

Summary of Consolidated Financial Statements for the Third Quarter Fiscal 2025 (JPGAAP)

January 30, 2026

Tokuyama Corporation

Stock exchange listings:

Tokyo

(URL <https://www.tokuyama.co.jp/eng/>)

Local code:

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Scheduled date of dividends payout: -

Preparation of supplementary quarterly explanatory materials: Yes

Quarterly business results IR briefing to be held: Yes (for institutional investors and analysts)

1. Consolidated results for fiscal third quarter ended Dec. 31, 2025 (Apr. 1, 2025 – Dec. 31, 2025)

(1) Performance

Note: All amounts are rounded down to the nearest million yen.

	Net sales		Operating profit		Ordinary profit	
	(millions of yen)	Year-on-year change [%]	(millions of yen)	Year-on-year change [%]	(millions of yen)	Year-on-year change [%]
Third Quarter Fiscal 2025	251,524	(0.7)	26,730	26.9	27,443	24.9
Third Quarter Fiscal 2024	253,387	1.3	21,071	24.4	21,980	29.4

(Note) Comprehensive income: 3rdQ FY25: 24,494 million yen [58.1%] 3rdQ FY24: 15,494 million yen [(7.4)%]

	Profit attributable to owners of parent		Basic earnings per share	Diluted earnings per share
	(millions of yen)	Year-on-year change [%]	(yen)	(yen)
Third Quarter Fiscal 2025	18,870	11.5	262.28	-
Third Quarter Fiscal 2024	16,918	42.1	235.15	-

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' Equity ratio	Net assets per share
	(millions of yen)	(millions of yen)	(%)	(yen)
December 31, 2025	556,339	291,950	49.8	3,851.04
March 31, 2025	476,207	273,858	54.9	3,635.62

(Reference) Shareholders' equity: Dec. 31, 2025: 277,065 million yen Mar. 31, 2025: 261,562 million yen

2. Dividends

(Period)	Annual dividends per share				
	1st quarter	2nd quarter	3rd quarter	Year-end	Total
Fiscal 2024, ended Mar 31, 2025	(yen) -	(yen) 50.00	(yen) -	(yen) 50.00	(yen) 100.00
Fiscal 2025, ending Mar 31, 2026	-	60.00	-		
Fiscal 2025 (Forecast)				60.00	120.00

(Note) Revision of the latest dividends forecast: No

3. Consolidated performance forecast for fiscal 2025 (April 1, 2025 - March 31, 2026)

(% indicates the rate of change over the corresponding previous periods respectively)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	(millions of yen)	[%]	(millions of yen)	[%]	(millions of yen)	[%]	(millions of yen)	[%]	(yen)
Fiscal 2025	351,500	2.5	39,000	30.1	39,000	31.8	27,500	17.6	382.23

(Note) Revision of the latest consolidated performance forecast: Yes

*The Company announced the release, "Notice concerning Revision of Performance Forecast for Fiscal 2025," on Jan. 31, 2026.

***Notes**

(1) Significant changes in the scope of consolidation during this period

: Yes

Addition to the scope of consolidation: 7 (Company Name: A&T Suzhou Co., Ltd., Tokuyama Life Science Corporation (“TLS”), MEDICAL & BIOLOGICAL LABORATORIES CO., LTD. (“MBL”), MBL Shenzhen Biotech Co., Ltd., MBL Beijing Biotech Co., Ltd., MBL Materials Co., Ltd., and one other company)

Reduction from the scope of consolidation: 1 (Company Name: FL Tokuyama Corporation)

(Note) For more details, please refer to “2. Quarterly Consolidated Financial Statements and (4) Notes on Quarterly Consolidated Financial Statements (Significant Changes in the Scope of Consolidation during This Period)” on page 14 of the Accompanying Materials to this Summary of Quarterly Consolidated Financial Statements.

(2) Application of accounting methods specific to the preparation of the quarterly consolidated financial statements

: Yes

(3) Changes of accounting policies, changes in accounting estimates, and retrospective restatements

i. Changes in accounting policy by revision of accounting standards:	No
ii. Changes in accounting policy other than the above:	No
iii. Changes in accounting estimates:	No
iv. Retrospective restatements:	No

(4) Number of shares issued (in common stock)

i. Number of shares issued at end of period (including treasury stock):	3rd Quarter Fiscal 2025:	72,088,327	Fiscal 2024:	72,088,327
ii. Number of treasury stock at end of period:	3rd Quarter Fiscal 2025:	142,656	Fiscal 2024:	144,095
iii. Average number of shares over period:	3rd Quarter Fiscal 2025:	71,945,628	3rd Quarter Fiscal 2024:	71,945,379

*** Review of the accompanying quarterly consolidated financial statements by certified public accountants or audit corporation : No**

*** Cautions pertaining to appropriate use of performance forecast and other particular items**

(Cautions related to Forward-looking statement)

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.

(Access to supplementary explanations on business results)

The Company also has disclosed supplementary materials “Presentation for IR Meeting” through Company Announcement Service provided by Tokyo Stock Exchange at the same date.

Contents for Accompanying Materials

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1. Qualitative Information on Consolidated Results

(1) Explanation concerning Business Results

Consolidated results for the third quarter fiscal 2025 (April 1, 2025 – December 31, 2025) are summarized as follows:

(Unit: Millions of yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Third Quarter Fiscal 2025	251,524	26,730	27,443	18,870
Third Quarter Fiscal 2024	253,387	21,071	21,980	16,918
Rate of change (%)	(0.7)	26.9	24.9	11.5

Net sales

Despite such factors as the inclusion of the TLS Group in the Company's scope of consolidation and growth in semiconductor-related product sales, consolidated net sales came in at ¥ 251,524 million, down 0.7%, or ¥ 1,863 million, compared with the corresponding period of the previous fiscal year owing mainly to the deterioration in overseas vinyl chloride-related product market conditions.

Cost of sales

Cost of sales decreased 7.6%, or ¥ 13,141 million compared with the corresponding period of the previous fiscal year, to ¥ 160,775 million. This was mainly due to progress in manufacturing cost improvements.

SG&A expenses

SG&A expenses increased 9.6%, or ¥ 5,618 million compared with the corresponding period of the previous fiscal year, to ¥ 64,017 million largely due to the upswing in general and administrative expenses following inclusion of the TLS Group in the Company's scope of consolidation.

Operating profit

Operating profit increased 26.9%, or ¥ 5,659 million, compared with the corresponding period of the previous fiscal year, to ¥ 26,730 million largely on the back of such factors as firm trends in semiconductor-related product sales and progress in improving manufacturing costs.

Non-operating income/expenses, Ordinary profit

Despite an increase in the share of profit of entities accounted for using equity method, non-operating income/expenses deteriorated by ¥ 196 million compared with the corresponding period of the previous fiscal year primarily due to increases in interest.

As a result of the above, ordinary profit increased 24.9%, or ¥ 5,462 million compared with the corresponding period of the previous fiscal year, to ¥ 27,443 million.

Extraordinary income/losses, Profit before income taxes, Profit, Profit attributable to owners of parent

Extraordinary income/losses deteriorated ¥ 1,938 million compared with the corresponding period of the previous fiscal year owing to a variety of factors, including the reaction to a gain on share exchange of affiliated companies, which was posted during the corresponding period of the previous fiscal year.

As a result of the above, profit before income taxes increased 14.5 %, or ¥ 3,524 million compared with the corresponding period of the previous fiscal year, to ¥ 27,873 million.

Profit after deducting income taxes calculated in an appropriate way increased 14.0 %, or ¥ 2,358 million compared with the corresponding period of the previous fiscal year, to ¥ 19,191 million.

Profit attributable to owners of parent increased 11.5%, or ¥ 1,951 million compared with the corresponding period of the previous fiscal year, to ¥ 18,870 million.

(Operating results by segment)

(Unit: Millions of yen)

	Third Quarter Fiscal 2025		Third Quarter Fiscal 2024		Rate of change (%)	
	Net sales	Operating Profit	Net sales	Operating Profit (loss)	Net sales	Operating profit
Chemicals	79,180	7,818	85,932	7,959	(7.9)	(1.8)
Cement	50,272	7,247	49,624	5,761	1.3	25.8
Electronic & Advanced Materials	63,443	10,389	62,104	5,334	2.2	94.8
Life Science	33,630	5,706	30,509	5,902	10.2	(3.3)
Eco Business	4,219	430	3,477	(36)	21.3	-
Others	30,060	1,472	29,929	2,085	0.4	(29.4)
Total	260,805	33,066	261,577	27,006	(0.3)	22.4
Adjustment	(9,281)	(6,335)	(8,190)	(5,935)	-	-
Figures in quarterly consolidated profit statement	251,524	26,730	253,387	21,071	(0.7)	26.9

(Note) Sales and operating profit (loss) in each segment include inter-segment transactions.

Chemicals

Caustic soda earnings decreased owing to such factors as the decline in export volumes.

Despite deterioration in overseas market conditions, vinyl chloride monomer and vinyl chloride resin performance were in line with the previous fiscal year mainly due to progress in reducing manufacturing costs.

Soda ash and calcium chloride earnings declined. This was mainly due to the decline in sales volumes and the increase in logistics costs.

As a result of the above, segment net sales decreased 7.9% compared with the corresponding period of the previous fiscal year, to ¥ 79,180 million and operating profit decreased 1.8% to ¥ 7,818 million. The segment reported lower earnings on lower sales.

Cement

Despite a decrease in sales volume year-on-year in Japan, cement earnings grew on the back of such factors as successful efforts to revise domestic sales prices at an appropriate level and progress in reducing manufacturing costs.

As a result of the above, segment net sales increased 1.3% compared with the corresponding period of the previous fiscal year, to ¥ 50,272 million and operating profit increased 25.8% to ¥ 7,247 million. The segment reported higher earnings on higher sales.

Electronic & Advanced Materials

Semiconductor-grade polycrystalline earnings increased due to the manufacturing cost improvements and the posting of a reversal of loss on valuation of inventories.

IC chemical earnings increased. This mainly reflected the increase in sales volumes of high-purity isopropyl alcohol for electronic manufacturing.

Fumed silica sales volumes remained steady, and business performance remained in line with the corresponding period of the previous fiscal year.

Thermal management material earnings increased. This reflected robust sales volumes of such applications used for semiconductor production equipment.

As a result of the above, segment net sales increased 2.2% compared with the corresponding period of the previous fiscal year, to ¥ 63,443 million and operating profit increased 94.8% to ¥ 10,389 million. The segment reported higher earnings on higher sales.

Life Science

Dental materials earnings grew thanks to an increase in shipments to overseas.

Medical diagnostic systems earnings declined mainly due to an increase in manufacturing costs and the impact of changes in the product mix.

The Company incurred a goodwill amortization expense following inclusion of the TLS Group, which engages in the in vitro diagnostics and in vitro diagnostic materials businesses, in its scope of consolidation from the third quarter of the fiscal year under review.

Plastic lens-related materials earnings increased owing to posting of a reversal of loss on valuation of inventories and other factors.

As a result of the above, segment net sales increased 10.2% compared with the corresponding period of the previous fiscal year, to ¥ 33,630 million and operating profit decreased 3.3% to ¥ 5,706 million. The segment reported lower earnings on higher sales.

Eco Business

Ion exchange membrane earnings increased owing to an increase in membrane and equipment shipments.

In waste gypsum board recycling, earnings increased, as a result of steady acceptance of waste gypsum board.

As a result of the above, segment net sales increased 21.3% compared with the corresponding period of the previous fiscal year, to ¥ 4,219 million and operating profit amounted to ¥ 430 million (posted operating loss of ¥ 36 million in the corresponding period of the previous year).

(2) Explanation concerning Financial Position

(Status of Assets, Liabilities and Net Assets)

Summary of Consolidated Balance Sheets

(Unit: Millions of yen)

	Mar 31, 2025	Dec 31, 2025	Amount of change	Rate of change (%)
Assets	476,207	556,339	80,132	16.8
Liabilities	202,349	264,389	62,040	30.7
(Interest-bearing debt)	110,691	163,839	53,147	48.0
Net assets	273,858	291,950	18,092	6.6
(Shareholders' equity)	261,562	277,065	15,503	5.9

Assets

Total assets amounted to ¥ 556,339 million, an increase of ¥ 80,132 million compared with those as of March 31, 2025.

This increase primarily reflects the increase in goodwill of ¥ 59,688 million, investment securities of ¥ 13,469 million, property, plant and equipment of ¥ 11,741 million and deferred tax assets of ¥ 10,059 million, despite the decrease in cash and deposits of ¥ 26,078 million.

Liabilities

Total liabilities amounted to ¥ 264,389 million, up ¥ 62,040 million compared with those as of March 31, 2025.

This increase primarily reflects the increase in long-term borrowings and current portion of long-term borrowings of ¥ 34,930 million, commercial papers of ¥ 19,000 million and notes and accounts payable - trade of ¥ 5,456 million.

Net assets

Net assets totaled ¥ 291,950 million, an increase of ¥ 18,092 million compared with those as of March 31, 2025.

This increase primarily reflects the increase in retained earnings of ¥ 10,942 million as a result of posting profit attributable to owners of parent, foreign currency translation adjustment of ¥ 3,107 million and non-controlling interests of ¥ 2,588 million.

(Analysis of Financial Indicators for the Quarter under Review)

Tokuyama Group has set the following targets for the final year of its Medium-Term Management Plan 2025.

KPI	FY2025 Target
Net Sales	¥ 400.0 billion
Operating Profit	¥ 45.0 billion
Growth Business Net Sales Growth Rate (CAGR)	Over 10%
ROE	Over 11%

These forward-looking statements are based on expectations and certain assumptions at the time this report was prepared and accordingly do not represent a guarantee of achievement or future performance. Meanwhile, plans are in place to report on the progress of financial indicators as of the end of the consolidated fiscal year.

(3) Explanation concerning Capital Resources and Funding Liquidity

(Analysis of Capital Resources)

The Tokuyama Group recognizes the need to retain a certain level of funds in order to secure the working capital required to finance its business activities, for priority investments in growth fields for the purpose of transforming its business portfolio and capital investments for the purpose of contributing to the mitigation of global warming, such as rationalization, energy saving, and measures to reduce GHG emissions, as well as to promote strategic investments. While the principal method of procuring these funds is to accumulate cash on hand through the continuous posting of business earnings, the Group will also pursue other avenues. These include borrowing from financial institutions and the issuing of unsecured bonds. Furthermore, the Tokuyama Group's intended capital investment amount for the consolidated fiscal year under review is ¥ 35,632 million. Plans are in place to utilize cash on hand, borrowings from financial institutions, and the issuance of unsecured bonds.

(Analysis of Funding Liquidity)

Cash and cash equivalents stood at ¥ 48,597 million as of December 31, 2025. On this basis, the Tokuyama Group is confident that it maintains more than ample liquidity to promote its business activities. In addition, Tokuyama has executed revolving credit facility, overdraft, and credit liquidation agreements with a financial institution. Accounting for these factors, the Company is more than capable of maintaining a certain level of liquidity should any impediment arise. To secure liquidity funds in preparation for unforeseen circumstances, we will also set up commitment lines on an as needed basis.

(4) Research and Development (R&D) Activities

Total R&D expenses for the second quarter of the consolidated fiscal year under review amounted to ¥ 12,740 million.

(5) Explanation concerning Information related to Future Prediction such as Consolidated Performance Forecast

Based on the current performance trend, the Company has revised the performance forecast, announced on April 28, 2025. For further details, please see the Company's news release, "Notice concerning Revision of Performance Forecast for Fiscal 2025," dated January 30, 2026.

The performance forecast has 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.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	3/31/2025	12/31/2025
Assets		
Current assets		
Cash and deposits	75,544	49,466
Notes receivable - trade	3,520	1,325
Electronically recorded monetary claims - operating	3,433	6,585
Accounts receivable - trade	74,596	71,645
Lease receivables	10	4
Merchandise and finished goods	22,673	29,844
Work in process	21,028	23,950
Raw materials and supplies	25,951	25,884
Other	7,957	10,459
Allowance for doubtful accounts	(85)	(66)
Total current assets	234,630	219,100
Non-current assets		
Property, plant and equipment		
Buildings and structures	126,460	134,748
Accumulated depreciation	(83,476)	(87,854)
Buildings and structures, net	42,983	46,894
Machinery, equipment and vehicles	503,931	516,681
Accumulated depreciation	(443,906)	(452,824)
Machinery, equipment and vehicles, net	60,025	63,857
Tools, furniture and fixtures	25,265	29,644
Accumulated depreciation	(21,254)	(24,022)
Tools, furniture and fixtures, net	4,010	5,621
Land	33,003	33,179
Leased assets	12,105	12,698
Accumulated depreciation	(4,918)	(5,586)
Leased assets, net	7,186	7,111
Construction in progress	25,081	27,367
Total property, plant and equipment	172,291	184,032
Intangible assets		
Goodwill	69	59,758
Leased assets	14	10
Other	4,126	4,610
Total intangible assets	4,210	64,378
Investments and other assets		
Investment securities	36,050	49,519
Long-term loans receivable	1,835	1,719
Deferred tax assets	11,383	21,442
Retirement benefit asset	9,252	9,568
Other	6,635	6,664
Allowance for investment loss	(7)	—
Allowance for doubtful accounts	(74)	(86)
Total investments and other assets	65,074	88,827
Total non-current assets	241,577	337,239
Total assets	476,207	556,339

	(Millions of yen)	
	3/31/2025	12/31/2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	45,742	51,198
Short-term borrowings	6,446	5,093
Commercial papers	—	19,000
Current portion of long-term borrowings	3,028	3,732
Lease liabilities	1,377	1,560
Income taxes payable	2,982	7,351
Provision for bonuses	3,744	1,667
Provision for share awards	—	122
Provision for repairs	5,084	3,304
Provision for decommissioning and removal	455	249
Provision for product warranties	121	73
Provision for loss on compensation for damage	21	153
Provision for environmental measures	68	—
Provision for restructuring	526	—
Provision for contract loss	654	406
Allowance for loss on compensation for building materials	—	33
Other	21,083	20,744
Total current liabilities	91,338	114,691
Non-current liabilities		
Bonds payable	35,000	35,000
Long-term borrowings	59,644	93,870
Long-term income taxes payable	84	—
Lease liabilities	5,194	5,583
Deferred tax liabilities	246	700
Provision for retirement benefits for directors (and other officers)	159	137
Provision for share awards	80	—
Provision for repairs	1,541	4,247
Provision for decommissioning and removal	16	275
Provision for contract loss	44	52
Retirement benefit liability	1,817	2,229
Asset retirement obligations	181	267
Other	7,001	7,334
Total non-current liabilities	111,011	149,698
Total liabilities	202,349	264,389
Net assets		
Shareholders' equity		
Share capital	10,000	10,000
Capital surplus	22,777	22,762
Retained earnings	213,953	224,896
Treasury shares	(428)	(425)
Total shareholders' equity	246,302	257,233
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,187	8,947
Foreign currency translation adjustment	6,883	9,990
Remeasurements of defined benefit plans	1,188	893
Total accumulated other comprehensive income	15,259	19,832
Non-controlling interests	12,295	14,884
Total net assets	273,858	291,950
Total liabilities and net assets	476,207	556,339

(2) Consolidated Statements of Income

(Millions of yen)

	Q3 FY2024 YTD	Q3 FY2025 YTD
Net sales	253,387	251,524
Cost of sales	173,917	160,775
Gross profit	79,470	90,748
Selling, general and administrative expenses		
Selling expenses	34,007	35,928
General and administrative expenses	24,391	28,088
Total selling, general and administrative expenses	58,399	64,017
Operating profit	21,071	26,730
Non-operating income		
Interest income	164	277
Dividend income	589	639
Share of profit of entities accounted for using equity method	390	1,153
Outsourcing service income	1,064	735
Other	2,506	2,822
Total non-operating income	4,715	5,628
Non-operating expenses		
Interest expenses	666	948
Fiduciary obligation expenses	369	661
Other	2,769	3,305
Total non-operating expenses	3,806	4,915
Ordinary profit	21,980	27,443
Extraordinary income		
Gain on sale of non-current assets	49	790
Gain on sale of investment securities	1,309	1,072
Gain on share exchange of affiliated companies	2,313	—
Subsidy income	133	274
Gain on insurance claims	44	—
Compensation income for damages	—	315
Total extraordinary income	3,850	2,452
Extraordinary losses		
Loss on sale of non-current assets	2	13
Impairment losses	99	1,426
Loss on disaster	23	3
Loss on tax purpose reduction entry of non-current assets	80	45
Loss on disposal of non-current assets	332	278
Provision for restructuring	867	—
Loss on sale of shares of subsidiaries and associates	—	2
Other	75	253
Total extraordinary losses	1,481	2,023
Profit before income taxes	24,349	27,873
Income taxes	7,515	8,681
Profit	16,833	19,191
Profit (loss) attributable to non-controlling interests	(84)	321
Profit attributable to owners of parent	16,918	18,870

(3) Consolidated Statements of Comprehensive Income

(Millions of yen)

	Q3 FY2024 YTD	Q3 FY2025 YTD
Profit	16,833	19,191
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,800)	1,760
Deferred gains or losses on hedges	0	—
Foreign currency translation adjustment	811	3,671
Remeasurements of defined benefit plans, net of tax	(299)	(294)
Share of other comprehensive income of entities accounted for using equity method	(51)	165
Total other comprehensive income	(1,339)	5,302
Comprehensive income	15,494	24,494
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	15,557	23,449
Comprehensive income attributable to non-controlling interests	(63)	1,045

(4) Notes on Quarterly Consolidated Financial Statements

(Going Concern Assumption)

Not applicable.

(Major Changes in Shareholders' Equity)

Not applicable.

(Significant Changes in the Scope of Consolidation During This Period)

At the start of the fiscal year under review, FL Tokuyama Corporation, a wholly owned subsidiary until the end of the previous fiscal year, was dissolved as the result of an absorption-type merger with the Company as the surviving company, and has been removed from the Company's scope of consolidation.

At the start of the fiscal year under review, A&T Suzhou Co., Ltd., a non-consolidated company under Tokuyama until the end of the previous fiscal year, was included in the Company's scope of consolidation as a subsidiary owing to its increasing importance.

As a result of the Company's acquisition of shares of JSR-01 Corporation, Tokuyama Life Science Corporation (which changed its corporate name from JSR-01 Corporation on October 1, 2025), MEDICAL & BIOLOGICAL LABORATORIES CO., LTD., MBL Shenzhen Biotech Co., Ltd., MBL Beijing Biotech Co., Ltd., MBL Materials Co., Ltd. (which changed its corporate name from JSR Life Sciences Co., Ltd. on October 1, 2025), and one other company have been included in the Company's scope of consolidation effective from the third quarter of the fiscal year under review.

This change in the scope of consolidation is recognized as certain to have a material impact on the consolidated financial statements for the fiscal year that includes the third quarter consolidated accounting period. It is expected to result in increases in total assets and total liabilities on the consolidated balance sheet, as well as increases in net sales and other items on the consolidated statement of income.

(Consolidated Balance Sheets)

Long-term power purchase contracts

As of March 31, 2025

The Company has entered into a long-term purchase contract with a power generation company for the receipt of electricity. Such contract is noncancelable before maturity, and losses may be incurred depending on future market conditions and other factors.

As of December 31, 2025

The Company has entered into a long-term purchase contract with a power generation company for the receipt of electricity. Such contract is noncancelable before maturity, and losses may be incurred depending on future market conditions and other factors.

(Notes on Statements of Cash Flows)

Quarterly consolidated statements of cash flows have not been prepared for the third quarter of the consolidated fiscal year under review. Meanwhile, depreciation (including amortization of intangible assets excluding goodwill) and amortization of goodwill for the third quarter of the fiscal year under review are as follows.

	Third Quarter Fiscal 2024	Third Quarter Fiscal 2025
Depreciation	14,568 million yen	15,243 million yen
Amortization of goodwill	61	773

(Business Combinations, etc.)

At a meeting of the Board of Directors held on April 22, 2025, Tokuyama resolved to acquire all of the shares of a company established by JSR Corporation (“JSR”) and to include the company in its scope of consolidation as a subsidiary. Accordingly, the shares were acquired on October 1, 2025.

<1> Overview of business combination

1. Name and business of acquired company

Name : JSR-01 Corporation

* The company’s name was changed to Tokuyama Life Science Corporation on October 1, 2025.

Business: In vitro diagnostics business, in vitro diagnostic materials business
and stock management business

2. Purpose of business combination

Under its Medium-Term Management Plan 2025, Tokuyama has identified the “Electronics,” “Healthcare,” and “Environment” fields as growth businesses. As a part of efforts to transform our business portfolio, our plan is to increase the proportion of consolidated sales generated from growth businesses to more than 60% by FY2030. Taking the aforementioned into consideration, our intention is to position the newly acquired businesses at the heart of our healthcare domain.

In the Company’s existing diagnosis systems business, our wholly owned subsidiary A&T Corporation is working to expand its in vitro diagnostics endeavors and is engaged in the research and development of new in vitro diagnostics reagents. In order to further accelerate the pace of healthcare domain growth, we recognize the need to generate high levels of additional revenue on a sustainable basis by entering new business areas.

In bringing the aforementioned new businesses into the Tokuyama Group fold and complementing our ability to commercialize immunoassay reagents that utilize particles and antibodies, we expect to significantly shorten the time required to develop new products and to generate synergies with our fundamental technologies. In this manner, we anticipate building a highly profitable reagent business within the Group. At the same time, we believe that the acquisition of new businesses will enable us to cross-sell both the Company’s and A&T’s electrolyte analyzer electrodes, reagents, and other products to our existing customer base of hospitals in Japan and Korea as well as to customers in China.

In a bid to accelerate the pace of business portfolio transformation, we will work diligently to develop the in vitro diagnostics business as the cornerstone of the healthcare domain centered on the newly acquired businesses going forward.

Meanwhile, Tokuyama undertook the following process when acquiring the subject business.

- (1) JSR newly established JSR-01 Corporation (hereinafter the “newly established company”)
- (2) JSR transferred a portion of its in vitro diagnostics business to its wholly owned subsidiary, MBL, through an absorption-type split; the remaining portion of the business and all issued and outstanding shares of the company were transferred to the newly established company through an absorption-type split.
- (3) JSR transferred a portion of its in vitro diagnostic pharmaceutical materials business to its wholly owned subsidiary, JSR Life Sciences Co., Ltd., through an absorption-type split; the remaining portion of the business and all issued and outstanding shares of the company were transferred to the newly established company through an absorption-type split.
- (4) Tokuyama acquired all issued and outstanding shares of the newly established company and then included the newly established company in its scope of consolidation as a wholly owned subsidiary.

3. Date of business combination

October 1, 2025

4. Legal form of business combination

Share acquisition

5. Company name after combination

Tokuyama Life Science Corporation

6. Ratio of voting rights to be acquired

100%

7. Principal basis for determining the acquiring company

To enable the Company to acquire shares in consideration for cash.

<2> Financial results period of the acquired company that is included in consolidated statements of income for the consolidated quarterly cumulative period

October 1, 2025 to December 31, 2025

<3> Acquisition cost and breakdown by type of consideration

Consideration for acquisition: Cash ¥80,637 million

Note: The aforementioned acquisition cost is a current estimate. The actual acquisition cost may differ from the aforementioned. Although the acquisition cost stated above has been verified and reasonably estimated based on the results of valuation, legal, financial, tax and separation due diligence, the final transfer price is expected to be the price adjusted in accordance with the price adjustment clause stipulated in the share transfer agreement executed.

<4> Breakdown and amount of major acquisition-related expenses

Fees and commissions for advisory services, etc. : ¥ 338 million (estimate)

<5> Amount of goodwill generated, cause of occurrence, amortization method and amortization period

- (1) Amount of goodwill generated: ¥60,502 million
The amount of goodwill is calculated provisionally as the allocation of the of the acquisition cost has yet to be completed as of the end of the third quarter of the fiscal year under review.
- (2) Source of goodwill
The principal source is the future excess earnings power that is expected from business operations going forward.
- (3) Amortization method and amortization period
Straight-line method over 20 years