

# TOKYO OHKA KOGYO CO., LTD. Business Results

— Fiscal Year ended December 2020 —



**tok**

Feb. 16, 2021

TOKYO OHKA KOGYO CO., LTD.

© 2021 TOKYO OHKA KOGYO CO., LTD.

## Contents

---

- |  |      |
|--|------|
| 1. Consolidated Business Results for<br>FY2020 (2020.1-2020.12)      | p.02 |
| 2. Consolidated Performance Forecasts for<br>FY2021 (2021.1-2021.12) | p.13 |
| 3. Initiatives in TOK Medium-Term Plan 2021                          | p.21 |

**tok**

© 2021 TOKYO OHKA KOGYO CO., LTD.

# Consolidated Business Results for FY2020 (2020.1-2020.12)

tok

© 2021 TOKYO OHKA KOGYO CO., LTD.

## Summary

03

(Millions of yen)

	FY2019/12 Result	FY2020/12		
			Change	%
Net sales	102,820	117,585	+14,765	+14.4
Operating income	9,546	15,589	+6,043	+63.3
Ordinary income	9,707	16,129	+6,422	+66.2
Profit attributable to owners of parent	5,410	9,926	+4,516	+83.5

■ Average exchange rate (US\$) : ¥108.1/\$ (FY2019/12) ⇒ ¥105.7/\$ (FY2020/12)

■ Net Sales: Increased 14.4% year on year mainly due to increased sales of semiconductor photoresists and high density integration materials.

■ Operating income : Increased 63.3% year on year mainly due to increased sales of high value-added products.

■ Profit : Increased 83.5% year on year due to an increase in operating income. Both operating income and ordinary income have reached a record high.

tok

© 2021 TOKYO OHKA KOGYO CO., LTD.

# Non-operating Expenses or Income/ Extraordinary Losses or Income

04

(Millions of yen)

	FY2019/12 Result	FY2020/12	YoY
<b>Non-operating Expenses or Income</b>	<b>161</b>	<b>540</b>	<b>+379</b>
Interest and dividend income	+446	+473	+27
(Foreign exchange related losses/gains)	(315)	(25)	+290
Foreign exchange (loss) gain	(410)	+27	+437
(Loss) gain on valuation of derivatives	+95	(52)	(147)
<b>Extraordinary Losses or Income</b>	<b>(1,050)</b>	<b>(780)</b>	<b>+270</b>
Gains from sale of fixed assets	+119	+150	+31
Impairment loss	(477)	(605)	(128)
Loss on valuation of investment	(540)	-	+540
Loss on valuation of investment securities	(29)	(269)	(240)



© 2021 TOKYO OHKA KOGYO CO., LTD.

# Results by Business Segment

05

(Millions of yen)

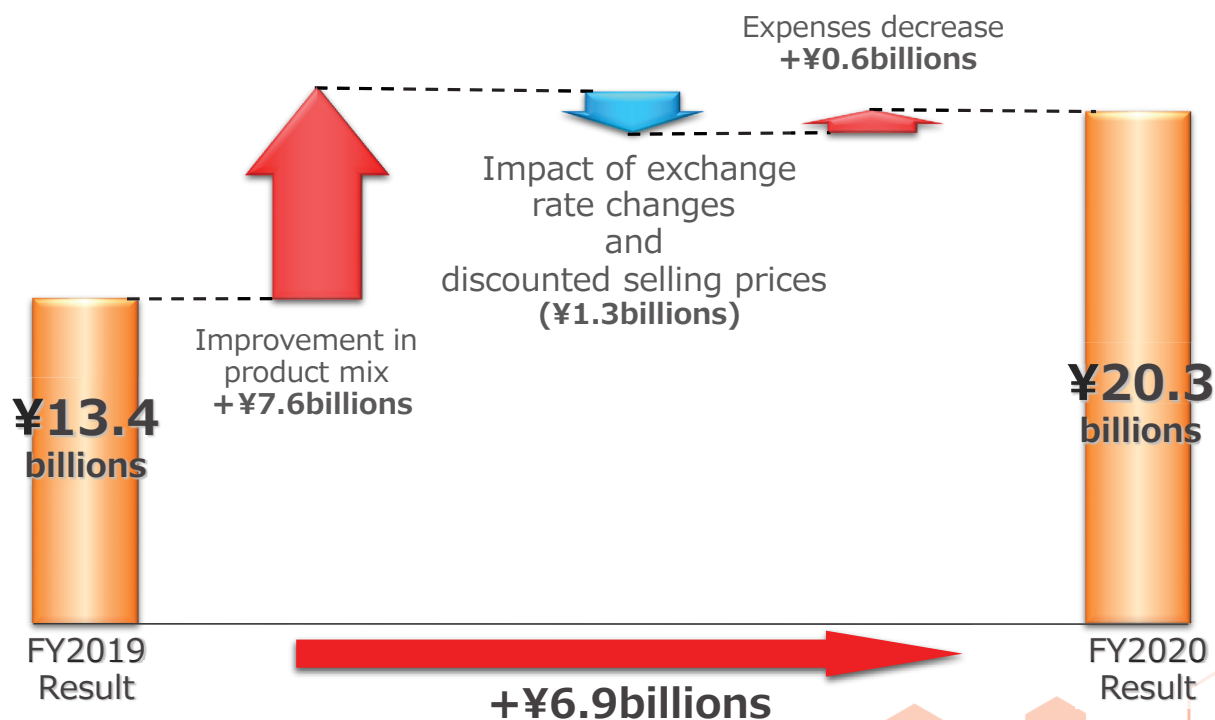
	FY2019/12 Result	FY2020/12		
		Change	%	
<b>Net sales</b>	<b>102,820</b>	<b>117,585</b>	<b>+14,765</b>	<b>+14.4</b>
Material business	98,986	114,773	+15,787	+15.9
Electronic functional materials	58,249	65,878	+7,629	+13.1
High purity chemicals	40,674	48,732	+8,058	+19.8
Other	63	161	+98	+154.7
Equipment business	3,833	2,811	(1,022)	(26.7)
<b>Operating income</b>	<b>9,546</b>	<b>15,589</b>	<b>+6,043</b>	<b>+63.3</b>
Material business	13,462	20,395	+6,933	+51.5
Equipment business	(286)	(310)	(24)	-
Eliminations and corporate	(3,628)	(4,494)	(866)	-



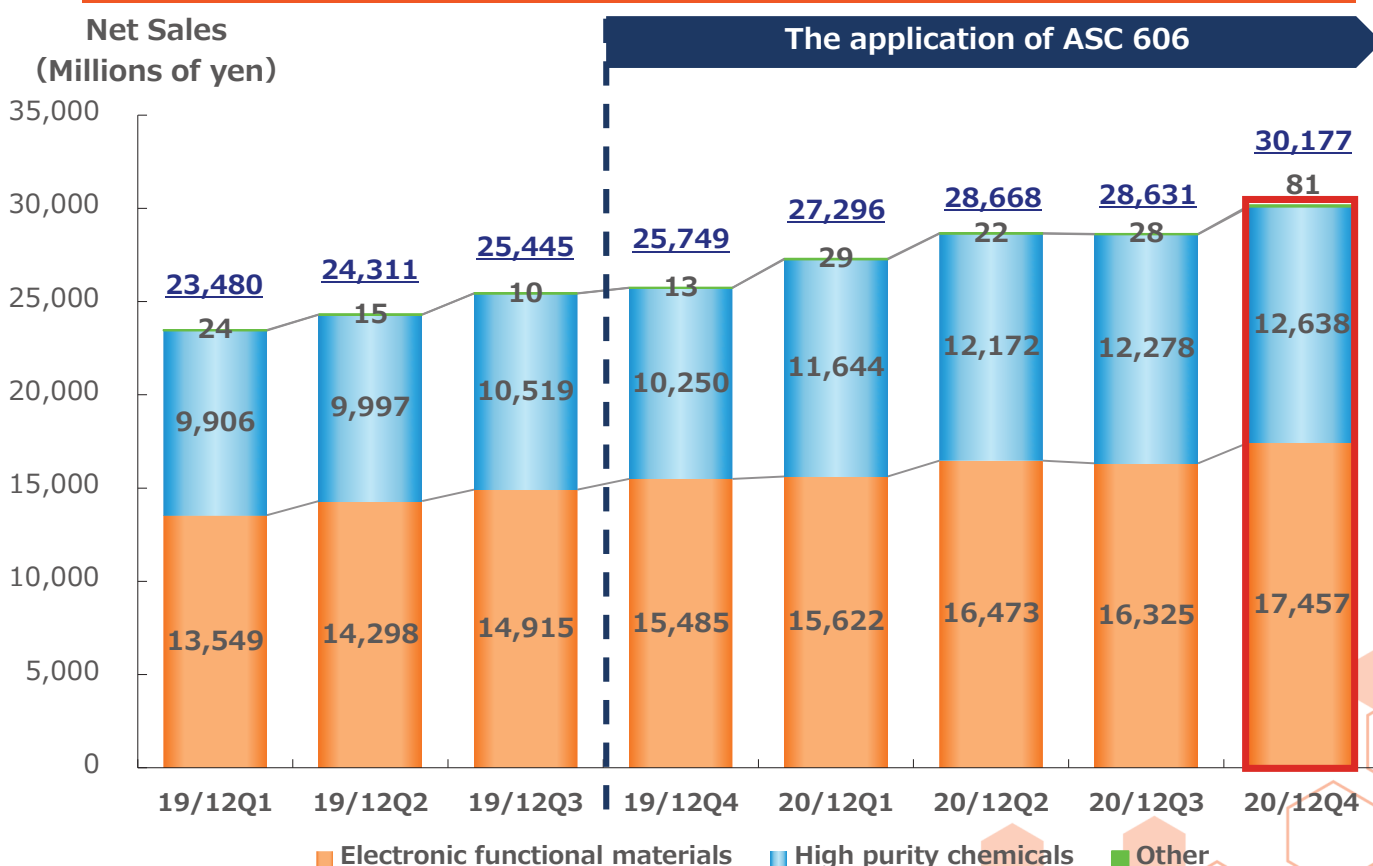
© 2021 TOKYO OHKA KOGYO CO., LTD.

# Breakdown of the Change in Operating Income (Material Business)

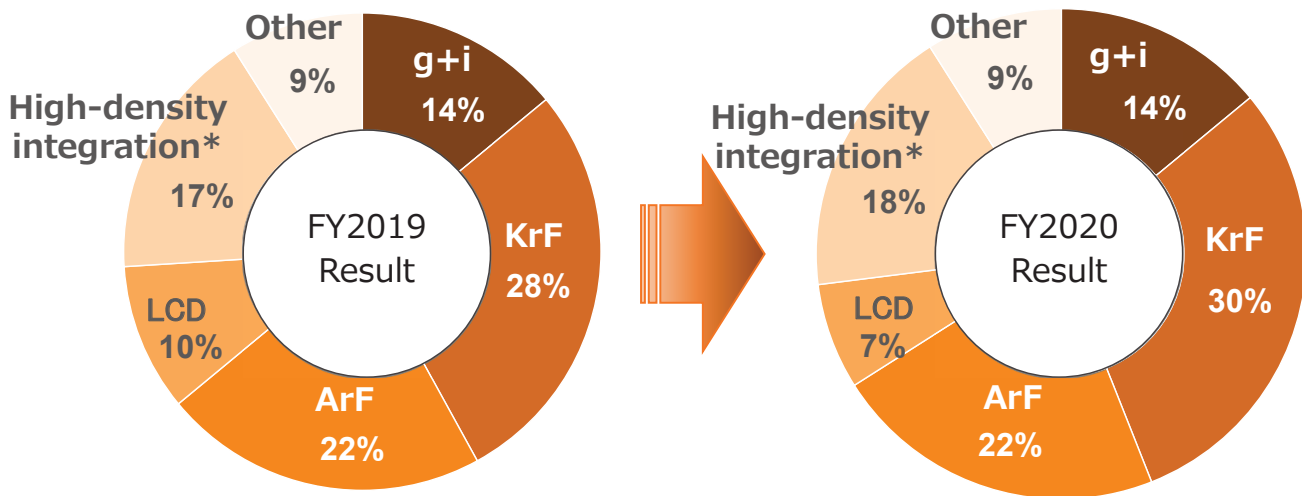
## FY2019/12 Result vs. FY2020/12 Result



# Sales Breakdown of Material Business



Note : An overseas consolidated subsidiary adopting US GAAP applied ASC 606 "Revenue from Contracts with Customers".



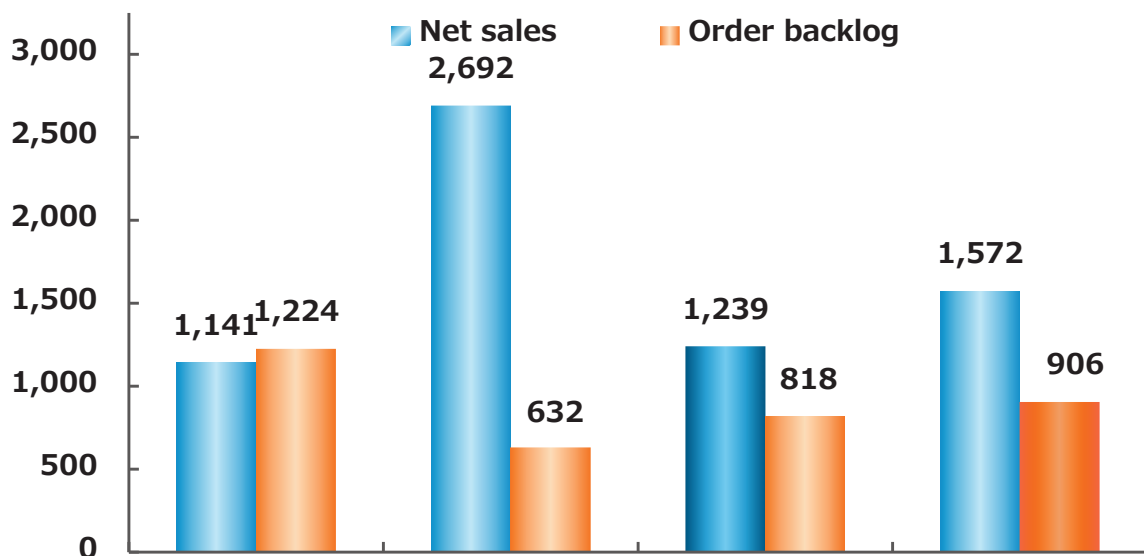
\* EUV is included in "Other".

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



## Equipment Business

Net sales/Order backlog  
(millions of yen)



(Millions of yen)	2019/1H	2019/2H	2020/1H	2020/2H
Year-end order backlog	2,757	934	814	476



(Millions of yen)

	FY2019/12	FY2020/12	
		Change	%
Capital Investments	14,183	5,611	△8,572 △60.4
Depreciation	7,216	6,772	△444 △6.1
R&D	8,879	9,545	+666 +7.5

© 2021 TOKYO OHKA KOGYO CO., LTD.

## Balance Sheets

11

(Millions of yen)

	FY2020	YoY	
Current Assets	96,943	+3,661	
Cash and deposits	47,822	+1,417	
Notes and accounts receivable	26,302	+2,415	
Inventories	17,659	+220	
Property, plant and equipment	53,112	(1,945)	Buildings and structures +1,062 Machinery +80 Furniture and fixtures (714) Land (291) Construction in progress (2,052)
Intangible assets	620	(41)	
Investments and other assets	50,510	+13,025	
Current Liabilities	25,193	+4,877	
Notes and accounts payable	13,745	+3,400	
Long-Term Liabilities	15,997	+1,560	Long-term loans payable (310)
Total net asset	159,994	+8,261	Retained earnings +4,887 Treasury stock +492 Unrealized gain on available-for-sale securities +1,974 Foreign currency translation adjustments (260)
Total asset	201,185	+14,699	

© 2021 TOKYO OHKA KOGYO CO., LTD.

(Millions of yen)

	FY2019	FY2020
Cash flows from operating activities	+12,743	+22,953
Income before income taxes and minority interests	+8,657	+15,349
Depreciation	+7,216	+6,772
Decrease (increase) in trade notes and accounts receivable	(1,367)	(2,356)
Decrease (increase) in inventories	(388)	(228)
Decrease (increase) in trade notes and accounts payable	(943)	+2,993
Increase (decrease) in advances received	(37)	(36)
Income taxes paid	(2,302)	(1,637)
Cash flows from investing activities	(17,286)	(3,481)
Cash flows from financing activities	(5,789)	(5,937)
Translation adjustments	(289)	(35)
Net increase (decrease) in cash and cash equivalents	(10,621)	+13,498

Major breakdown  
Purchases of property,  
plant and equipment (5,881)

Major breakdown  
Proceeds from long-term loans  
payable (309)  
Sales of treasury shares +310  
Dividends paid  
(incl. minority shareholders) (5,878)

tok

© 2021 TOKYO OHKA KOGYO CO., LTD.

# Consolidated Performance Forecasts for FY2021 (2021.1-2021.12)

tok

© 2021 TOKYO OHKA KOGYO CO., LTD.

# Earnings Forecasts (Full-year)

14

(Millions of yen)

	FY2020	FY2021 Forecasts		
			Change	%
Net sales	117,585	122,600	+5,015	+4.3
Operating income	15,589	16,500	+911	+5.8
Ordinary income	16,129	16,700	+571	+3.5
Profit attributable to owners of parent	9,926	10,800	+874	+8.8

■ Exchange rate assumptions (US\$) : ¥105.7/\$ (FY2020/12) ⇒ ¥100.0/\$ (FY2021/12)

■ Net sales :

Forecast to increase 4.3% year on year anticipating our customers' continued high capacity utilization from the previous year despite the effects of the yen appreciation.

■ Operating income :

Forecast to increase 5.8% year on year having reflected increased expenses of raw materials.

■ Profit attributable to owners of parent :

Forecast to increase 8.8% year on year due to an increase in operating income and an improvement in extraordinary income/loss, and also to reach a record high in both operating income and ordinary income for two consecutive quarters.

© 2021 TOKYO OHKA KOGYO CO., LTD.

# Performance Forecasts by Business Segment

15

(Millions of yen)

	FY2020	FY2021 Forecasts		
			Change	%
Net sales	117,585	122,600	+5,015	+4.3
Material business	114,773	118,200	+3,427	+3.0
Electronic functional materials	65,878	69,300	+3,422	+5.2
High purity chemicals	48,732	48,600	(132)	(0.3)
Equipment business	2,811	4,400	+1,589	+56.5
Operating income	15,589	16,500	+911	+5.8
Material business	20,395	21,100	+705	+3.5
Equipment business	(310)	200	+510	-
Eliminations and corporate	(4,494)	(4,800)	(306)	-



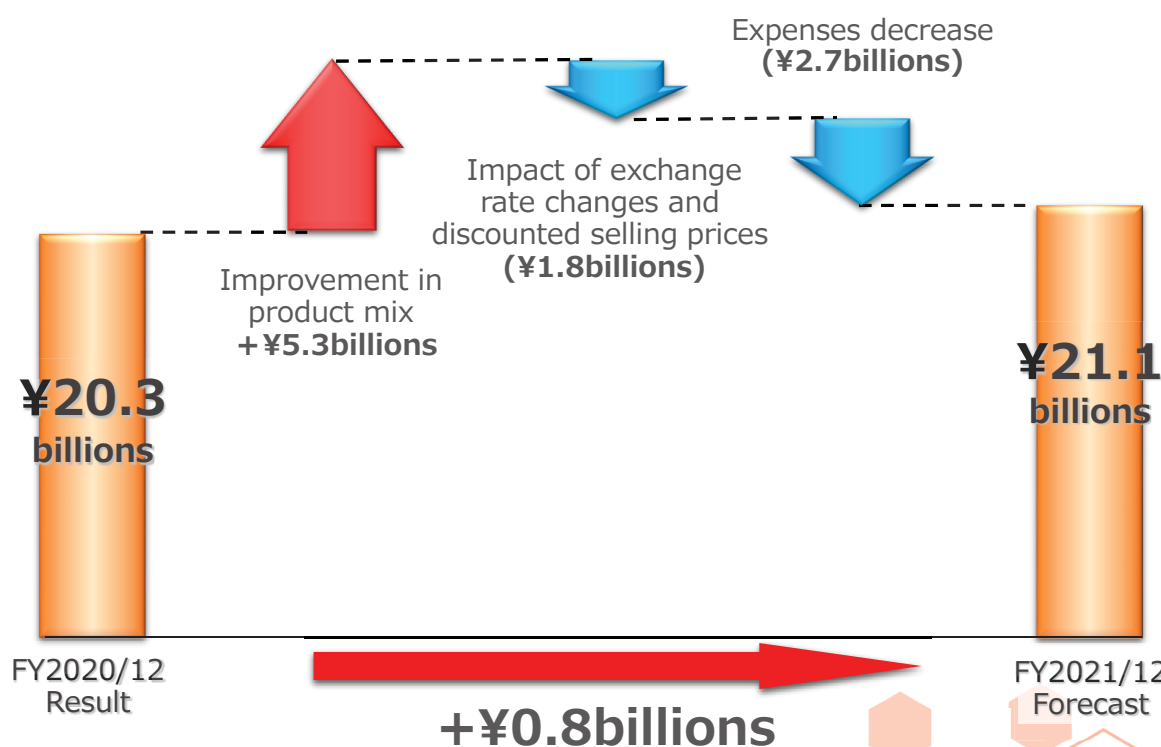
(Millions of yen)

	FY2020	FY2021 Forecasts		
			Change	%
Capital Investments	5,611	9,100	+3,489	+62.2
Depreciation	6,772	6,500	(272)	(4.0)
R&D	9,545	9,800	+255	+2.7

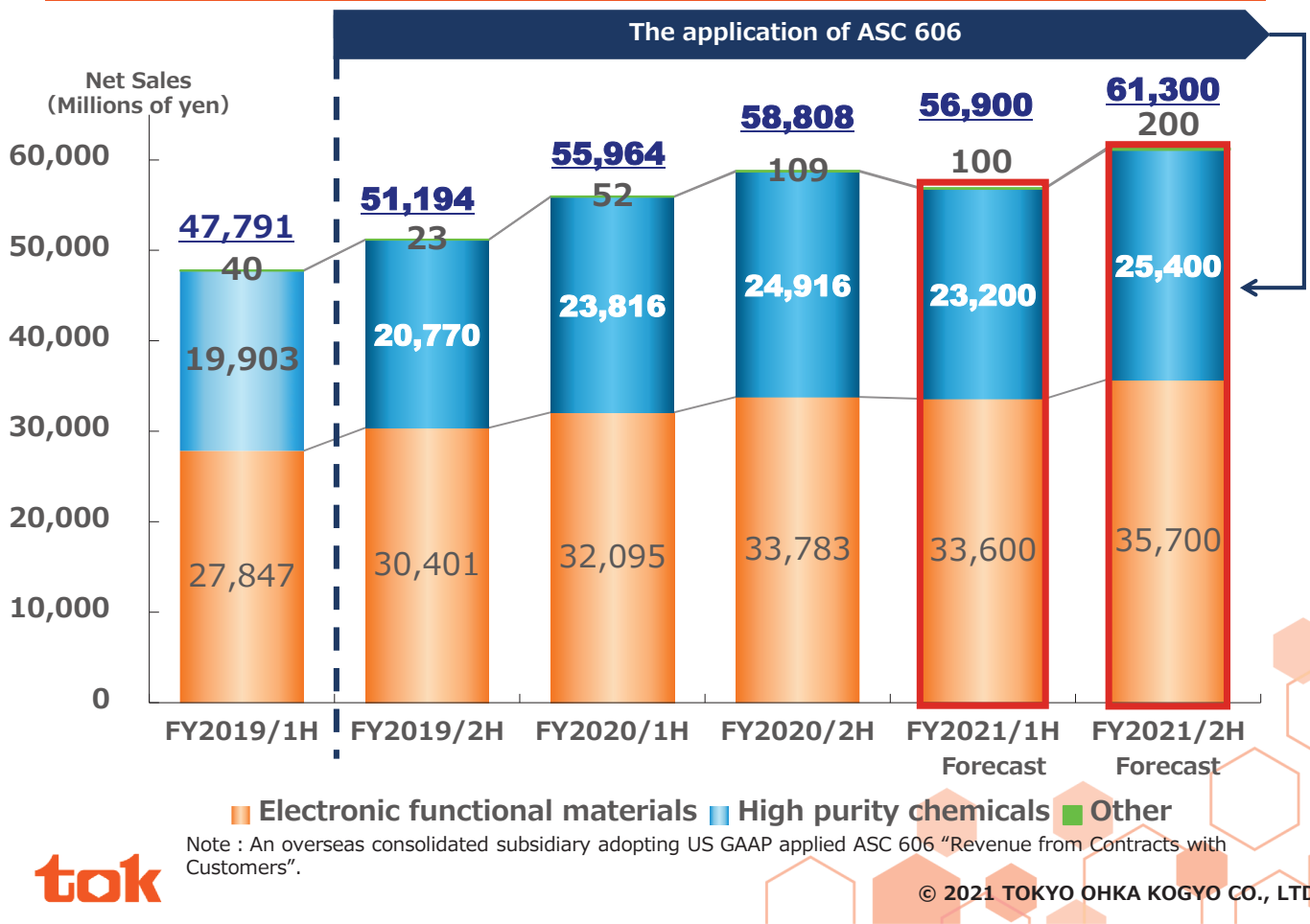


## Breakdown of the Change in Operating Income (Material Business)

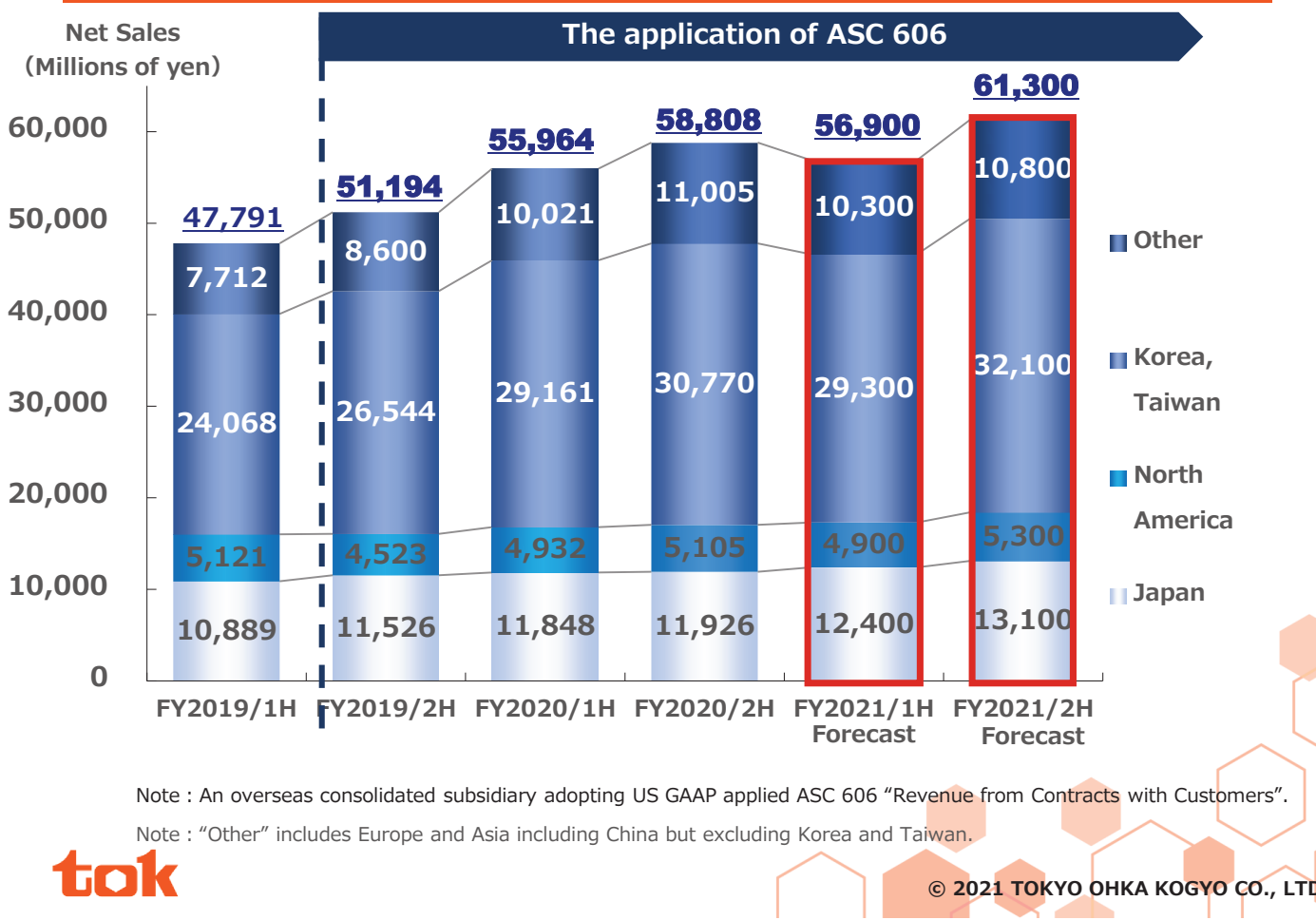
FY2020/12 Result v.s. FY2021/12 Forecast

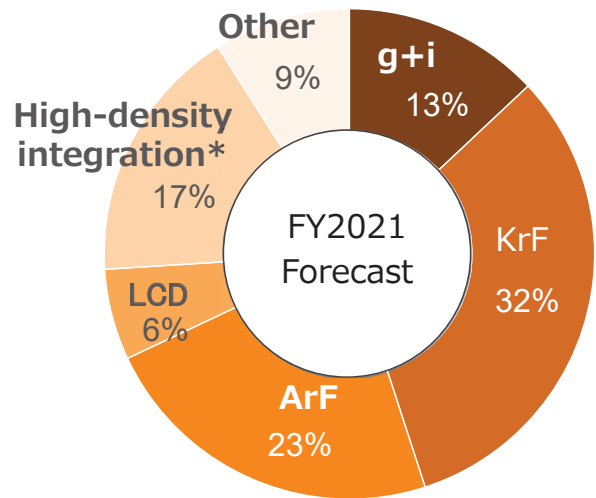
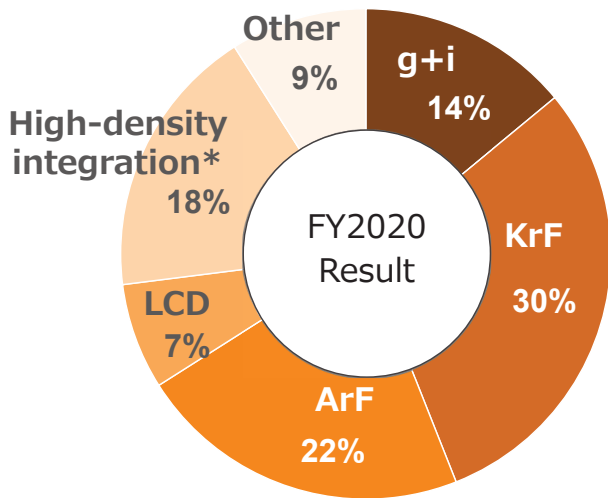


# Sales Breakdown of Material Business(Forecast)



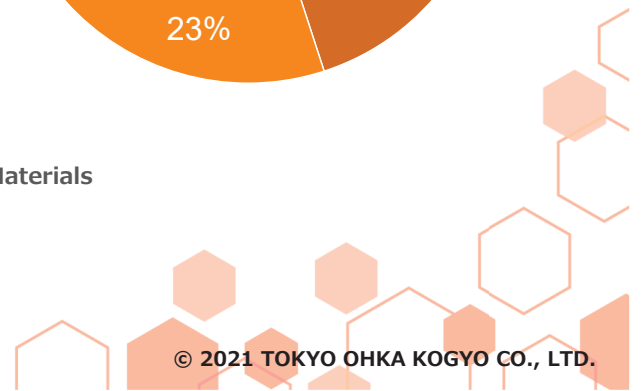
# Sales Breakdown of Material Business by Region(Forecast)





\* EUV is included in "Other".

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



## Initiatives in tok Medium-Term Plan 2021



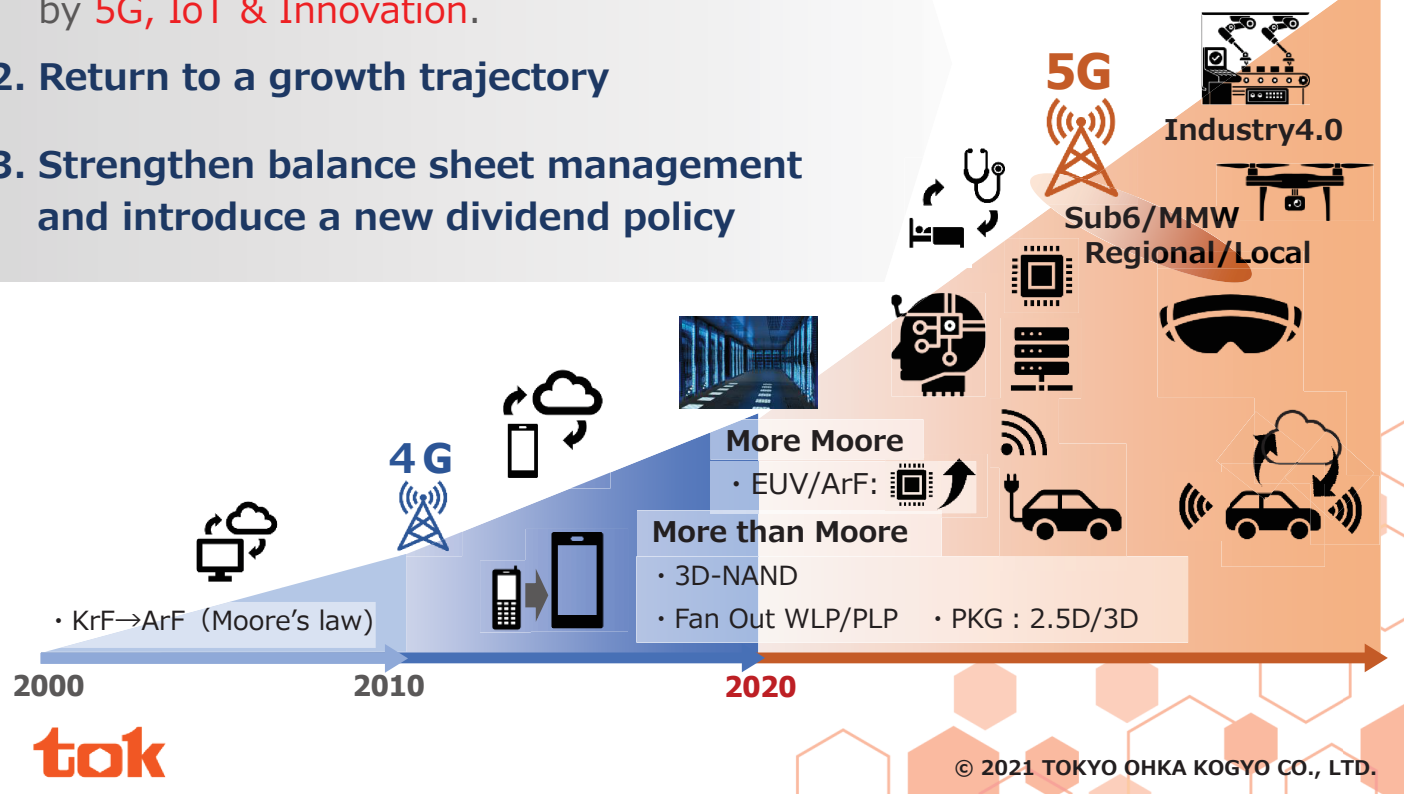
## 1. Strengthen business portfolio reforms

-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



## Progress toward the Medium-Term Plan ① : Result

Performance Target	FY2018 Result	FY2021 Target	FY2020 Result	FY2021 Forecast
Net sales	¥105.2 billion	¥125.0 ~145.0 billion	¥117.5 billion	¥122.6 billion
Operating income	¥10.5 billion	¥15.0 ~20.5 billion	¥15.5 billion	¥16.5 billion
ROE	4.7%	8.0%	6.7%	7.0%

### Net sales

- Forecast to amount to 122.6 billion yen in the final year of the Medium-Term plan due to a large increase in FY2020/21, despite the delay affected by the U.S.-China trade friction.
- Drive forward the sales expansion of semiconductor photoresists and high purity chemicals in Asia.

### Operating income

- Forecast to amount to the target of 16.5 billion yen allowing for profit increase in increased sales of electronics functional materials.

### ROE

- Improved steadily by increasing profitability, and executing shareholder return and B/S management.

■ The progress of Capital Investments, Depreciation, R&D

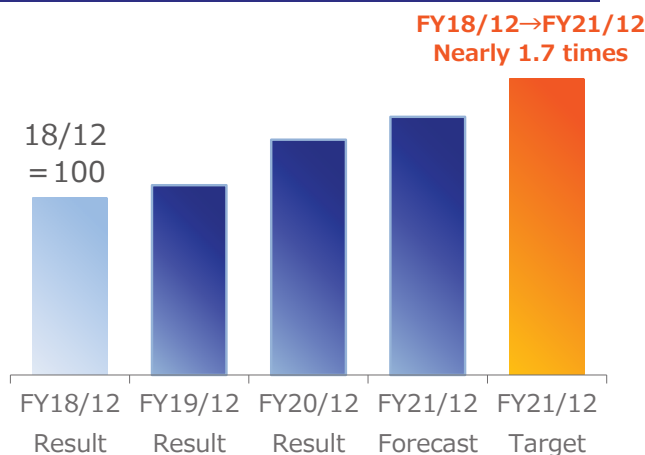
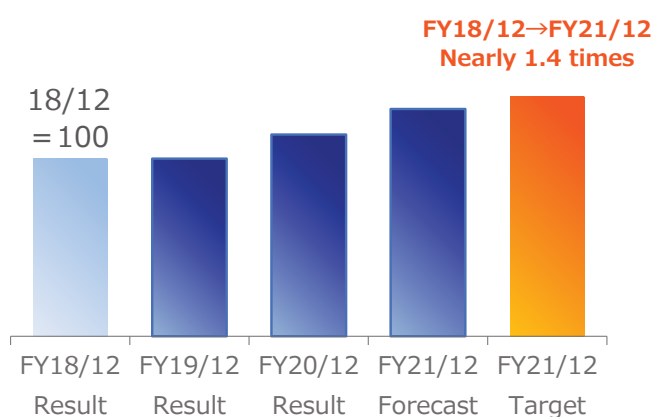
(Billions of Yen)	tok Medium-Term Plan2021 the 3-year-cumulative total initially planned	3 years cumulative			
		Outlook	FY2019 Result	FY2020 Result	FY2021 Forecast
Capital Investments	31.0	28.8	14.1	5.6	9.1
Depreciation	24.0	20.4	7.2	6.7	6.5
R&D	28.0	28.1	8.8	9.5	9.8



Progress toward the Medium-Term Plan ① :  
Semiconductor Photoresist (ArF/EUV · KrF)

ArF/EUV : Sales Result/Forecast/Target

KrF : Sales Result/Forecast/Target



■ ArF

- Increased market share in Asia due to expanded adoption of new process node.

■ EUV

- Strengthened the structure of production and R&D for the next generation aiming for a full-fledged expansion of photoresists for 5nm.

■ KrF

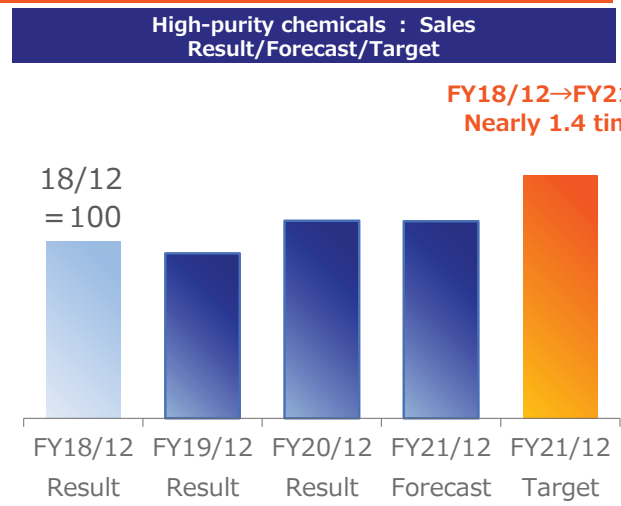
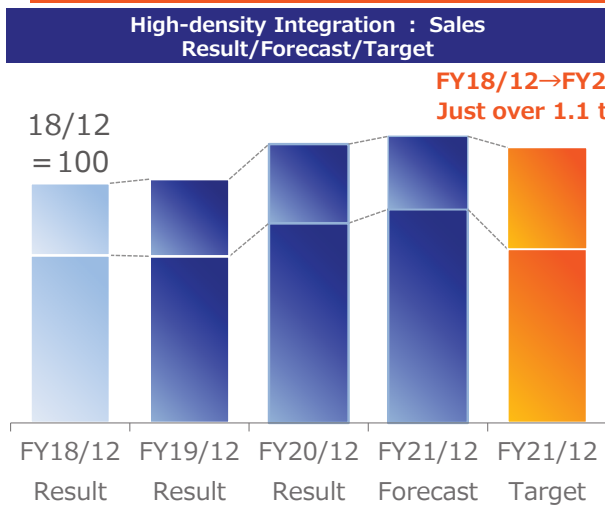
- Fulfilled the needs of multiple layers for 3D-NAND.
- Met the demand for various semiconductors such as sensors.
- Increased market share in Asia.
- Improved production capabilities anticipating increased demand.



Note : Targets for FY2021/12 are as of February 14, 2019, the date of the announcement of the "tok Medium-Term Plan 2021."

# Progress toward the Medium-Term Plan ② : High-density Integration Materials · High-purity chemicals

26



## ■ Packaging materials

- Improved capability for cutting-edge 3D packaging.
- Strengthen relationship with OSAT in Asia.

## ■ MEMS materials

- Expanded customer base, being adopted by Japanese and Asian large electronic component manufacturers.

## ■ High-purity chemicals

- Decreased sales due to the change of revenue recognition.
- Properly met expanded demand in Asia and increased quality requirements.
- Expanded adoption of Advanced surface preparation.



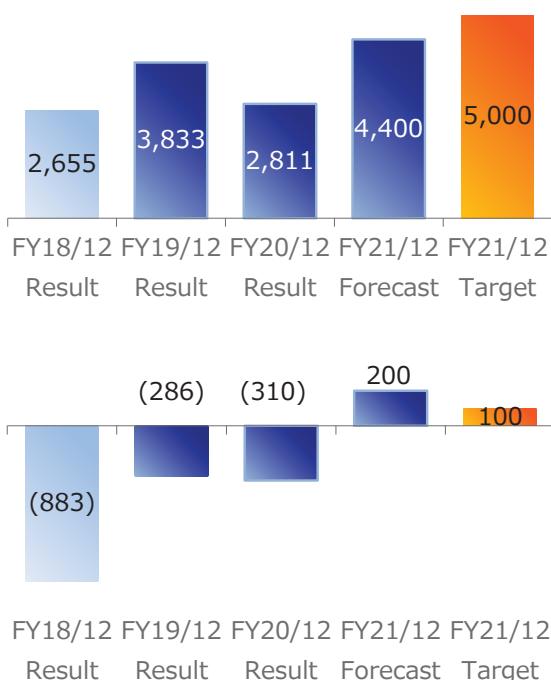
Note : Targets for FY2021/12 are as of February 14, 2019, the date of the announcement of the "tok Medium-Term Plan 2021."

J., LTD.

# Progress toward the Medium-Term Plan ③ : Equipment business

27

**Sales Results /Forecast and target**  
Upper row: Net sales  
Lower row: Operating income or loss  
(Millions of yen)



**Target ① : 3D packaging and power devices are expected to grow. Efforts will be made to increase orders based on TOK's track record.**

- Expanded sales in Asia and strengthened setting-up operation.

**Target ② : Development and manufacturing of manufacturing equipment for next-generation displays.**

- Produced equipment utilizing its own technologies.
- Promoted expansion of sales by entering the Asian market.



Bonding machine for 3D packaging



Debonding machine for 3D packaging



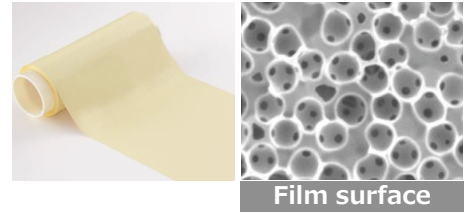
Single-wafer plasma ashing system



Note : Targets for FY2021/12 are as of February 14, 2019, the date of the announcement of the "tok Medium-Term Plan 2021."

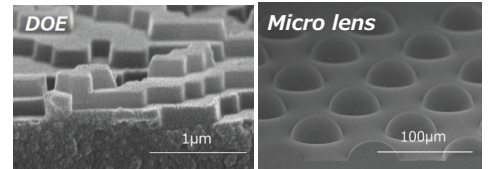
■ High-functional films

- Developed business in the use of a value-added LiB separator.
- Developed high durability applications.



■ Optical materials

- Promoted the use of AR/VR and 3D sensors.
- Developed through open innovation.



■ Life science-related materials

Increased demand due to the rise of the needs for DNA analysis.



SIEVEWELL™



ESG TOPICS : Solving social issues by life-science related business

**Solving social issues by new business** other than semiconductor related business



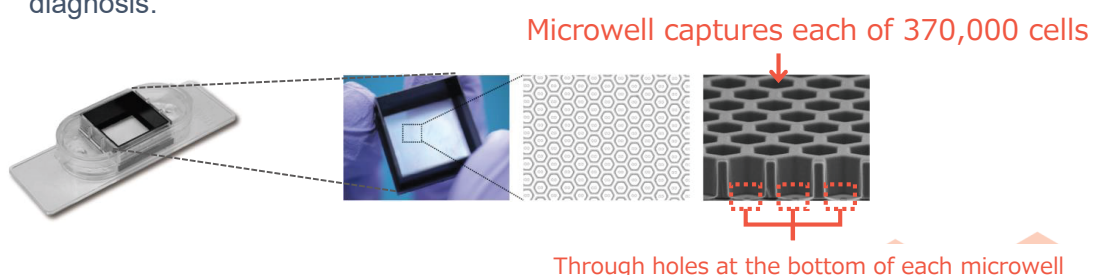
(1) Materials for biochip manufacturing

- Lower cytotoxic, miniaturized and complex device structure forming technology.
- Contributing to developing and manufacturing next generation DNA sequencers that fulfil the need for genome analysis due to the large scale transmission of infectious diseases.

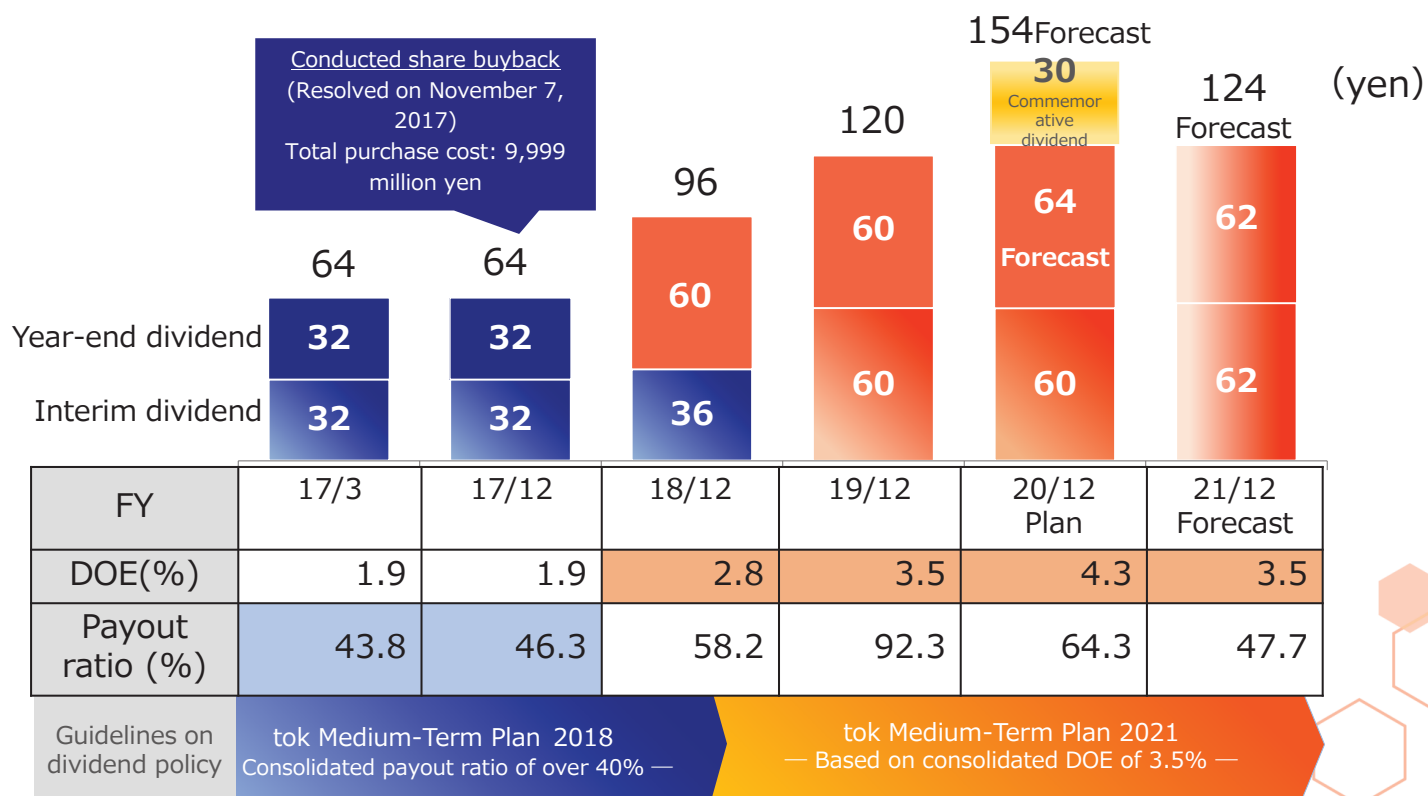


(2) Developed and started selling cell sequencing chip (SIEVEWELL™)

- Enabling multiple cells to be aligned highly accurately at a time.
- Contributing to frontline in new drug research and research of less invasive pathological diagnosis.



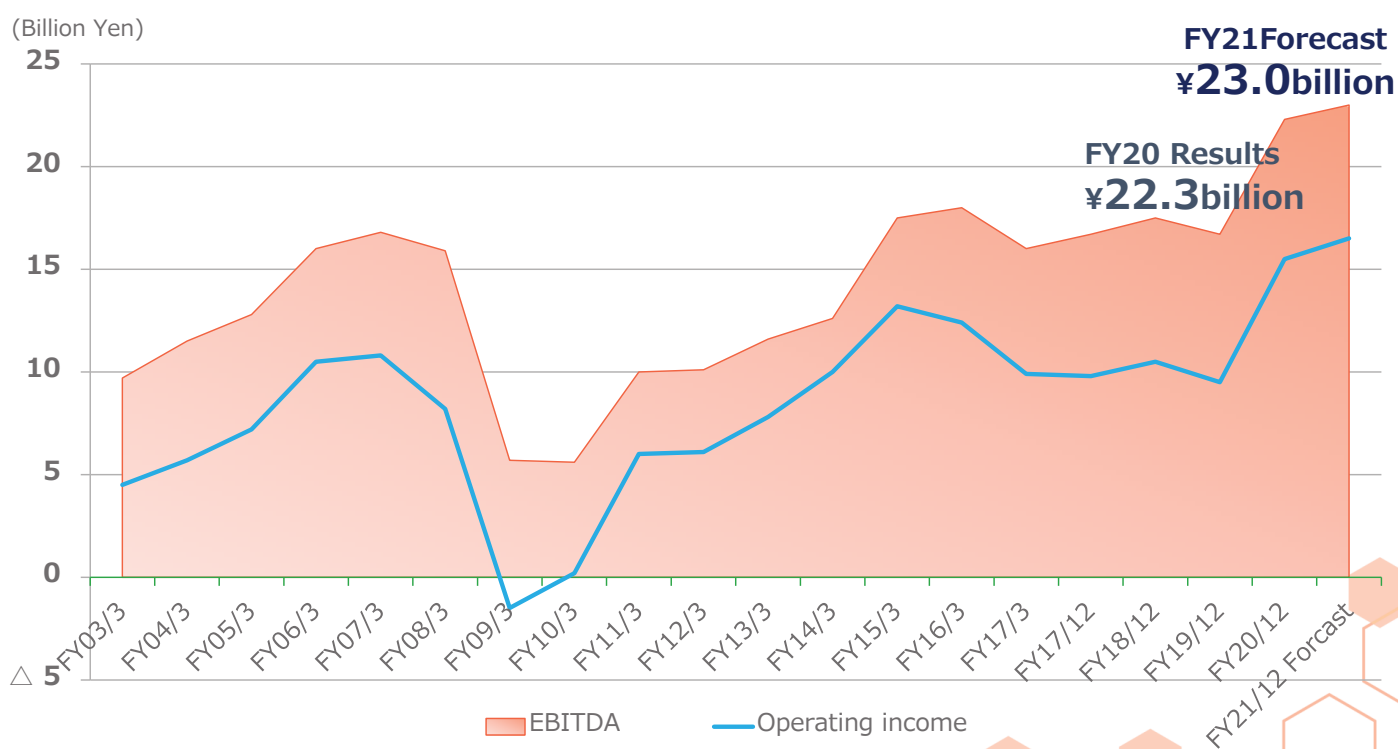
Scheduled to **pay a commemorative dividend** and **increase the regular dividend**



© 2021 TOKYO OHKA KOGYO CO., LTD.

# Trends in Cash Creation Output (EBITDA)

Aiming for Sustainable Growth by Enhancing **Cash Creation**



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](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.**

**tok**

© 2021 TOKYO OHKA KOGYO CO., LTD.