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Company name: Tokuyama Corporation
Representative name: Hiroshi Yokota,
President and Representative Director
(Code No. 4043, First Section TSE)
Contact: Taro Kobayashi, General Manager,
Corporate Communications & Investor Relations Dept.
TEL: +81-3-5207-2552

Discontinuation (abolition) of Policy Regarding Large-Scale Purchases of Tokuyama Corporation's Company Shares (Anti-Takeover Measures)

Tokuyama Corporation (hereinafter “the Company” or “Tokuyama”) hereby announces that the Board of Directors of the Company, at its meeting held on February 25, 2021, determined to discontinue and abolish a policy (hereinafter “the Policy”) regarding the Large-Scale Purchase of Tokuyama’s shares, which expires at the end of the 157th Ordinary General Shareholders’ Meeting (hereinafter “its Ordinary General Shareholders’ Meeting”) to be held on June 25 2021.

Tokuyama recognizes the critical need for large-scale purchasers to produce an adequate amount of information as well as the provision of an appraisal and the opinion of Tokuyama’s Board of Directors together with information and the like based on the business features pertaining to any large scale purchase for shareholders to make a decision whether to accept any large-scale purchase in the event of a large-scale purchase of the Company’s shares. Based on this understanding, the Company adopted the former “Policy Regarding Large-Scale Purchases of Tokuyama Corporation’s Shares” after obtaining the approval of shareholders at the Company’s 142nd Ordinary General Shareholders’ Meeting held on June 27, 2006. In addition, Tokuyama renewed and continued this Policy following the approval of shareholders at the Company’s 145th Ordinary General Shareholders’ Meeting held on June 25, 2009, 148th Ordinary General Shareholders’ Meeting held on June 26, 2012, 151st Ordinary General Shareholders’ Meeting held on June 24, 2015, and 154th Ordinary General Shareholders’ Meeting held on June 22, 2018.

With the impending expiration of the Policy’s effective period, Tokuyama has carefully considered such factors as the opinions of shareholders including institutional investors both in Japan and overseas as well as changes in the social environment attributable to the application of the Corporate Governance Code and its impact. As a result, the Company has decided not to undertake a renewal and to abolish the Policy at the close of its Ordinary General Shareholders’ Meeting.

Meanwhile, Tokuyama will continue to implement all appropriate countermeasures in accordance with relevant laws and ordinances even after the abolition of the Policy. This includes requesting any

party who intends to conduct a Large-Scale Purchase of the Company's shares to furnish all necessary and adequate information and to provide shareholders with pertinent details including the Board of Directors' appraisal and opinion of that information as well as the business features pertaining to any Large-Scale Purchase. At the same time, Tokuyama will work to secure and improve the common interests of shareholders by steadfastly implementing "Medium-Term Management Plan 2025", the Company released today.