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September 25, 2020

Company name: Tokuyama Corporation

Representative: Hiroshi Yokota,

President and Representative Director

(Code No. 4043, First Section TSE)

Contact: Taro Kobayashi, General Manager

Corporate Communications & Investor Relations Dept.

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Notice Concerning Establishment of Joint Venture (Subsidiary)

Tokuyama Corporation (hereinafter referred to as “the Company” or “Tokuyama”) hereby announces that, at a Board of Directors’ meeting held on September 25, 2020, the decision was taken to establish a joint venture in Taiwan with Formosa Plastics Corporation for the purpose of manufacturing and selling high-purity isopropyl alcohol (IPA) for the electronics industry.

1. Purpose of Joint Venture Establishment

Due to the advances made in 5G, IoT, AI and other technologies, the semiconductor market is expected to continue expanding over the medium to long term, and accordingly the demand for high-purity IPA is forecasted to gradually increase. In addition, with the progress being made in the miniaturization of semiconductor devices, customer demands for higher quality and stable supply are ever increasing.

Manufactured by a unique, direct hydration method and featuring low concentrations of impurities, Tokuyama high-purity IPA is a cleaning solution used in the semiconductor manufacturing process, and the Company has been seeking higher purity to meet customer needs.

With the establishment of this joint venture, the Company will build an integrated production system from propylene as a raw material in Taiwan and, to further expand its high-purity IPA business, establish a production and supply system that immediately responds to the needs of its customers in Taiwan.

2. Outline of Joint Venture

(1) Name	Formosa Tokuyama Advanced Chemicals Co., Ltd.
(2) Location	Kaohsiung City, Republic of China
(3) Name and Title of Representative	Chairman Jason Lin General Manager Haruyoshi Honda
(4) Business	Production and sale of high-purity IPA

(5) Capital	1,000 million Taiwan dollars
(6) Date of Establishment	October, 2020 (Planned)
(7) Major Shareholder and Ratio of Shareholding	Tokuyama Corporation 50% Formosa Plastics Corporation 50%

3. Outline of Joint Venture Partner

(1) Name	Formosa Plastics Corporation	
(2) Location	No.100, Shuiguan Rd., Renwu Dist., Kaohsiung City 814, Taiwan(R.O.C)	
(3) Name and Title of Representative	Chairman Jason Lin	
(4) Business	Production and sales of petrochemical products and chemical products	
(5) Capital	63,657 million Taiwan dollars	
(6) Date of Establishment	November 5, 1954	
(7) Major Shareholders and Ratios of Shareholdings	Chang Gung Medical Foundation 9.44% Formosa Chemicals & Fibre Corp. 7.65% Credit Suisse AG- Credit Suisse Singapore Branch 6.26% Nan Ya Plastics Corp. 4.63%	
(8) Relationships between the Parties	Capital Relationship	Tokuyama and the relevant company have no significant capital relationship.
	Personnel Relationship	Tokuyama and the relevant company have no significant personnel relationship.
	Transaction Relationship	Tokuyama and the relevant company have no significant transaction relationship.
	Status as a Related Party	The relevant company does not belong to Tokuyama's related parties.

4. Timetable

(1) Board of Directors' resolution date	September 25, 2020
(2) Joint venture agreement date	September 28, 2020 (Planned)
(3) Business launch date	January 2022 (Planned)

5. Impact on Business Performance

The impact of the establishment of this joint venture on the consolidated full-year earnings forecast for the fiscal year ending March 31, 2021, will be minor, but the Company will promptly give notice if the earnings forecast is revised.