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September 22, 2022

Company Name: Tokuyama Corporation

Representative Name: Hiroshi Yokota,

Representative Director, President and Executive Officer

(Code No. 4043, Prime Market, TSE)

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## Notice concerning Absorption-type Merger (Simplified Merger) of Consolidated Subsidiary

With a resolution at a meeting of Board of Directors held on September 22, 2022, Tokuyama Corporation (hereinafter referred to as “the Company,” “Tokuyama” or “we”) hereby announces that the Company will absorb Tokuyama Information Service Corporation (hereinafter referred to as “Tokuyama Information Service”), the Company’s wholly owned subsidiary, effective January 1, 2023.

Since the merger is simplified merger of a wholly owned subsidiary, therefore certain disclosure items and details are omitted.

### 1. Purpose of Merger

Tokuyama Information Service is providing the service about information system to us and our group companies. The Company has decided to absorb Tokuyama Information Service to strengthen the IT governance, develop the cybersecurity infrastructure, and expand the IT support services at our group companies further in an integrated manner.

### 2. Outline of Merger

#### (1) Schedule of Merger

- Resolution of the Company’s Board of Directors relating to the merger September 22, 2022
- Conclusion of merger agreement September 22, 2022 (planned)
- Date of merger (effective date) January 1, 2023 (planned)

Note: The merger is, for the Company, a simplified merger under the provisions of Paragraph 2 of Article 796 of the Company Act. Therefore the Company will not hold a general meeting of shareholders to carry out the merger.

#### (2) Method of Merger

It is an absorption-type merger in which the Company is the surviving company, and Tokuyama Information Service will be dissolved.

#### (3) Allotment Details pertaining to Merger

The Company, which owns all outstanding shares in Tokuyama Information Service, neither grants nor allots any shares or other consideration included money pertaining to the merger.

(4) Treatment of stock acquisition rights and bonds with stock acquisition rights of the merged company  
Not applicable.

### 3. Overview of the Companies involved in Merger

	Surviving company	Company being merged
(1) Company Name	Tokuyama Corporation	Tokuyama Information Service Corporation
(2) Location	1-1 Mikage-cho, Shunan City, Yamaguchi	1-7 Shinjukudori, Shunan-shi, Yamaguchi
(3) Name and Title of Representative	Hiroshi Yokota, Representative Director, President and Executive Officer	Yukio Miyake, Representative Director and President
(4) Description of Business	Production and sales of inorganic and organic industrial chemicals, cement ,building materials, electrical materials, life science, eco business	The following services starting from the Tokuyama Group; <ul style="list-style-type: none"> <li>• Planning and proposal of information strategies</li> <li>• Business and information system development, operation, and maintenance</li> <li>• Divisional system development, operation, and maintenance</li> <li>• Planning, development, and operation of infrastructure</li> </ul>
(5) Capital	10,000 million yen	20 million yen
(6) Establishment	February 1918	January 2003
(7) Number of Outstanding Shares	72,088,327 shares (as of March 31, 2022)	400 shares (as of March 31, 2022)
(8) Fiscal Year End	March 31	March 31
(9) Major Shareholders and Ratios of Shareholding	The Master Trust Bank of Japan, Ltd. (trust account) 18.71% Custody Bank of Japan, Ltd. (trust account) 5.54% Nippon Life Insurance Company 3.02% The Yamaguchi Bank, Ltd. 2.29% Meiji Yasuda Life Insurance Company 2.07% (as of March 31, 2022)	Tokuyama Corporation 100%
(10) Financial Position and Results in Preceding Fiscal Year (Unit: Millions of yen, except per share amounts)		
	Fiscal year ended March 31, 2022(Consolidated)	Fiscal year ended March 31, 2022(Non-consolidated)
Total Assets	433,210	1,217
Net Assets	232,917	557
Net Assets per share	3,120.25	1,393,465.71
Sales	293,830	2,447
Operating Income	24,539	148
Ordinary Income	25,855	148
Profit (Loss)	28,000	97

Earnings (Loss) per share	389.09	243,162.39
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#### 4. Conditions after Merger

The merger does not affect the Company's name, location, representative's title and name, business content, paid in capital or fiscal year end.

#### 5. Future Outlook

Since the merger only involves the Company and its wholly-owned subsidiary, and has no significant impact on the consolidated financial results of the Company, its impact on consolidated business performance of the fiscal year ending March 31, 2023 will be negligible.

Reference: Consolidated Performance Forecast for the Fiscal Year Ending March 31, 2023 (released on April 28, 2022) and Actual Result of the Fiscal Year Ended March 31, 2022.

	Net Sales	Operating Income	Ordinary Income	Profit (Loss) attributable to owners of parent
Consolidated earnings forecast for FY ending March 31, 2023	Millions of Yen 360,000	Millions of Yen 24,500	Millions of Yen 25,000	Millions of Yen 17,500
Actual result for FY ended March 31, 2022	293,830	24,539	25,855	28,000

(Note) The performance forecast and other forward-looking statements contained in this material have been prepared on the basis of information available at this point and certain assumptions which are judged to be rational, and may be substantially different from the actual performance because of various factors that may arise from now on.