

Financial and Non-Financial Highlights

Financial Analysis of FY2022

In FY2022, factors such as revised sales prices in chemicals, cement, and semiconductor-related products led to an increase in sales over the previous fiscal year. However, other factors, such as higher raw fuel costs and logistics expenses as well as a slump in market conditions, caused a fall in operating profits. Also, for the current net income attributed to shareholders of the parent company, factors such as weakening profitability have caused a decrease in profits as well as lower ROE.

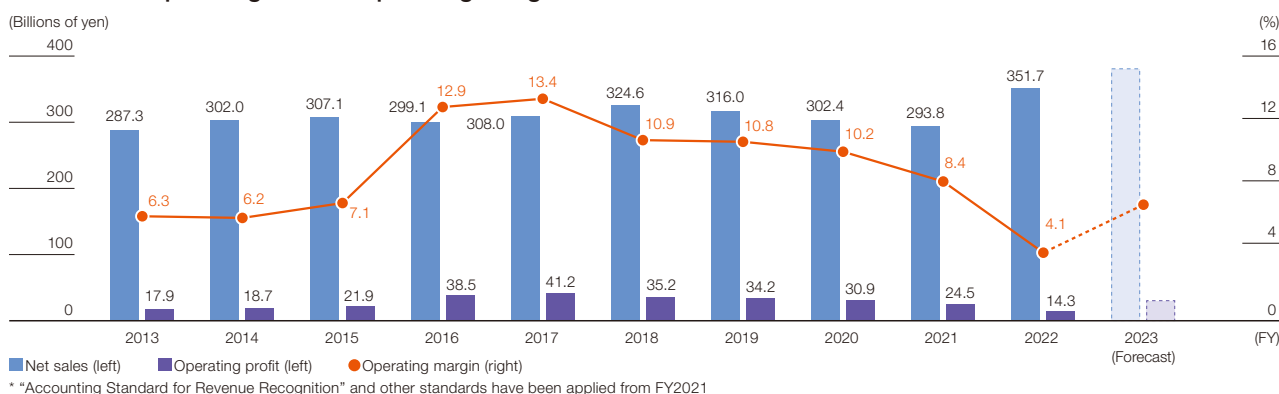
In FY2023, despite the predicted effects of a slowing market for semiconductors, sales and profits are expected

to increase over the previous fiscal year due to revised sales prices for chemicals and cement as well as a calming down of raw fuel costs. Also, we anticipate a decrease in depreciation and amortization due to a change (as of FY2023) to a straight-line method from the declining-balance method used for the depreciation of tangible fixed assets.

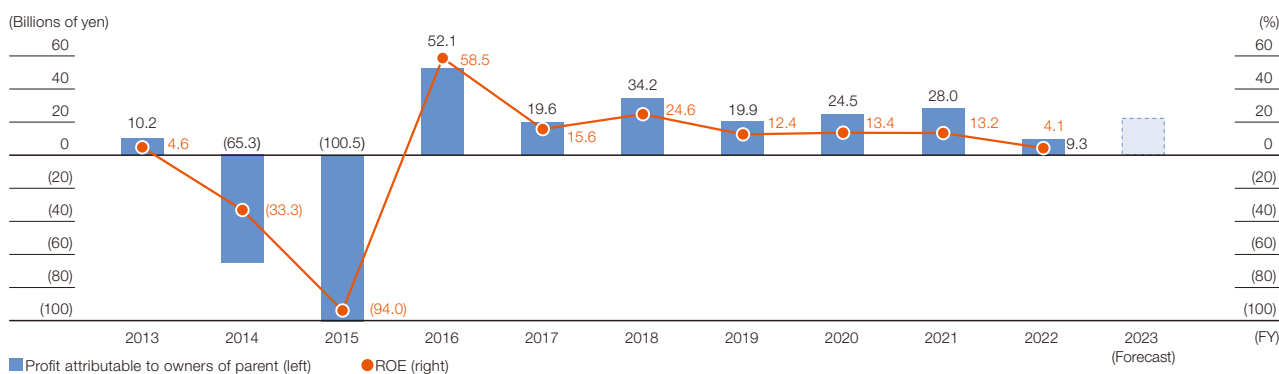
To achieve the targets of our Medium-Term Management Plan 2025, we will continue investing in growth fields—intended to transform our business portfolio—as well as investments and initiatives to help mitigate global warming.

Financial Highlights

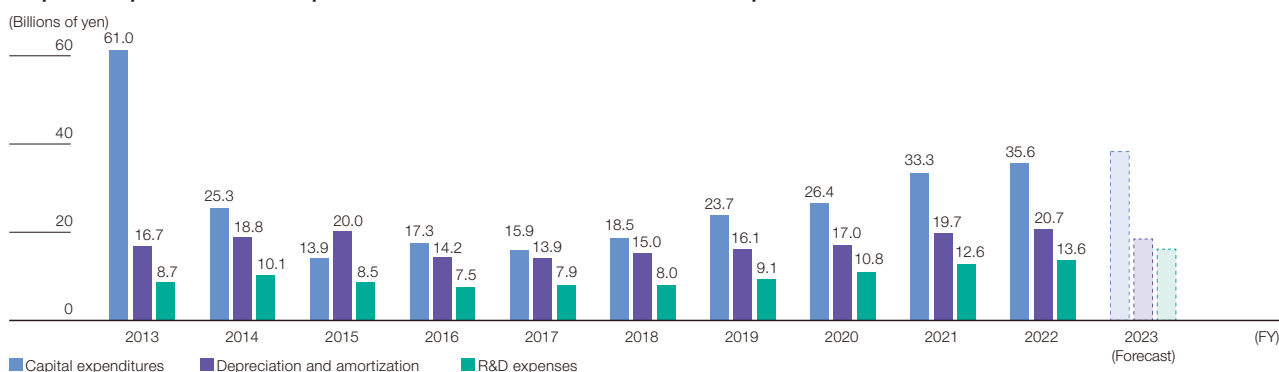
Net Sales / Operating Profit / Operating Margin



Profit Attributable to Owners of Parent / ROE

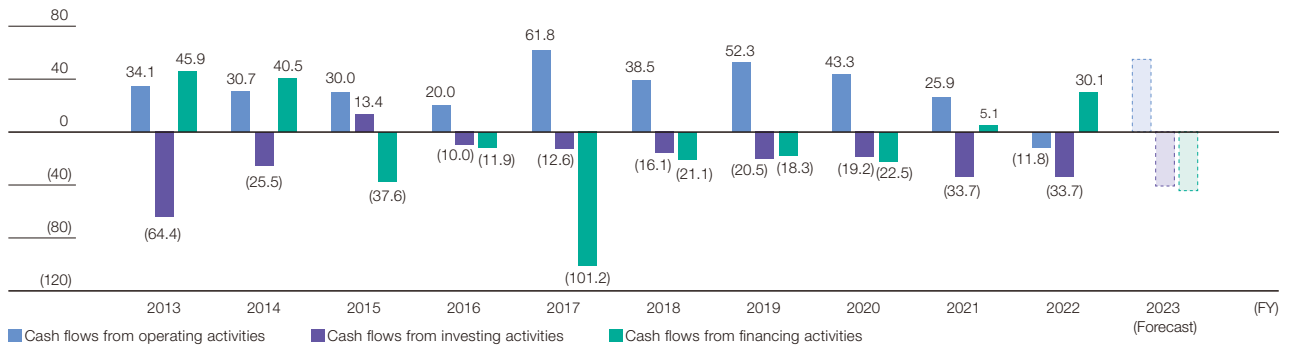


Capital Expenditures / Depreciation and Amortization / R&D Expenses



Cash Flows

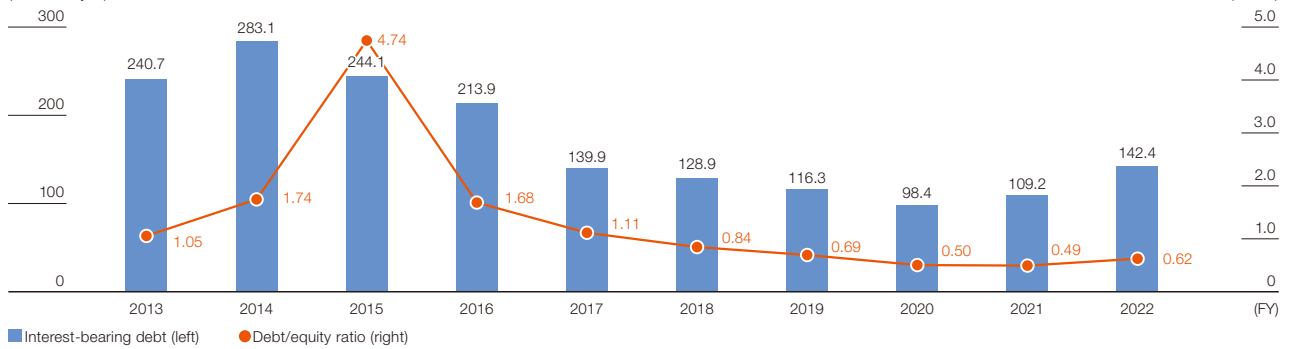
(Billions of yen)



Interest-Bearing Debt and Debt/Equity Ratio

(Billions of yen)

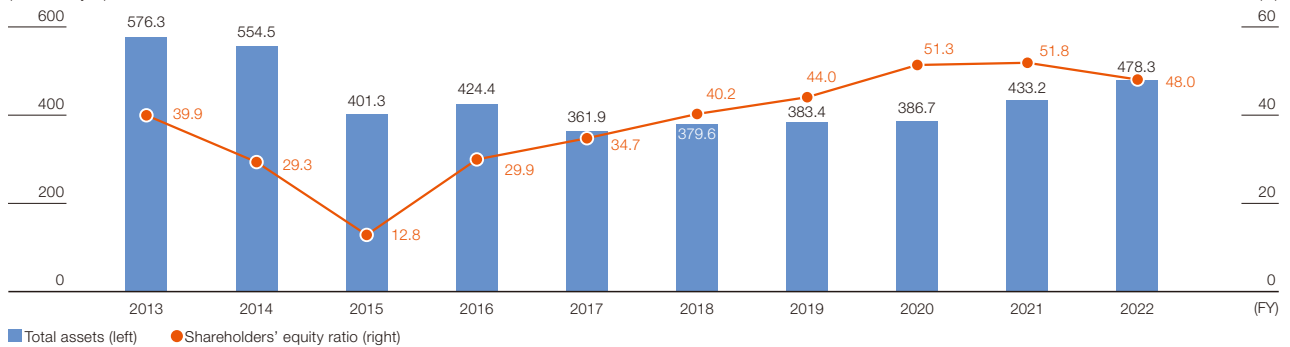
(Times)



Total Assets / Shareholders' Equity Ratio

(Billions of yen)

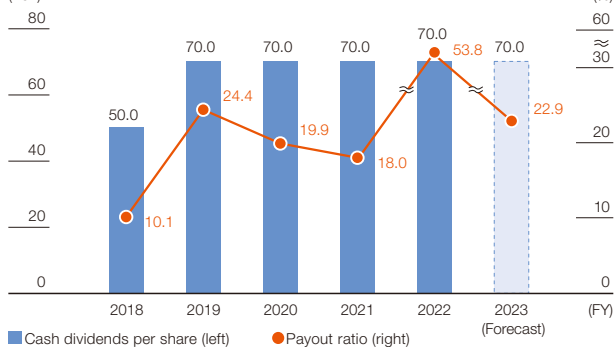
(%)



Cash Dividends per Share / Payout Ratio

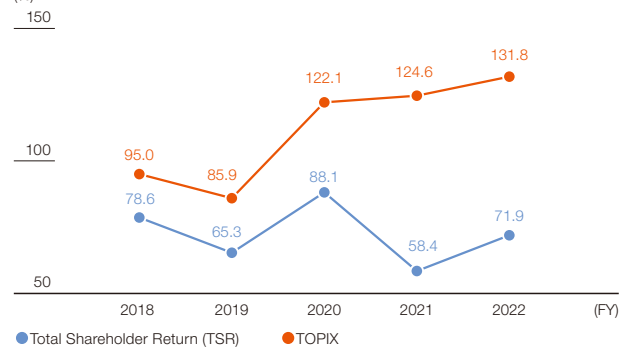
(Yen)

(%)



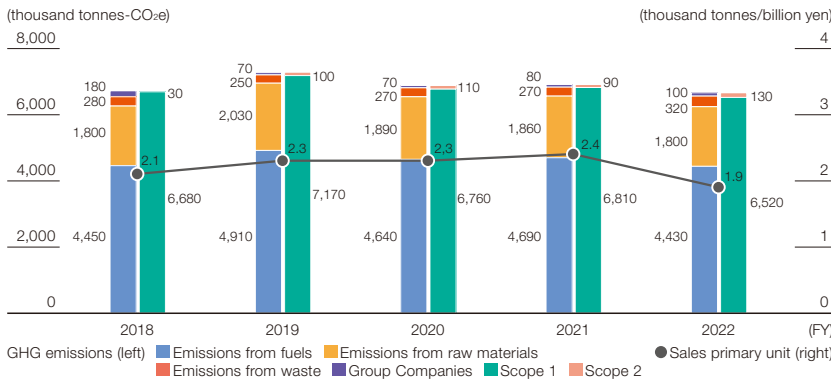
Total Shareholder Return (TSR)

(%)



Non-Financial Highlights

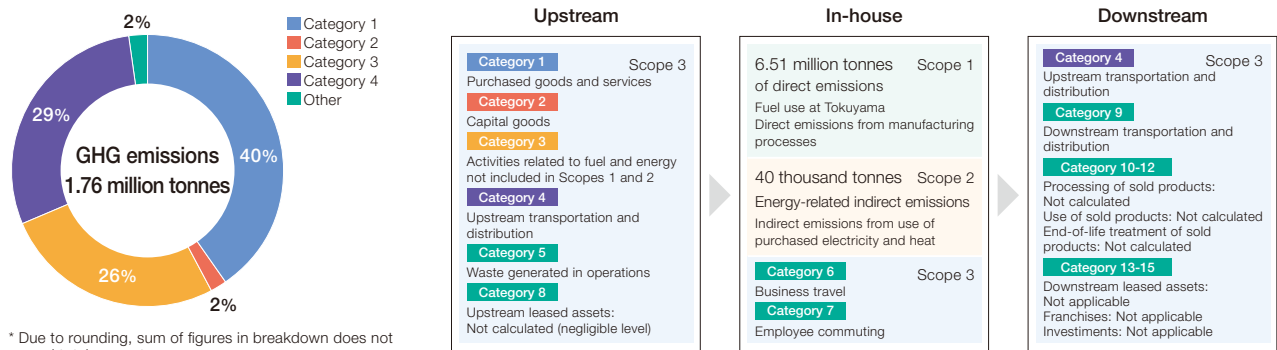
GHG Emissions



* The values for FY2018 were calculated based on the SHK System, while the values for FY2019 to FY2022 were calculated based on the GHG Protocol.

We recognize that the mitigation of global warming is one of the most critical issues today and are working hard to reduce greenhouse gas (GHG) emissions. GHG emissions are the total emissions of gases such as CO₂, CH₄ and N₂O; of these, CO₂ emissions account for approximately 99.8% of the volume of emissions. GHGs are generated mainly by the combustion of fossil fuels in captive power plants, as well as by the decarboxylation of limestone (raw material) in the cement manufacturing process. GHG emissions in FY2022 were 6,650 thousand tonnes.

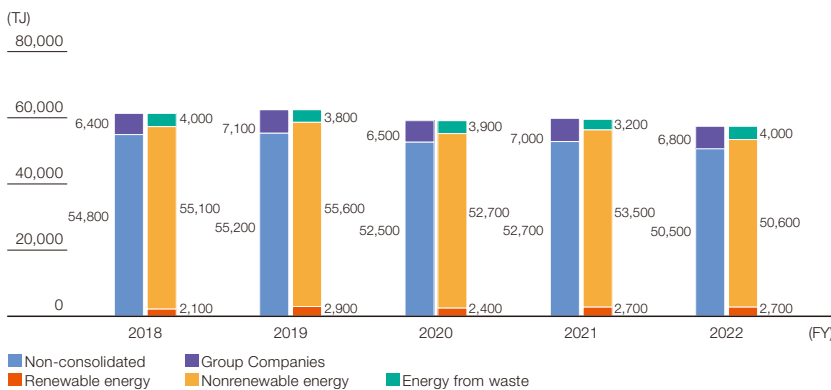
Supply Chain Emissions* (Scope 3, non-consolidated)



* Due to rounding, sum of figures in breakdown does not equal total amount

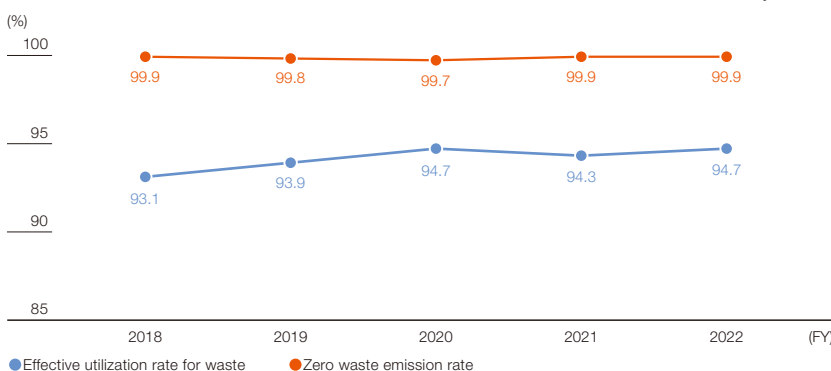
* GHG Protocol: organization co-sponsored by World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD); Scope 3 standard: standard issued by said protocol in November 2011 for calculating CO₂ emissions across an entire supply chain.

Energy Usage



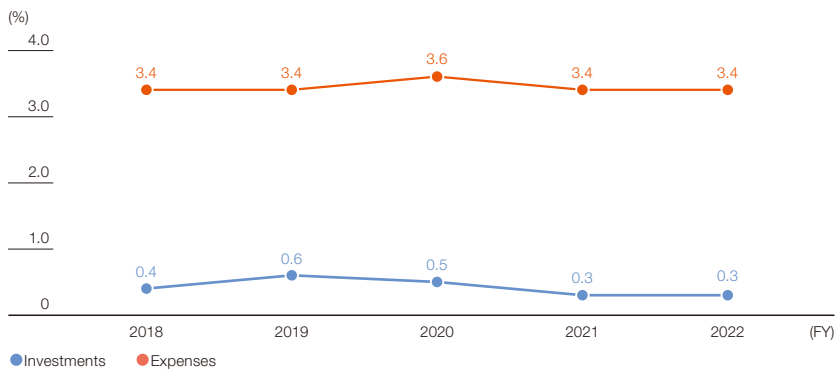
We encourage energy conservation as a way to mitigate global warming. Through energy conservation, we are promoting using less electric power and steam in production, and we are encouraging more adoption of renewable energy. In FY2022, the percentage of renewable energy use throughout the entire Group was approximately 5%.

Effective Utilization Rate for Waste / Zero Waste Emission Rate (Non-consolidated)



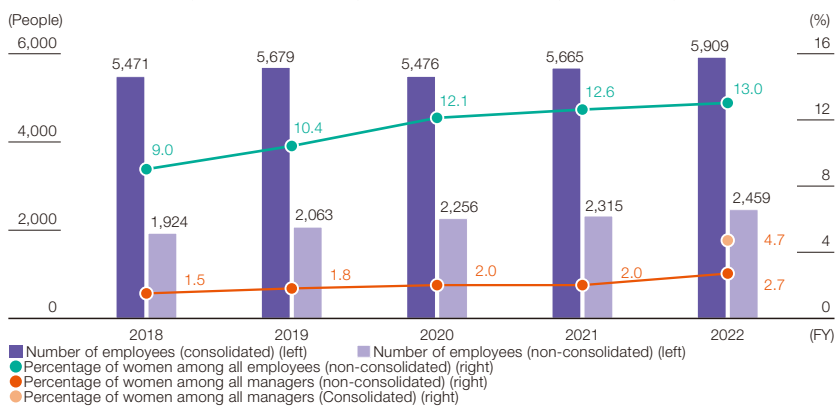
The effective utilization rate for waste and the zero emission rate remained high in FY2022 due to efforts to reduce the volume of waste and comprehensive recycling efforts. As a result of actively promoting the recycling of waste generated both internally and externally, with a focus on the reuse of waste as feedstock and fuel for cement at the Tokuyama Factory, the effective utilization rate for waste was 94.7% and the zero waste emission rate was 99.9%.

Environmental Accounting (Percentage of Net Sales)



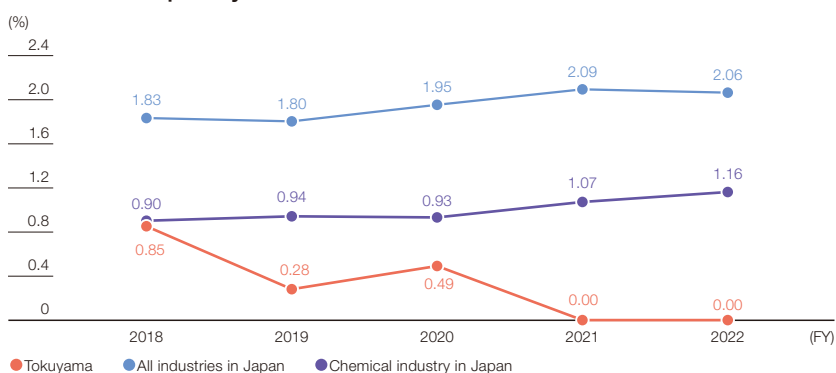
Environmental accounting has been conducted since FY2000 for the purpose of ascertaining and analyzing the investments and expenses required for conserving the environment, and for the purpose of facilitating effective investment. The amount of investment for conserving the environment was 0.3% of net sales and the total expenses incurred for this purpose were 3.7%. The amount of investment as a percentage of net sales has ranged from 0.3 and 0.8% over the past several years, while the total amount of expenses has been between 3.2 and 3.8%. In FY2022, the Company updated electric precipitators to tackle soot, smoke, and dust, and we modified and upgraded equipment for reducing CO₂ emissions.

Number of Employees / Percentage of Women among All Employees / Percentage of Women among All Managers



Tokuyama is committed to the idea of *diversity in knowledge*, and for this reason promotes diversity by utilizing the varied values and perspectives of every employee in corporate activities. The small number of female staff is the cause for the low percentage of females in each indicator. However, we are experiencing a steady increase in the number of female employees working actively at worksites. For example, there is a gradual increase in the percentage of female staff working in management. We appointed our first female outside director in June 2021 and our first female executive officer in April 2023.

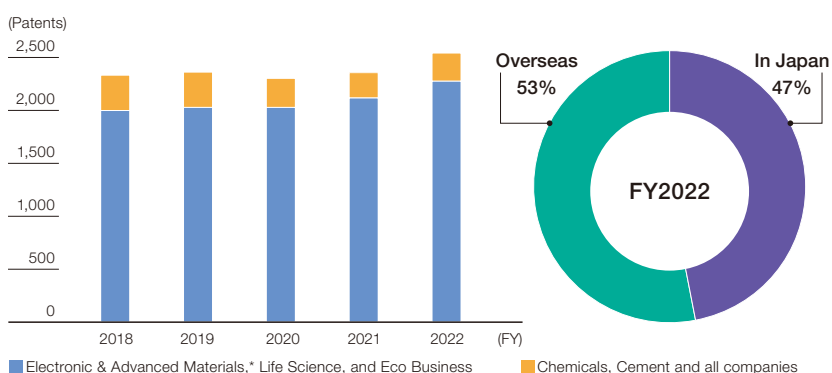
Accident Frequency Rates*



One of our safety management goals is to achieve zero accidents and lost time injuries, and we are working to identify and eliminate risk factors, as well as to understand and recognize the behavioral characteristics of each individual to eliminate unsafe behavior. There were no lost time injuries to employees in FY2022. We will continue our efforts to maintain zero lost time injuries.

*Accident frequency rates indicate frequency of occupational injuries, and are expressed as number of employees absent from work due to occupational injuries per 1 million total working hours

Number of Patents Held



We aim to be a value-creative company that places first priority on R&D and marketing, and we recognize that investment in intellectual property is essential to achieve this. As we promote global business expansion initiatives in the fields of electronics, healthcare, and the environment to refresh our business portfolio, our patent rights include many technologies in these three areas, and we are focusing on acquiring patent rights both domestically and overseas.

*On April 1, 2023, the name was changed to Electronic & Advanced Materials

Management Team (as of June 23, 2023)



*From left to right: Fumiaki Iwasaki, Yuzo Kawamori, Tomohiro Inoue, Hiroshi Yokota, Nobuko Mizumoto, Hiraku Ishizuka, Naoki Kondo, Hideo Sugimura, Youji Miyamoto

Hiroshi Yokota

Representative Director, President and Executive Officer
In charge of Chemicals, Cement, Electronic & Advanced Materials, Center for Commercialization of Advanced Technology, Auditing Office

- Date of birth: October 12, 1961
- Number of Company shares owned: 32,600
- Tenure as director: 8 years
- Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2023: 17/17 (100%)

Utilizing extensive experience in personnel and labor issues, traditional businesses, and advanced materials businesses, he is actively working on the promotion of the priorities of Medium-Term Management Plan 2025, such as transforming the business portfolio, carbon neutrality, implementing CSR management, etc.

Hideo Sugimura

Representative Director, Senior Managing Executive Officer, General Manager of Corporate Planning Division
In charge of Corporate Planning, Corporate Social Responsibility, General Affairs and Human Resources, Procurement and Logistics, Secretarial Department, Digital Administration, Carbon Neutral Strategy

- Date of birth: October 22, 1959
- Number of Company shares owned: 6,903
- Tenure as director: 6 years
- Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2023: 17/17 (100%)

With extensive operational experience including the introduction of an information system, management of an overseas subsidiary, and restructuring a domestic subsidiary, he is engaged in promoting growth by developing plans and strategies as a general manager of corporate departments.

Fumiaki Iwasaki

Director, Managing Executive Officer, General Manager of Research and Development Division, and General Manager of New Business Division
In charge of Life Science, New Business, Research and Development, Environment & Safety of Kashima Factory

- Date of birth: June 21, 1960
- Number of Company shares owned: 2,642
- Tenure as director: 3 years
- Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2023: 17/17 (100%)

Making use of the extensive experience gained through the fields of R&D and manufacturing technology, he is pursuing new research and development.

New election

Tomohiro Inoue

Director, Managing Executive Officer, General Manager of Eco Business Division, and Deputy General Manager of Cement Business Division
In charge of Eco Business, Tokuyama Factory

- Date of birth: December 8, 1964
- Number of Company shares owned: 1,700
- Tenure as director: -
- Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2023: -

He is proactively working on the promotion of a broad range of businesses based on rich knowledge accumulated through his experience in overseas operations, planning, business promotion projects, and experience as General Manager of the Manufacturing Dept.

Principal Concurrent Positions: Director, ASTOM Corporation

Youji Miyamoto

Director, Audit & Supervisory Committee Chairperson

- Date of birth: January 22, 1958
- Number of Company shares owned: 2,200
- Tenure as director: 6 years
- Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2023: 17/17 (100%)
- Attendance at meetings of the Audit & Supervisory Committee during the fiscal year ended March 31, 2023: 24/24 (100%)

With a high degree of expertise in finance and accounting gained through his years of accounting operations, he has been supervising management as an Audit & Supervisory Board member since 2013, and as a director who is an Audit & Supervisory Committee member since 2017.

Significant concurrent positions: Auditor, ASTOM Corporation; Auditor, Tokuyama Dental Corporation; Audit & Supervisory Board Member, A&T Corporation

Yuzo Kawamori

External Director, Audit & Supervisory Committee Member

- Date of birth: July 25, 1947
- Number of Company shares owned: 1,700
- Tenure as director: 4 years
- Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2023: 17/17 (100%)
- Attendance at meetings of the Audit & Supervisory Committee during the fiscal year ended March 31, 2023: 24/24 (100%)

Possessing extensive experience and broad insight into the manufacturing industry as a corporate manager, he has been supervising management of the Company as an external director who has been an Audit & Supervisory Committee member since 2019, and provides useful advice on the promotion of overseas business among other items.

Nobuko Mizumoto

External Director, Audit & Supervisory Committee Member

- Date of birth: March 31, 1957
- Number of Company shares owned: 500
- Tenure as director: 2 years
- Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2023: 17/17 (100%)
- Attendance at meetings of the Audit & Supervisory Committee during the fiscal year ended March 31, 2023: 24/24 (100%)

Possessing extensive experience and broad insight in the manufacturing industry as a corporate manager, she has been supervising management of the Company as an external director who has been an Audit & Supervisory Committee member since 2021, and provides useful advice on carbon neutrality, digital transformation, CSR management, and other items.

Principal Concurrent Positions:

Outside Director, Okamura Corporation (Scheduled to assume office in June 2023)

New election

Hiraku Ishizuka

External Director, Audit & Supervisory Committee Member

- Date of birth: December 29, 1960
- Number of Company shares owned: 0
- Tenure as director: -
- Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2023: -
- Attendance at meetings of the Audit & Supervisory Committee during the fiscal year ended March 31, 2023: -

He possesses an abundance of experience and broad insight as a corporate manager in financial institutions, therefore based on his knowledge on finance and accounting and insights into finance and the overall economy, he is expected to effectively supervise the management of the Company and to give useful opinions and advice.

Principal Concurrent Positions: Representative Director & Chairman, Mitsubishi UFJ NICOS Co., Ltd.

New election

Naoki Kondo

External Director, Audit & Supervisory Committee Member

- Date of birth: December 4, 1973
- Number of Company shares owned: 0
- Tenure as director: -
- Attendance at meetings of the Board of Directors during the fiscal year ended March 31, 2023: -
- Attendance at meetings of the Audit & Supervisory Committee during the fiscal year ended March 31, 2023: -

Based on his specialist perspective and rich experience as a lawyer, he is expected to expertly supervise the management of the Company and to actively give useful opinions and advice.

Principal Concurrent Positions: Partner, Oh-Ebashi LPC & Partners
Outside Director (Audit & Supervisory Committee Member), ibis inc.

Corporate Data (as of March 31, 2023)

Company Overview

Corporate name	Tokuyama Corporation
Established	February 16, 1918
Industry	Chemical manufacturing
Location	<p>Tokyo Head Office Front Place Akihabara 7-5 Sotokanda 1-chome, Chiyoda-ku, Tokyo 101-8618, Japan TEL. +81-3-5207-2500 FAX. +81-3-5207-2580</p> <p>Tokuyama Factory (Registered Address) 1-1 Mikage-cho, Shunan-shi, Yamaguchi 745-8648 Japan TEL. +81-834-34-2000 FAX. +81-834-33-3790</p>
Capital	¥10,000 million
Number of employees	5,909 (consolidated basis; 738 working overseas) 2,459 (non-consolidated)
Number of group companies	56

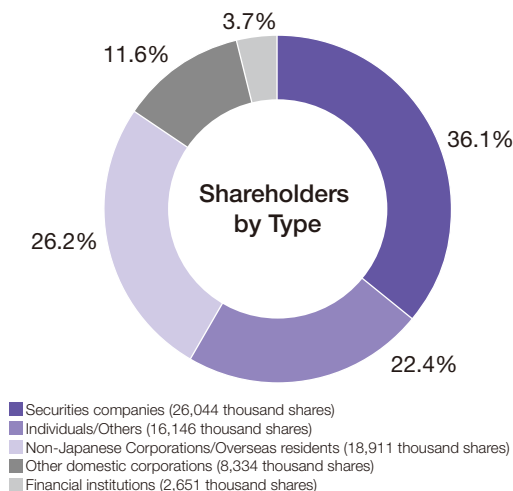
Stock Information

Total number of shares authorized to be issued	Common shares: 200,000,000 shares
Number of shares issued	72,072,056 common shares (excluding 16,271 treasury shares)
Common Stock Listings	Tokyo Stock Exchange Prime Market
Securities Code	4043
Number of shareholders	Common shares: 25,667 shareholders
Fiscal year	From April 1 to March 31

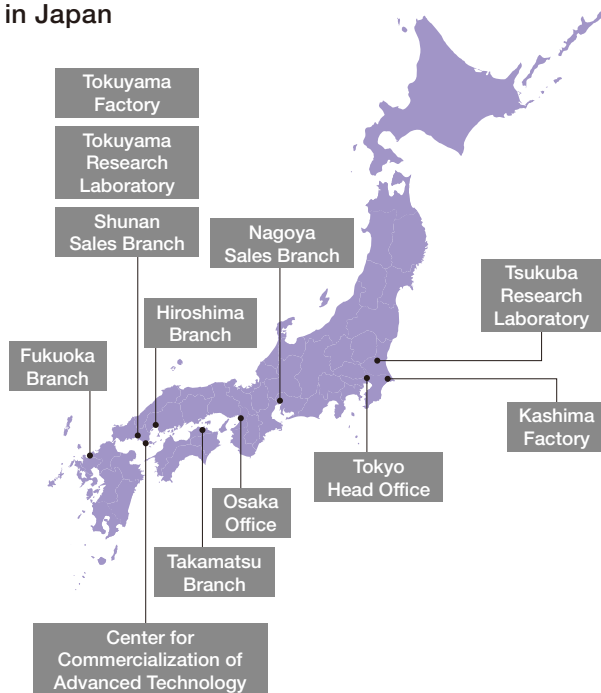
Dividend Policy

Dividends will be paid to the shareholders stated in the final version of the register of shareholders on March 31 and September 30. As far as the distribution of profits is concerned, Tokuyama's basic policy is to ensure the continuous and stable payment of dividends to shareholders. In carrying out this policy, the Company takes into consideration performance trends, the dividend payout ratio, and the roadmap established under the medium- to long-term business plan.

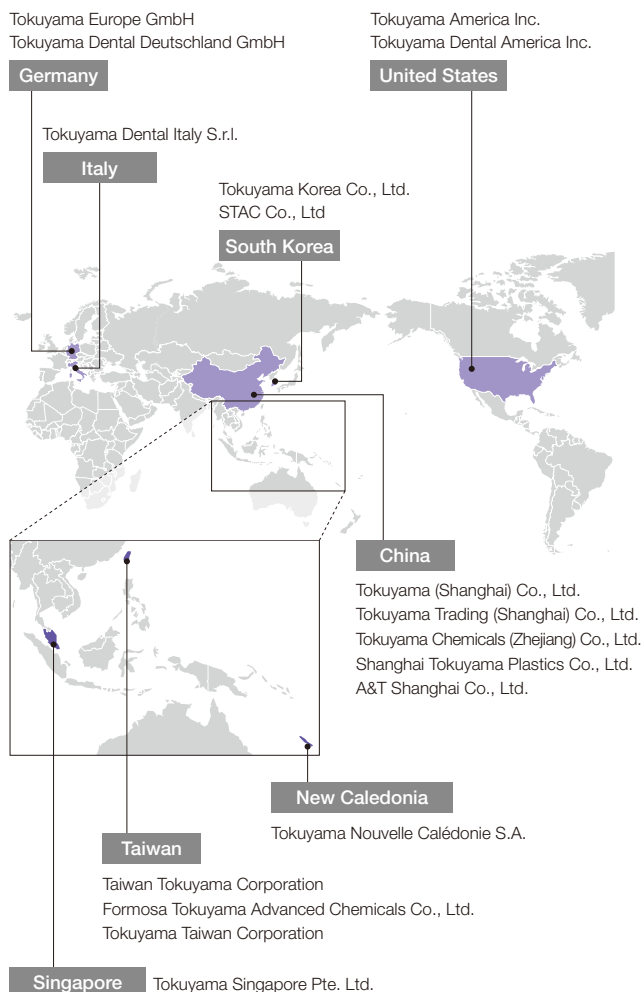
Shareholders by Type



Tokuyama Corporation Business Sites in Japan



Consolidated Subsidiaries Overseas



Consolidated Subsidiaries

Electronic & Advanced Materials¹

Tokuyama Chemicals (Zhejiang) Co., Ltd.²

Production and sale of fumed silica, high-purity chlorosilane, high-purity chemicals for electronics manufacturing

Formosa Tokuyama Advanced Chemicals Co., Ltd.²

Production and sale of high-purity chemicals for electronics manufacturing

Taiwan Tokuyama Corporation

Production and sale of high-purity chemicals for electronics manufacturing

STAC Co., Ltd.

Production and sale of high purity chemicals for electronics manufacturing

Tokuyama-Dowa Power Materials Co., Ltd.

Production and sale of aluminum nitride substrates

Tokuyama METEL Corporation

Production and sale of industrial cleaners

Life Science

Shanghai Tokuyama Plastics Co., Ltd.²

Production and sale of microporous film

Tokuyama Dental Corporation

Production and sale of dental materials and equipment

Tokuyama Dental America Inc.

Sale of dental materials and equipment

Tokuyama Dental Deutschland GmbH

Sale of dental materials and equipment

Tokuyama Dental Italy S.r.l.

Sale of dental materials and equipment

A&T Corporation

Production and sale of diagnostic reagents, analyzers and systems

A&T Shanghai Co., Ltd.

Sale of diagnostic reagents, analyzers and systems

ASM Inc.

Development, manufacture and sale of Polyrotaxanes related products

One other company

Eco Business

ASTOM Corporation

Production, sale and maintenance of ion-exchange membranes and related equipment

Tokuyama Chiyoda Gypsum Co., Ltd.

Collection of waste gypsum board, production and sale of gypsum dihydrate, operation of waste gypsum board recycling business

Excel Shanon Corporation³

Production and sale of plastic window sashes

Tohoku Shanon Co., Ltd.⁴

Production and sale of plastic window sashes

FL Tokuyama Corporation

Sale of plaster sheets and items made from plaster sheets

Chemicals

Shin Dai-ichi Vinyl Corporation²

Production and sale of PVC resin

Tokuyama Soda Trading Co., Ltd.

Stocking and sale of soda ash and calcium chloride

Sun Arrow Kasei Co., Ltd.

Production and sale of PVC resin compounds

Cement

Tokuyama Nouvelle Calédonie S.A.

Production and sale of cement

Tokuyama MTech Corporation

Processing and sale of building materials and chemical products

Tokuyama Tsusho Trading Co., Ltd.

Stocking and sale of cement and ready-mixed concrete

Kansai Tokuyama Trading Co., Ltd.⁵

Stocking and sale of cement and ready-mixed concrete

Tokushou Co., Ltd.⁵

Stocking and sale of cement and ready-mixed concrete

Tokushin Co., Ltd.⁵

Stocking and sale of cement and ready-mixed concrete

Tokuyama Art Block LABO Co., Ltd

Production and sale of interlocking block

Tokyo Tokuyama Concrete Co., Ltd.

Production and sale of ready-mixed concrete and concrete products

Kawasaki Tokuyama Ready Mixed Concrete Co., Ltd.

Production and sale of ready-mixed concrete

Chugoku Ready Mixed Concrete Co., Ltd.

Production and sale of ready-mixed concrete

Hiroshima Tokuyama Ready Mixed Concrete Co., Ltd.

Production and sale of ready-mixed concrete

Seibu Tokuyama Ready Mixed Concrete Co., Ltd.

Production and sale of ready-mixed concrete

Shirokawa Co., Ltd.

Production and sale of ready-mixed concrete

Kagawa Tokuyama Co., Ltd.

Sale of cement and construction materials, production and sale of ready-mixed concrete

Kyushu Tokuyama Ready Mixed Concrete Co., Ltd.

Production and sale of ready-mixed concrete

Toyomi Co., Ltd.

Production and sale of ready-mixed concrete

Notsuharu Co., Ltd.

Production and sale of ready-mixed concrete

Other

Tokuyama (Shanghai) Co., Ltd.

Management company to provide services for other group companies in China

Tokuyama Trading (Shanghai) Co., Ltd.

Sale of Tokuyama Group products

Tokuyama Taiwan Corporation

Marketing and R&D of growth businesses

Tokuyama Korea Co., Ltd.

Sale of Tokuyama Group products

Tokuyama Singapore Pte. Ltd.

Production and sale of high purity chemicals for electronics manufacturing
Sale of Tokuyama Group products

Tokuyama America Inc.

Sale of Tokuyama Group products

Tokuyama Europe GmbH

Sale of Tokuyama Group products

Shunan System Sangyo Co., Ltd.

Civil engineering, construction work and planning; on-site contracted factory work; stocking and sale of construction materials

Shunan Swimming Club Co., Ltd.

Operation of health promotion facilities including swimming and fitness clubs

Tokuyama Kairiku Unso K.K.

Shipping, transportation and warehousing

Kyoeiseikiyu Corporation

Petroleum-related business

Yamaguchi Kisen Corporation

Marine transportation

Shunan Kairiku Unso Limited

Freight forwarding

Shunan Bulk Terminal Co., Ltd.

Warehouse operations for bulk cargoes of coal, etc.

Tomitec Co., Ltd.

Production and sale of plastic molded products

Super Nano Design Co., Ltd.

Design, manufacture and sale of nanomaterials

¹ On April 1, 2023, the name was changed to Electronic & Advanced Materials

² Specified subsidiary

³ On July 3, 2023, became affiliated company accounted for by the equity method.

⁴ On April 1, 2023, merged with Excel Shanon Corporation.

⁵ On April 1, 2023, merged with Tokuyama Tsusho Trading Co., Ltd.

Note: On January 1, 2023, Tokuyama Information Services Corporation was acquired by Tokuyama Corporation.