

OUR VALUE

Tokuyama Value Creation Story

CREATION STORY

Mission

To create a bright future in harmony with the environment, in collaboration with customers, based on chemistry

Values

Commitment to customer satisfaction as a profit source

A broader, loftier perspective

Employees who consistently surpass their predecessors

Integrity, perseverance, a playful spirit and boldness

Medium-Term Management Plan 2025

Priority issues

Transform business portfolio

Contribute to mitigating global warming

Practice socially responsible management

Goals

Net sales: 400.0 billion yen

Operating profit: 45.0 billion yen

Net sales from growth businesses

•Percentage of consolidated net sales: 50% or more

•CAGR: 10% or more

ROE: 11% or more

Materiality

See p. 40-43 for details

- Helping to fight global warming
- Conserving the environment
- Preventing accidents and preparing for disasters
- Developing products and technologies that address social issues
- Improved chemical management and product safety

- Engaging with local communities
- Promoting CSR procurement
- Developing human resources
- Promotion of diversity and career fulfillment
- Promotion of physical/mental health



FY2030 Goals

the share of consolidated net sales
from growth businesses to

60% or more

Percentage of
consolidated overseas net sales

50% or more

GHG emissions
(Scope 1,2)

30% reduction*

*Base year: FY2019

Vision

Be a value-creative
company that places
first priority on R&D and
marketing

Be a company that
never stops challenging
new domains while
refining and exploiting
its unique strengths

Be a company with
healthy employees who
have healthy families and
take pride in their work at
their company

Be a company that
fosters bonds with
people in communities
and societies worldwide

FY2050

Achieve carbon neutrality

The Path to Realize Our Vision

Through the steady transformation of our business portfolio, we at Tokuyama are contributing to mitigating global warming, and practicing socially responsible management as stated in Medium-Term Management Plan 2025, and are making progress in realizing our Vision and toward becoming a value-creative company. We will strive for sustainable business growth by leveraging human capital and sharing our Mission and Values.

Overview of Tokuyama

We will create new value in harmony with the environment by supplying products that address social issues.

We are developing businesses based on products created through our unique technologies and efficient production system tailored to the characteristics of our each business, mainly in the electronic & advanced materials that support cutting-edge semiconductor manufacturing, as well as the life sciences and the environment. We are also actively working to reduce GHG emissions from in-house power generation facilities at the Tokuyama Factory, our main production base.



Year Established

1918



Employees (consolidated)

5,782
people



Net sales

343.0
billion yen



Operating profit

29.9
billion yen



Total assets

476.2
billion yen



Rating

A
* R&I Issuer Rating



Capital expenditures

24.6
billion yen



R&D expenses

16.0
billion yen



Number of production bases

In Japan **28** bases
overseas **8** bases



R&D bases

In Japan **3** bases
overseas **1** base



GHG emissions (Scope 1 and 2)

5,910,000
t-CO₂e



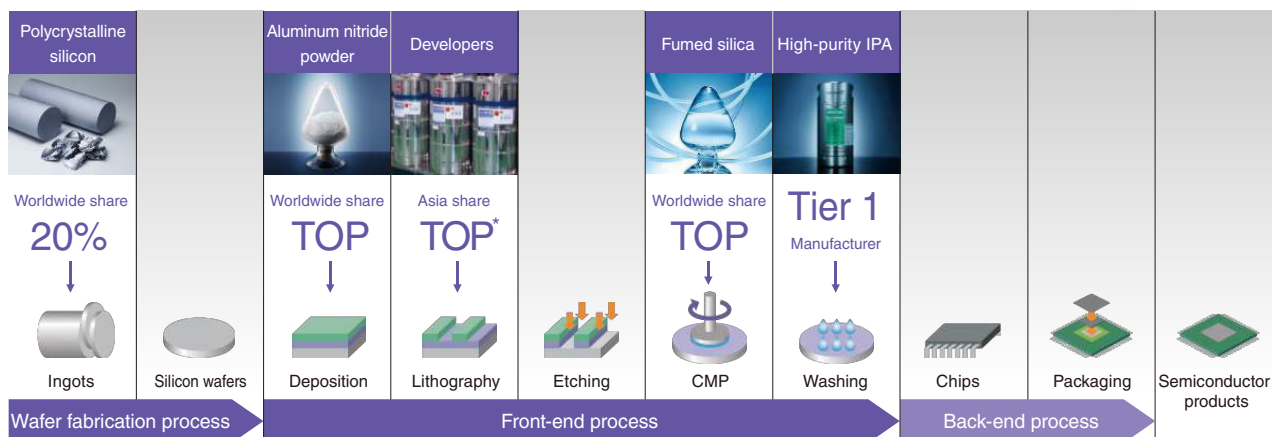
GHG emission reductions
(Scope 1 and 2)

1,350,000
t-CO₂e*

* Compared with FY2019

Electronic & Advanced Materials

Competitive products used in semiconductor manufacturing processes



Life Science

Photochromic materials for eyeglass lenses

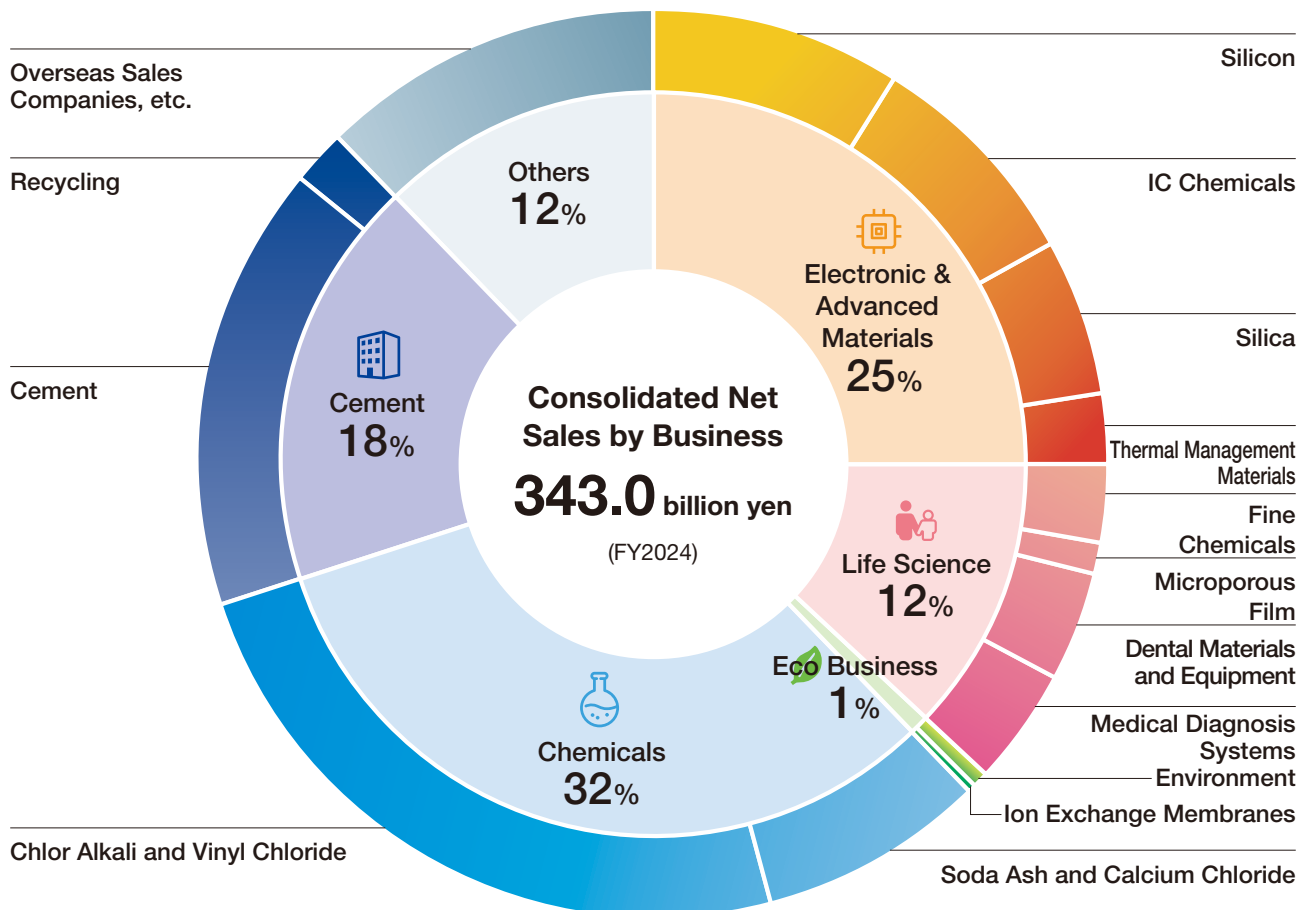
Eco Business

The world's first waste gypsum board
in a non-kiln resource recycle

Worldwide share
No. 2 (20%)

100%
Fully recycled

* Shares based on our estimates



* See p. 30-31 for details

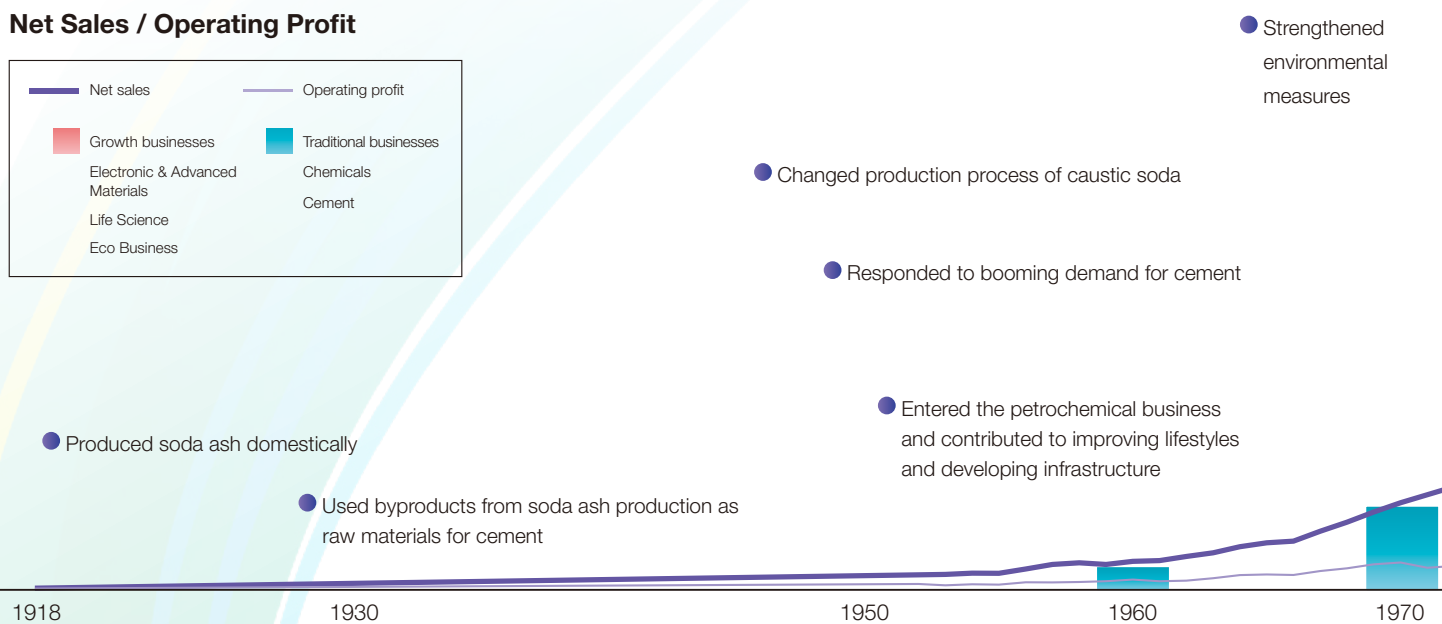
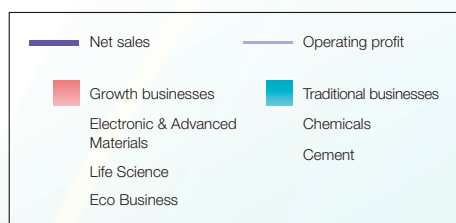
The Path to Value Creation

Historical Background and Social Issues

- The Great Depression (1929 to 1941)
- Environmental pollution problems
- World War I (1914 to 1918)
- World War II (1939 to 1945)
- Japanese economic miracle (1955 to 1973)

Since our founding in 1918, Tokuyama has worked to accumulate technologies and create new products by developing our inorganic chemicals business, while, from the 1970s, we began addressing social issues by expanding the scope of businesses, mainly in organic and polymer chemistry. We are continuing to refine the technologies that have become the cornerstone of our growth over more than a century, as we strive to create new values that meets the requirements of the coming age.

Net Sales / Operating Profit



Tokuyama Value Creation

Japanese industrial development backed by domestically produced soda ash
 Established the foundation for the soda business

Strengthened our facilities and converted our manufacturing methods in response to the needs of society
 Diversified businesses to evolve into a comprehensive chemical manufacturer

Tokuyama's Path

1918

Nihon Soda Kogyo Co., Ltd. (currently Tokuyama Corporation) was established
 Soda ash plant was constructed in Tokuyama-cho, Yamaguchi Prefecture (currently Shunan City)



Panoramic view of the company around 1919

1924

First shipment of caustic soda (ammonia-soda process)

1927

First shipment of soda ash

1938

Central power plant completed

1938

Cement plant completed and production started



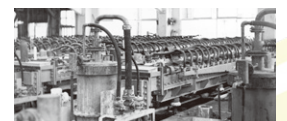
Cement Tokuyama Plant

1940

Began production of calcium chloride

1952

Began production of high-quality caustic soda using an electrolytic process



Electrolyzer

1960

Nanyo Plant was constructed
 Began cement production using a large kiln



Nanyo No. 1 Kiln (Mammoth Kiln)

1964

Entered the petrochemical business

1966

Entered the PVC business



PVC plant

1967

Entered the ion-exchange membrane business, opened the East Plant to expand the petrochemical business

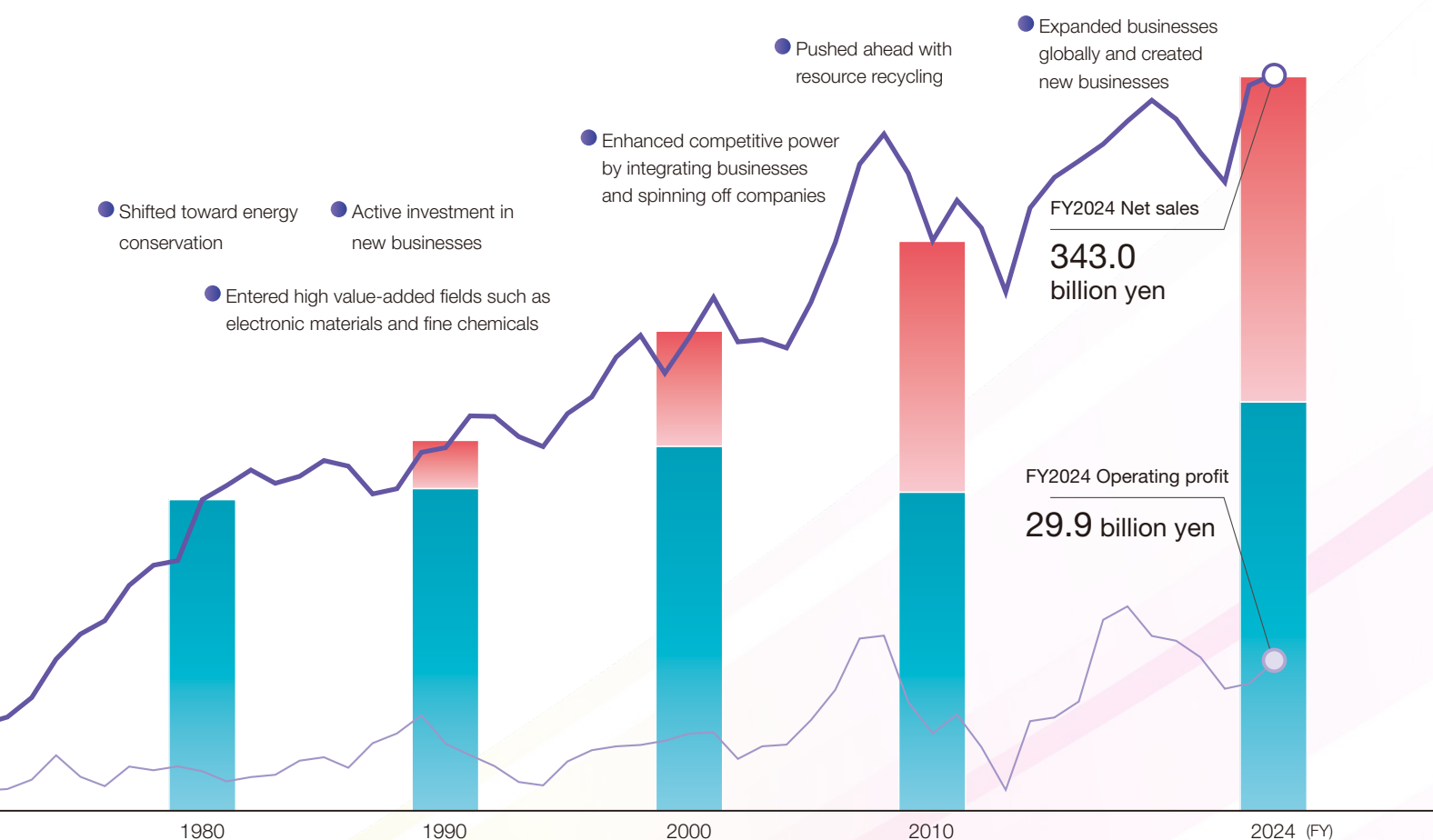
1972

Started production of isopropyl alcohol using direct hydration process

1975

Began production of caustic soda using a diaphragm process

- Oil shocks (1973, 1979)
- Declining birthrate and aging population in Japan
- COVID-19 pandemic (2020~)
- Japanese asset price bubble (1986 to 1991)
- Digital revolution (from 1995)
- Bankruptcy of Lehman Brothers (2008)
- Kyoto Protocol (1997)
- Adoption of the Sustainable Development Goals or SDGs (2015)



Expansion of new businesses such as specialty and processing types, and more overseas operations underpinning our growth as a global company

Providing new value in the fields of electronics, healthcare, and the environment
Aiming to transform into a value creation company

1978 Entered the dental materials and equipment business

1982 Entered the fine chemicals business

1983 Entered the medical diagnostic systems business

1984 Entered the high-purity polycrystalline silicon business

1985 Entered the high-purity aluminum nitride business

1985
Opened Kashima Factory as a manufacturing base for fine chemicals



Kashima Factory

1989
Opened the Tsukuba Research Laboratory as a base for the development of specialty businesses



Tsukuba Research Laboratory

1989
Established Tokuyama America, established Tokuyama Europe

1996 Established the current Tokuyama Singapore and Taiwan Tokuyama as manufacturing and sales bases for high-purity IPA, etc.

2001 Established Tokuyama Dental by spin-off of the dental materials and equipment business

2004 Spun off the ion-exchange membrane business to integrate with ASTOM

2005
Established Tokuyama Chemicals (Zhejiang) to meet the growing global demand for fumed silica



Tokuyama Chemicals (Zhejiang)

2011
Established Tokuyama Chiyoda Gypsum (waste gypsum board recycling business)



Formosa Tokuyama Advanced Chemicals (FTAC)

2020
Established Formosa Tokuyama Advanced Chemicals (FTAC) to respond to needs for high-purity IPA

2021 Made A&T (medical diagnostic systems company) a wholly owned subsidiary, opened the Center for Commercialization of Advanced Technology in Yanai City, Yamaguchi Prefecture

2022 Established STAC (manufacturing and sales of high-purity IPA) in South Korea

2024 Opened the No. 2 Tsukuba Research Laboratory
Established TOKUYAMA VIETNAM (production and sales of high-purity polycrystalline silicon)

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To provide an overview of the Tokuyama Group's business activities, we have outlined our history, current position, and future goals.



P2-3 → Overview of Tokuyama

We have compiled data that will give you an overall snapshot of Tokuyama, a company that creates new value in harmony with the environment by supplying products that address social issues.

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P8-13 → Message from the President

As President and Executive Officer, Hiroshi Yokota will introduce the Tokuyama Group's current and future vision and medium- to long-term growth strategy.

Section 3 Progress of Growth Strategy

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Detailed updates on the Medium-Term Management Plan, the foundation of our growth strategy, are provided from the viewpoints of strategic priorities and each business area.



P32-37 → Progress of Strategy by Business Segment

The general managers of the business divisions that drive value creation will describe their business growth strategies and progress for FY2024.

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Updates on the efforts and progress we have made to achieve sustainable growth based on our Group's "Mission" and "Vision" from an ESG perspective.



P50-51 → Board Members' Roundtable Discussion

We will delve deeper into the current state of corporate governance through interviews including two external directors.

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Editorial Policy

The Tokuyama Report is published to communicate the Company's management policy and medium- to long-term strategy to stakeholders in a way that is easily understood. We added new features to this report, including concrete examples of our efforts towards value creation, in response to requests from investors we interviewed and an internal survey conducted.

We hope that this report will enable better communication with our stakeholders as well as a deeper understanding of the Tokuyama Group.

This report briefly outlines information that is highly relevant to the value creation story. For more detailed IR and/or sustainability information, please visit the Company's website.

Period Covered

FY2024 (April 1, 2024 to March 31, 2025)

* The fiscal 2025 performance forecast presented in this report is based on information as of April 28, 2025, and does not reflect the impact of the acquisition of in vitro diagnostics and in vitro diagnostic materials business.

Report Scope

Tokuyama Corporation and consolidated subsidiaries (50 companies)


* If the reported scope is different for some data in this report, the different scope will be cited.

* In principle, entities listed as Tokuyama in this report generally refer to Tokuyama Corporation and the Tokuyama Group.

Reference Guidelines

- The Ministry of Economy, Trade and Industry, Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation 2.0
- IFRS Foundation International Integrated Reporting Framework

Information Disclosure Framework

	Financial	Non-Financial
Overview of Strategy	<p>Tokuyama Report (Integrated Report)</p> <p>This report includes corporate activities for a wide range of stakeholders, covering both financial and non-financial aspects of Tokuyama at present and for the future that we aim to achieve.</p> <p>https://www.tokuyama.co.jp/eng/ir/report/annual_rep.html</p> 	
Details and Latest Data	<p>Investors Website</p> <p>Useful information for shareholders and investors, organized as an IR Library</p> <ul style="list-style-type: none"> • Financial documents (financial summaries, financial briefing materials, etc.) • Annual securities reports (Financial Section) • Corporate governance reports <p>We have introduced a chart generator as a tool to check, compare, and analyze performance, financial, and ESG-related information, so please do make use of it.</p> <p>https://www.tokuyama.co.jp/eng/ir/</p>	<p>Sustainability Information</p> <p>Provides more detailed information on Tokuyama's sustainability activities.</p> <p>https://www.tokuyama.co.jp/eng/csr/</p>
		<p>Tokuyama TCFD Report</p> <p>Outlines initiatives against climate change based on the IFRS's four recommendations: governance, strategy, risk management, and metrics and targets</p> <p>https://www.tokuyama.co.jp/eng/csr/global_warming.html#section2</p>
		<p>Tokuyama Sustainability Data Book</p> <p>Mainly includes data for understanding today's Tokuyama based on the perspectives of responsible care and ESG</p> <p>https://www.tokuyama.co.jp/eng/csr/report/index.html</p>

Cautionary Note on Forward-Looking Statements

This report contains forward-looking statements on the Company's plans, strategies, operating performance and other matters. These forward-looking statements are the Company's assessments based on information available at the time of this report's preparation. Statements in this report are subject to various risks and uncertainties. Tokuyama's actual activities and performance may differ significantly from these projections. The Company's actual activities and/or operating performance can differ materially from these forward-looking statements as a result of many factors, including but not limited to changes in economic conditions, the operating environment, demand trends, and exchange rates.

Disclaimer

This report is for information only and is not intended as a solicitation. The Company assumes no liability for any losses due to investment decisions made by relying on forward-looking statements, numerical targets, or other information contained here.