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## **Notice Concerning the Revision of Targets for the Final Year of the Company's Medium-Term Management Plan**

Tokuyama Corporation (hereinafter referred to as “Tokuyama” or “the Company”) today announced details of its decision to revise targets for the final year of its Medium-Term Management Plan 2025.

Formulated on February 25 for the five-year period commencing fiscal 2021, the fiscal year ended March 31, 2022, revision of the Plan's final year targets, the fiscal year ending March 31, 2026, coincides with a change in the Company's accounting policies effective from fiscal 2023. Brief details are presented as follows.

### 1. About the Change in Accounting Policy

Tokuyama and the vast majority of its consolidated subsidiaries in Japan have to date largely adopted the declining balance method when depreciating property, plant and equipment (excluding leased assets). Effective from the fiscal year under review, the Company has changed its accounting policy for depreciation, adopting the straight-line method.

In light of the increased monetary significance of depreciation expenses attributable to the capital investment undertaken under Medium-Term Management Plan 2025, Tokuyama reexamined the method it had previously adopted when depreciating property, plant and equipment. As far as the capital investment undertaken to minimize the environmental impact of its operations while ensuring the long-term, stable use of existing equipment and facilities, including investments in improving processes, promoting efficient energy consumption, and renewing facilities, and to build the supply system necessary to expand vigorously into domestic and overseas markets in growing businesses are concerned, the Company has determined that the equal allocation of acquisition costs over the useful life of each asset using the straight-line method will more accurately reflect the actual status of operations.

## 2. Targets for the Final Year of the Medium-Term Management Plan

Index	FY2025 (Plan) Prior to the Revision	FY2025 (Plan) After the Revision
Net Sales	¥320.0 billion	¥320.0 billion
Operating Profit	¥40.0 billion	¥45.0 billion
Growth Business Net Sales Growth Rate	CAGR over 10%	CAGR over 10%
ROE	Over 10%	Over 11%

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