

1Q FY2025 Tokuyama Corporation Investor Meeting Q&A

Date and time: July 29, 2025 (Tuesday) 12:00-12:45

Participant: Tomohiro Inoue, Director, Managing Executive Officer

**Regarding the impact of a loss on valuation of inventories**

Q: I would like to clarify the loss on valuation of inventory. Is it correct to say that the valuation loss for this fiscal year was about JPY0.4 billion for polycrystalline silicon of the electronic and advanced materials segment, which is a factor of decline of over JPY1 billion in profit since the previous year saw a positive nearly JPY1 billion?

Also, you mentioned a valuation loss of about JPY0.6 billion in the others segment. Please explain the YoY decrease.

A: Regarding your first question on the loss on valuation of inventory, your understanding is correct. As for your second question, regarding an increase in expenses from March 2025 or a valuation loss, the impact of coal was very large at that time, with a negative impact of JPY1.4 billion compared to the previous year. JPY0.6 billion in the current fiscal year mainly due to coal.

**Regarding the trend of IC chemical business**

Q: As for IC chemicals, I would like to know the status of shipments separately in Taiwan and Japan.

A: With respect to Taiwan, both sales and profits increased. Although sales volume slightly decreased, this is due to the fact that we produce two types of products, one for semiconductors and the other for industrial use. We have dropped that for industrial use and shifted to the highly profitable product for semiconductors.

On the other hand, in Japan, including the part of exports to overseas, sales volume increased YoY, and both sales and profit increased.

**Regarding the changes in operating profit**

Q: Please explain again the contents of the negative JPY4.6 billion in others in changes in operating profit on page eight of the material, including valuation losses.

A: As I mentioned earlier, as to losses on valuation of inventory, we happened to have a gain on valuation of inventory in Q1 of FY2024. Therefore, JPY2.5 billion out of JPY4.6 billion is attributed to a loss on valuation in inventory in Q1 of FY2025 due to YoY comparison.

Q: I believe your full-year plan is negative JPY3.7 billion. Is it correct to assume that the loss on inventory valuation will be eliminated at the end of fiscal year?

A: That's right. Since we can control this part, we will strive to achieve the target.