

TOKYO OHKA KOGYO CO., LTD.

Supplemental Data of Business Results

— Fiscal Year ended December 2017—

Feb. 15, 2018

TOKYO OHKA KOGYO CO., LTD.



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Change in Fiscal Year-End

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■ Detail of change in fiscal year-end

Current : end of march ⇒ after : End of December

■ Explanation about earnings of FY2017/12

	3Q		2016/12 Simulation			2017/12				2018/12				
	10-12	1-3	1Q 4-6	2Q 7-9	3Q 10-12	4Q 1-3	1Q 4-6	2Q 7-9	3Q 10-12	1Q 1-3	2Q 4-6	3Q 7-9	4Q 10-12	
Fiscal year ended in March (TOK and domestic subsidiaries)			1Q	2Q	3Q	4Q	1Q	2Q	3Q	1Q	2Q	3Q	4Q	
Fiscal year ended in December (Overseas subsidiaries)			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q

Adjustment of October-December results for overseas businesses that were not consolidated in the results for the former fiscal year ended December 2016.

■ Explanation about earnings forecasts

	3Q		2017/3			2017/12 Simulation				2018/12				
	10-12	1-3	1Q 4-6	2Q 7-9	3Q 10-12	4Q 1-3	1Q 4-6	2Q 7-9	3Q 10-12	1Q 1-3	2Q 4-6	3Q 7-9	4Q 10-12	
Domestics			1Q	2Q	3Q	4Q	1Q	2Q	3Q	1Q	2Q	3Q	4Q	
Overseas			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q

Adjustment of January-March results for domestic businesses that were not consolidated in the fiscal year ended December 2017.



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(Millions of yen)

	FY2016/12 Simulation	FY2017/12		
			Change	%
Net sales	80,761	92,411	+11,650	+14.4
Operating income	9,310	9,194	(116)	(1.3)
Ordinary income	9,091	9,720	+629	+6.9
Profit attributable to owners of parent	5,485	6,007	+521	+9.5

Note: These are comparisons with the adjusted results for the fiscal year ended December, 2016 due to a change in fiscal year-end. Please refer to slide 3 for details.

- Average exchange rate (US\$) : ¥105.4/\$ (FY2016/12 Simulation) ⇒¥110.7/\$ (FY2017/12)
- Net sales : Increased 14.4% as the first-half results maintained a trend toward profit growth, centered on the Material Business
- Operating income : Exceeded the revised forecast of ¥8,700 million (announced October 26, 2017), but decreased due to costs associated with a change in the fiscal year-end.
- Profit attributable to owners of parent : Increased 9.5% due to improvements in foreign exchange gain or loss and smaller decrease in operating income.



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Results by Business Segment

(Millions of yen)

	FY2016/12 Simulation	FY2017/12		
			Change	%
Net sales	80,761	92,411	+11,650	+14.4
Material business	78,842	90,531	+11,688	+14.8
Electronic functional materials	47,318	51,230	+3,911	+8.3
High purity chemicals	31,026	38,676	+7,649	+24.7
Other	496	623	+126	+25.5
Equipment business	1,918	1,880	(38)	(2.0)
Operating income	9,310	9,194	(116)	(1.3)
Material business	12,448	12,816	+367	+3.0
Equipment business	(333)	(664)	(330)	-
Eliminations and corporate	(2,804)	(2,957)	(152)	-

Note: These are comparisons with the adjusted results for the fiscal year ended December, 2016 due to a change in fiscal year-end. Please refer to slide 3 for details.



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Balance Sheets

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(Million of yen)

	As of December 30, 2017	vs March 31, 2017
Current Assets	87,719	(928)
Cash and deposits	44,181	(5,481)
Notes and accounts receivable	22,554	+2,660
Inventories	15,893	+2,280
Property, plant and equipment	51,703	+2,037
Intangible assets	490	(150)
Investments and other assets	38,768	+3,230
Current Liabilities	21,742	+2,206
Notes and accounts payable	10,444	+837
Long-Term Liabilities	3,421	+1,396
Total net asset	153,517	+585
Total asset	178,681	+4,188

Buildings and structures +2,345
 Machinery (1,520)
 Furniture and fixtures +204
 Land +144
 Construction in progress +863

Retained earnings +3,195
 Treasury stock (7,646)
 Unrealized gain on available
 -for-sale securities +2,199
 Foreign currency
 translation adjustments +1,112



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Cash Flows

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(Millions of yen)

	FY2017/12
Cash flows from operating activities	+10,162
Income before income taxes and minority interests	+9,492
Depreciation	+6,035
Decrease (increase) in trade notes and accounts receivable	(2,286)
Decrease (increase) in inventories	(1,929)
Decrease (increase) in trade notes and accounts payable	+755
Increase (decrease) in advances received	(100)
Income taxes paid	(2,286)
Cash flows from investing activities	(5,993)
Cash flows from financing activities	(10,673)
Translation adjustments	+557
Net increase (decrease) in cash and cash equivalents	(5,945)

Major breakdown
 Purchases of property,
 plant and equipment (5,884)

Major breakdown
 Proceeds from sale of Treasury stock
 +173
 Purchases of treasury stock
 (7,823)
 Dividends paid (2,785)
 (incl. minority shareholders)



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Earnings Forecasts (Full-year)

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(Millions of yen)

	FY2017/12 (2017.1-12) Simulation result	FY2018 (2018.1-12) Forecast		
			Change	%
Net sales	100,422	108,900	+8,477	+8.4
Operating income	9,878	11,000	+1,121	+11.4
Ordinary income	10,534	11,400	+865	+8.2
Profit attributable to owners of parent	6,885	7,500	+614	+8.9

Note: These are comparisons with the adjusted results for the fiscal year ended December, 2016 due to a change in fiscal year-end. Please refer to slide 3 for details.

- Exchange rate assumptions (US\$) : ¥111.1/\$ (2017/12 Simulation) ⇒¥108.0/\$ (2018/12)
- Net sales :The growth of the Material Business and expansion of the Equipment Business will contribute to an 8.4% increase year on year.
- Operating income :Improvement in gain or loss is forecast in the Equipment Business, but the year-on-year increase will stop at 11.4% due mainly to the impact of rising raw materials costs in the Material Business.
- Profit attributable to owners of parent :Will increase in conjunction with increasing operating income, rising 8.9% year on year.

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Performance Forecasts by Business Segment

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(Millions of yen)

	FY2017/12 (2017.1-12) Simulation result	FY2018 (2018.1-12) Forecast		
			Change	%
Net sales	100,422	108,900	+8,477	+8.4
Material business	98,247	102,100	+3,852	+3.9
Electronic functional materials	56,947	58,500	+1,552	+2.7
High purity chemicals	41,165	43,500	+2,334	+5.7
Equipment business *1	2,174	6,800	+4,625	+212.7
Operating income	9,878	11,000	+1,121	+11.4
Material business	14,868	14,600	(268)	(1.8)
Equipment business	(1,073)	200	+1,273	-
Eliminations and corporate	(3,917)	(3,800)	+117	-

*1: Net sales of the Equipment Business are the figures after elimination of inter-segment sales.

Note: These are comparisons with the adjusted results for the fiscal year ended December, 2016 due to a change in fiscal year-end. Please refer to slide 3 for details.

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(Millions of yen)

	FY2017/12 (2017.1-12) Simulation result	FY2018 (2018.1-12) Forecast		
			Change	%
Capital Investments	7,633	6,400	(1,233)	(16.2)
Depreciation	6,917	7,400	+482	+7.0
R&D	8,888	8,900	+11	+0.1

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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 judgment, 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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