

3Q FY2024 Tokuyama Corporation Investor Meeting Q&A

Date and time: January 31, 2025 (Friday) 12:00-12:45

Participant: Tomohiro Inoue, Director, Managing Executive Officer

Regarding the sales situation for polycrystalline silicon and IC chemicals

Q: I would like to know about the annual shipment volume of polysilicon and how the growth rate has changed this time. Also, a major wafer manufacturer commented that some adjustments to users' on-hand inventories will continue from April to June. I was wondering if your company would be affected in that area.

A: First of all, regarding polysilicon volume, the degree of increase in volume compared to our initial forecast is expected to be over 20%.

The inventory adjustment of major wafer makers is partly due to the inventory adjustment for legacy semiconductors, while most of our polysilicon is used for high-end. Even if the inventory adjustment progresses slowly, it will still be consumed at the high-end, so we expect to see an increase in sales in the next fiscal year as well. This is the same with the users' opinions.

Q: Concerning polycrystalline silicon and IC chemicals, IC chemical is just after the expansion, so maybe there is still a little bit of leeway, but if polycrystalline silicon grows by 20% this quarter, it seems like the utilization capacity is quite high. Is it possible to achieve a double-digit increase if, for example, productivity is improved, and inquiries continue to come in during the next fiscal year?

A: In our view, we think so. Since the previous year was very difficult, to put it in extreme terms, we had quite a lot of inventory. Considering that, we can now produce at this level without any problems at all.

Regarding the progress in expansion of the plant capacity for Dental business

Q: Concerning the life sciences business, this estimation of this fiscal year is unchanged from the plan. Please summarize and comment on the dental materials expansion plant, the status of operation, how Q3 went, whether the forecast for Q4 is as originally planned, and how we should look at this in the next fiscal year.

A: Regarding the MD8 building at the Kashima Plant, which is currently being expanded, although there are some delays in the startup of some facilities, we are planning to start full-scale operations in February and are working diligently to achieve this. Of course, some processes have already been transferred, and this has contributed to labor savings and other productivity improvements.

In the next fiscal year and beyond, we are receiving requests to increase production for Europe and South America, where there is still room for market development. Also, we expect the increased production at the MD8 building to contribute to that market. Therefore, we are expecting a continued strong growth in dental equipment in the next fiscal year.