

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.



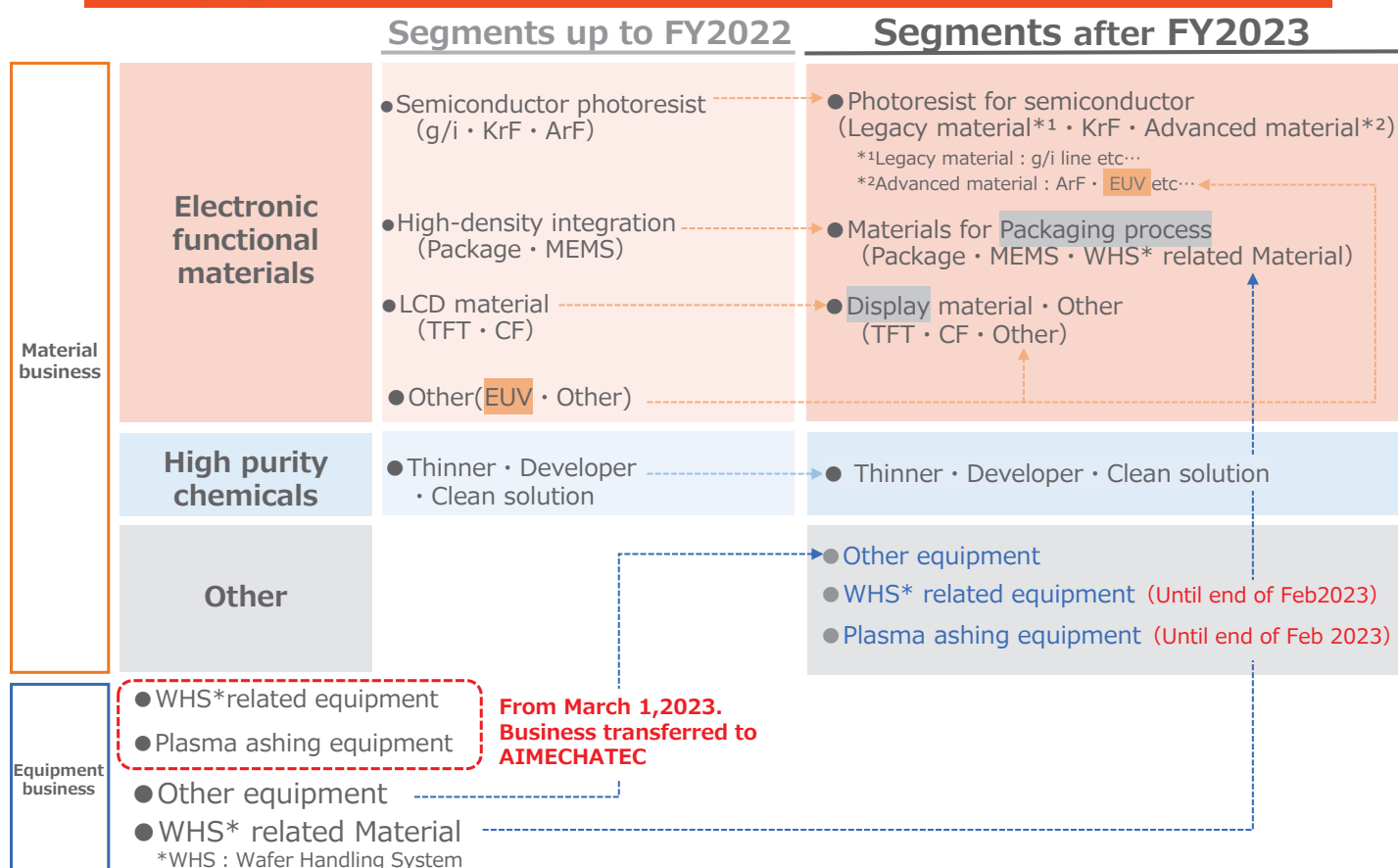
(Millions of yen)

	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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