

# Consolidated Financial Highlights

Tokuyama Corporation and Consolidated Subsidiaries

Years ended March 31

|  | Millions of yen |          |          |          |          |
|--|-----------------|----------|----------|----------|----------|
|  | 2010            | 2011     | 2012     | 2013     | 2014     |
| Net sales                                      | 273,154         | 289,786  | 282,381  | 258,632  | 287,330  |
| Operating profit (Note 1)                      | 15,486          | 19,313   | 12,721   | 3,993    | 17,960   |
| Profit (loss) attributable to owners of parent | 7,458           | 9,765    | 9,351    | (37,916) | 10,218   |
| Per share amounts (in yen) (Note 2,3)          |                 |          |          |          |          |
| Basic earnings (loss)                          | 117.58          | 140.32   | 134.37   | (544.88) | 146.86   |
| Cash dividends                                 | 6.00            | 6.00     | 6.00     | 3.00     | 6.00     |
| Net assets                                     | 3,410.17        | 3,465.91 | 3,581.95 | 3,126.42 | 3,300.88 |
| Total assets                                   | 452,893         | 474,708  | 501,181  | 518,251  | 576,315  |
| Net assets                                     | 243,606         | 247,656  | 255,460  | 223,871  | 236,453  |
| Cash flows from operating activities           | 29,380          | 37,043   | 27,060   | 17,071   | 34,105   |
| Cash flows from investing activities           | (36,468)        | (88,508) | (57,666) | (60,673) | (64,402) |
| Cash flows from financing activities           | 46,990          | 23,994   | 20,791   | 36,465   | 45,939   |
| Cash and cash equivalents at end of the year   | 95,945          | 68,624   | 58,476   | 52,431   | 69,973   |
| Capital expenditures                           | 26,557          | 35,807   | 77,602   | 97,549   | 61,051   |
| Depreciation and amortization (Note 4)         | 37,688          | 31,476   | 28,492   | 23,242   | 16,770   |
| R&D expenses                                   | 11,817          | 11,469   | 11,704   | 10,076   | 8,709    |
| Shareholders' equity ratio (%)                 | 52.4            | 50.8     | 49.7     | 42.0     | 39.9     |
| Return on equity (%)                           | 3.5             | 4.1      | 3.8      | (16.2)   | 4.6      |
| Number of employees                            | 5,444           | 5,493    | 5,506    | 5,651    | 5,756    |
| Consolidated subsidiaries                      | 49              | 50       | 48       | 49       | 53       |

(Note 1): Net sales doesn't include consumption tax, etc.

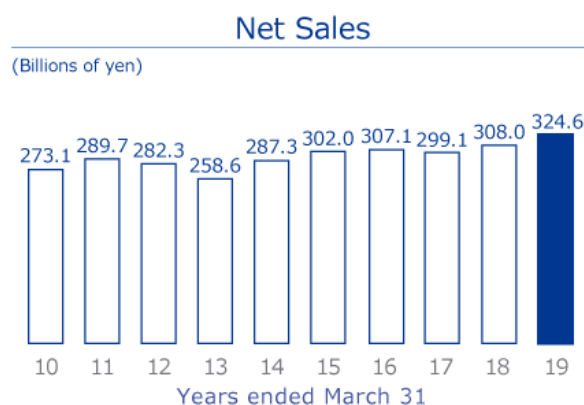
(Note 2): The Company consolidated its common shares at a ratio of one share for each five shares effective as of October 1, 2017. On this basis, basic earnings (loss) per share and net assets per share are calculated on the assumption that the consolidation of shares was conducted as of the beginning fiscal year ending March 31, 2010. The cash dividends per share for the fiscal year ending March 31, 2018 is the total after the share consolidation. The cash dividends per share before the fiscal year ended March 31, 2017 are not re-calculated retrospectively.

(Note 3): On September 3, 2018, the Company established a Director Remuneration BIP (Board Incentive Plan) Trust (hereinafter referred to as "the BIP Trust") with the Company's stock held by the BIP Trust recorded as treasury stock. In addition, this treasury stock is included in the treasury stock that is deducted from the number of shares issued and outstanding as of the end of the period used to calculate net assets per share as well as the treasury stock that is deducted when computing the average number of shares over the period in calculations for net income per share.

(Note 4): Depreciation and amortization includes amortization of long-term prepaid expenses.

(Note 5): Effective from the fiscal year ended March 31 2019 under review, Tokuyama has applied the Partial Amendments to Accounting Standard for Tax Effect Accounting (hereinafter "Partial Amendments to Tax Effect Accounting Standard," Accounting Standards Board of Japan (ASBJ) Statement No. 28, issued on February 16, 2018).

(Note 6): U.S. dollar amounts above and elsewhere in this annual report are converted from Japanese yen, for convenience only, at the rate of ¥111=US\$1.



|  | Millions of yen |            |          |           | Thousands of U.S. dollars<br>(Note 6) |           |
|--|-----------------|------------|----------|-----------|---------------------------------------|-----------|
|  | 2015            | 2016       | 2017     | 2018      | 2019                                  | 2019      |
| Net sales  | 302,085         | 307,115    | 299,106  | 308,061   | 324,661                               | 2,924,874 |
| Operating profit (Note 1)                            | 18,705          | 21,936     | 38,533   | 41,268    | 35,262                                | 317,682   |
| Profit (loss) attributable to owners of parent       | (65,349)        | (100,563)  | 52,165   | 19,698    | 34,279                                | 308,820   |
| Per share amounts (in yen, U.S. dollars) ( Note 2,3) |                 |            |          |           |                                       |           |
| Basic earnings (loss)                                | (939.26)        | (1,445.49) | 738.92   | 259.81    | 493.26                                | 4.44      |
| Cash dividends                                       | -               | -          | -        | 30.00     | 50.00                                 | 0.45      |
| Net assets   | 2,336.78        | 739.90     | 1,527.42 | 1,806.56  | 2,199.83                              | 19.82     |
| Total assets   | 554,527         | 401,342    | 424,433  | 361,949   | 379,630                               | 3,420,091 |
| Net assets   | 169,445         | 60,205     | 135,976  | 136,591   | 163,525                               | 1,473,200 |
| Cash flows from operating activities                 | 30,772          | 30,098     | 20,012   | 61,885    | 38,531                                | 347,132   |
| Cash flows from investing activities                 | (25,519)        | 13,400     | (10,089) | (12,665)  | (16,174)                              | (145,716) |
| Cash flows from financing activities                 | 40,502          | (37,689)   | (11,911) | (101,209) | (21,104)                              | (190,130) |
| Cash and cash equivalents at end of the year         | 116,122         | 121,166    | 118,819  | 66,807    | 67,991                                | 612,537   |
| Capital expenditures                                 | 25,345          | 13,945     | 17,360   | 15,941    | 18,581                                | 167,402   |
| Depreciation and amortization (Note 4)               | 18,845          | 20,084     | 14,215   | 13,985    | 15,093                                | 135,976   |
| R&D expenses   | 10,156          | 8,522      | 7,508    | 7,903     | 8,052                                 | 72,543    |
| Shareholders' equity ratio (%)                       | 29.3            | 12.8       | 29.9     | 34.7      | 40.2                                  | -         |
| Return on equity (%)                                 | (33.3)          | (94.0)     | 58.5     | 15.6      | 24.6                                  | -         |
| Number of employees                                  | 5,852           | 5,759      | 5,406    | 4,889     | 5,471                                 | -         |
| Consolidated subsidiaries                            | 54              | 55         | 51       | 49        | 52                                    | -         |

(Note 1): Net sales doesn't include consumption tax ,etc.

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