



September 26, 2022
TOKYO OHKA KOGYO CO., LTD.

Notice of Transfer of the Equipment Business (Excluding Certain Parts) Through Company Split and Share Transfer

TOKYO OHKA KOGYO CO., LTD. (Headquarters: Kawasaki, Japan/President: Noriaki Taneichi, hereinafter the “Company”) announced that its Board of Directors has resolved at its meeting held today to enter into an agreement (hereinafter the “Share Transfer Agreement”) to transfer its Equipment Business (excluding certain parts) (hereinafter the “Target Business”) to a succession preparatory company to be established as the Company’s wholly-owned subsidiary (hereinafter the “New Company”) through an absorption-type company split (hereinafter the “Company Split”) and then transfer all of the shares of the New Company to AIMECHATEC, Ltd. (hereinafter “AIMECHATEC”) (hereinafter the “Share Transfer” and the “Transaction” collectively with the Company Split). Based on the Share Transfer Agreement, the Share Transfer is scheduled to take effect on March 1, 2023.

Since the Company Split is a simplified absorption-type company split whereby the Company's wholly owned subsidiary will take over the Company's business, certain disclosures are omitted. The Board of Directors also resolved at its meeting held today the collaboration between the Company's Material Business and the Target Business after its transfer to AIMECHATEC (hereinafter the “Collaboration”) and the acquisition of 1,101,500 shares of AIMECHATEC (19.56% of the voting rights held by all shareholders) (Note), the details of which are described in the Company's press release dated September 26, 2022, “Notice of Collaboration Between TOKYO OHKA KOGYO CO., LTD. and AIMECHATEC, Ltd.” and “Notice of the Acquisition of Shares of AIMECHATEC, Ltd. (Securities Code: 6227) (Act of Share Purchase Specified by Cabinet Order as Being Equivalent to a Tender Offer) (Plan),” respectively. In addition, the Company and AIMECHATEC plan to enter into an agreement under which AIMECHATEC will submit a proposal to elect one director candidate nominated by the Company as its director to its first Ordinary General Meeting of Shareholders to be held after September 30, 2022.

Note: The ratio to the voting rights held by all shareholders is calculated using 56,300, the number of voting rights held by all shareholders of AIMECHATEC as of June 30, 2021 as the denominator (rounded off to two decimal places).
The same applies hereinafter.

1. Purpose of the Transaction

Since our establishment in 1940, we have pursued cutting-edge technologies as an R&D-driven company, expanded the scope of our technology from high-purity chemicals to sophisticated photoresists, photosensitive

materials, and developed our business in the field of fine chemicals.

During these years, we have concentrated on enhancing our core competencies, microprocessing and high purity processing technologies, and we have also maintained and improved our competitiveness in the highly competitive electronic materials industry by adopting our unique Materials & Equipment (M&E) strategy under which we have developed high functional materials such as photoresists for semiconductors and related high-purity chemicals as well as related manufacturing equipment including coating machine, developing machine, and ashing/stripping system, and we believe that the promotion of such M&E strategy will continue to contribute to maintaining and improving our competitiveness.

Recently, we posted record-high net sales and operating income of high functional materials thanks to the booming semiconductor industry, and in the Equipment Business, we are also receiving an increasing number of orders for Zero Newton[®], wafer handling systems used for the through-silicon-via (TSV) process for semiconductors with the development of the 3D packaging market. In addition, the growing demand for power semiconductors is contributing to an upward trend in orders for plasma ashing system, a photoresist ashing/stripping system.

Meanwhile, in the recent semiconductor manufacturing equipment industry, the pace of technological innovation is accelerating mainly due to the intensifying competition, requiring us to have a high level of expertise as well as rationalize and streamline business resources and operations; and therefore, the Group has been striving to improve its profitability and cash generation capability and enhance its corporate value through selection and concentration under the management vision to become “The e-Material Global Company[®] contributing to a sustainable future through chemistry” (Note), its overarching aspiration for 2030.

Under such circumstances, to concentrate management resources on its core Material Business, the Company has decided to proceed with the Transaction to transfer the Target Business to AIMECHATEC, equipment manufacturer with advanced technological and customer support capabilities, which develops, designs, manufactures and sells LCD panel manufacturing equipment, etc. and provides after-sales services in Japan and overseas with fine coating technology and high-precision bonding technology as its core technologies. The Company also expects that the Collaboration between our Material Business and the Target Business after the transfer to AIMECHATEC will enhance the Target Business and achieve its sustainable growth as well as maintain and further develop our M&E strategy.

Note: “e-Material” stands for “Electronic Material”

2. Timeline for the Transaction

Date of the board resolution to approve the Share Transfer Agreement	September 26, 2022 (today)
Date of execution of the Share Transfer Agreement	September 26, 2022 (today) (scheduled)
Date of establishment of the New Company	TBD
Date of the board resolution to approve the Company Split Agreement	TBD
Date of execution of the Company Split Agreement	TBD
Scheduled date of the Company Split (effective date)	March 1, 2023 (scheduled)
Scheduled date of the Share Transfer	March 1, 2023 (scheduled)

Note: The Company Split will be executed without an approval at the Company’s Shareholders’ Meeting as it falls under the simplified absorption-type split stipulated in Article 784, Paragraph 2 of the Companies Act.

3. Summary of the Company Split

(1) Method of the Company Split

An absorption-type company split with the Company as the splitting company and the New Company as the successor company.

(2) Share allocation upon the Company Split

Since the Company Split will be executed between the Company and its wholly owned subsidiary, there will be no allocation of shares or delivery of money or other assets by the New Company.

(3) Treatment of stock acquisition rights and bonds with stock acquisition rights as a result of the Company Split

There will be no change in the treatment of the Company's stock acquisition rights as a result of the Company Split.

(4) Changes in share capital due to the Company Split

There will be no change in the Company's share capital due to the Company Split.

(5) Rights and obligations to be succeeded by the successor company

The New Company will succeed the rights and obligations including assets, liabilities and contractual status, etc. related to the Target Business as stipulated in the absorption-type split agreement.

(6) Prospects for the performance of obligations

It has been determined that there will be no issues regarding performance of obligations to be assumed by the New Company after the Company Split.

4. Overview of the companies involved in the Company Split (As of June 30, 2022. As of the date of establishment for the successor company (plan))

	Splitting company	Successor company (The New Company)
Name	Tokyo Ohka Kogyo Co., Ltd.	TBD
Location	150 Nakamaruko, Nakahara-ku, Kawasaki-shi, Kanagawa 211-0012, JAPAN	TBD
Name and title of representative	Noriaki Taneichi President and Chief Executive Officer	TBD
Business description	Manufacture and sales of manufacturing materials, mainly photoresists and high purity chemicals for photolithography process of semiconductors and displays, processing equipment for semiconductor and display	Manufacture and sales of processing equipment for semiconductor and display manufacturing

	manufacturing, and inorganic and organic chemicals.		
Share capital	14,640 million yen		TBD
Established	October 25, 1940		TBD
Number of issued shares	42,600,000 shares		TBD
Fiscal year-end	December 31		TBD
Major shareholders and their shareholding ratio (Note 1)	The Master Trust Bank of Japan, Ltd. (Trust Account)	11.91%	Tokyo Ohka Kogyo Co., Ltd. 100.0%
	Custody Bank of Japan, Ltd. (Trust Account)	6.56%	
	Meiji Yasuda Life Insurance Company (Standing proxy: Custody Bank of Japan, Ltd.)	4.52%	
	NATIONAL FINANCIAL SERVICES LLC (Standing proxy: Citibank, N.A., Tokyo Branch)	3.58%	
	MUFG Bank, Ltd.	2.99%	
Relationship between the parties	Capital relationship	On the effective date of the Company Split, 100% of the issued shares of the New Company to be held by the Company is planned to be transferred to AIMECHATEC on the same day.	
	Human relationship	TBD	
	Business relationship	TBD	
Consolidated business results and financial position for the last three years (Note 2)			
Fiscal year	Tokyo Ohka Kogyo Co., Ltd.		
	Fiscal year ended December 31, 2019	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
Net sales	102,820 million yen	117,585 million yen	140,055 million yen
Operating income	9,546 million yen	15,589 million yen	20,707 million yen
Ordinary income	9,707 million yen	16,129 million yen	21,664 million yen
Profit attributable to owners of parent	5,410 million yen	9,926 million yen	17,748 million yen
Net assets	151,733 million yen	159,994 million yen	165,190 million yen
Total assets	186,486 million yen	201,185 million yen	217,264 million yen
Basic earnings per share	130.02 yen	239.42 yen	430.73 yen
Net assets per share	3,491.23 yen	3,651.20 yen	3,880.18 yen

Notes 1: The shareholding ratio is calculated excluding treasury stock.

2: Since the New Company is yet to be established, there is no financial position or business results to be disclosed.

5. Overview of the business segment to be split

(1) Description of the business to be split

Manufacture, sales, and maintenance of equipment for semiconductor and display manufacturing

(2) Business results of the segment to be split (Fiscal year ended December 31, 2021)

	Target Business (a)	All businesses (b)	Ratio (a/b)
Net sales	1,271 million yen	140,055 million yen	0.91%

(3) Items and amounts of assets and liabilities to be split (Fiscal year ended December 31, 2021)

Assets		Liabilities	
Items	Book value	Items	Book value
Current assets	1,965 million yen	Current liabilities	529 million yen
Non-current Assets	70 million yen	Non-current liabilities	0 million yen
Total assets	2,036 million yen	Total liabilities	529 million yen

Note: The amount of assets and liabilities to be split is based on the balance sheet as of December 31, 2021. The actual amount of assets and liabilities to be split will be determined after changes from January 1, 2022 to the effective date of the Company Split are adjusted to the above amount.

6. Status after the Company Split

The name, location, title and name of the representative, business description (excluding the Target Business for the splitting company), share capital and fiscal year-end of the Company and the New Company after the Company Split are described in “4. Overview of the companies involved in the Company Split.”

7. Share Transfer

(1) Overview of the subsidiary to be transferred (the New Company)

Described in “4. Overview of the companies involved in the Company Split.”

(2) Overview of the transferee of the Share Transfer (as of June 30, 2022)

Name	AIMECHATEC, Ltd.	
Location	5-2, Koyodai, Ryugasaki-shi, Ibaraki 301-0852, Japan	
Name and title of representative	Isao Abe, President and Representative Director	
Business description	Design/manufacture/sales of electronic component manufacturing equipment and peripheral equipment and after-sales service	
Share capital	450 million yen	
Established	July 1, 2016	
Consolidated net assets	8,046 million yen	
Consolidated total assets	18,836 million yen	
Major shareholders and their shareholding ratio (Note)	Polaris Private Equity Fund III, L.P.	29.42%
	TIARA CG PRIVATE EQUITY	9.70%

		FUND 2013, L.P.	
		BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	1.05%
		UEDA YAGI TANSHI Co., Ltd.	0.94%
		Nomura Securities Co., Ltd.	0.65%
Relationship between the Company and the transferee	Capital relationship	The Company does not have any capital relationship with the transferee as of today, but the Board of Directors of the Company resolved at its meeting held today to enter into a share transfer agreement to acquire 1,101,500 shares (19.56% of the voting rights of all shareholders) of the transferee from its existing shareholders, and the acquisition is scheduled to take place on September 30, 2022.	
	Human relationship	Not applicable.	
	Business relationship	There were no business relationship between the Company and the transferee in the immediately preceding fiscal year, but the Company resolved at the Board of Directors meeting held today to enter into a master agreement concerning the collaboration with the transferee.	
	Status as a related party	Not applicable.	

Note: The shareholding ratio is calculated excluding treasury stock.

(3) Summary of ownership ratio of voting rights before and after the Transfer, number of shares to be transferred, and transfer price (plan)

Number of shares held before the Transfer	TBD (100% of voting rights)
Number of shares to be transferred	All outstanding shares
Number of shares held after the Transfer	0 share (0% ownership of voting rights)

* We do not disclose the transfer price due to the confidentiality clause in the share transfer agreement, but it was decided based on the discussions between the two companies.

8. Future outlook

The Company is currently evaluating the impact of the Transaction on its business performance for the current fiscal year, and we expect it to be insignificant. We will announce promptly if any matter that should be disclosed arises.

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