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March 29, 2024

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## **Notice of Non-consolidated Extraordinary Income as Result of Absorption-Type Merger**

As Tokuyama Corporation (hereinafter referred to as “the Company,” “Tokuyama” or “we”) announced in the "Notice concerning Absorption-type Merger (Simplified Short Merger) of Consolidated Subsidiary" dated September 21, 2023, the Company has resolved to merge with its wholly owned subsidiary Shin Dai-ichi vinyl Corporation ("Shin Dai-ichi vinyl ") on April 1, 2024. In accordance with this merger, we hereby announce that we plan to record an extraordinary income (income on extinguishment of tie-in shares) in the non-consolidated financial results for the first quarter of the fiscal year ending March 31, 2025, in connection with the absorption of the subsidiary.

1. Extraordinary income (income on extinguishment of tie-in shares) resulting from the absorption-type merger of Shin Dai-ichi vinyl

At a meeting of the Board of Directors held on September 21, 2023, the Company resolved to conduct an absorption-type merger effective April 1, 2024, with the Company as the surviving company and its wholly owned subsidiary, Shin Dai-ichi vinyl. As a result, the difference between the net assets to be received from the subsidiary and the book value of the shares of the subsidiary held by the Company will be recorded as "income on extinguishment of tie-in shares" in extraordinary income.

2. Impact on the business performance

As a result of this event, the Company plans to record an extraordinary income of approximately 9 billion yen as "income on extinguishment of tie-in shares" in its non-consolidated financial results for the first quarter of the fiscal year ending March 31, 2025.

Since the "income on extinguishment of tie-in shares" will be eliminated in the consolidated financial statements, there will be no impact on consolidated profit and loss.