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September 21, 2023

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, Short Merger) of Consolidated Subsidiary

With a resolution at a meeting of Board of Directors held on September 21, 2023, Tokuyama Corporation (hereinafter referred to as “the Company,” “Tokuyama” or “we”) hereby announces that the Company will absorb Shin Dai-ichi Vinyl Corporation (hereinafter referred to as “Shin Dai-ichi Vinyl”), the Company’s wholly owned subsidiary, effective April 1, 2024.

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

1. Purpose of Merger

Shin Dai-ichi Vinyl manufactures and sells vinyl chloride resin using our products as raw materials.

The Company has decided to absorb Shin Dai-ichi Vinyl to achieve the better operation of the business of chlor-alkali.

2. Outline of Merger

(1) Schedule of Merger

• Resolution of the Company’s Board of Directors relating to the merger	September 21, 2023
• Conclusion of merger agreement	September 21, 2023 (planned)
• Date of merger (effective date)	April 1, 2024 (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.

The merger is, for Shin Dai-ichi Vinyl, a short form merger pursuant to Article 784 Paragraph 1 of the Companies Act. Shin Dai-ichi Vinyl has held a general meeting of shareholders to carry out the merger today and it has been approved.

(2) Method of Merger

It is an absorption-type merger in which the Company is the surviving company, and Shin Dai-ichi Vinyl will be dissolved.

(3) Allotment Details pertaining to Merger

The Company, which owns all outstanding shares in Shin Dai-ichi Vinyl, 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	Shin Dai-ichi Vinyl Corporation
(2) Location	1-1 Mikage-cho, Shunan City, Yamaguchi	7-5 Sotokanda 1-chome, Chiyoda-ku, Tokyo
(3) Name and Title of Representative	Hiroshi Yokota, Representative Director, President and Executive Officer	Hiroataka Nishihara, 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	<ul style="list-style-type: none">• Production and sale of PVC resin• Technical licensing and technical guidance related to the above
(5) Capital	10,000 million yen	2,000 million yen
(6) Establishment	February 1918	July 1995
(7) Number of Outstanding Shares	72,072,056 shares (as of March 31, 2023)	5,000 shares (as of March 31, 2023)
(8) Fiscal Year End	March 31	March 31
(9) Major Shareholders and Ratios of Shareholding	The Master Trust Bank of Japan, Ltd. (trust account) 16.94% Custody Bank of Japan, Ltd. (trust account) 7.14% Nippon Life Insurance Company 3.01% The Yamaguchi Bank, Ltd. 2.28% GOLDMAN SACHS INTERNATIONAL 2.14% (as of March 31, 2023)	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, 2023(Consolidated)	Fiscal year ended March 31, 2023 (Non-consolidated)
Total Assets	478,342	15,235
Net Assets	241,602	8,057
Net Assets per share	3,189.01	1,611,546.72
Sales	351,790	24,263
Operating Income	14,336	1,606
Ordinary Income	14,783	1,691
Profit (Loss)	9,364	1,896
Earnings (Loss) per share	130.15	379,321.07

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, 2024 will be negligible.

Reference: Consolidated Performance Forecast for the Fiscal Year Ending March 31, 2024 (released on April 28, 2023) and Actual Result of the Fiscal Year Ended March 31, 2023.

	Net Sales	Operating Income	Ordinary Income	Profit (Loss) attributable to owners of parent
Consolidated earnings forecast for FY ending March 31, 2024	Millions of Yen 380,000	Millions of Yen 30,000	Millions of Yen 30,000	Millions of Yen 22,000
Actual result for FY ended March 31, 2023	351,790	14,336	14,783	9,364

(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.