

(Note) This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

December 22, 2021

Company name: Tokuyama Corporation

Representative: Hiroshi Yokota,

President and Representative Director

(Code No. 4043, First Section TSE)

Contact: Tetsuya Nakano, Manager

Corporate Communications & Investor Relations Dept.

TEL: +81-3-5207-2552

## **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 December 22, 2021, the decision was taken to establish a joint venture in Korea with SK Geo Centric Co., Ltd. (hereinafter referred to as “SKGC”) 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, DX and other technologies, the semiconductor market is expected to continue expanding over the medium to long term. As a result, demand for high-purity IPA used in the semiconductor manufacturing process is forecast 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 that features low concentrations of impurities, Tokuyama has to date marketed high-purity IPA, mainly in Japan, Taiwan, China and Southeast Asia. In this manner, the Company has maintained an unwavering commitment toward improving its technology in a bid to meet customer needs.

With the establishment of this joint venture, Tokuyama will build an integrated production system in Korea that extends from propylene, the raw material produced by SKGC, to high-purity IPA. By combining its strengths in high-purity IPA manufacturing technology and quality control capabilities with SKGC's strong presence in Korea, the Company will establish a new production and sales system to meet the needs of Korean customers.

This initiative is part of the Company’s efforts to transform its portfolio, a cornerstone of the Medium-Term Management Plan 2025. and will contribute to the growth of the electronics field, which is positioned as a growth business.

## 2. Outline of Joint Venture

(1) Name	STAC Co., Ltd.	
(2) Location	Ulsan City, Korea	
(3) Name and Title of Representative	Yet to be decided	
(4) Business	Production and sale of high-purity IPA	
(5) Capital	60 million US dollars (Equivalent)	
(6) Date of Establishment	July 2022 (Planned)	
(7) Major Shareholder and Ratio of Shareholding	Tokuyama Corporation	50%
	SK Geo Centric Co., Ltd.	50%

## 3. Outline of Joint Venture Partner

(1) Name	SK Geo Centric Co., Ltd.	
(2) Location	26, Jong-ro, Jongno-Gu, Seoul 03188, Korea	
(3) Name and Title of Representative	President & CEO Na, Kyung-soo	
(4) Business	Petrochemical company	
(5) Capital	2,851,449 million Korean won	
(6) Date of Establishment	January 1, 2011	
(7) Major Shareholders and Ratios of Shareholdings	SK Innovation Co., Ltd.	100.00%
(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	December 22, 2021
(2) Joint venture agreement date	December 28, 2021 (Planned)
(3) Business launch date	July 2024 (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, 2022, will be minor, but the Company will promptly give notice if the earnings forecast is revised.