

(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.

May 29, 2026

Company Name: Tokuyama Corporation

Representative Name: Tomohiro Inoue,

Representative Director, President and Executive Officer

(Code No. 4043, Prime Market, TSE)

Contact: Koji Ozawa, General Manager

Corporate Communications & Investor Relations Dept.

TEL: +81-3-5207-2552

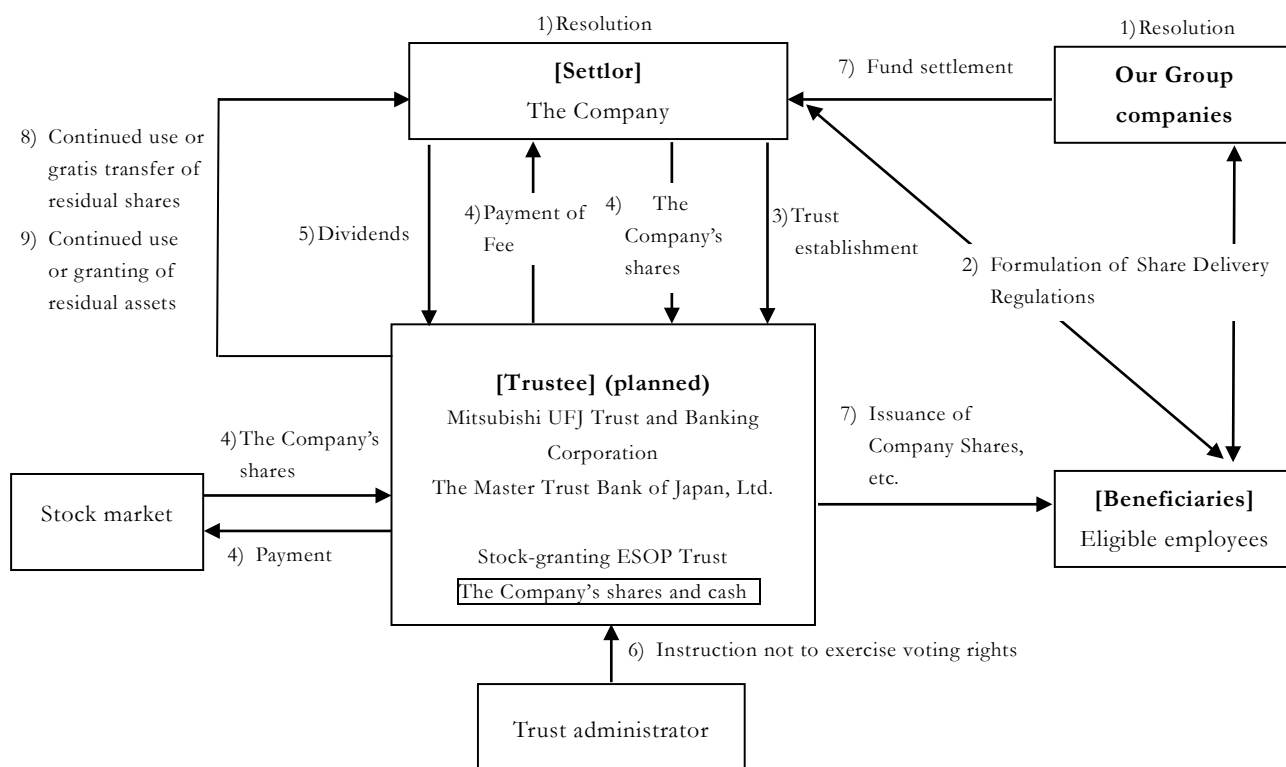
Notice Concerning the Introduction of a Stock Grant System for Tokuyama Corporation and Tokuyama Group Company Employees

Tokuyama Corporation (hereinafter “the Company,” “Tokuyama” or “we”) hereby announces that the Board of Directors of the Company, at its meeting held today, made a resolution to introduce a stock grant system (hereinafter referred to as “the System”) utilizing a stock-granting Employee Stock Ownership Plan (ESOP) trust for employees of the Company and of Group companies (excluding persons not resident in Japan; hereinafter referred to as “Eligible Employees”), as set out below.

1. Introduction of the System

- (1) The Tokuyama Group is introducing an employee stock grant system with the aim of improving corporate value over the medium to long term and realizing sustainable growth. By returning a portion of the profits generated in line with performance to employees in the form of company stock, the System functions as an incentive to enhance employees’ sense of ownership in improving corporate value and to support sustainable growth. By promoting actions geared toward enhancing corporate value throughout the entire Group, we will also work to strengthen our organizational capabilities, which will contribute to the achievement of our Five-year Business Plan. Achieving sustainable growth through investment in human capital will also lead to the maximization of our corporate value.
- (2) The System applies to the period covered by the new Five-year Business Plan (hereinafter referred to as the “System Period,” with the initial System Period covering the five-year period from the current fiscal year ending March 31, 2027, to the fiscal year ending March 31, 2031). Moreover, points will be awarded to Eligible Employees according to their achievement of performance targets, etc.
- (3) For the System, we have adopted the mechanism of a stock-granting ESOP Trust (hereinafter referred to as the “ESOP Trust”). Based on predetermined share delivery regulations, this will involve the Company granting and providing shares in the Company equivalent to the points awarded (hereinafter referred to as the “issuance of the Company’s shares, etc.”) and cash equivalent to the proceeds from the sale of shares in the Company to Eligible Employees who meet certain requirements.

2. Overview of the System



- 1) The Company will be making the necessary resolutions with regard to the introduction of the ESOP Trust. Our Group companies will be making the necessary resolutions with regard to the introduction of the System on a company-by-company basis.
- 2) The Company and the Group companies will formulate the Share Delivery Regulations in relation to the content of the System.
- 3) The Company will entrust funds to a trustee and establish an ESOP Trust, the beneficiaries of which will be Eligible Employees who are deemed to meet the beneficiary requirements.
- 4) In accordance with the instructions of the trust administrator, the ESOP Trust will acquire shares in the Company via the stock market or from the Company (through a new share issuance or the disposal of its own shares) using the funds entrusted in 3) as the source of funds.
- 5) Dividends for the Company's shares in the ESOP Trust will be paid in the same way as with other shares of the Company.
- 6) Voting rights of the Company's shares in the ESOP Trust will not be exercised during the trust period.
- 7) In accordance with share delivery regulations, we will issue the Company's shares, etc., to Eligible Employees who meet certain requirements. The Group companies will reimburse the Company for the cash used to acquire the Company's shares, which were distributed to the Eligible Employees of each company and whose equivalent value was paid to them.
- 8) Should there be any residual shares generated at the expiration of the trust period, the ESOP Trust can be continued as a stock issuance system of the same type as the System by amending the trust agreement and establishing an additional trust. If the Trust will end upon the expiration of the trust period, the Trust shall transfer these residual shares gratis to the Company, and the Company shall cancel them as a measure for shareholder returns.
- 9) Any residual dividends pertaining to the Company's shares in the ESOP Trust when the trust period expires will be utilized as acquisition funds for shares if the ESOP Trust continues to be used. However, if the ESOP Trust is terminated following the expiration of the trust period, any amount that exceeds the reserve fund for trust expenses will be donated to an organization with no special interests with the Company or Directors, etc.

*During the trust period, if there is a possibility that the number of Company shares in the ESOP Trust will be insufficient, or if there is a possibility that the money in the trust assets will be insufficient for the payment of the trust fees and trust expenses, then the Company may entrust additional money to the ESOP Trust.

3. Trust Agreement Content

1) Type of trust	Trust of money other than money trust (third-party benefit trust)
2) Trust objective	To provide incentive to Eligible employees
3) Settlor	The Company
4) Trustee	Mitsubishi UFJ Trust and Banking Corporation (planned) (Joint trustee: The Master Trust Bank of Japan, Ltd.) (planned)
5) Beneficiaries	Eligible employees, who fulfill the beneficiary requirements
6) Trust administrator	Third party with no special interests with the Company (Certified Public Accountant)
7) Date of trust agreement	August 3, 2026
8) Trust period	August 3, 2026 to August 31, 2031 (to be extended to the end of August 2031 due to the above revision)
9) Start of the system	August 3, 2026
10) Exercise of voting rights	Voting rights will not be exercised
11) Class of shares to be acquired	Common shares of the Company
12) Amount of trust money	2.82 billion yen (planned) (including trust fees and trust expenses)
13) Method of share acquisition	Acquisition from the stock market
14) Timing of share acquisition	August 6, 2026 to September 4, 2026 (planned)
15) Rights holder	The Company
16) Residual assets	Residual assets that may be received by the Company, the rights holder, shall be within the range of the reserve fund for trust expenses after deducting share acquisition funds from the trust money.