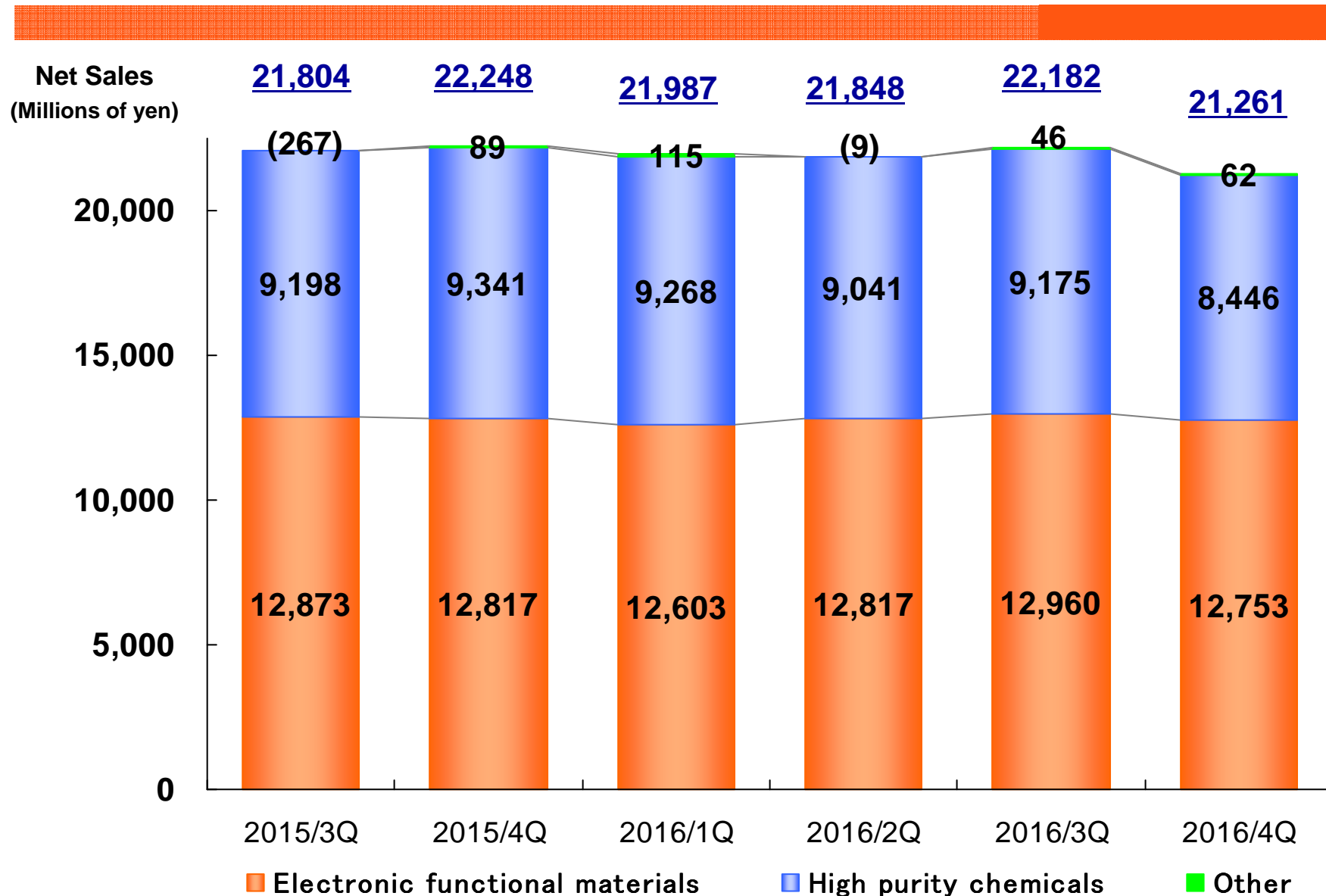
(Note) Net sales of the Equipment Business are the figures after elimination of inter-segment sales.

Breakdown of the Change in Operating Income (Material Business)

FY2015 result vs FY2016 result

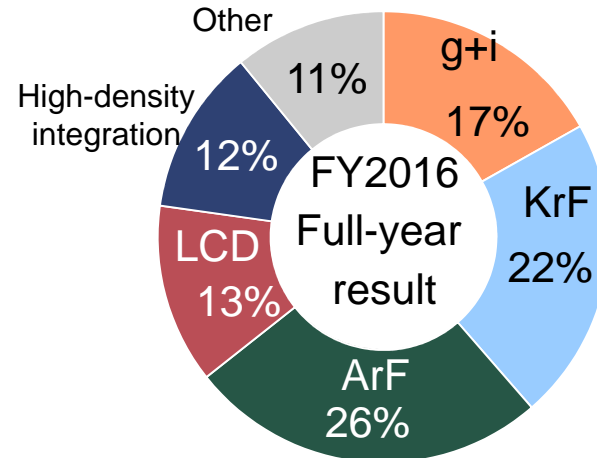
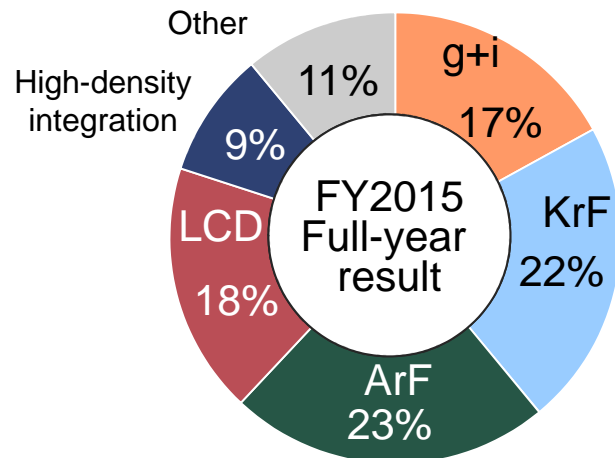


Sales Breakdown of Material Business

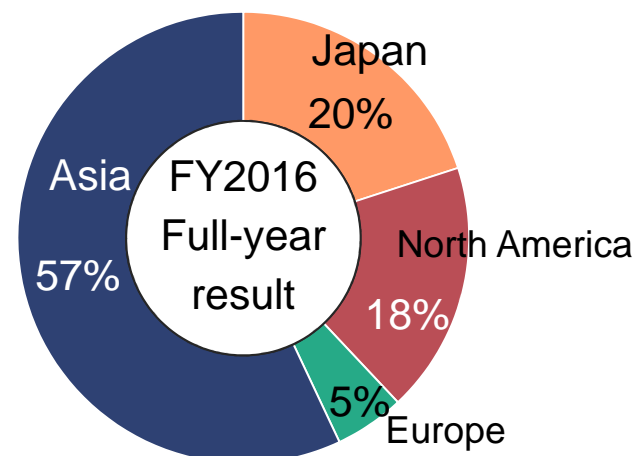
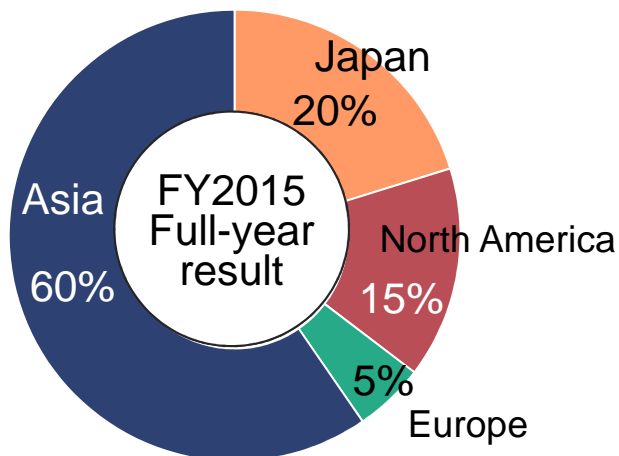


(Reference) Electronic Functional Materials Division

Sales Composition of Electronic Functional Materials by Type

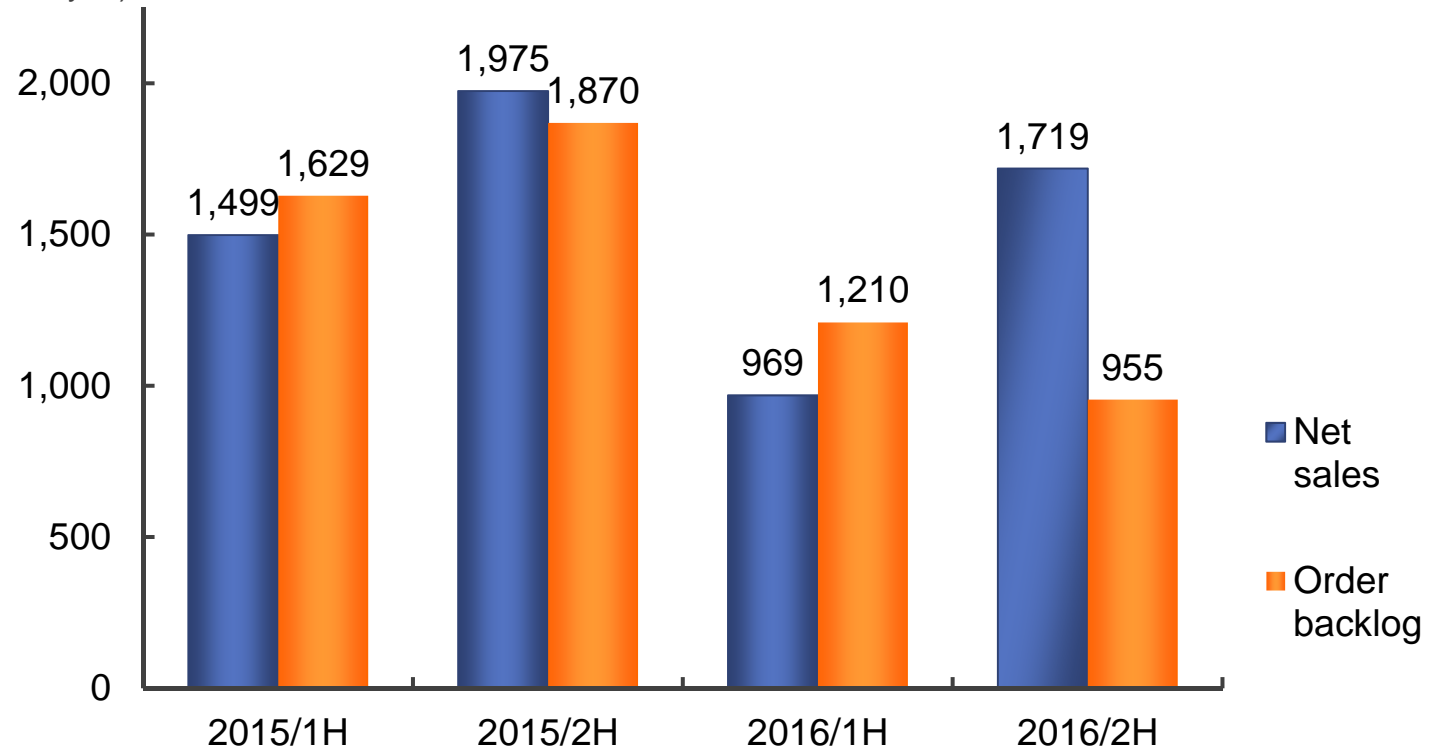


Sales Composition of Semiconductor Photoresist by Region



Equipment Business

Net sales/Order backlog
(Millions of yen)



(Millions of yen)	2015/1H	2015/2H	2016/1 H	2016/2H
Year-end order backlog	1,180	1,072	1,440	1,140

(Note) The net sales of the equipment business is the figure after elimination of inter-segment sales.

Balance Sheets

(Millions of yen)

	As of March 31, 2016	YoY	
Current assets	87,114	(3,939)	
Cash and deposits	50,876	(3,090)	
Notes and accounts receivable	17,921	(1,500)	
Inventories	12,999	+1,444	
Property, plant and equipment	47,913	(1,458)	Buildings and structures +2,190
Intangible assets	749	(185)	Machinery and equipment (2,354)
Investments and other assets	31,523	(1,979)	Tools, furniture and fixtures +1,057
Current liabilities	17,130	(2,164)	Land (107)
Notes and accounts payable	7,787	(2,010)	Construction in progress (2,243)
Non-current liabilities	2,899	(670)	
Total net assets	147,270	(4,728)	Retained earnings +858
Total assets	167,300	(7,563)	Treasury stock (2,056)
			Valuation difference on available-for-sale securities (1,043)
			Remeasurements of defined benefit plans (1,844)

Cash Flows

	FY2015	FY2016	(Millions of yen)
Cash flows from operating activities	+13,577	+11,902	
Income before income taxes and minority interests	+14,301	+11,777	
Depreciation	+4,276	+5,631	
Increase (decrease) in allowance for doubtful accounts	(94)	(18)	
Decrease (increase) in trade notes and accounts receivable	(2,119)	+1,200	
Decrease (increase) in inventories	(368)	(1,755)	
Decrease (increase) in trade notes and accounts payable	+3,121	(1,522)	
Increase (decrease) in advances received	(692)	(5)	
Income taxes paid	(3,935)	(4,157)	
Cash flows from investing activities	(10,197)	(4,385)	Major breakdown: Purchase of property, plant and equipment (5,335)
Cash flows from financing activities	(2,110)	(9,268)	Major breakdown: Purchases of treasury stock (6,304) Cash dividends paid (2,849) (incl. minority shareholders)
Translation adjustments	+1,138	(298)	
Net increase (decrease) in cash and cash equivalents	+2,408	(2,049)	



**Consolidated Performance
Forecasts for FY2017**

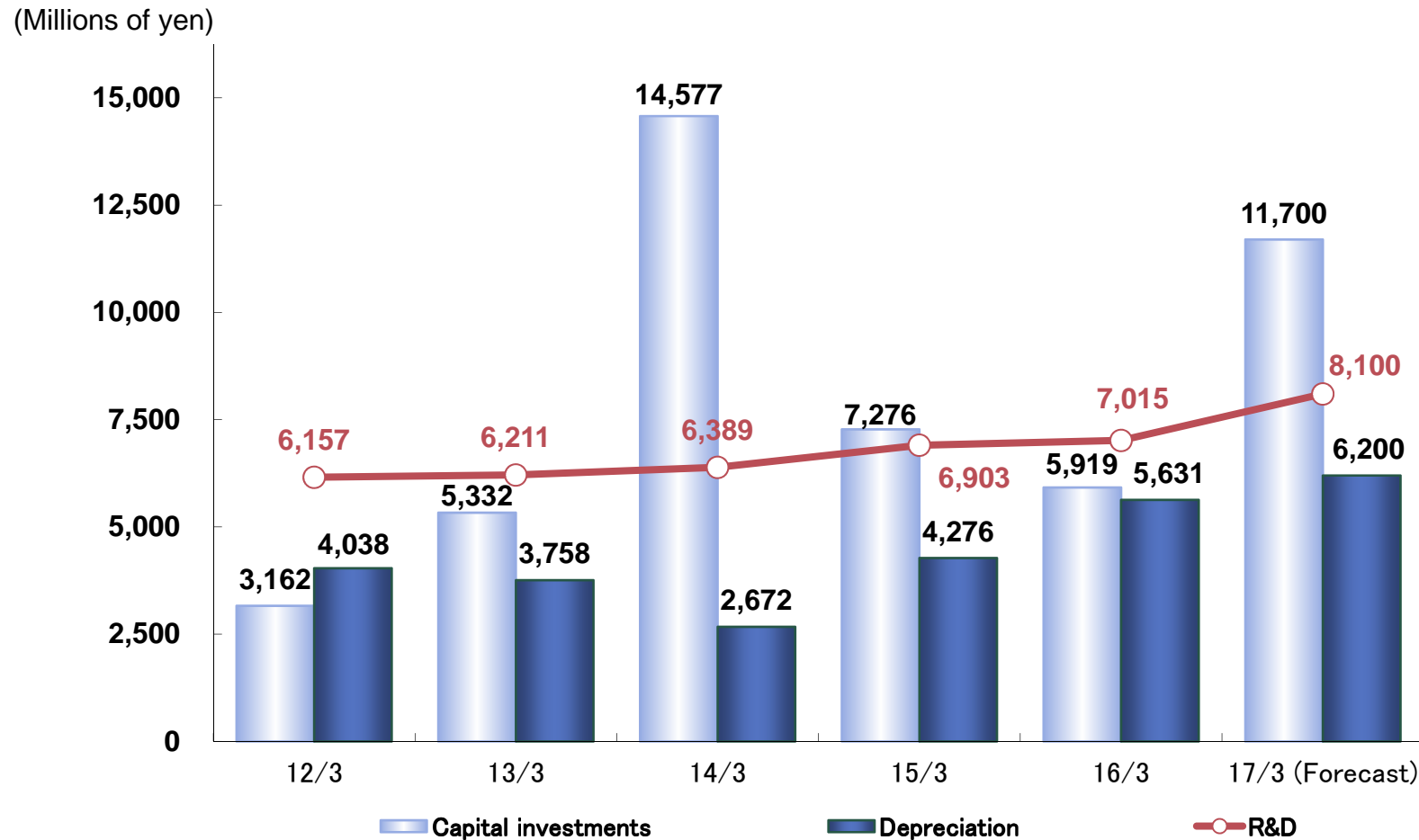
Earnings Forecasts (Full-year)

(Millions of yen)

	FY2016 Results	FY2017 Forecasts		
			Change	%
Net sales	89,969	87,100	(2,869)	(3.2)
Operating income	12,438	7,700	(4,738)	(38.1)
Ordinary income	12,684	8,300	(4,384)	(34.6)
Profit attributable to owners of parent	7,716	5,300	(2,416)	(31.3)

- Exchange rate assumptions(US\$): ¥119.3/\$ (FY2016) ⇒ ¥105.0/\$ (FY2017)
- Net sales: Expected to decrease 3.2% due to a decline in Material Business sales affected by a slowdown in semiconductor and LCD markets and the yen's appreciation, despite an increase in Equipment Business sales.
- Operating income: Expected to decrease 38.1% assuming \$1=¥105, partly due to increase in depreciation following aggressive capital investment.
- Profit attributable to owners of parent : Expected to decrease 31.3% due to the decline in operating income.

Capital Investments/Depreciation/R&D



Performance Forecasts by Business Segment

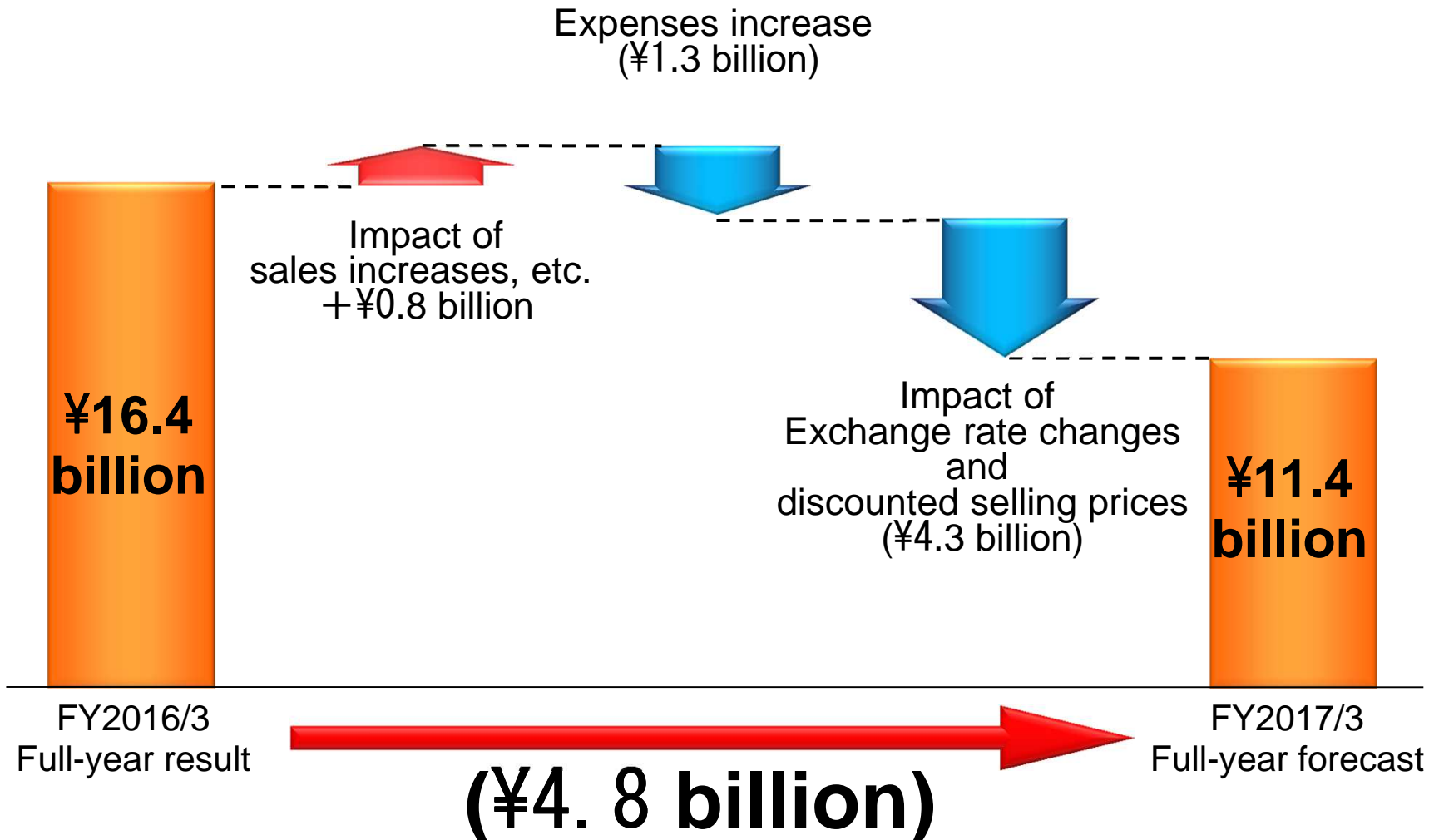
(Millions of yen, %)

	FY2016 Full-year results	FY2016 Full-year forecasts		
			Change	%
Net sales	89,969	87,100	(2,869)	(3.2)
Material business	87,280	82,400	(4,880)	(5.6)
Electronic functional materials	51,134	50,800	(334)	(0.7)
High purity chemicals	35,931	31,500	(4,431)	(12.3)
Equipment business	2,689	4,700	+2,010	+74.8
Operating income	12,438	7,700	(4,738)	(38.1)
Material business	16,203	11,400	(4,803)	(29.6)
Equipment business	(423)	0	+423	—
Eliminations and corporate	(3,342)	(3,700)	(357)	—

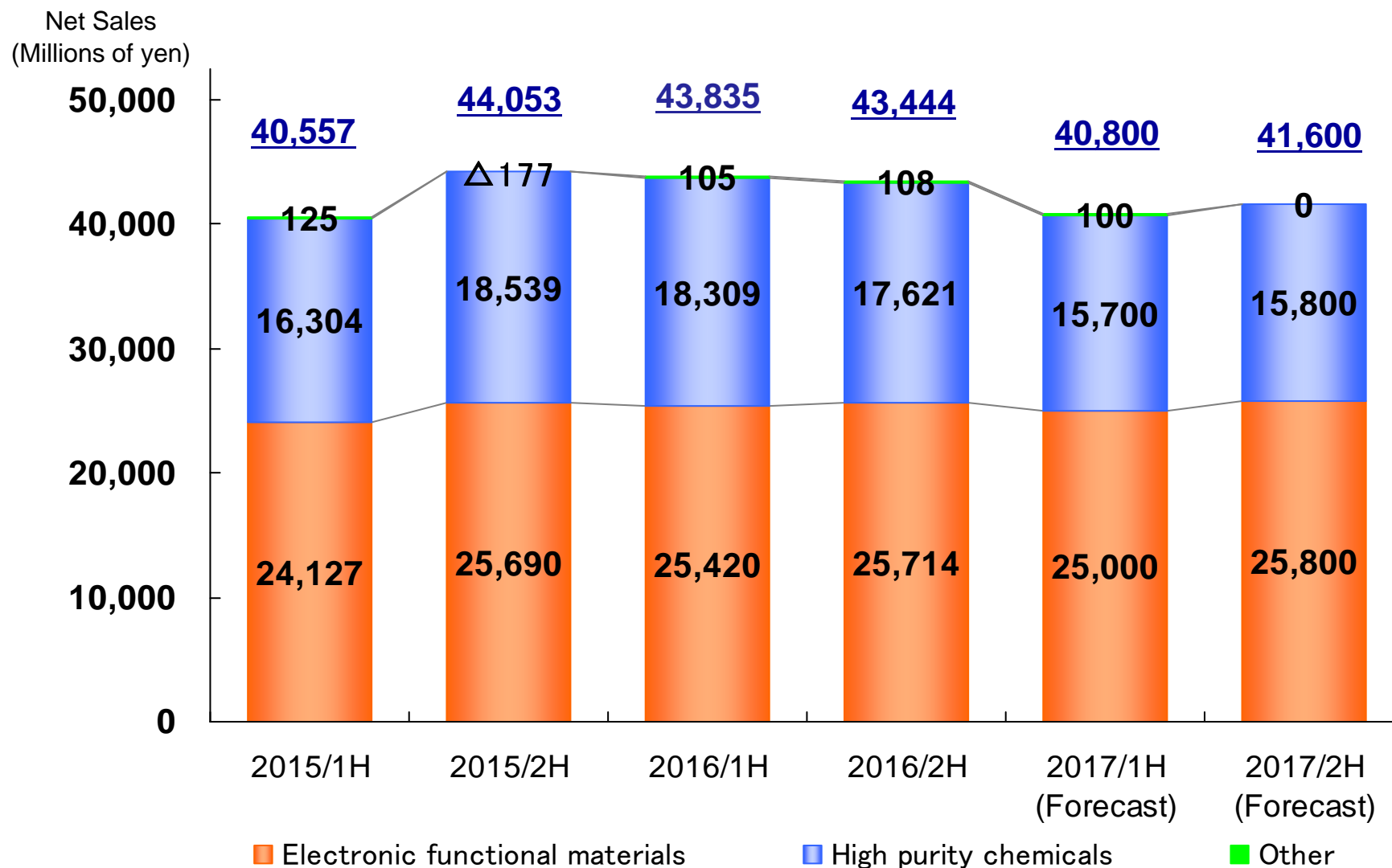
(Note) The net sales of the equipment business is the figure after elimination of inter-segment sales.

Breakdown of the Change in Operating Income (Material Business)

FY2016 Result vs FY 2017 Forecast



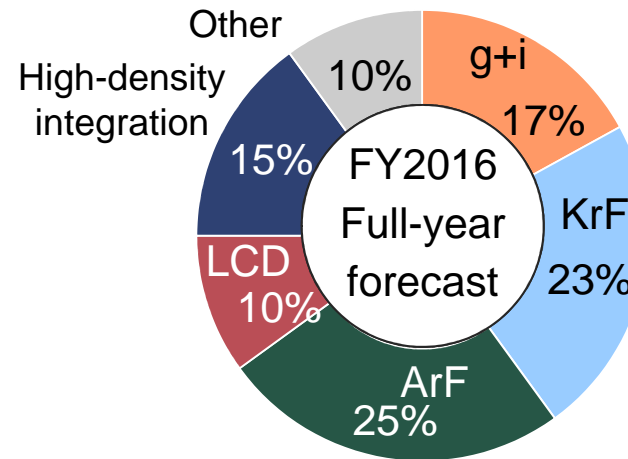
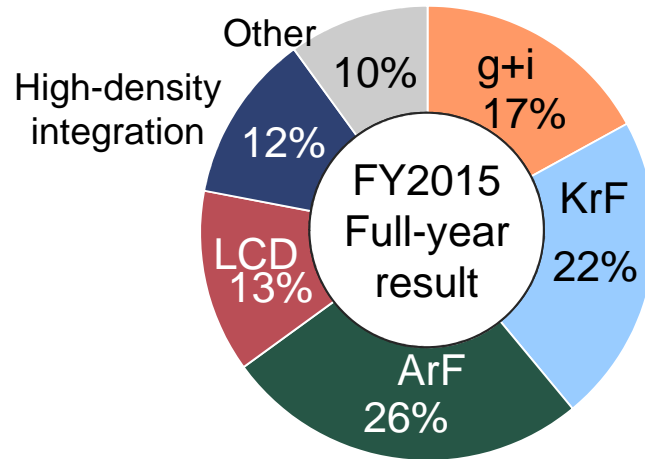
Sales Breakdown of Material Business (Forecast)



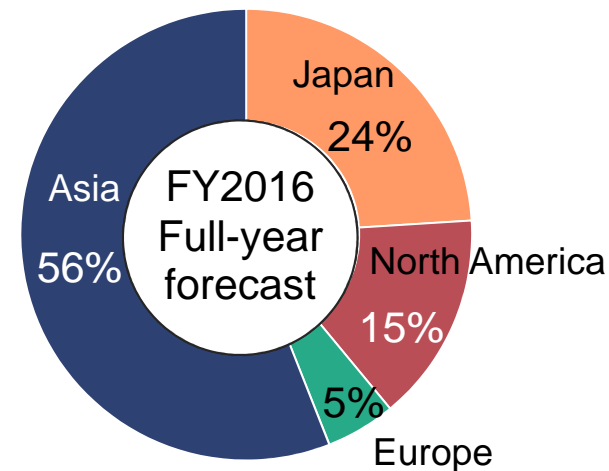
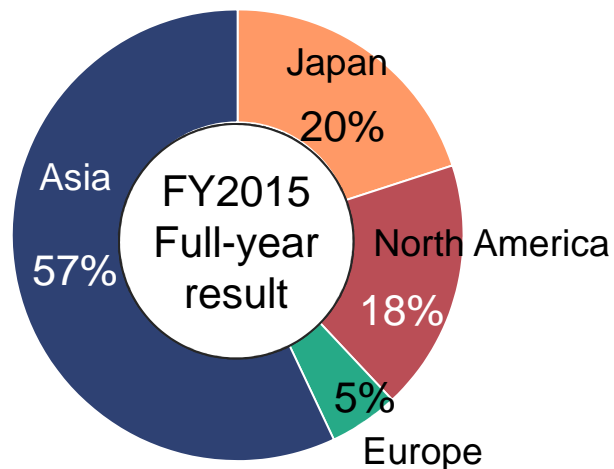
(Note) The second half forecast is obtained by subtracting first-half results from the full-year forecast.

(Reference) Electronic Functional Materials Division

Sales Composition of Electronic Functional Materials by Type



Sales Composition of Semiconductor Photoresist by Region



<http://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.