

TOKYO OHKA KOGYO CO., LTD.

Business Results

— The 1st Half of Fiscal Year ending Dec. 2021 —



tok

Aug. 6, 2021

TOKYO OHKA KOGYO CO., LTD.

© 2021 TOKYO OHKA KOGYO CO., LTD.

Contents

- | | |
|--------------------------------------------------------------------------------------------|------|
| 1. Consolidated Business Results for
the 1 st Half of FY2021 (2021.1-2021.6) | p.02 |
| 2. Consolidated Performance Forecasts for
FY2021 (2021.1-2021.12) | p.13 |
| 3. Initiatives in TOK Medium Term Plan 2021 | p.20 |

Consolidated Business Results for the 1st Half of FY2021

tok

© 2021 TOKYO OHKA KOGYO CO., LTD.

Summary

03

(Millions of yen)

	FY2020/12 1H	FY2021/12 1H		
			Change	%
Net sales	57,203	64,808	+7,605	+13.3
Operating income	6,664	9,574	+2,910	+43.7
Ordinary income	6,785	10,052	+3,267	+48.1
Profit attributable to owners of parent	4,639	6,399	+1,760	+37.9

■ Average exchange rate (US\$) :

¥107.1/\$ (FY2020/12 1H) ⇒ ¥106.8/\$ (FY2021/12 1H)

■ Net sales: Increased 13.3% YoY, backed by a strong demand for semiconductors, mainly due to increased sales of semiconductor photoresists and high density integration materials.

■ Operating income : Increased 43.7% YoY mainly due to sales growth in value added products.

■ Profit attributable to owners of parent : Increased 37.9% due to Operating Income growth.

© 2021 TOKYO OHKA KOGYO CO., LTD.

Non-operating Expenses or Income/ Extraordinary Losses or Income

04

(Millions of yen)

	FY2020/12 1H	FY2021/12 1H	YoY
Non-operating Expenses or income	+121	+477	+356
Interest and dividend income	+260	+265	+5
(Foreign exchange related losses/gains)	(30)	+194	+224
Foreign exchange (loss) gain	(281)	+368	+649
Gain(Loss) on valuation of derivatives	+250	(173)	(423)
Extraordinary losses or Income	+138	(266)	(404)
Gain on sale of fixed assets	+150	-	(150)
Loss on sales and retirement of noncurrent assets	(10)	(67)	(57)
Loss on valuation of investment securities	(1)	-	+1
Environmental expenses	-	(200)	(200)

tok

© 2021 TOKYO OHKA KOGYO CO., LTD.

Results by Business Segment

05

(Millions of yen)

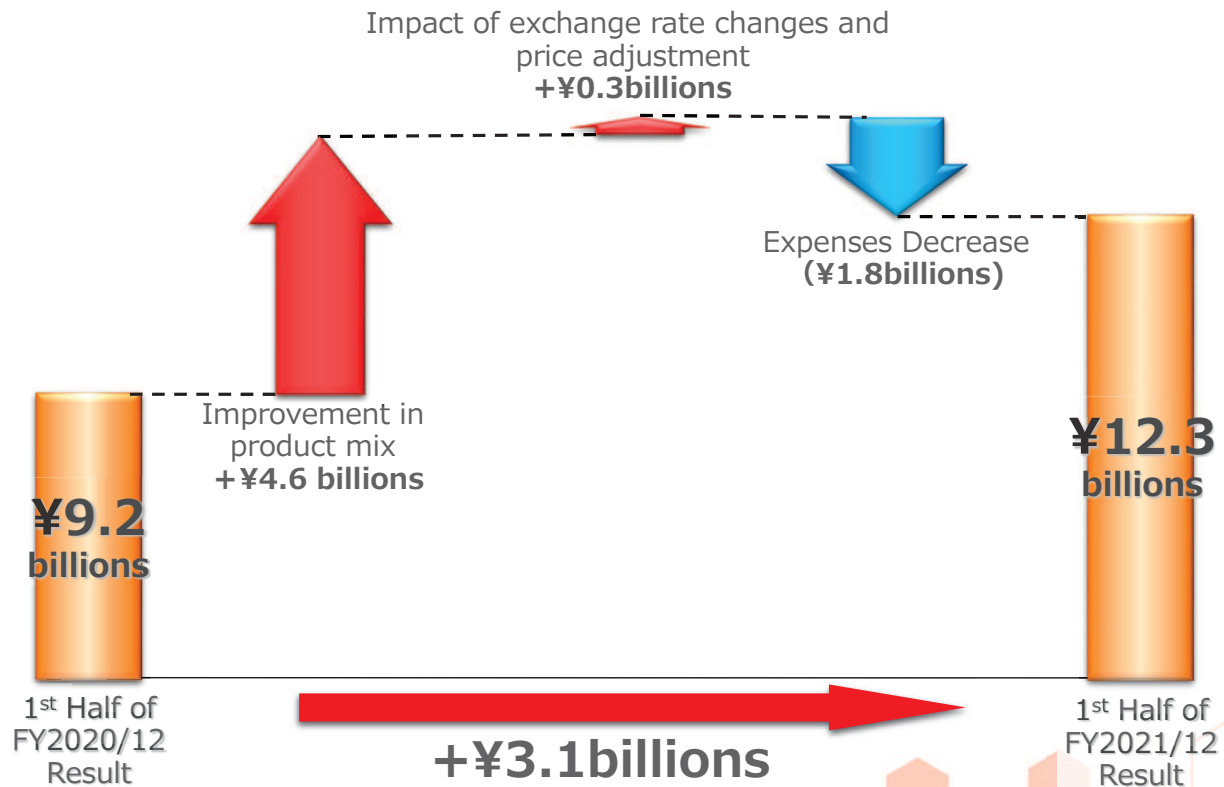
	FY2020/12 1H	FY2021/12 1H		
			Change	%
Net sales	57,203	64,808	+7,605	+13.3
Material business	55,964	63,937	+7,972	+14.2
Electronic functional materials	32,095	37,569	+5,474	+17.1
High purity chemicals	23,816	26,253	+2,437	+10.2
Other	52	114	+62	+118.0
Equipment business	1,239	870	(369)	(29.8)
Operating income	6,664	9,574	+2,910	+43.7
Material business	9,190	12,313	+3,122	+34.0
Equipment business	(294)	(225)	+68	-
Eliminations and corporate	(2,231)	(2,513)	(282)	-

tok

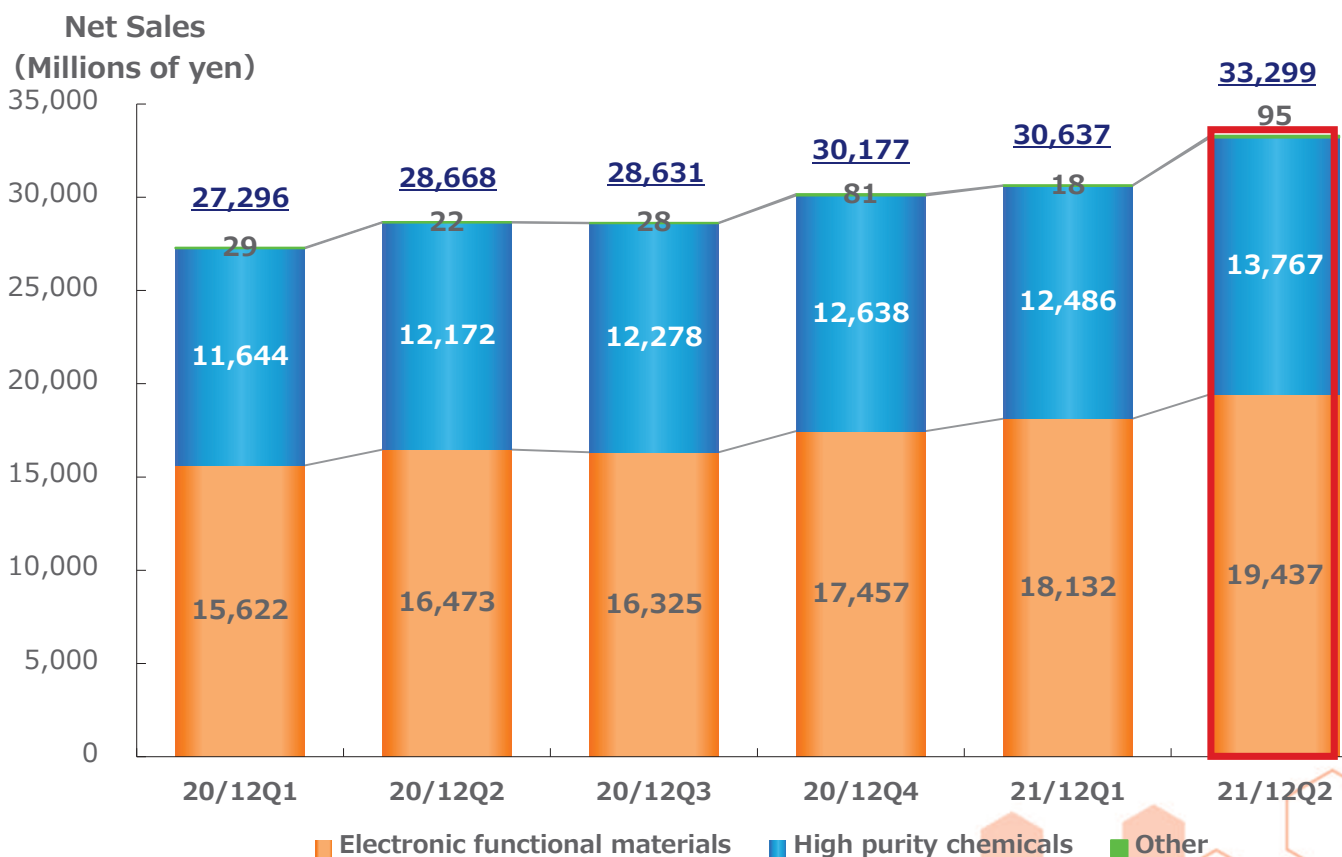
© 2021 TOKYO OHKA KOGYO CO., LTD.

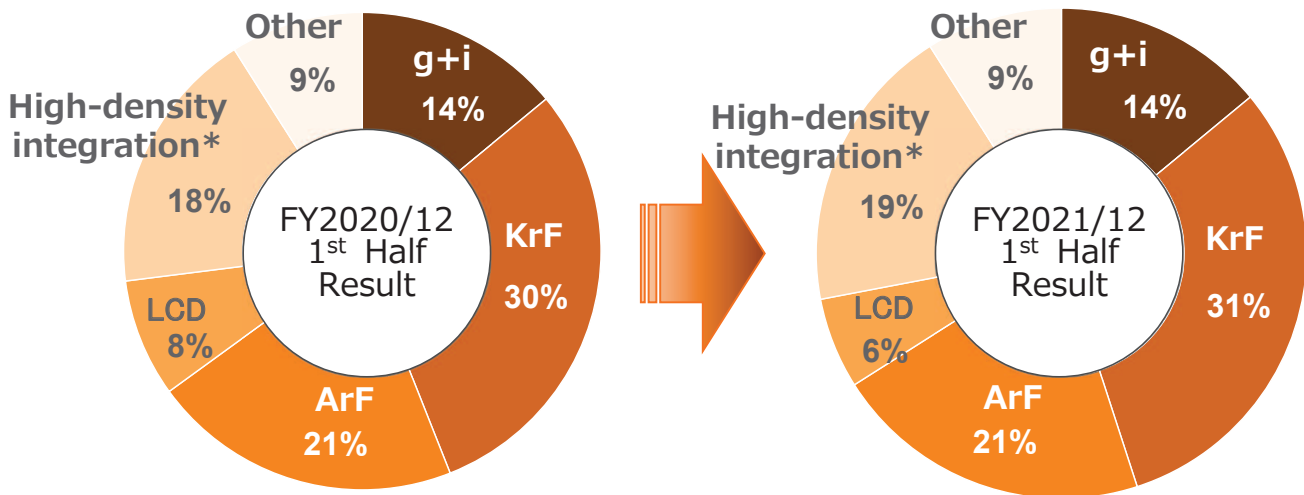
Breakdown of the Charge in Operating Income (Material Business)

1st Half of FY2020/12 Result v.s. 1st Half of FY2021/12 Result



Sales Breakdown of Material Business





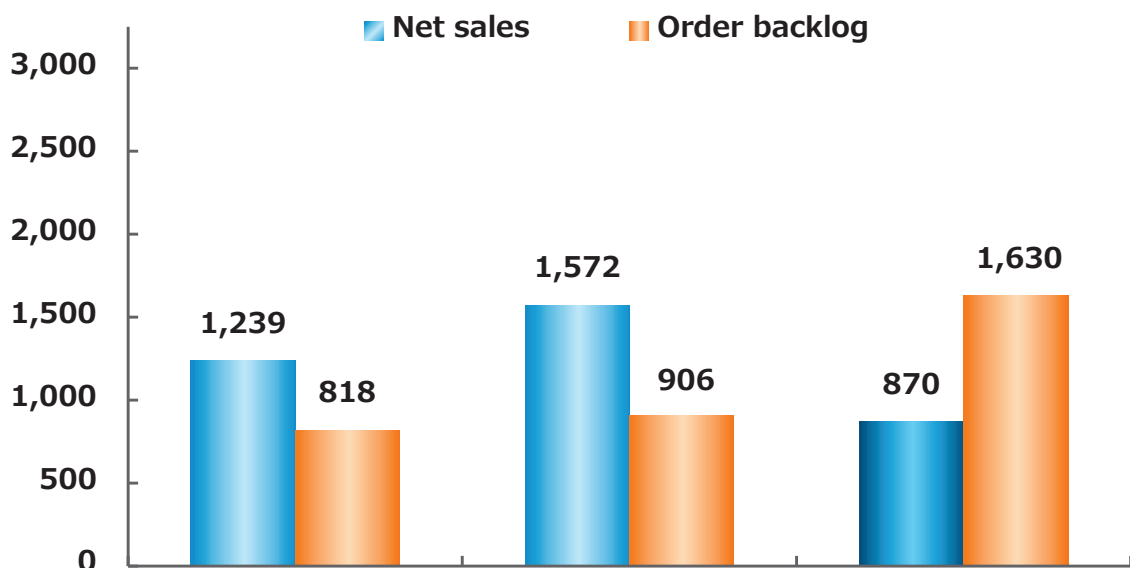
* EUV is included in "Other".

* High-density integration : Resist for Packaging, MEMS Materials



Equipment Business

Net sales/Order backlog
(Millions of yen)



(Millions of yen)	2020/12 1H	2020/12 2H	2021/12 1H
Year-end order backlog	814	476	1,535



(Millions of yen)

	FY2020/12 1H	FY2021/12 1H		
			Change	%
Capital Investments	2,662	5,098	+2,436	+91.5
Depreciation	3,702	3,223	(479)	(12.9)
R&D	4,847	4,768	(79)	(1.6)

© 2021 TOKYO OHKA KOGYO CO., LTD.

Balance Sheets

11

(Millions of yen)

	As of June 30, 2021	v.s. December 31, 2020	
Current Assets	112,085	+15,142	
Cash and deposits	57,038	+9,216	
Notes and accounts receivable	29,876	+3,574	
Inventories	19,088	+1,429	
Property, plant and equipment	56,539	+3,427	Buildings and structures +1,987 Machinery, equipment and vehicles +1,045 Tools, furniture and fixtures (33) Land +67 Construction in progress (50)
Intangible assets	680	+60	
Investments and other assets	42,236	(8,274)	Short-term debt +3,800
Current Liabilities	33,104	+7,911	Long-term debt (4,082)
Notes and accounts payable	15,981	+2,236	
Long-Term Liabilities	13,040	(2,957)	Retained earnings +2,474 Treasury shares +302 Valuation difference on available-for-sale securities +1,103 Foreign currency translation adjustment +1,856
Total net asset	165,396	+5,402	
Total asset	211,542	+10,357	

© 2021 TOKYO OHKA KOGYO CO., LTD.

(Millions of yen)

	FY2020/12 1H	FY2021/12 1H
Cash flows from operating activities	+11,461	+7,959
Income before income taxes and minority interests	+6,924	+9,785
Depreciation	+3,702	+3,223
Decrease (increase) in trade notes and accounts receivable	+156	(2,663)
Decrease (increase) in inventories	(485)	(889)
Decrease (increase) in trade notes and accounts payable	+1,058	+1,618
Increase (decrease) in advances received	(33)	+15
Income taxes paid	(781)	(2,805)
Cash flows from investing activities	+11,750	(4,814)
Cash flows from financing activities	(3,414)	(5,125)
Translation adjustments	(381)	+1,040
Net increase (decrease) in cash and cash equivalents	+19,415	(939)

Major breakdown
Purchase of property, plant and equipment
(3,623)

Major breakdown
Repayments of long-term borrowings
(182)
Proceeds from sales of treasury shares
+260
Dividends paid (incl. minority shareholders)
(5,421)

© 2021 TOKYO OHKA KOGYO CO., LTD.

Consolidated Performance Forecasts for FY2021 (2021.1-2021.12)

© 2021 TOKYO OHKA KOGYO CO., LTD.

Earnings Forecasts (Full-year)

14

(Millions of yen)

	FY2021/12	FY2021/12 Forecasts		
			Change	%
Net sales	117,585	134,000	+16,415	+14.0
Operating income	15,589	19,200	+3,611	+23.2
Ordinary income	16,129	19,800	+3,671	+22.8
Profit attributable to owners of parent	9,926	14,200	+4,274	+43.0

■ Exchange rate assumptions (US\$) :

¥105.7/\$ (2020/12) ⇒ ¥105.0 /\$ (2021/12 2H)

■ Net sales :

Forecast to increase 14.0% YoY anticipating the strong semiconductor market.

■ Operating income :

Forecast to increase 23.2% YoY due to sales growth in value added products despite a surge in raw material costs.

■ Profit attributable to owners of parent :

Forecast to increase 43.0% YoY due to an increase in operating income and reach a record high for two consecutive quarters in both operating income and ordinary income.

© 2021 TOKYO OHKA KOGYO CO., LTD.

Performance Forecasts by Business Segment

15

(Millions of yen)

	FY2020/12	FY2021/12 Forecasts		
			Change	%
Net sales	117,585	134,000	+16,415	+14.0
Material business	114,773	130,800	+16,027	+14.0
Electronic functional materials	65,878	75,700	+9,822	+14.9
High purity chemicals	48,732	54,800	+6,068	+12.4
Equipment business	2,811	3,200	+389	+13.8
Operating income	15,589	19,200	+3,611	+23.2
Material business	20,395	24,600	+4,205	+20.6
Equipment business	(310)	(200)	+110	-
Eliminations and corporate	(4,494)	(5,200)	(706)	-

(Millions of yen)

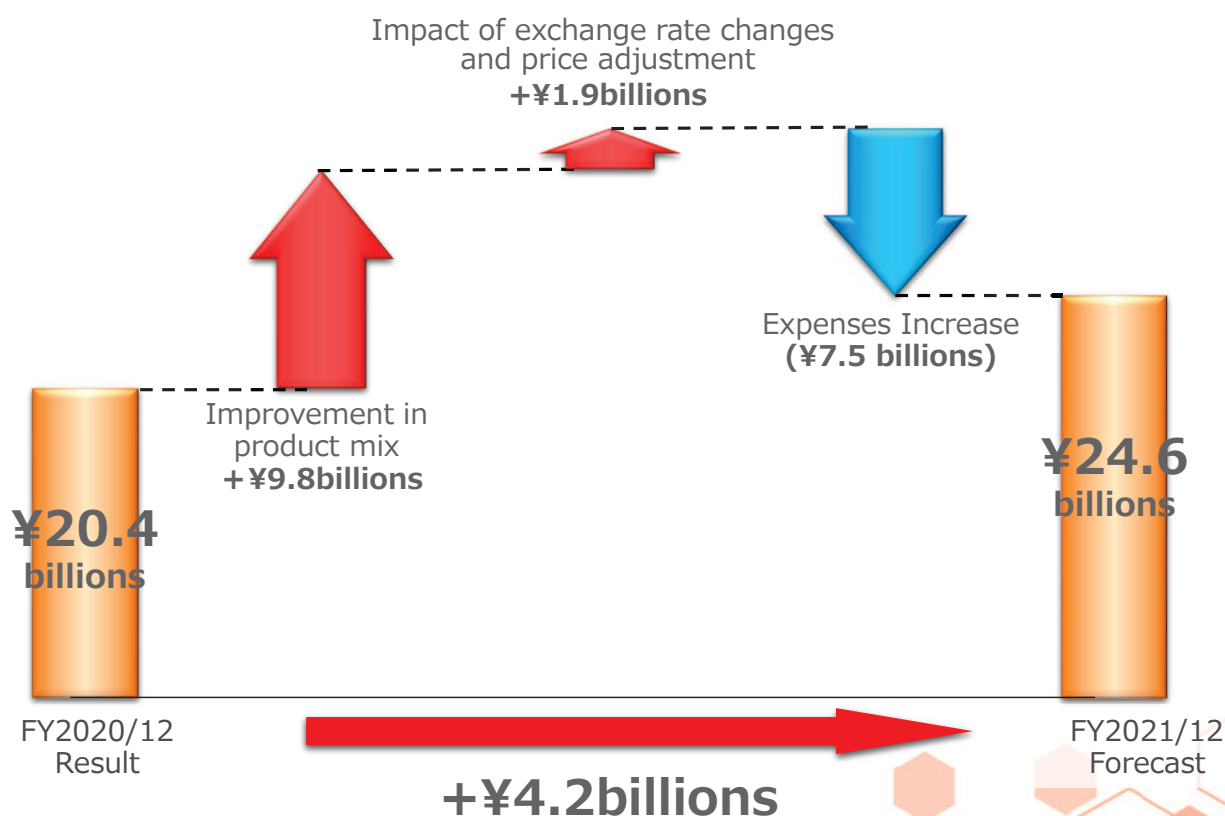
	FY2020/12	FY2021/12 Forecast		
			Change	%
Capital Investments	5,611	9,800	+4,189	+74.7
Depreciation	6,772	6,500	(272)	(4.0)
R&D	9,545	9,900	+355	+3.7



© 2021 TOKYO OHKA KOGYO CO., LTD.

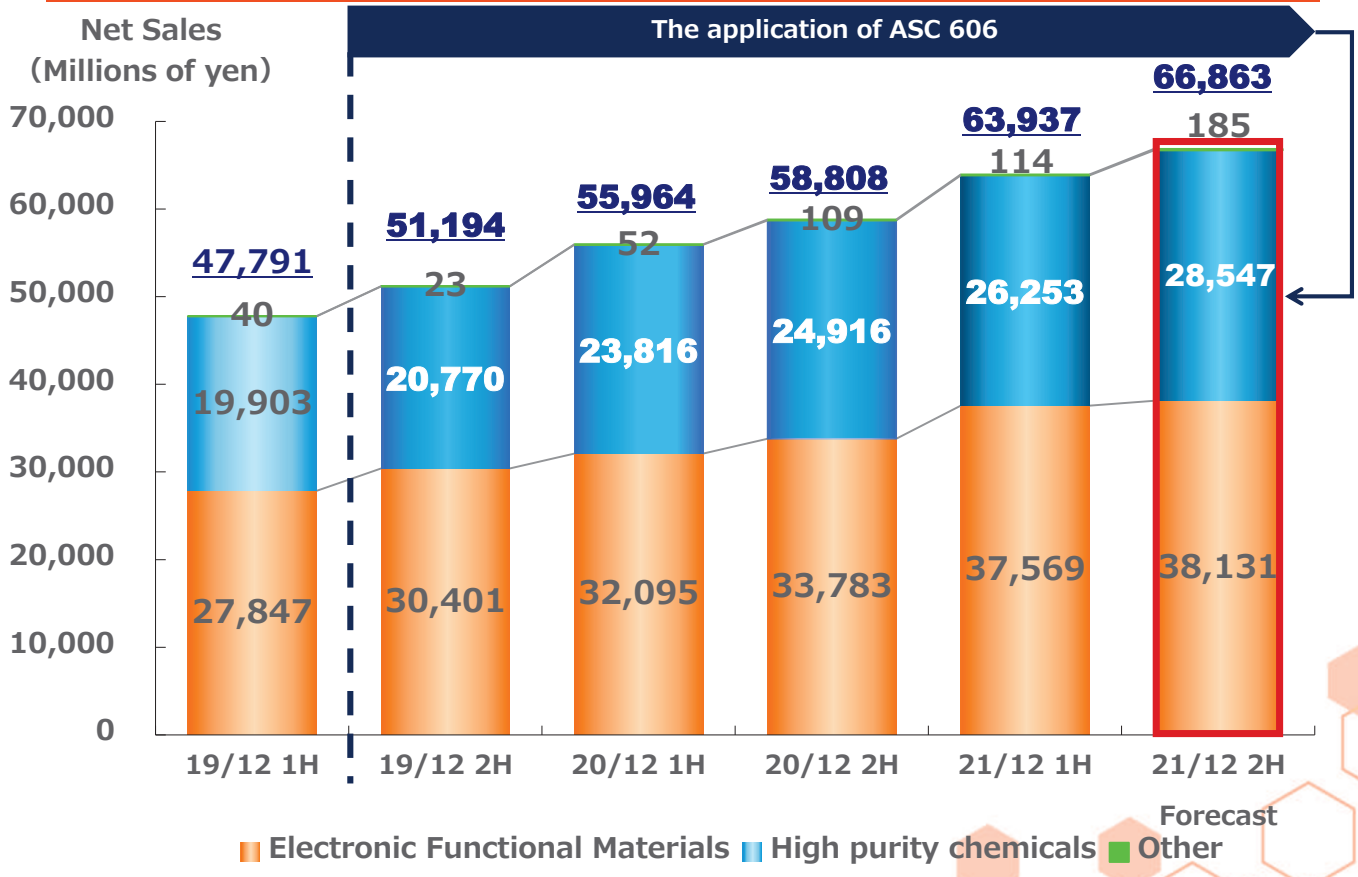
Breakdown of the Charge in Operating Income (Material Business)

FY2020/12 Result v.s. FY2021/12 Forecast



© 2021 TOKYO OHKA KOGYO CO., LTD.

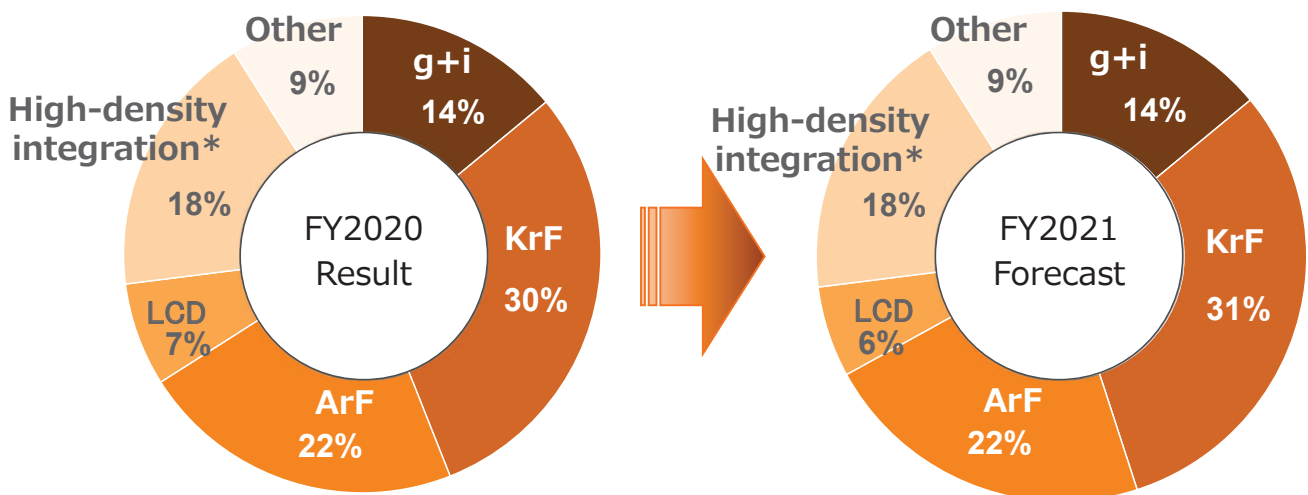
Sales Breakdown of Material Business (Forecast)



Note : An overseas consolidated subsidiary adopting US GAAP applied ASC 606 "Revenue from Contracts with Customers" effective January 1, 2019.

© 2021 TOKYO OHKA KOGYO CO., LTD.

Electronic Functional Materials Division



* EUV is included in "Other".

* High-density integration : Resist for Packaging, MEMS Materials



© 2021 TOKYO OHKA KOGYO CO., LTD.

Initiatives in tok Medium-Term Plan 2021



© 2021 TOKYO OHKA KOGYO CO., LTD.

tok Medium-Term Plan 2021

21

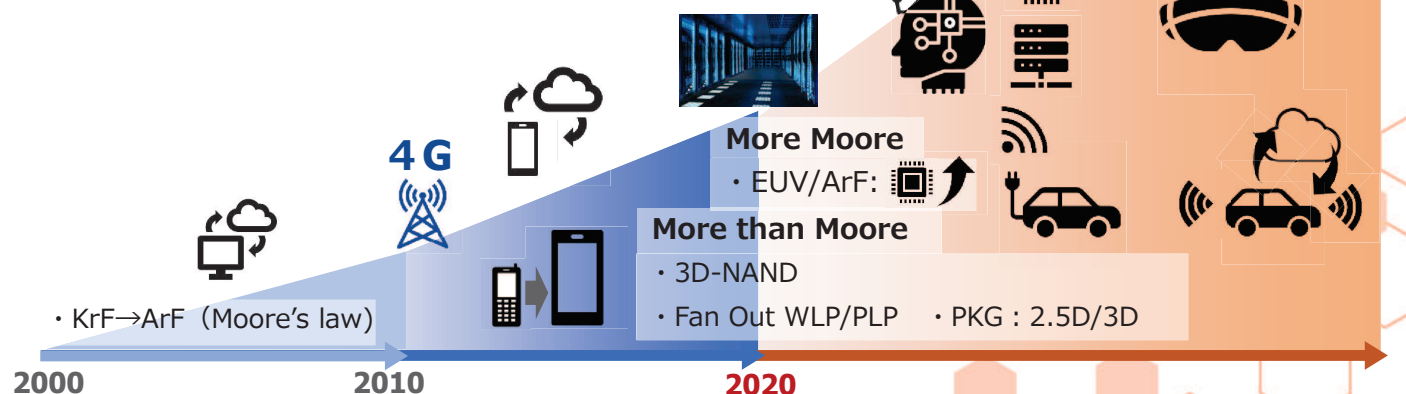
1. Strengthen business portfolio reforms

-Ambitiously develop the technologies required by **5G, IoT & Innovation**.

2. Return to a growth trajectory

3. Strengthen balance sheet management and introduce a new dividend policy

5G·IoT & Innovation



© 2021 TOKYO OHKA KOGYO CO., LTD.

Progress toward the Medium-Term Plan ①

■ Performance Target	FY2018 Result	FY2021 Target	FY2021 Forecast (*)	FY2021 Forecast
Net sales	¥105.2 billion	¥125.0 ~145.0 billion	¥122.6 billion	¥134.0 billion
Operating income	¥10.5 billion	¥15.0 ~20.5 billion	¥16.5 billion	¥19.2 billion
ROE	4.7%	8.0%	7.0%	9.4%

Net sales

- Revised upward its forecast to amount to 134 billion yen despite the impact of the US-China trade friction.
- The pace of sales increase in semiconductor photoresists and high density integration materials has risen.

Operating income

- Forecast to amount to the target of 19.2 billion yen allowing for profit increase in increased sales.

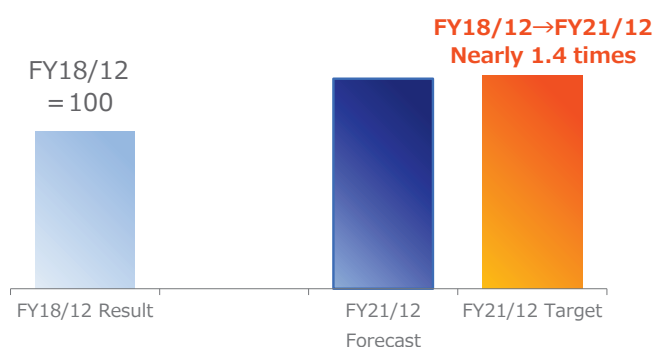
ROE

- Forecast to achieve minimum target 8% by increasing profitability, conducting shareholder returns and strengthening Balance Sheet management.

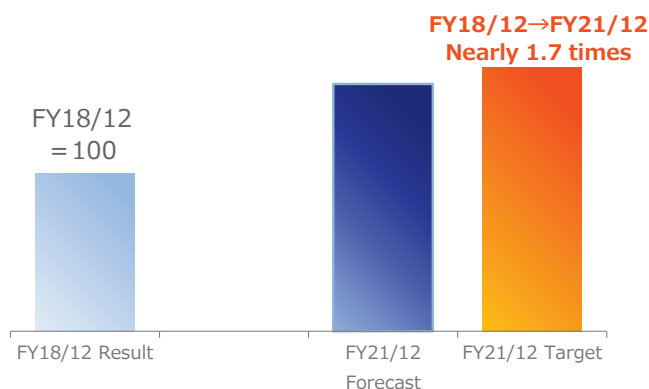
(※) The Initial forecast: The financial forecast for FY2021 ending December 31, announced on February 15, 2021.
© 2021 TOKYO OHKA KOGYO CO., LTD.

Progress toward the Medium-Term Plan ②

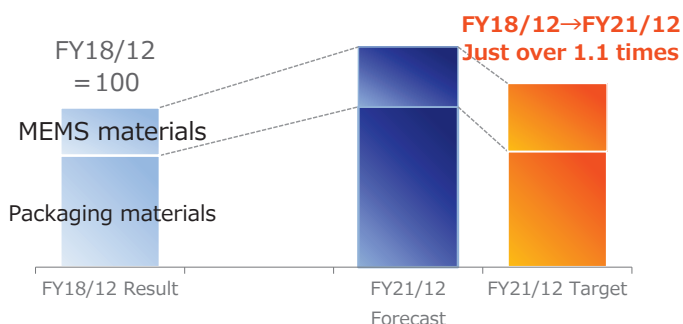
ArF/EUV : Forecast/Target



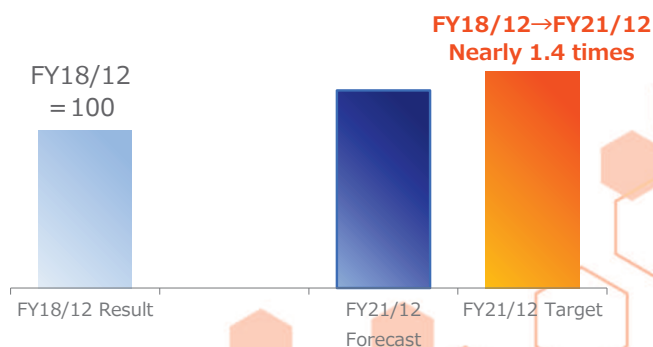
KrF : Forecast/Target



High-density Integration : Forecast/Target



High-purity chemicals : Forecast/Target

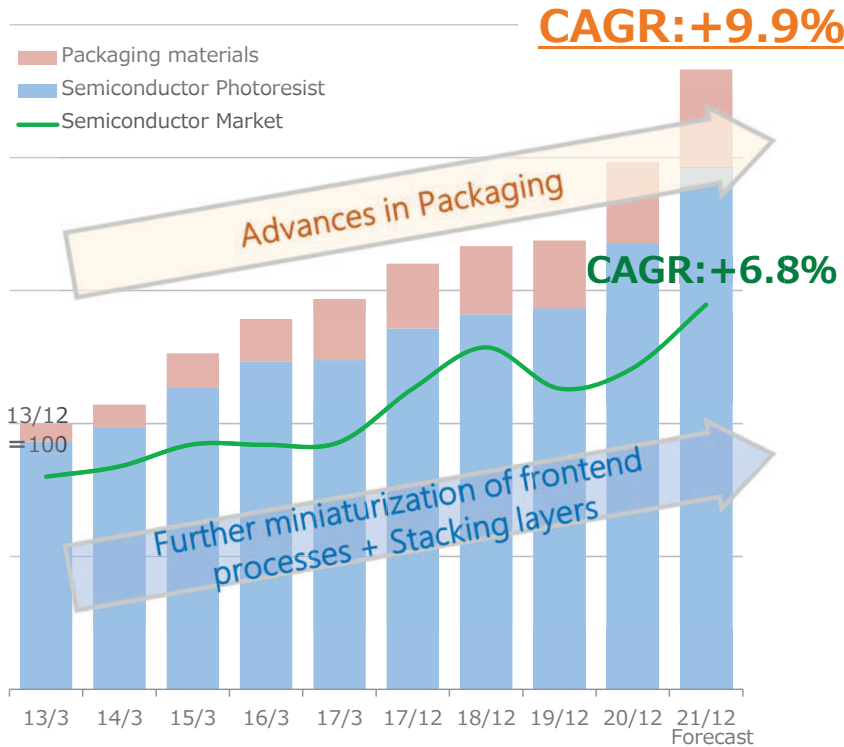


(※) The FY21/12 targets in the above graph represent the consolidated sales of main products, 145 billion yen for the final year of the "TOK mid-term plan 2021" published February 14, 2019.

© 2021 TOKYO OHKA KOGYO CO., LTD.

TOK's semiconductor frontend/backend materials

The semi market growth and TOK's growth



< Future technological trends >

Front-end processes

DRAM Node
18.0nm 17.5nm 17.0nm

Logic Node
7.0nm 5.0nm 3.0nm 7.7nm 1.0nm

FinFET LGAA LGAA-3D

Back-end processes

2.5D package/3D package

peripheral materials

New clean solution and evolution of cleaning technology

- Metal wiring: Cu → Ru
- Gate insulation film: SiON → HfSiON

<from TOK Vison 2030>

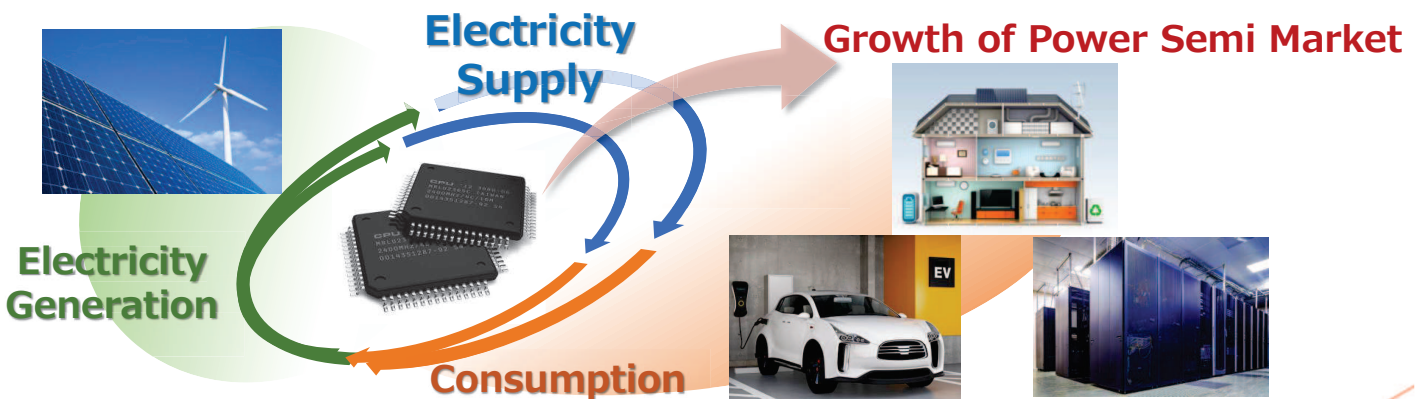
Note : Due to the change in fiscal year-end, revised results for the fiscal year ended December 2017 are presented as adjusted figures for 12 months' (January–December 2017) earnings of companies that end their fiscal years in March (the Company and its domestic consolidated subsidiaries). TOK's growth of 14/3 in the graph has been adjusted by the impact on sales accompanied with the change of part of sales channels after the Korean subsidiary started its operation.
Semi-market: WSTS Semiconductor Market Forecast

ESG TOPICS : Solving social issues by business activities

i-line photoresist

⇒ Enabling high efficiency of electricity use
Contributing to decarbonization for power semiconductors

- 7 2025年までにCO2排出量を削減
- 9 環境と社会課題の両方を解決
- 12 つくる責任 つかう責任



MEMS materials for biochip manufacturing ⇒ Providing social values in life science

- Increase of demand for DNA analysis mainly due to the spread of COVID-19.

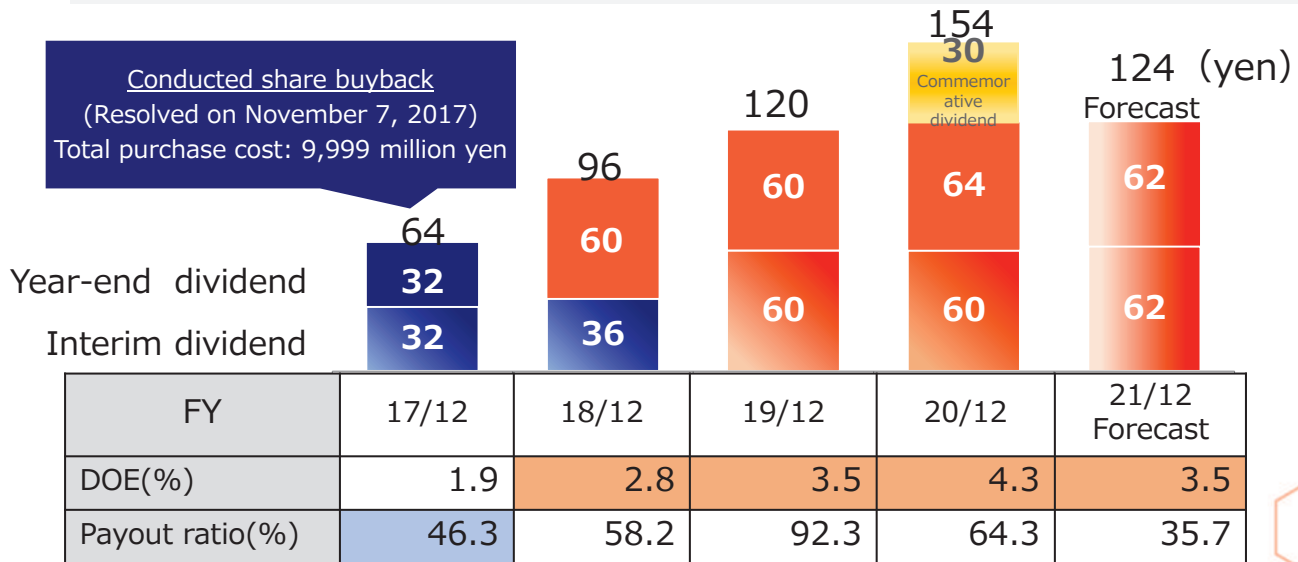
- 3 すべての人に健康と福祉を
- 17 パートナーシップで目標を達成しよう

Purchase of treasury stock

Number of stocks to be purchased: 1.80 million shares (maximum limit)
 Equivalent to 4.31% of the total shares issued (excluding treasury stock as of July. 31, 2021)
 Total purchase cost: 10 billion yen (maximum limit)
 Purchase period : From August 6, 2021 through December 23, 2021

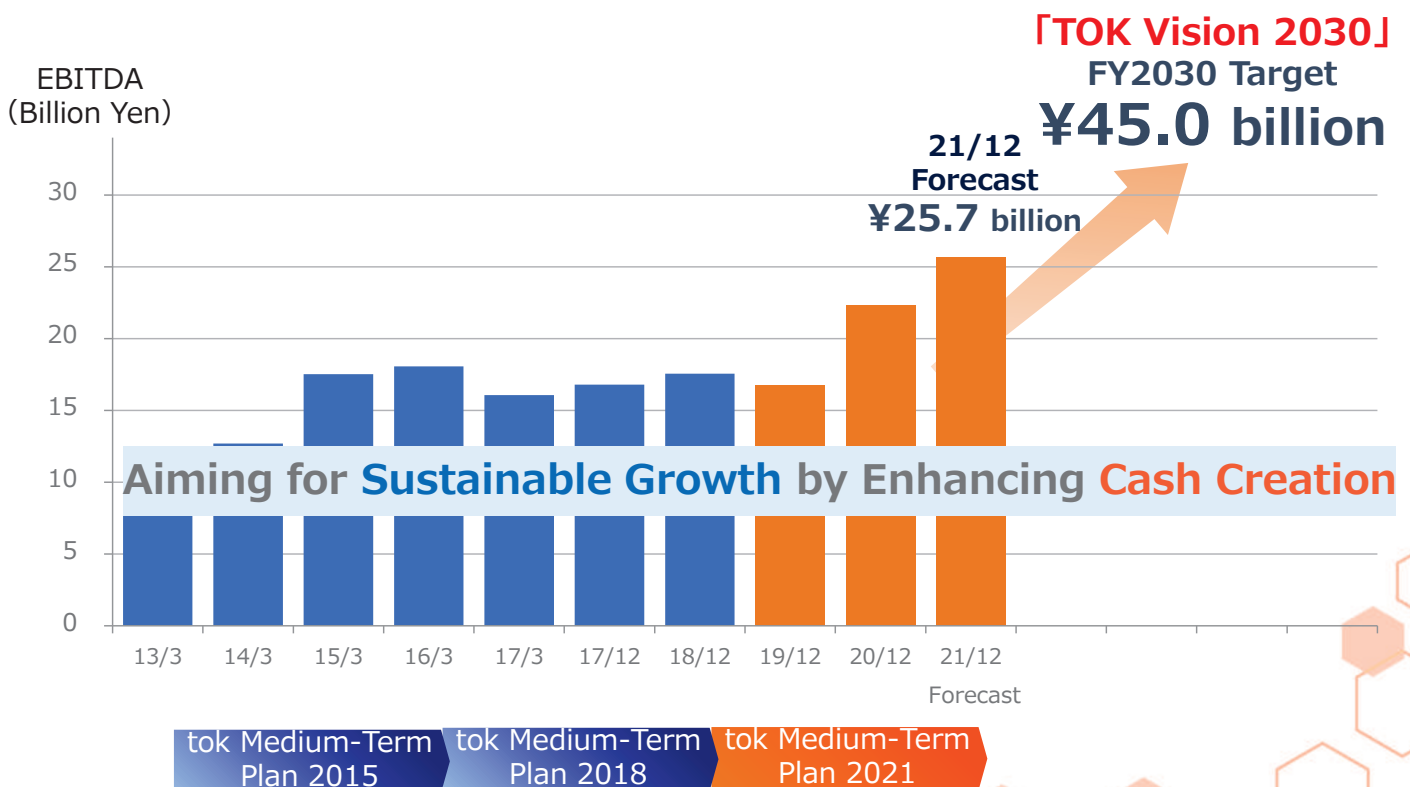
Details of the cancellation

Number of stocks to be cancelled: 2.5 million shares (Equivalent to 5.54% of the total shares issued)
 Scheduled date for cancellation: December 24, 2021



© 2021 TOKYO OHKA KOGYO CO., LTD.

Trends in Cash Creation Output (EBITDA) ²⁷



Note : Due to the change in fiscal year-end, revised results for the fiscal year ended December 2017 are presented as adjusted figures for 12 months' (January–December 2017) earnings of companies that end their fiscal years in March (the Company and its domestic consolidated subsidiaries).

“The e-Material Global Company”
contributing to a sustainable future through Chemistry.

tok

© 2021 TOKYO OHKA KOGYO CO., LTD.

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.

tok

© 2021 TOKYO OHKA KOGYO CO., LTD.