



# Consolidated Financial Statements

## Consolidated Balance Sheets

TOKYO OHKA KOGYO CO., LTD. and Consolidated Subsidiaries  
December 31, 2020 and 2019

ASSETS	Millions of yen		Thousands of U.S. dollars
	2020	2019	2020
<b>CURRENT ASSETS:</b>			
Cash and deposits.....	¥ 41,728	¥ 28,230	\$ 405,132
Time deposits .....	6,094	18,175	59,165
Receivables:			
Trade notes and accounts .....	26,302	23,887	255,365
Securities.....	2,999	2,999	29,125
Other .....	563	557	5,466
Allowance for doubtful accounts.....	(96)	(95)	(932)
Inventories .....	17,659	17,439	171,447
Prepaid expenses and other current assets.....	1,691	2,087	16,427
Total current assets .....	96,943	93,282	941,197
<b>PROPERTY, PLANT AND EQUIPMENT:</b>			
Land .....	8,589	8,880	83,388
Buildings and structures .....	71,891	69,871	697,980
Machinery and equipment .....	60,264	57,284	585,093
Furniture and fixtures.....	21,757	21,271	211,233
Right-of-use assets .....	553	514	5,374
Construction in progress.....	4,566	6,618	44,330
Total .....	167,622	164,441	1,627,399
Accumulated depreciation .....	(114,510)	(109,384)	(1,111,749)
Net property, plant and equipment.....	53,112	55,057	515,650
<b>INVESTMENTS AND OTHER ASSETS:</b>			
Investment securities .....	17,604	14,815	170,921
Investments in and advanced to an unconsolidated subsidiary and associated companies.....	7	7	72
Investment in capital.....	100	100	970
Net defined benefit asset .....	3,683	3,204	35,762
Long-term time deposits.....	28,000	18,000	271,844
Deferred tax assets.....	346	395	3,362
Other assets .....	1,388	1,624	13,476
Total investments and other assets.....	51,130	38,147	496,411
<b>TOTAL</b> .....	¥ 201,185	¥ 186,486	\$ 1,953,259

LIABILITIES AND EQUITY	Millions of yen		Thousands of U.S. dollars
	2020	2019	2020
<b>CURRENT LIABILITIES:</b>			
Payables:			
Trade notes and accounts .....	¥ 13,745	¥ 10,345	\$ 133,454
Construction and other .....	3,520	4,351	34,181
Income taxes payable .....	2,219	700	21,549
Accrued expenses .....	4,661	3,871	45,253
Advances from customers.....	14	50	142
Other current liabilities.....	1,031	996	10,017
Total current liabilities .....	25,193	20,316	244,598
<b>LONG-TERM LIABILITIES:</b>			
Long-term loans payable.....	10,962	11,272	106,432
Deferred tax liabilities .....	2,046	887	19,864
Net defined benefit liability .....	484	436	4,701
Other long-term liabilities.....	2,504	1,840	24,319
Total long-term liabilities .....	15,997	14,437	155,317
<b>EQUITY:</b>			
Common stock—authorized, 197,000,000 shares in 2020 and 2019 issued, 45,100,000 shares in 2020 and 2019 .....	14,640	14,640	142,140
Capital surplus.....	15,207	15,207	147,649
Retained earnings .....	125,795	120,908	1,221,320
Treasury stock—at cost, 3,591,418 shares in 2020 and 3,711,937 shares in 2019.....	(14,477)	(14,969)	(140,561)
Accumulated other comprehensive income:			
Unrealized gain on available-for-sale securities .....	7,669	5,695	74,458
Foreign currency translation adjustments .....	2,606	2,866	25,308
Remeasurements of defined benefit plans .....	113	145	1,104
Total .....	151,556	144,495	1,471,419
Stock acquisition rights .....	304	379	2,958
Non-controlling interests.....	8,133	6,858	78,966
Total equity .....	159,994	151,733	1,553,343
<b>TOTAL</b> .....	¥201,185	¥186,486	\$1,953,259

## Consolidated Statement of Income

TOKYO OHKA KOGYO CO., LTD. and Consolidated Subsidiaries  
Years Ended December 31, 2020 and 2019

	Millions of yen		Thousands of U.S. dollars
	2020	2019	2020
NET SALES.....	¥117,585	¥102,820	\$1,141,602
COST OF SALES.....	76,372	69,604	741,481
Gross profit.....	41,212	33,215	400,121
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES.....	25,623	23,669	248,767
Operating income.....	15,589	9,546	151,354
OTHER INCOME (EXPENSES):			
Interest and dividend income.....	474	447	4,602
Foreign exchange gain (loss)—net.....	27	(410)	263
(Loss) gain on valuation of derivatives.....	(52)	95	(510)
Loss on impairment of long-lived assets.....	(605)	(477)	(5,878)
Loss on valuation of investments in capital.....	—	(540)	—
Loss on valuation of investment securities.....	(269)	(29)	(2,612)
Other—net.....	186	27	1,808
Other expenses—net.....	(239)	(888)	(2,327)
INCOME BEFORE INCOME TAXES AND NON-CONTROLLING INTERESTS...	15,349	8,657	149,026
INCOME TAXES:			
Current.....	3,123	1,972	30,329
Deferred.....	225	49	2,189
Total income taxes.....	3,349	2,021	32,518
NET INCOME BEFORE NON-CONTROLLING INTERESTS.....	12,000	6,635	116,508
NON-CONTROLLING INTERESTS IN NET INCOME.....	2,073	1,225	20,133
PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT.....	¥ 9,926	¥ 5,410	\$ 96,375

PER SHARE OF COMMON STOCK:	Yen		U.S. dollars
	2020	2019	2020
Basic earnings per share.....	¥239.42	¥130.02	\$2.32
Diluted earnings per share.....	238.78	129.62	2.31
Cash dividends attributable to the year.....	154.00	120.00	1.49

## Consolidated Statement of Comprehensive Income

TOKYO OHKA KOGYO CO., LTD. and Consolidated Subsidiaries  
Years Ended December 31, 2020 and 2019

	Millions of yen		Thousands of U.S. dollars
	2020	2019	2020
NET INCOME BEFORE NON-CONTROLLING INTERESTS.....	¥12,000	¥6,635	\$116,508
OTHER COMPREHENSIVE INCOME:			
Unrealized gain on available-for-sale securities.....	1,973	1,380	19,159
Foreign currency translation adjustments.....	(174)	(284)	(1,694)
Remeasurements of defined benefit plans.....	(31)	385	(306)
Total other comprehensive income.....	1,767	1,481	17,158
COMPREHENSIVE INCOME.....	¥13,767	¥8,117	\$133,666
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the parent.....	¥11,608	¥6,904	\$112,705
Non-controlling interests.....	2,159	1,212	20,961

## Consolidated Statement of Changes in Equity

TOKYO OHKA KOGYO CO., LTD. and Consolidated Subsidiaries  
Years Ended December 31, 2020 and 2019

	Thousands					Millions of yen						
	Number of shares of common stock outstanding	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income (loss)			Total	Subscription rights to shares	Non-controlling interests	Total equity
						Unrealized gain on available-for-sale securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans				
<b>BALANCE, JANUARY 1, 2019</b>	41,663	¥14,640	¥15,207	¥120,885	¥(13,816)	¥4,315	¥3,137	¥(239)	¥144,130	¥310	¥6,416	¥150,857
Cumulative effect of changes in accounting policy				(332)					(332)			(332)
Restated balance	41,663	14,640	15,207	120,552	(13,816)	4,315	3,137	(239)	143,797	310	6,416	150,525
Profit attributable to owners of the parent	—	—	—	5,410	—	—	—	—	5,410	—	—	5,410
Cash dividends paid:												
Final for prior year, ¥60.0 per share	—	—	—	(2,499)	—	—	—	—	(2,499)	—	—	(2,499)
Interim for current year, ¥60.0 per share	—	—	—	(2,501)	—	—	—	—	(2,501)	—	—	(2,501)
Purchase of treasury stock	(329)	—	—	—	(1,371)	—	—	—	(1,371)	—	—	(1,371)
Disposal of treasury stock	53	—	—	(53)	218	—	—	—	165	(12)	—	153
Net change in items other than shareholders' equity during the year	—	—	—	0	—	1,380	(271)	385	1,495	81	441	2,018
<b>BALANCE, DECEMBER 31, 2019</b>	41,388	¥14,640	¥15,207	¥120,908	¥(14,969)	¥6,695	¥2,866	¥145	¥144,495	¥379	¥6,858	¥151,733
Profit attributable to owners of the parent	—	—	—	9,926	—	—	—	—	9,926	—	—	9,926
Cash dividends paid:												
Final for prior year, ¥60.0 per share	—	—	—	(2,501)	—	—	—	—	(2,501)	—	—	(2,501)
Interim for current year, ¥60.0 per share	—	—	—	(2,505)	—	—	—	—	(2,505)	—	—	(2,505)
Purchase of treasury stock	(0)	—	—	—	(2)	—	—	—	(2)	—	—	(2)
Disposal of treasury stock	120	—	—	(32)	494	—	—	—	462	(96)	—	365
Net change in items other than shareholders' equity during the year	—	—	—	—	—	1,973	(259)	(31)	1,682	22	1,274	2,978
<b>BALANCE, DECEMBER 31, 2020</b>	41,508	¥14,640	¥15,207	¥125,795	¥(14,477)	¥7,669	¥2,606	¥113	¥151,556	¥304	¥8,133	¥159,994

	Thousands of U.S. dollars											
	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income (loss)			Total	Subscription rights to shares	Non-controlling interests	Total equity	
					Unrealized gain on available-for-sale securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans					
<b>BALANCE, DECEMBER 31, 2019</b>	\$142,140	\$147,649	\$1,173,870	\$(145,334)	\$55,298	\$27,830	\$1,411	\$1,402,866	\$3,684	\$66,589	\$1,473,141	
Profit attributable to owners of the parent	—	—	96,375	—	—	—	—	96,375	—	—	96,375	
Cash dividends paid:												
Final for prior year, \$0.58 per share	—	—	(24,286)	—	—	—	—	(24,286)	—	—	(24,286)	
Interim for current year, \$0.58 per share	—	—	(24,326)	—	—	—	—	(24,326)	—	—	(24,326)	
Purchase of treasury stock	—	—	—	(25)	—	—	—	(25)	—	—	(25)	
Disposal of treasury stock	—	—	(312)	4,798	—	—	—	4,485	(940)	—	3,545	
Net change in items other than shareholders' equity during the year	—	—	—	—	19,159	(2,522)	(306)	16,330	214	12,376	28,921	
<b>BALANCE, DECEMBER 31, 2020</b>	\$142,140	\$147,649	\$1,221,320	\$(140,561)	\$74,458	\$25,308	\$1,104	\$1,471,419	\$2,958	\$78,966	\$1,553,343	

## Consolidated Statement of Cash Flows

TOKYO OHKA KOGYO CO., LTD. and Consolidated Subsidiaries  
Years Ended December 31, 2020 and 2019

	Millions of yen		Thousands of U.S. dollars
	2020	2019	2020
<b>OPERATING ACTIVITIES:</b>			
Income before income taxes and non-controlling interests .....	¥ 15,349	¥ 8,657	\$ 149,026
Adjustments for:			
Depreciation and amortization .....	6,772	7,216	65,753
Loss on impairment of long-lived assets .....	605	477	5,878
Provision for doubtful accounts .....	0	(56)	1
Provision for bonuses .....	547	(56)	5,312
Provision for officers' bonuses .....	249	8	2,423
Increase in net defined benefit asset .....	(469)	(289)	(4,559)
Decrease in net defined benefit liability .....	(22)	(154)	(219)
Interest and dividend income .....	(474)	(447)	(4,602)
Interest expenses .....	60	62	591
Foreign exchange loss—net .....	44	580	432
Loss (gain) on valuation of derivatives .....	52	(95)	510
Gain on sales of non-current assets .....	(150)	(118)	(1,465)
Loss on retirement of non-current assets .....	58	127	570
Loss on valuation of investments in capital .....	—	540	—
Loss on valuation of investment securities .....	269	29	2,612
Increase in trade notes and accounts receivable .....	(2,356)	(1,367)	(22,873)
Increase in inventories .....	(228)	(388)	(2,215)
Increase (decrease) in trade notes and accounts payable .....	2,993	(943)	29,063
Decrease in advances received .....	(36)	(37)	(350)
Interest and dividend received .....	487	441	4,735
Income taxes paid .....	(1,637)	(2,302)	(15,895)
Other—net .....	836	859	8,118
Net cash provided by operating activities .....	22,953	12,743	222,848
<b>INVESTING ACTIVITIES:</b>			
Decrease in time deposits—net .....	2,108	47	20,469
Purchase of securities .....	(8,000)	(6,000)	(77,669)
Proceeds from redemption of securities .....	8,000	4,000	77,669
Purchases of property, plant and equipment .....	(5,881)	(14,774)	(57,102)
Proceeds from sale of property, plant and equipment .....	457	48	4,437
Purchases of intangible assets .....	(127)	(145)	(1,238)
Payments into long-term time deposits .....	(23,000)	(14,000)	(223,300)
Withdrawal of long-term time deposits .....	23,000	14,000	223,300
Purchases of investment securities .....	(99)	(430)	(970)
Other—net .....	62	(31)	606
Net cash used in investing activities .....	(3,481)	(17,286)	(33,797)
<b>FINANCING ACTIVITIES:</b>			
Proceeds of long-term loans payable .....	—	1,372	—
Repayments of long-term loans payable .....	(309)	(99)	(3,007)
Dividends paid .....	(4,994)	(4,989)	(48,490)
Dividends paid for non-controlling interests .....	(884)	(770)	(8,584)
Proceeds from sale of treasury stock .....	310	143	3,011
Purchases of treasury stock .....	(2)	(1,371)	(25)
Other—net .....	(56)	(74)	(553)
Net cash used in financing activities .....	(5,937)	(5,789)	(57,649)
<b>FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS .....</b>			
	(35)	(289)	(346)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS .....</b>	<b>13,498</b>	<b>(10,621)</b>	<b>131,054</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR .....</b>	<b>29,229</b>	<b>39,851</b>	<b>283,786</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR .....</b>	<b>¥ 42,728</b>	<b>¥ 29,229</b>	<b>\$ 414,840</b>