

Release on share acquisition (April 22, 2025)

Tokuyama Corporation for Investor & Media Meeting Q&A

Date and time: April 22, 2025 (Tuesday) 18:00-19:00

Participant: Hiroshi Yokota, President, Representative Director  
Fumiaki Iwasaki, Director, Senior Managing Executive Officer

Q: Which of the various businesses, including in vitro diagnostics and molecular diagnostics products, that are earmarked for acquisition in this instance do you find especially appealing?

A: The domestic immunoassay market for autoimmune diseases is projected to steadily expand. Expectations are also high for companion reagents in Japan. Taking into consideration the expansion of raw materials for reagents, including in China, we anticipate significant growth in the Chinese market going forward. Based on the aforementioned forecast trends, we anticipate these three businesses will contribute over the short term.

Q: Can we also expect synergy effects in the Company's existing Life Science Business other than medical diagnostic systems and in vitro diagnostics?

A: While there are no direct synergies with photochromic materials, there is a degree of compatibility with ingredients for generic pharmaceuticals as well as dental materials and equipment. For dental materials and equipment in particular, Tokuyama Dental is in the process of developing a wide range of treatment-based products. Looking ahead, we will place considerable importance on the field of preventive medicine, where we anticipate synergy effects. This includes diagnosing the risk of periodontal disease by detecting proteins in saliva.

Q: The closing date is scheduled for October 2025. Has this been factored into second half forecasts for fiscal 2025? In addition, is there a high risk that the Company will not be able to close?

A: We do not believe that the hurdles imposed by risks relating to competition laws are high. Plans are in place to include the newly established company in Tokuyama scope of consolidation from the second half of fiscal 2025 after closing.

Q: At ¥82 billion, this is a major investment decision. What are your thoughts and resolve toward this initiative?

A: We recognize that this is a massive investment. At the same time, the newly acquired business has distinctive technologies, has a high market share in the area of autoimmune diseases within in vitro diagnostics, and is a leader in Japan in the field of companion diagnostic reagents for the treatment of cancer. As such, we are confident that this acquisition will help generate stable earnings for years to come. The acquisition price is indeed substantial. However, as mentioned, this business is more than capable of generating cash and we anticipate an increase in both sales and profits. Rather than a risk, we see this undertaking as a secure investment. In short, this initiative combines important technological elements and materials in areas where we have traditionally wanted to grow, and accordingly we anticipate further growth. The Life Science segment is positioned as a pillar of Tokuyama's future, and the newly acquired business will play an important role. We hold high expectations for this acquisition as it will greatly promote the transformation of our portfolio.