

TOKYO OHKA KOGYO CO., LTD.

Supplemental Data of Business Results

— The 1st Half of Fiscal Year ending Dec. 2019 —

Aug. 7, 2019

TOKYO OHKA KOGYO CO., LTD.

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Summary

02

(Millions of yen)

| | FY2018/12 1H | FY2019/12 1H | | |
|--|-----------------|--------------|---------|-------|
| | | | Change | % |
| Net sales | 50,748 | 48,932 | (1,815) | (3.6) |
| Operating income | 4,674 | 4,428 | (246) | (5.3) |
| Ordinary income | 4,675 | 4,407 | (268) | (5.7) |
| Profit attributable to owners of parent | 3,210 | 2,924 | (286) | (8.9) |

- Average exchange rate (US\$) :
¥107.6/\$ (FY2018/12 1H) ⇒ ¥109.0/\$ (FY2019/12 1H)
- Net sales :
Decreased year on year due to a downward trend in semiconductor demand.
- Operating income : Decreased 5.3% year on year due to a decrease in sales.
- Profit attributable to owners of parent :
Decreased 8.9% year on year partly due to a decrease in operating income.

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Results by Business Segment

03

(Millions of yen)

| | FY2018/12 1H | FY2019/12 1H | | |
|---------------------------------|-----------------|--------------|---------|--------|
| | | Change | % | |
| Net sales | 50,748 | 48,932 | (1,815) | (3.6) |
| Material business | 49,686 | 47,791 | (1,895) | (3.8) |
| Electronic functional materials | 27,814 | 27,847 | +33 | +0.1 |
| High purity chemicals | 21,818 | 19,903 | (1,914) | (8.8) |
| Other | 53 | 40 | (13) | (24.7) |
| Equipment business | 1,061 | 1,141 | +79 | +7.5 |
| Operating income | 4,674 | 4,428 | (246) | (5.3) |
| Material business | 6,656 | 6,423 | (233) | (3.5) |
| Equipment business | (321) | (270) | +50 | - |
| Eliminations and corporate | (1,661) | (1,724) | (63) | - |

Note: Effective January 1, 2019, TOK changed the cost allocation method to evaluate and manage financial results by business segment more appropriately, and part of corporate expenses was allocated to Material Business. Following this change, the year-on-year comparison is conducted using the figures reclassified under the new allocation method.

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Balance Sheets

04

(Million of yen)

| | As of June 30, 2019 | v.s. December 31, 2018 |
|-------------------------------|---------------------------|------------------------------|
| Current Assets | 96,037 | (3,863) |
| Cash and deposits | 51,401 | (4,692) |
| Notes and accounts receivable | 20,883 | (1,656) |
| Inventories | 18,557 | +1,312 |
| Property, plant and equipment | 53,484 | +5,125 |
| Intangible assets | 506 | (51) |
| Investments and other assets | 34,726 | +587 |
| Current Liabilities | 23,916 | +2540 |
| Notes and accounts payable | 9,670 | (1,710) |
| Long-Term Liabilities | 10,969 | +245 |
| Total net asset | 149,869 | (988) |
| Total asset | 184,755 | +1,798 |

Buildings and structures (732)
Machinery (1,784)
Furniture and fixtures (302)
Land (141)
Construction in progress +7,625

Retained earnings +374
Treasury stock +115
Unrealized gain on available-for-sale securities +220
Foreign currency translation adjustments (1,221)

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(Millions of yen)

| | FY2018/12 1H | FY2019/12 1H |
|--|-----------------|-----------------|
| Cash flows from operating activities | +7,693 | +5,205 |
| Income before income taxes and minority interests | +4,611 | +4,379 |
| Depreciation | +3,532 | +3,546 |
| Decrease (increase) in trade notes and accounts receivable | +829 | +1,307 |
| Decrease (increase) in inventories | (496) | (1,707) |
| Decrease (increase) in trade notes and accounts payable | (321) | (1,648) |
| Increase (decrease) in advances received | +95 | +265 |
| Income taxes paid | (1,014) | (1,158) |
| Cash flows from investing activities | (4,225) | (5,873) |
| Cash flows from financing activities | +5,807 | (3,247) |
| Translation adjustments | (686) | (699) |
| Net increase (decrease) in cash and cash equivalents | +8,587 | (4,615) |

Major breakdown
Purchases of property, plant and equipment (4,529)

Major breakdown
Proceeds from sales of treasury stock +51
Dividends paid (3,267)
(incl. minority shareholders)



Earnings Forecasts (Full-year)

(Millions of yen)

| | FY2018/12 | FY2019/12 Forecasts | |
|---|-----------|---------------------|----------------|
| | | Change | % |
| Net sales | 105,277 | 100,500 | (4,777) (4.5) |
| Operating income | 10,505 | 8,300 | (2,205) (21.0) |
| Ordinary income | 10,734 | 8,500 | (2,234) (20.8) |
| Profit attributable to owners of parent | 6,875 | 4,900 | (1,975) (28.7) |

- Exchange rate assumptions (US\$) :
¥109.5/\$ (2018/12) ⇒ ¥105.0 /\$ (2019/12 2H)
- Net sales :
Will decrease 4.5% year on year based on the 1st half results although Material Business expects a gradual recovery in semiconductor materials.
- Operating income :
Will decrease 21.0% year on year due to a decrease in sales of Material Business.
- Profit attributable to owners of parent :
Will decrease 28.7% year on year due to a decrease in operating income.



Performance Forecasts by Business Segment

07

(Millions of yen)

| | FY2018/12 | FY2019 /12 Forecasts | | |
|---------------------------------|-----------|----------------------|---------|--------|
| | | | Change | % |
| Net sales | 105,277 | 100,500 | (4,777) | (4.5) |
| Material business | 102,621 | 96,600 | (6,021) | (5.9) |
| Electronic functional materials | 58,793 | 55,700 | (3,093) | (5.3) |
| High purity chemicals | 43,733 | 40,800 | (2,933) | (6.7) |
| Equipment business | 2,655 | 3,900 | +1,244 | +46.9 |
| Operating income | 10,505 | 8,300 | (2,205) | (21.0) |
| Material business | 14,765 | 12,200 | (2,565) | (17.4) |
| Equipment business | (883) | (400) | +483 | - |
| Eliminations and corporate | (3,376) | (3,500) | (123) | - |

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Capital Investments/Depreciation/R&D

08

(Millions of yen)

| | FY2018/12 | FY2019/12 Forecast | | |
|---------------------|-----------|--------------------|---------|--------|
| | | | Change | % |
| Capital Investments | 5,636 | 16,700 | +11,063 | +196.3 |
| Depreciation | 7,063 | 7,500 | +436 | +6.2 |
| R&D | 8,526 | 9,000 | +473 | +5.6 |

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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 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.

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