

1Q FY2023 Tokuyama Corporation Investor Meeting Q&A

Date and time: July 27, 2023(Thursday) 12:00-12:45

Participant: Hideo Sugimura, Representative Director, Senior Managing Executive Officer
General Manager, Corporate Planning Div.

Regarding the performance for Segment

Q: Concerning the Q1 performance, could you be a little more detailed and mention which segments went up and which segments went down?

A: We don't have announced our initial forecast for Q1 to the public, but in general, sales and profits were down significantly in the chemicals and advanced and electronic materials segments. Life Sciences has increased relatively more than originally projected.

Especially for chemicals, the volume was worse than originally planned, including overseas. I also think that the volume of semiconductors for the electronic and advanced materials and as a whole did not grow very much.

With regard to cement, the volume and unit prices were almost in line with our initial projections, and prices have been revised with considerable progress, so we expect sales and profits to be somewhat in line with expectations.

Regarding the chemical business

Q: Regarding the chemical products, especially vinyl chloride, which was not good result, I would appreciate it if you could explain separately vinyl chloride, caustic soda, and domestic and overseas.

A: For caustic soda, we raised the price in Japan, which was very good, but for caustic soda overseas, VCM, and PVC, although there is not much volume, both volume and sales price were down significantly compared to last year's Q1. This has had a considerable impact.

Regarding the increasing in cement prices

Q: What is the logic behind the further increase in cement prices, which will be achieved even as coal prices fall from this point on?

A: Coal was the biggest factor in the price correction this time, but from the standpoint of business profitability or appropriate margins, cement was in a very difficult situation.

Also, with the recent rise in logistics, labor costs, and materials prices, the ancillary costs have risen considerably, so it is difficult to say that the price will go down just because coal price has gone down. We would like to negotiate with them to maintain an appropriate margin in this area. Considering that the improvement for the burden on companies, coal prices themselves are likely to fluctuate quite a bit, so we would like to negotiate while maintaining an appropriate margin.