

TOKYO OHKA KOGYO CO., LTD.

Business Results

-The Fiscal Year ended Dec. 2023-

Feb. 13, 2024

TOKYO OHKA KOGYO CO., LTD.

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Summary for FY 2023

FY2023/12 Results

- **Revised down** the full-year earnings forecasts.
- Net sales were **down 13.1 billion yen or 7.5% YoY** to **162.2 billion yen** due to a sharp downturn in the marketplace.
- Operating income, **down 7.4 billion yen or 24.8% YoY** to **22.7 billion yen**, significantly decreased due to **reduced sales** and **increased expense**.

FY2024 Consolidated Forecasts

- Assumptions:
Expect an increase in demand for various end products due to widespread penetration of **generative AI** and a **recovery of the semiconductor market** due to a decline in **the customers' product inventory level**.
- Expect **significant YoY growth in both revenue and profit** based on the current market situation, the usage status of our products and the launch of operation of a customer's new plant.
Net sales: 179.2 billion yen (up 10.4%), operating income: 26.8 billion yen (up 18.0%)

Shareholder Returns

- Under the dividend policy targeting 4.0% of a consolidated dividend on equity ratio, DOE, **the year-end dividend for FY2023 is 86 yen**. The annual dividend is forecast to be **168 Yen**. Expect **dividend growth of consecutive 6 years**.
- Both interim and year-end dividends for FY2024 are expected to be 29 yen, with the annual dividend of 58 yen. **The total dividend amount is expected to increase**.

• The majority of the equipment business was transferred to AIMECHATEC, Ltd. on March 1, 2023.

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Summary (Full-year)

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(Millions of yen)

| | FY2022/12 | FY2023/12 | | | | Revised forecasts | Achievement rate |
|---|-----------|-----------|----------|--------|---------|-------------------|------------------|
| | | | Change | % | | | |
| Net sales | 175,434 | 162,270 | (13,164) | (7.5) | 164,000 | 99.0 | |
| Electronic functional materials* | 92,799 | 87,799 | (4,999) | (5.4) | 88,500 | 99.2 | |
| High purity chemicals* | 77,565 | 71,992 | (5,572) | (7.2) | 73,600 | 97.8 | |
| Other* | 5,069 | 2,477 | (2,592) | (51.1) | 1,900 | 130.4 | |
| Operating income | 30,181 | 22,706 | (7,475) | (24.8) | 23,500 | 96.6 | |
| Ordinary income | 30,966 | 24,260 | (6,705) | (21.7) | 25,000 | 97.0 | |
| Profit attributable to owners of parent | 19,693 | 12,712 | (6,981) | (35.4) | 13,500 | 94.2 | |
| EBITDA | 36,943 | 30,420 | (6,523) | (17.7) | 31,300 | 97.2 | |
| ROE | 12.1% | 7.2 | (4.9) | — | 7.7 | — | |

*Adjusted under the new segmentation for 2022/12.

Average exchange rate (US\$) : ¥130.6/\$ (FY2022/12) ⇒ ¥140.3/\$ (FY2023/12)

- **Net sales:** Down 7.5% YoY due to production adjustment of semiconductors.
- **Operating income:** Down 24.8% YoY due to drop in sales and rise in costs.
- **Profit attributable to owners of parent:** Down 35.4% YoY due to business restructuring costs.



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Balance Sheets

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(Millions of yen)

| | FY2023/12 | YoY | |
|-------------------------------|----------------|----------------|--|
| Current Assets | 134,328 | +3,692 | Buildings and structures +4,162 Tools, furniture and fixtures +929 Construction in progress +2,087 |
| Cash and deposits | 56,816 | +1,445 | |
| Notes and accounts receivable | 33,898 | (1,913) | Investment securities +6,669 Long term deposit (6,000) Long term prepaid expenses +1,392 |
| Inventories | 33,083 | +3,076 | |
| Property, plant and equipment | 73,235 | +7,224 | Notes payable and accounts payable (1,286) Income taxes payable (1,916) Unearned income +832 |
| Intangible assets | 1,389 | +93 | |
| Investments and other assets | 42,912 | +2,778 | |
| Current Liabilities | 38,627 | (2,153) | Long term deposit [received] (421) Long term lease obligations (394) Deferred tax liabilities +2,620 |
| Notes and accounts payable | 20,331 | (1,286) | |
| Long-Term Liabilities | 17,756 | +1,423 | Retained earnings +6,079 Valuation difference on available-for-sale securities +4,479 Foreign currency translation adjustment account +2,726 |
| Total net asset | 195,480 | +14,520 | |
| Total asset | 251,864 | +13,789 | |



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| | (Millions of yen) | |
|--|-------------------|---------|
| | FY2022 | FY2023 |
| Cash flows from operating activities | +18,991 | +17,210 |
| Income before income taxes and minority interests | +30,790 | +21,918 |
| Depreciation | +6,762 | +7,713 |
| Interest and dividend income | (644) | (952) |
| Foreign exchange (gains) losses | (1,066) | (725) |
| Loss on sale of businesses | — | 1,720 |
| Income taxes paid | (8,557) | (7,558) |
| Cash flows from investing activities | (12,383) | (9,378) |
| Cash flows from financing activities | (8,610) | (7,376) |
| Translation adjustments | +1,389 | +1,475 |
| Net increase (decrease) in cash and cash equivalents | (612) | +1,931 |

Major breakdown

Purchase of property, plant and equipment (14,712)

Proceeds from withdrawal of long-term deposits(Net) +6,000

Payments for sale of shares of subsidiaries resulting in change in scope of consolidation (2,012)

Major breakdown

Proceeds from short-term borrowings +482

Dividends paid (6,628)

Dividends paid to non-controlling interests (1,163)



Earnings Forecasts (Full-year)

| | (Millions of yen) | | | |
|---|-------------------|-----------|---------|--------|
| | FY2023/12 | FY2024/12 | | |
| | | Change | % | |
| Net sales | 162,270 | 179,200 | +16,929 | +10.4 |
| Electronic functional materials* | 87,799 | 97,900 | +10,100 | +11.5 |
| High purity chemicals* | 71,992 | 79,300 | +7,307 | +10.1 |
| Other* | 2,477 | 2,000 | (477) | (19.3) |
| Operating income | 22,706 | 26,800 | +4,093 | +18.0 |
| Ordinary income | 24,260 | 27,700 | +3,439 | +14.2 |
| Profit attributable to owners of parent | 12,712 | 17,600 | +4,887 | +38.4 |
| EBITDA | 30,420 | 35,100 | +4,679 | +15.4 |
| ROE | 7.2 | 9.3 | +2.1 | — |

Average exchange rate (US\$) : ¥140.3/\$ (FY2023/12) ⇒ ¥135.0/\$ (FY2024/12)

- **Net sales:** Forecast to increase 10.4% YoY in light of the usage status of our products and the recovery of market conditions.
- **Operating income:** Forecast to increase 18.0% YoY due to an increase in sales of high value-added products.
- **Profit attributable to owners of parent:** Forecast to significantly increase 38.4% YoY due to absence of business restructuring costs and an increase in operating income. Forecast to achieve highest net sales and second highest operating income.



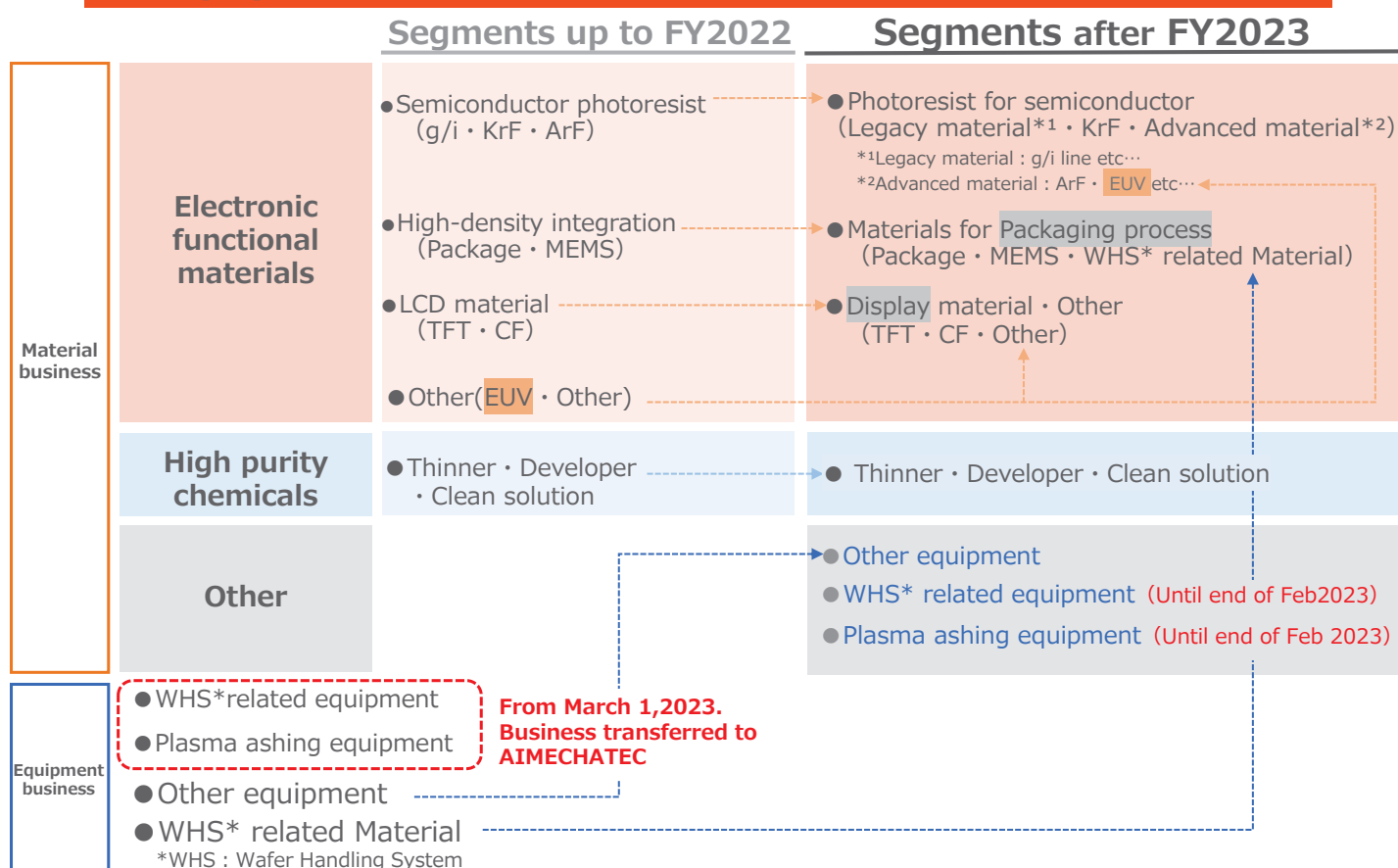
(Millions of yen)

| | FY2023/12 | FY2024/12 Forecasts | | |
|---------------------|-----------|---------------------|---------|-------|
| | | | Change | % |
| Capital Investments | 15,052 | 27,300 | +12,247 | +81.4 |
| Depreciation | 7,713 | 8,300 | +586 | +7.6 |
| R&D | 12,658 | 14,500 | +1,841 | +14.6 |



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Changes to segment disclosures following the transfer of the equipment business



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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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