



Trends of Key Data and Analyses

Changes in Medium-Term Plans and Ten-Year Key Data

Rebirth of TOK

Direction:

- Enhance marketing capabilities on a global basis
- Further speed up technology development
- Launch new business promptly
- Accelerate global strategy and expand worldwide market share

TOK Medium-Term Plan 2015

Objectives:

- Surpass record-high earnings
- Enhance business foundations that support sustainable growth

Strategies:

- Build close relationships with regional users
- Reform business portfolios
- Develop global personnel

Fiscal years ended March 31 until 2017 and
fiscal years ended December 31 after 2017

	2012/3	2013/3	2014/3	2015/3
Results of operation:				
Net sales	80,037	72,919	75,269	88,086
Materials Business	66,644	67,697	72,866	84,611
Equipment Business	13,392	5,222	2,402	3,475
Operating income	6,102	7,872	10,025	13,253
Income before income taxes	6,577	8,031	11,666	14,301
Profit attributable to owners of the parent.....	3,818	5,443	7,549	8,818
Free cash flow	(6,641)	12,363	(2,610)	3,380
Investments in plant and equipment	3,162	5,332	14,577	7,276
Depreciation and amortization	4,038	3,758	2,672	4,276
R&D costs	6,157	6,211	6,389	6,903
Per share data (Yen/US dollars):				
Basic profit	84.86	121.69	168.54	196.61
Cash dividends applicable to the year	38.00	44.00	52.00	60.00
Net assets	2,641.28	2,796.37	3,044.24	3,285.81
At year-end:				
Total assets	138,767	145,664	155,859	174,863
Total long-term liabilities	2,613	2,811	1,518	3,569
Interest-bearing debt.....	610	488	366	814
Net assets	119,590	127,838	139,962	151,999
Key performance indicators (%):				
Operating margin	7.6	10.8	13.3	15.0
ROE	3.3	4.5	5.8	6.2
Ratio of R&D costs to net sales.....	7.7	8.5	8.5	7.8
Equity ratio	85.1	85.9	87.5	84.3
Debt-to-equity (Times)	0.01	0.00	0.00	0.00
Payout ratio	44.8	36.2	30.9	30.5
DOE	1.5	1.6	1.8	1.9
ESG-related data:				
Number of employees (consolidated)	1,443	1,487	1,505	1,540
CO ₂ emissions (converted from energy consumption) (10,000 t)* ⁶	3.0	3.4	3.3	3.0
Industry trends:				
Worldwide semiconductor market (millions of US dollars)* ¹ , (Year)	291,562	305,584	335,843	335,168
Worldwide photoresists sales (thousands of US dollars)* ²	1,279,706	1,152,306	1,288,713	1,230,022
Exchange rate (JPY/USD)* ⁴	82	94	103	120

*1 Source: World Semiconductor Trade Statistics

*2 Calculated by TOK based on data aggregated by SEMI (total sales of ArF and KrF excimer laser and g- and i-Line photoresists).
Due to the change in the fiscal year-end, the same values are indicated for FY 2017/3 and for FY 2017/12.

*3 Forecast-based amount for 2021

TOK Medium-Term Plan 2018

Strategies:

- Reform business portfolios
- Evolve the strategy of building close relationships with customers
- Develop global personnel
- Strengthen the management foundation

TOK Medium-Term Plan 2021

Long-term management vision for fiscal 2020:

Aim to be a globally trusted corporate group by inspiring customers with high value-added products

Features:

- Strengthen business portfolio reforms
- Return to a growth trajectory
- Strengthen balance sheet management and introduce a new dividend policy

As semiconductor demand increased, TOK harvested the effect of long-running R&D activities and strategic investments, which led record-high performance.

2016/3	2017/3	2017/12 ^{*5}	2018/12	2019/12	Millions of yen		Thousands of US dollars	
					2020/12	2020/12		
89,969	88,764	92,411	105,277	102,820	117,585	1,141,602		
87,280	86,558	90,531	102,621	98,986	114,773	1,114,306		
2,689	2,205	1,880	2,655	3,833	2,811	27,295		
12,438	9,954	9,194	10,505	9,546	15,589	151,354		
11,777	9,220	9,492	9,814	8,657	15,349	149,026		
7,716	6,343	6,007	6,875	5,410	9,926	96,375		
7,517	(926)	4,169	6,298	(4,543)	19,472	189,050		
5,919	9,378	6,731	5,636	14,184	5,611	54,478		
5,631	6,118	6,035	7,063	7,216	6,772	65,753		
7,015	8,207	6,921	8,526	8,879	9,545	92,677		
177.30	146.18	138.31	164.92	130.02	239.42	2.32		
64.00	64.00	64.00	96.00	120.00	154.00	1.49		
3,298.00	3,384.14	3,490.97	3,459.37	3,491.23	3,651.20	35.44		
167,300	174,492	178,681	182,957	186,486	201,185	1,953,259		
2,899	2,024	3,421	10,723	14,437	15,997	155,317		
534	135	—	10,000	11,272	10,962	106,432		
147,270	152,931	153,517	150,857	151,733	159,994	1,553,343		
13.8	11.2	9.9	10.0	9.3	13.3			
5.3	4.4	4.1	4.7	3.7	6.7			
7.8	9.2	7.5	8.1	8.6	8.1			
85.1	84.6	82.2	78.8	77.5	75.3			
0.00	0.00	0.00	0.07	0.08	0.07			
36.1	43.8	46.3	58.2	92.3	64.3			
1.9	1.9	1.9	2.8	3.5	4.3			
1,564	1,596	1,611	1,673	1,726	1,750			
3.0	3.0	3.0	2.9	3.0	3.1			
338,931	412,221	468,778	412,307	440,389	527,223 ^{*3}			
1,358,009	1,504,224	1,504,224	1,631,851	1,679,654	2,027,350			
112	112	113	111	109	103			

Equity ratio:
The equity ratio remained around 85% for a long time, but the Company is continuing to pursue the optimal balance, which may be decreasing because of stronger balance sheet management. (See pages 46–49 "Message from the CFO.")

CO₂ emissions:
The base unit index has steadily declined through a variety of reduction measures, including the shift in the total amount of electricity used at the headquarters to renewable energy starting in January 2020. (See pages 98–99, "Address Climate Change Issues toward Decarbonization")

*4 As of the end of each fiscal year

*5 Due to the change in the fiscal year-end, the fiscal year ended December 31, 2017, was an irregular nine-month period in Japan and 12 months overseas.

*6 Tokyo Ohka Kogyo Co., Ltd., and consolidated subsidiaries in Japan. Due to the change in the fiscal year-end, totals for 2013 onward are from January through December, and those for 2012 are from April to March. Accordingly, the same values are indicated for FY 2017/3 and for FY 2017/12.

FY 2020/12 Market Trends, Results of Operations, Financial Position, and FY 2021/12 Performance Outlook

Business Environment

For the current term (FY 2020/12), the global and Japanese economies were slower than in the previous year because economic activities were suppressed as a result of the global COVID-19 pandemic.

In the foreign exchange market for the US dollar and the yen, the yen continued to depreciate as the US dollar strengthened until February due to an increase in the US policy interest rate. From March onward, the yen continued to appreciate because of the outflow of cash to leading currencies other than the US dollar, following the spread of the COVID-19 infections.

Net Sales and Operating Income

In the fiscal year ended December 31, 2020, consolidated net sales increased by ¥14,765 million (14.4%) from the previous fiscal year to ¥117,585 million. Net sales in the first half decreased by ¥8,271 million (16.9%) to ¥57,203 million. Net sales in the second half decreased by ¥6,493 million (12.1%) to ¥60,381 million.

The main source of demand for the Company's products is the electronics market for semiconductors and displays. The semiconductor demand for PCs and data servers remained steady in the electronics market, owing to the dissemination of 5G and IoT combined with increased work-from-home time and the use of cloud services.

Cost of sales increased by ¥6,767 million (9.7%) from the previous fiscal year to ¥76,372 million. The cost of

sales ratio dropped 2.7 percentage points year-on-year to 65.0%. As a result, gross profit increased by ¥7,996 million (24.1%) to ¥41,212 million.

Selling, general, and administrative (SG&A) expenses increased by ¥1,953 million (8.3%) from the previous fiscal year to ¥25,623 million.

Operating income increased by ¥6,043 million (63.3%) to ¥15,589 million because of the increased sales of high value-added products coupled with the reduced raw material cost that followed the decrease of crude oil price and decreased depreciation and amortization.

Income before Income Taxes and Profit Attributable to Owners of the Parent

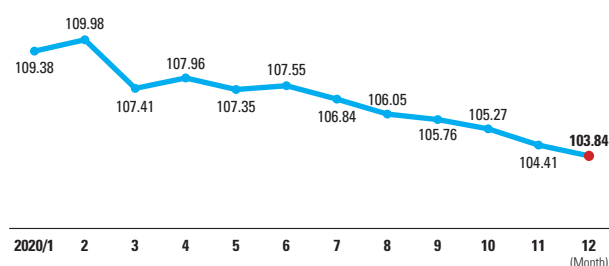
Income before income taxes increased by ¥6,692 million (77.3%) from the previous fiscal year to ¥15,349 million because of the decreased loss on the valuation of investments.

The profit attributable to owners of the parent increased by ¥4,516 million (83.5%) from the previous fiscal year to ¥9,926 million.

Performance by Segment

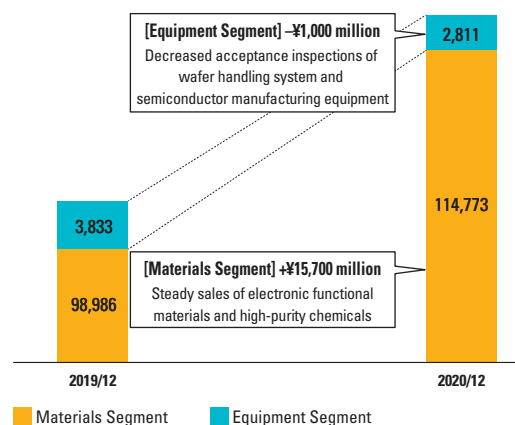
Since the previous term (FY 2019/12), TOK changed the cost allocation method to evaluate and manage financial results by segment more appropriately, and some corporate expenses were allocated to the materials segment.

Exchange Rate (Yen/US dollars, Monthly average)



Source: Mitsubishi UFJ Research and Consulting Co., Ltd.

Net Sales by Segment Year-on-Year Comparison (Millions of yen)



Materials Segment:

Sales in the materials segment, excluding internal transactions, increased by ¥15,786 million (15.9%) from the previous fiscal year to ¥114,773 million. Operating income increased by ¥6,933 million (51.5%) to ¥20,395 million. This was mainly because sales remained steady in the Electronic Functional Materials Division and the High-Purity Chemicals Division.

■ Electronic Functional Materials Division

In the Electronic Functional Materials Division, sales increased by ¥7,629 million (13.1%) from the previous fiscal year to ¥65,878 million. This mainly owed to the increased net sales because sales of semiconductor photoresists and high-density integration materials remained steady in Asia, supported by the strong semiconductor demand for PCs and data servers, though the sales of display photoresists decreased because of the changing demand environment for medium- to compact-sized LCD panels.

■ High-Purity Chemicals Division

Sales in the High-Purity Chemicals Division increased by ¥8,058 million (19.8%) from the previous fiscal year to ¥48,732 million. This was mainly due to increased net sales because the sales of chemicals attached to semiconductor photoresists for Taiwan used in the cutting-edge semiconductor production process remained steady, though the sales of chemicals

attached to display photoresists decreased because of the changing demand environment for medium- to compact-sized LCD panels.

Equipment Segment:

■ Process Equipment Division

Sales in the Process Equipment Division, excluding internal transactions, decreased by ¥1,022 million (26.7%) from the previous fiscal year to ¥2,811 million. Operating loss increased by ¥23 million to ¥310 million. This was mainly due to the acceptance inspections of the wafer handling system Zero Newton®, and semiconductor manufacturing equipment decreased to a level lower than the previous year.

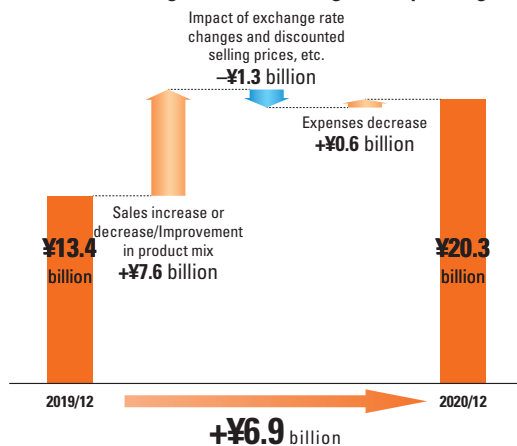
Financial Condition

Total assets as of December 31, 2020, increased by ¥14,699 million from the previous fiscal year-end to ¥201,185 million.

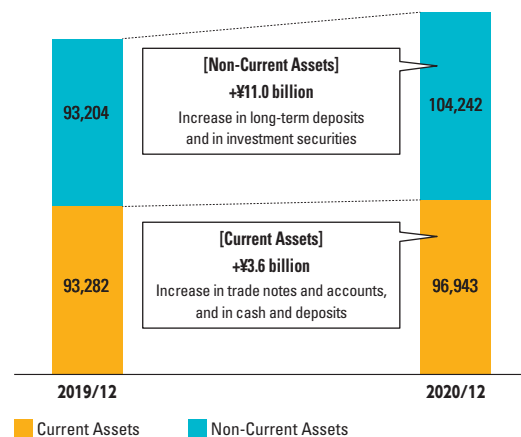
Total current assets increased by ¥3,661 million from the previous fiscal year-end to ¥96,943 million. This mainly reflected the respective increase of ¥2,415 million in trade notes and accounts and by ¥1,416 million in cash and deposits.

Total non-current assets increased by ¥11,038 million from the previous fiscal year-end to ¥104,242 million. This mainly reflected the respective increase of ¥10,000 million in long-term deposit in investments and other assets, and by ¥2,789 million in investment securities.

■ Breakdown of Change in Materials Segment Operating Income



■ Total Assets Year-on-Year Comparison (Millions of yen)



Total liabilities as of December 31, 2020, increased by ¥6,438 million from the previous fiscal year-end to ¥41,191 million. This mainly reflected the respective increase of ¥3,400 million in trade notes and accounts and the increase of ¥1,158 million in deferred tax liabilities.

Total equity as of December 31, 2020, increased by ¥8,260 million from the previous fiscal year-end to ¥159,994 million. This mainly reflected the accounting of ¥9,926 million as the profit attributable to owners of the parent despite the decrease of ¥5,007 million due to the dividend payment.

As a result, the equity ratio stood at 75.3% at the end of the fiscal year.

Cash Flows

Net cash provided by operating activities during the fiscal year under review came to ¥22,953 million, an increase of ¥10,209 million from the previous fiscal year. This mainly reflected the respective increase of ¥6,692 million in income before income taxes and the increase of ¥3,937 million in trade notes and accounts payable.

Net cash provided by investment activities came to ¥3,481 million, a decrease of ¥13,805 million from the previous fiscal year. This mainly reflected the decrease of ¥8,892 million in expenses on the purchase of property, plant, and equipment.

Net cash provided by financial activities came to ¥5,937 million, an increase of ¥148 million from the previous fiscal year. This mainly reflected the decrease of ¥1,369 million in the purchase of treasury stock, while the proceeds of long-term loans payable decreased by ¥1,372 million.

As a result, cash and cash equivalents on December 31, 2020, increased by ¥13,498 million to ¥42,728 million from ¥29,229 million at the previous fiscal year-end.

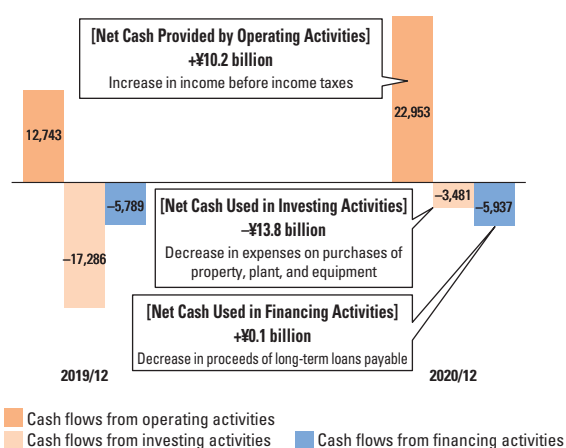
FY 2021/12 Performance Outlook*

Net sales for FY 2021/12 are estimated at ¥122.6 billion, an increase of 4.3% from FY 2020/12, and expects the high facility operation rate at customers to continue from the previous year, while incorporating the influence from the appreciation of the yen.

Operating income is estimated at ¥16.5 billion, an increase of 5.8%, owing to the increased sales of high value-added products despite the expected rise in raw material prices for high-purity chemicals. The profit attributable to owners of the parent is estimated at ¥10.8 billion, an increase of 8.8% based on the increased operating income and improved special profit/loss.

* Figures announced on February 15, 2021.

Cash Flows Comparison (Millions of yen)



Earnings Forecasts*





(Millions of yen, %)

	FY 2020/12	FY 2021/12 Forecast	
		Change	%
Net sales	117,585	122,600	+5,015 +4.3
Operating income	15,589	16,500	+911 +5.8
Profit attributable to owners of the parent	9,926	10,800	+874 +8.8

* Figures announced on February 15, 2021.

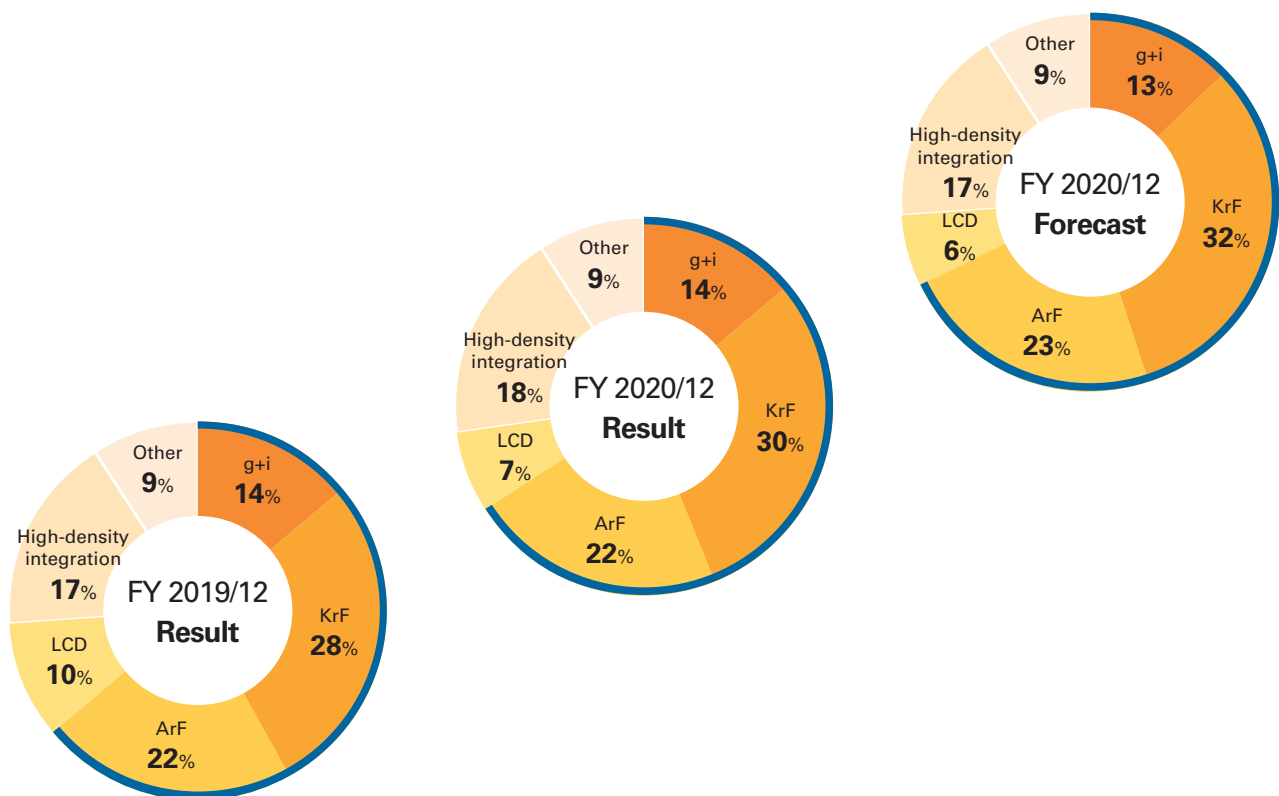
Reference: Information Related to Electronic Functional Materials & Semiconductor Photoresists

TOK's photoresists are compatible with a variety of line widths along the semiconductor miniaturization spectrum

	i-Line photoresists	KrF excimer laser photoresists	ArF excimer laser photoresists	EUV photoresists
				
Light source for lithography	i-Line	KrF (krypton fluoride) Excimer laser	ArF (argon fluoride) Excimer laser	EUV (extreme ultraviolet)
Wavelength of light source	365 nm (i-Line)	248 nm	193 nm	13.5 nm
Line width of semiconductors*	350 nm > to ≥ 250 nm	250 nm > to ≥ 130 nm	130 nm > to ≥ 10 nm	10 nm >
Main applications and end products	Automotive power semiconductors Sensors LEDs	Mass-market smartphones High-performance servers Game consoles	Cutting-edge smartphones Wearable devices High-performance servers and so on	Next-generation servers Next-generation supercomputers Next-generation communications systems

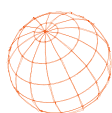
* Only rounded figures for primary ranges are shown.

Changes in Sales Composition of Electronic Functional Materials by Type



*1 EUV photoresists are classified under "Other"

*2 High-density integration: Packaging materials and MEMS materials



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
CURRENT ASSETS:			
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
PROPERTY, PLANT AND EQUIPMENT:			
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
INVESTMENTS AND OTHER ASSETS:			
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
TOTAL.....	¥ 201,185	¥ 186,486	\$ 1,953,259

LIABILITIES AND EQUITY	Millions of yen		Thousands of U.S. dollars
	2020	2019	2020
CURRENT LIABILITIES:			
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
LONG-TERM LIABILITIES:			
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
EQUITY:			
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
TOTAL	¥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

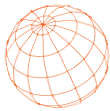
	Thousands					Millions of yen						
	Number of shares of common stock outstanding	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income (loss)			Total	Subscription rights to shares	Non-controlling interests	Total equity
						Unrealized gain on available-for-sale securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans				
BALANCE, JANUARY 1, 2019	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
BALANCE, DECEMBER 31, 2019	41,388	¥14,640	¥15,207	¥120,908	¥(14,969)	¥5,695	¥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
BALANCE, DECEMBER 31, 2020	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				
BALANCE, DECEMBER 31, 2019	\$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
BALANCE, DECEMBER 31, 2020	\$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

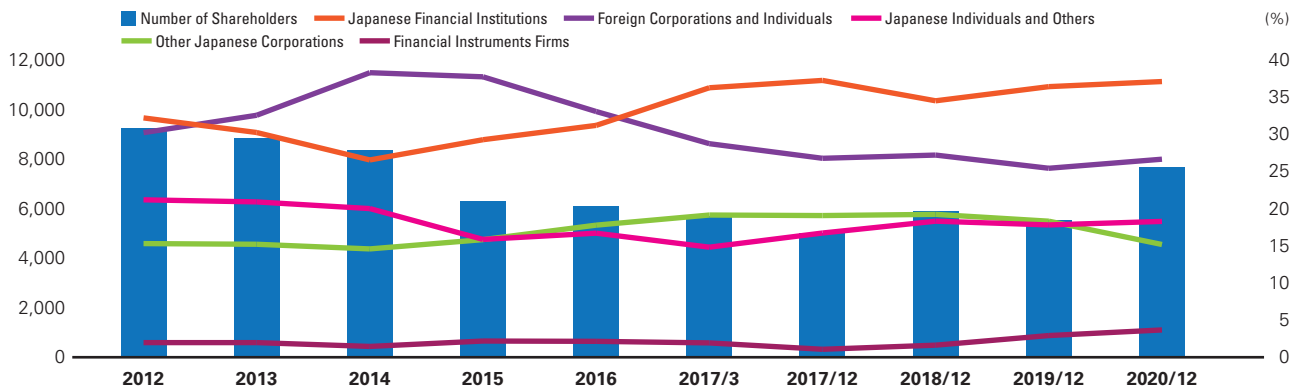
	Millions of yen		Thousands of U.S. dollars
	2020	2019	2020
OPERATING ACTIVITIES:			
Income before income taxes and non-controlling interests	¥ 15,349	¥ 8,657	\$ 149,026
Adjustments for:			
Depreciation and amortization	6,772	7,216	65,753
Loss on impairment of long-lived assets	605	477	5,878
Provision 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
INVESTING ACTIVITIES:			
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)
FINANCING ACTIVITIES:			
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)
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS			
	(35)	(289)	(346)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	13,498	(10,621)	131,054
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	29,229	39,851	283,786
CASH AND CASH EQUIVALENTS, END OF YEAR	¥ 42,728	¥ 29,229	\$ 414,840



Stock Information

Ten-Year Trends of Shareholder Composition

Changes in number and composition (shareholding ratio) of shareholders



(Note) Treasury stock is included in "Japanese Individuals and Others."

Major Shareholders

(As of December 31, 2020)

Shareholder	Number of shares held (Thousand)	Rate of Shareholding (%)
Custody Bank of Japan, Ltd. (Trust Account)	3,108	7.44
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,062	7.33
Meiji Yasuda Life Insurance Company	1,826	4.37
MLPFS Custody Account	1,459	3.50
MUFG Bank, Ltd.	1,207	2.89
The Bank of Yokohama, Ltd.	1,026	2.46
Tokyo Ohka Foundation for the Promotion of Science and Technology	984	2.36
Mitsubishi UFJ Trust and Banking Corporation	953	2.28
Mitsubishi UFJ Capital Co., Ltd.	860	2.06
Tokio Marine & Nichido Fire Insurance Co., Ltd.	857	2.05

(Notes)

- The Company owns 3,339,000 shares of treasury stock, which are excluded from the above major shareholders.
- The ratio of shareholding is calculated from the number of shares (41,760,382 shares) obtained by subtracting the number of shares of treasury stock from the total number of shares issued.

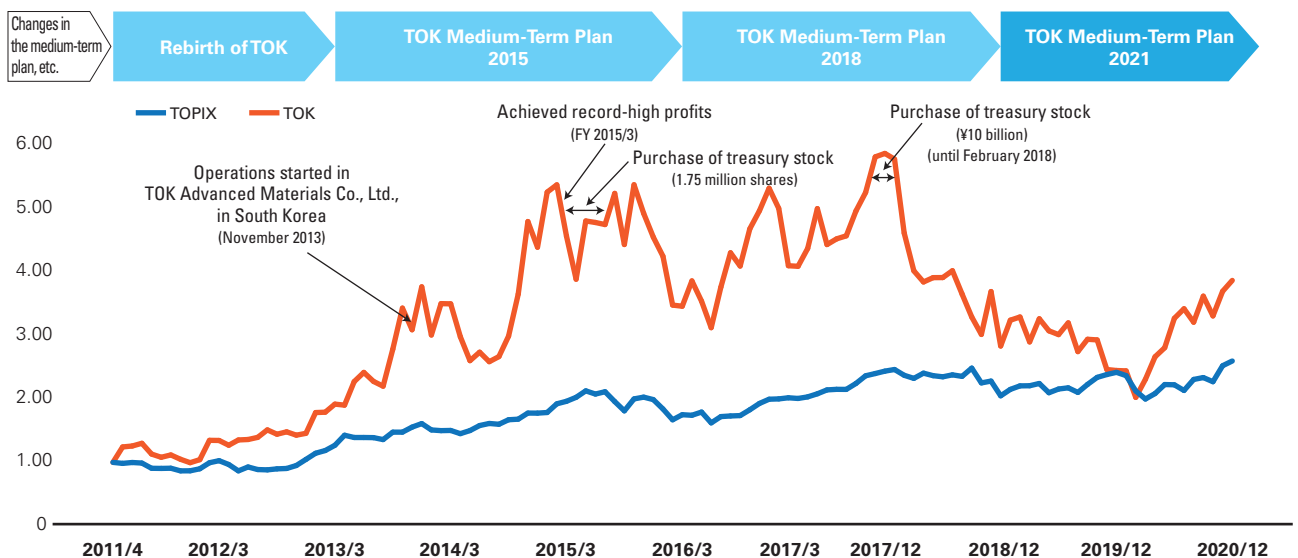
Basic Stock Information

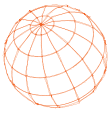
Stock listing	First Section of Tokyo Stock Exchange, Inc.
Category of industry	Chemicals
Securities code	4186
Share unit number	100
Accounting period	January 1 to December 31*
Dividend record date (Year-end)	December 31
Dividend record date (Interim)	June 30
Total number of shares authorized	197,000,000 shares (As of December 31, 2020)
Number of shares issued	45,100,000 shares (As of December 31, 2020)

* The Company changed its fiscal year-end from March 31 to December 31 effective fiscal year 2017.

Ten-Year Trends of TOK TSR

Relative comparison with April 2011 being 1 (monthly, closing price basis)





Global Network



TOKYO OHKA KOGYO CO., LTD.

- ① Headquarters
 - Sagami Operation Center (including Sagami Plant)
 - Shonan Operation Center
 - Koriyama Plant
 - Utsunomiya Plant
 - Kumagaya Plant
 - Gotemba Plant
 - Aso Plant
- ② Singapore Office
- ③ Europe Branch

TOKYO OHKA KOGYO AMERICA, INC.

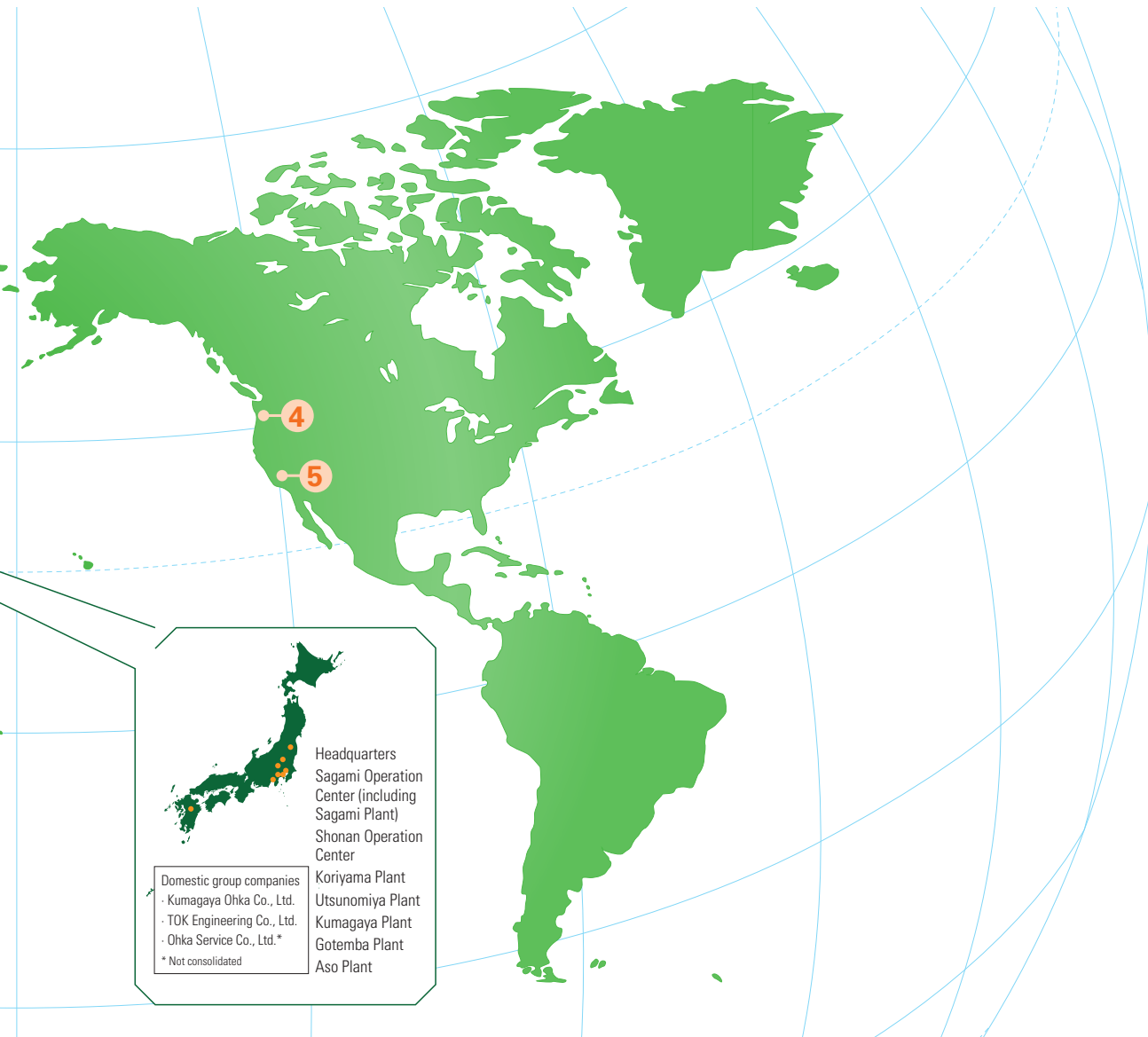
Established: April 1989
 Business: Manufacture and sales of photoresists, and the development, manufacture, and sales of photoresist-related chemicals

- ④ Headquarters/Oregon Plant
- ⑤ Sales Office (California)

TOK TAIWAN CO., LTD.

Established: January 1998
 Business: Manufacture and sales of photoresists, and the development, manufacture, and sales of photoresist-related chemicals

- ⑥ Headquarters (Hsinchu City)
 - Miaoli Plant (Miaoli City)
 - Tongluo Plant (Miaoli County)



CHANG CHUN TOK (CHANGSHU) CO., LTD.

Established: October 2004

Business: Manufacture and sales of photoresists-related chemicals

7 Headquarters/Changshu Plant (China)

TOK Advanced Materials Co., Ltd.

Established: August 2012

Business: Development, manufacture, and sales of photoresists and related chemicals

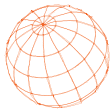
8 Headquarters/Incheon Plant (South Korea)

TOK CHINA CO., LTD.

Established: January 2021

Business: Marketing of photoresists for semiconductor and display production and of related high-purity chemicals in China

9 Headquarters (China)



Corporate Information/External Evaluation

Corporate Information

(As of December 31, 2020)



Headquarters

Corporate Name	TOKYO OHKA KOGYO CO., LTD.
Established	October 25, 1940
Headquarters	150 Nakamaruko, Nakahara-ku, Kawasaki-shi, Kanagawa 211-0012 JAPAN
Number of Employees	1,750 (Consolidated)
Paid-In Capital	¥14,640,448,000
Website	https://www.tok.co.jp/eng
Stock Listing	Tokyo
Investor Relations Contact	Public Relations Section, Corporate Communication Division 150 Nakamaruko, Nakahara-ku, Kawasaki-shi, Kanagawa 211-0012 JAPAN Tel: +81-44-435-3000 Fax: +81-44-435-3020

External Evaluation

Selected or recognized for ESG-related indices, etc.

- SOMPO Sustainability Index (Constituent stock in fiscal 2021, selected for ten consecutive years)



- MSCI ESG Rating (2018 to 2020)

Tokyo Ohka Kogyo Co., Ltd., was rated A in the MSCI ESG rating.



- MSCI Japan Empowering Women Index (2017 and from 2019 to 2021)



- MSCI Japan ESG Select Leaders Index (Selected for three consecutive years in 2021)



(Note) The inclusion of Tokyo Ohka Kogyo Co., Ltd. in any MSCI index, and the use of MSCI logos, trademarks, service marks, or index names herein, do not constitute a sponsorship, endorsement, or promotion of Tokyo Ohka Kogyo Co., Ltd., by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.

- S&P/JPX Carbon Efficient Index (As of March 21, 2021)



Evaluations and commendations for various activities

- Intel Corporation Preferred Quality Supplier (PQS) Award (2016, 2018, 2020, and 2021)



- Texas Instruments Inc. Supplier Excellence Award (2018)



- Taiwan Semiconductor Manufacturing Company Limited 2017 Excellent Performance in Lithography Material (2017) IMQR Award (2016)

- Nikkei Annual Report Awards Special Award (22nd session, 2020) Award for Excellence (2021, 2018, 2016)



- WICI Japan Integrated Report Awards Special Company Prize (Bronze Award) (2020)



- Nikkei Science Advertising Awards Grand Prize (2016) First Prize (2015)

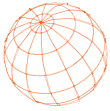


- Global Niche Top Companies Selection 100 (Ministry of Economy, Trade and Industry) (2014, 2020)

- "Excellent Integrated Report" and "Report with Substantial Improvement" (2021, 2020)

Selected by the contract operator of the domestic stocks of Government Pension Investment Fund (GPIF)





Third-Party Verification Report



Responsible Care®
OUR COMMITMENT TO SUSTAINABILITY

Integrated Report 2020 Third-Party Verification Report

July 19, 2021

To: Noriaki Taneichi
President & Chief Executive Officer
TOKYO OHKA KOGYO CO., LTD.

■ Purpose of Verification

The purpose of this verification is to express the opinions of chemical industry experts with respect to the following matters, covering "Integrated Report 2020" prepared by "TOKYO OHKA KOGYO CO., LTD." (hereinafter the "Report" and the "Company" respectively). The scope of verification excludes financial information.

- 1) Rationality of methods for calculating and compiling performance indicators (numerical figures) and the accuracy of these numerical figures
- 2) Accuracy of non-numerical information in the Report
- 3) Responsible Care and CSR activities
- 4) Distinctive characteristics of the Report

■ Verification Procedure

- At the Sagami Operation Center, we inspected the rationality of the methods used to calculate the figures reported from the sites (offices and plants), as well as the accuracy of non-numerical information. The inspection was performed by asking questions to people responsible for relevant operations and people responsible for preparing the reports, receiving materials, and explanations.
- At the Gotemba Plant, we inspected the rationality of the methods used to calculate the figures reported to the Sagami Operation Center, as well as the accuracy of numerical and non-numerical information. The inspection was performed by asking questions to people responsible for relevant operations and people responsible for preparing the reports, receiving materials and explanations, and crosschecking them against the evidence.
- We applied the sampling method for investigating numerical figures and stated information.

■ Opinions

- 1) Rationality of the methods for calculating and compiling performance indicators (numerical figures) and the accuracy of these numerical figures
 - We confirmed that performance figures have been reasonably and correctly calculated and tabulated at the Sagami Operation Center and the Gotemba Plant.
- 2) Accuracy of non-numerical information in the Report
 - We confirmed that the data included in the Report are accurate. We pointed out a few issues regarding appropriateness of expressions and readability in the draft stage, but all of these issues are edited in the current report, and we do not find any significant matters requiring correction.
- 3) Responsible Care and CSR activities
 - In the unprecedented COVID-19 pandemic, it is worth evaluating that the Company's risk management system functioned effectively and rapidly, and that the Company took effective measures including shift to a personnel system responding to work from home and other changes, and the strengthening of information security.
 - It is worth evaluating that the Company expanded the scope of the commendation system for technological achievements that have made a remarkable contribution to the corporate business, which was introduced in 1979, to the manufacturing and inspection departments in 2020 and started operation with the expanded scope.
 - The Gotemba Plant acquired the ISO 45001 certification in 2020, and the Company plans to acquire the certification for all plants in Japan. The Koriyama Plant also took the RBA review, and the reviewer comments have been incorporated into safety activities at the plant. It is worth evaluating that systematic safety measures have been taken toward no accidents.
 - It is worth evaluating that the management executives have made investments considering environmental performance, such as utilization by recycled water resources and manufacturing effluent, energy efficiency based on the introduction of high-efficiency electrical appliances, in addition to investment efficiency, toward the reduction of environmental impact.
- 4) Distinctive characteristics of the Report
 - The Report has been continuously upgraded with a shift to the Integrated Report since FY 2018, and with increased completeness incorporating sustainability since FY 2019 and with further enhancement with

- TCFD (Task Force on Climate-related Financial Disclosures) information starting this year.
- The Report has been edited with consideration for the ease of reading and understanding.
- The Report provides wide-ranging disclosure including negative topics (whistleblowing, environmental conservation, and occupational accidents, etc.)

Satoshi Ozaki

OZAKI Satoshi
Chief Director, Responsible Care Verification Center
Japan Chemical Industry Association