

Fiscal 2024 - Apr 1, 2024 to Mar 31, 2025-

Presentation for IR Meeting

April 28, 2025

Tokuyama Corporation



Key points of fiscal 2024

- Increase in both net sales and operating profit compared with the previous fiscal year owing to such factors as firm sales of semiconductor-related products and progress in reducing manufacturing costs
- As far as the outlook for FY2025 is concerned, and despite falling short of the final fiscal year targets set at time Medium-Term Management Plan 2025 was formulated, net sales, operating profit, and ordinary profit all forecast to hit record highs
- The Company expects to pay out a FY2024 year-end dividend of ¥50 per share and plans to pay an interim and year-end dividend of ¥60 per share each for FY2025.

Raised the annual dividend by ¥20 for two consecutive periods.

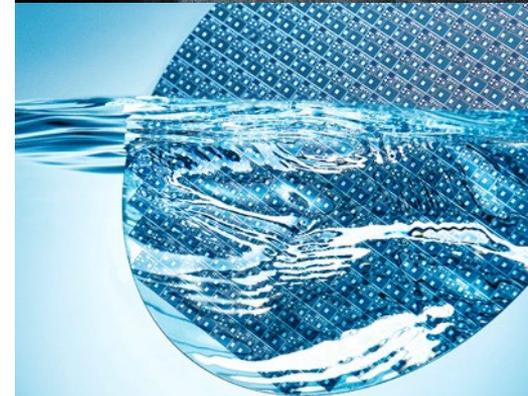
Working to enhance both shareholder returns and capital efficiency in a bid to achieve PBR of one time

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① Financial Results for FY2024

1. Financial Highlights
2. Net Sales / Operating Profit by Business Segment
3. Changes in Operating Profit



1. Financial Highlights

(Billions of yen)

	FY2023	FY2024	Difference		Main changing factors
			Amount	%	
Net sales	341.9	343.0	+1.0	+0	Firm sales of semiconductor-related products
Operating profit	25.6	29.9	+4.3	+17	Progress in manufacturing cost improvements
Ordinary profit	26.2	29.5	+3.2	+13	Increase in operating profit
Profit attributable to owners of parent	17.7	23.3	+5.6	+32	Increase in ordinary profit Improvement in extraordinary income/expenses*
Basic earnings per share (yen)	246.72	325.08	-	-	-
Exchange rate (yen/USD)	145	153	-	-	-
Domestic naphtha price (yen/kl)	69,100	76,500	-	-	-

*Extraordinary income: Gain on transfer of shares coinciding with the integration of SunTox Co., Ltd.;
Gain on sale reflecting the reduction in cross-shareholdings

1. Financial Highlights

(Billions of yen)

	As of Mar 31,2024	As of Mar 31,2025	Difference	Main changing factors
Total assets	457.3	476.2	+18.8	Increase in cash and deposits
Shareholders' equity	249.2	261.5	+12.3	Posting profit attributable to owners of parent
Shareholders' equity ratio	54.5%	54.9%	+0.4pts	-
Interest-bearing debt	105.7	110.6	+4.9	Issuance of bonds
D/E ratio	0.42	0.42	(0.00)	-
Net D/E ratio*	0.23	0.13	(0.10)	-
Net assets per share (yen)	3,464.47	3,635.62	-	-

*Net D/E ratio: (Interest-bearing debt – Cash and deposits, Cash equivalents, Money in trust)/Shareholders' equity

2. Net Sales / Operating Profit by Business Segment

(Year-on-year change)

(Billions of yen)

	FY2023		FY2024		Difference			
	Net sales	Operating profit	Net sales	Operating profit	Net sales	%	Operating Profit	%
Chemicals	115.5	11.5	115.0	10.8	(0.5)	(1)	(0.6)	(6)
Cement	67.1	6.7	64.7	7.4	(2.4)	(4)	+0.7	+11
Electronic & Advanced Materials	77.9	3.3	87.0	9.5	+9.0	+12	+6.2	+187
Life Science	41.3	8.5	41.9	7.8	+0.5	+1	(0.7)	(9)
Eco Business	7.3	(0.1)	5.2	0.0	(2.1)	(29)	+0.1	-
Others	43.7	1.3	40.7	2.1	(2.9)	(7)	+0.8	+59
Total	353.2	31.4	354.7	37.9	+1.4	+0	+6.4	+21
Inter-segment eliminations and corporate-wide expenses	(11.2)	(5.7)	(11.6)	(7.9)	(0.3)	-	(2.1)	-
Consolidated Results	341.9	25.6	343.0	29.9	+1.0	+0	+4.3	+17

(Note1) Sales and operating profit in each segment shown above include inter-segment transactions

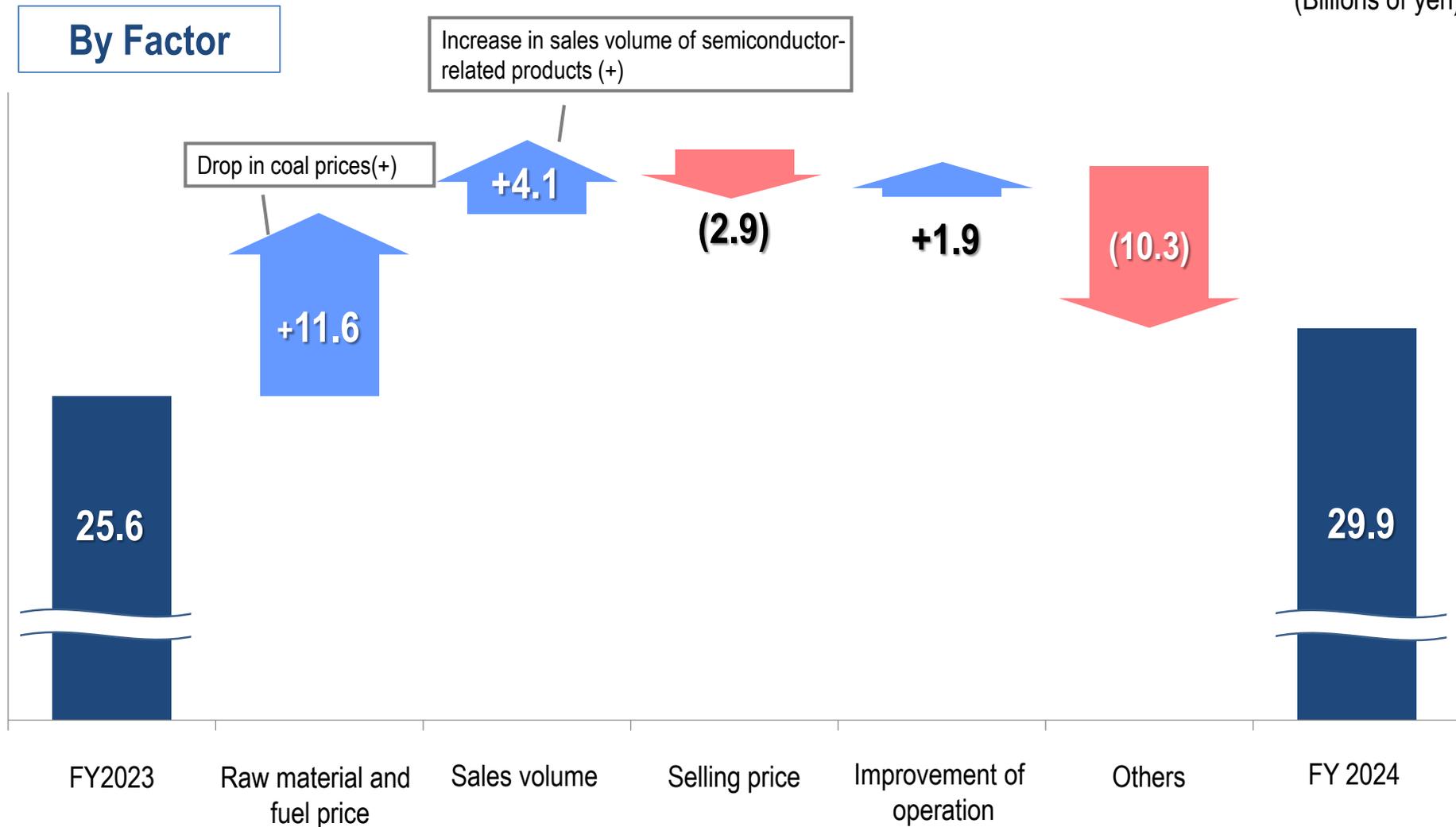
(Note2) The figures of FY2023 and FY2024 stated above have been modified to reflect the operating results based on the business segment after this change

3. Changes in Operating Profit

(Year-on-year change)

(Billions of yen)

By Factor

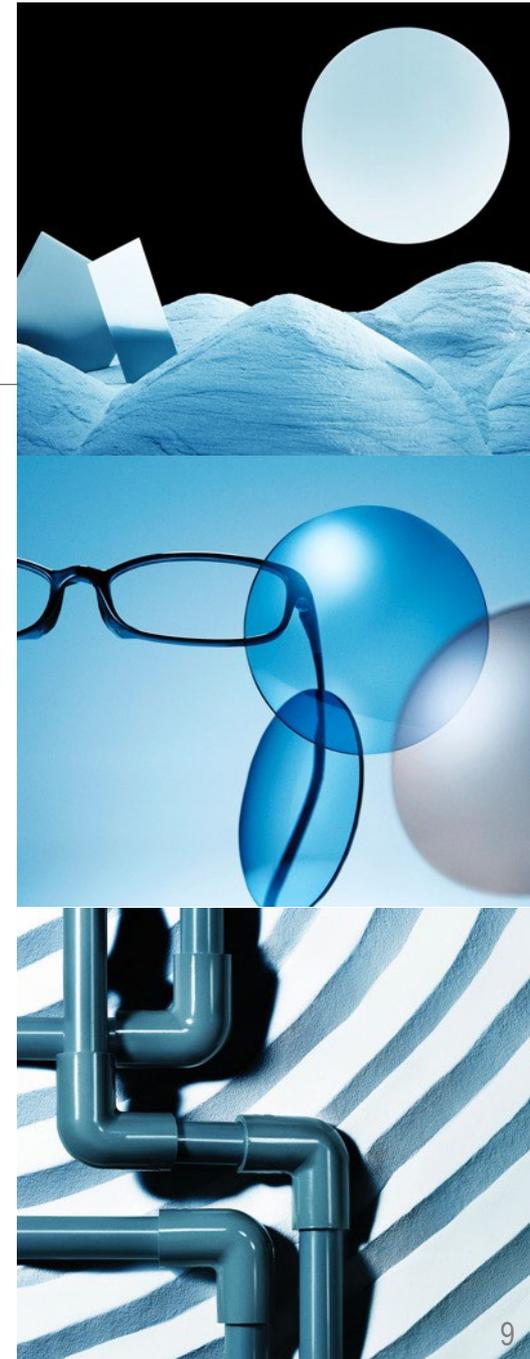


Increase in sales volume of semiconductor-related products (+)

Drop in coal prices(+)

② Performance Forecasts for FY2025

1. Key points of Performance Forecasts
2. Performance Forecasts
3. Performance Forecasts by Business Segment
4. Changes in Operating Profit
5. Investment Plan



1. Key points of Performance Forecasts

- Assumptions of performance forecasts for fiscal 2025 are as follows;

Exchange rate	140 yen/USD
Domestic naphtha price	68,000 yen / kℓ

- Semiconductor market expected to recover to a certain degree, especially in advanced applications
- The construction of a new building for dental materials and equipment was completed. Moving forward, energies will be further directed toward expanding sales
- Uncertainty surrounding the impact of US tariff policies
- Any financial impact of the acquisition of in vitro diagnostics and in vitro diagnostic pharmaceutical materials businesses held by JSR Corporation is currently being assessed

2. Performance Forecasts

(Billions of yen)

	FY2024 Results	FY2025 Forecasts	Difference		Main changing factors
			Amount	%	
Net sales	343.0	364.5	+21.4	+6	Increase in sales volume of semiconductor related products and healthcare-related products
Operating profit	29.9	41.5	+11.5	+38	Increase in sales volume of semiconductor related products and healthcare-related products
Ordinary profit	29.5	41.5	+11.9	+40	Increase in operating profit
Profit attributable to owners of parent	23.3	29.0	+5.6	+24	Increase in ordinary profit
Basic earnings per share (yen)	325.08	403.09	-	-	-
Exchange rate (yen/USD)	153	140	-	-	-
Domestic naphtha price (yen/kl)	76,500	68,000	-	-	-

3. Performance Forecasts by Business Segment

(Billions of yen)

	FY2024 Results		FY2025 Forecasts		Difference			
	Net sales	Operating profit	Net sales	Operating profit	Net sales	%	Operating Profit	%
Chemicals	115.0	10.8	116.0	14.0	+0.9	+1	+3.1	+29
Cement	64.7	7.4	67.0	9.5	+2.2	+4	+2.0	+27
Electronic & Advanced Materials	87.0	9.5	100.0	14.0	+12.9	+15	+4.4	+46
Life Science	41.9	7.8	46.0	9.5	+4.0	+10	+1.6	+22
Eco Business	5.2	0.0	6.5	0.5	+1.2	+25	+0.4	+845
Others	40.7	2.1	41.0	3.0	+0.2	+1	+0.8	+39
Total	354.7	37.9	376.5	50.5	+21.7	+6	+12.5	+33
Inter-segment eliminations and corporate-wide expenses	(11.6)	(7.9)	(12.0)	(9.0)	(0.3)	-	(1.0)	-
Consolidated Results	343.0	29.9	364.5	41.5	+21.4	+6	+11.5	+38

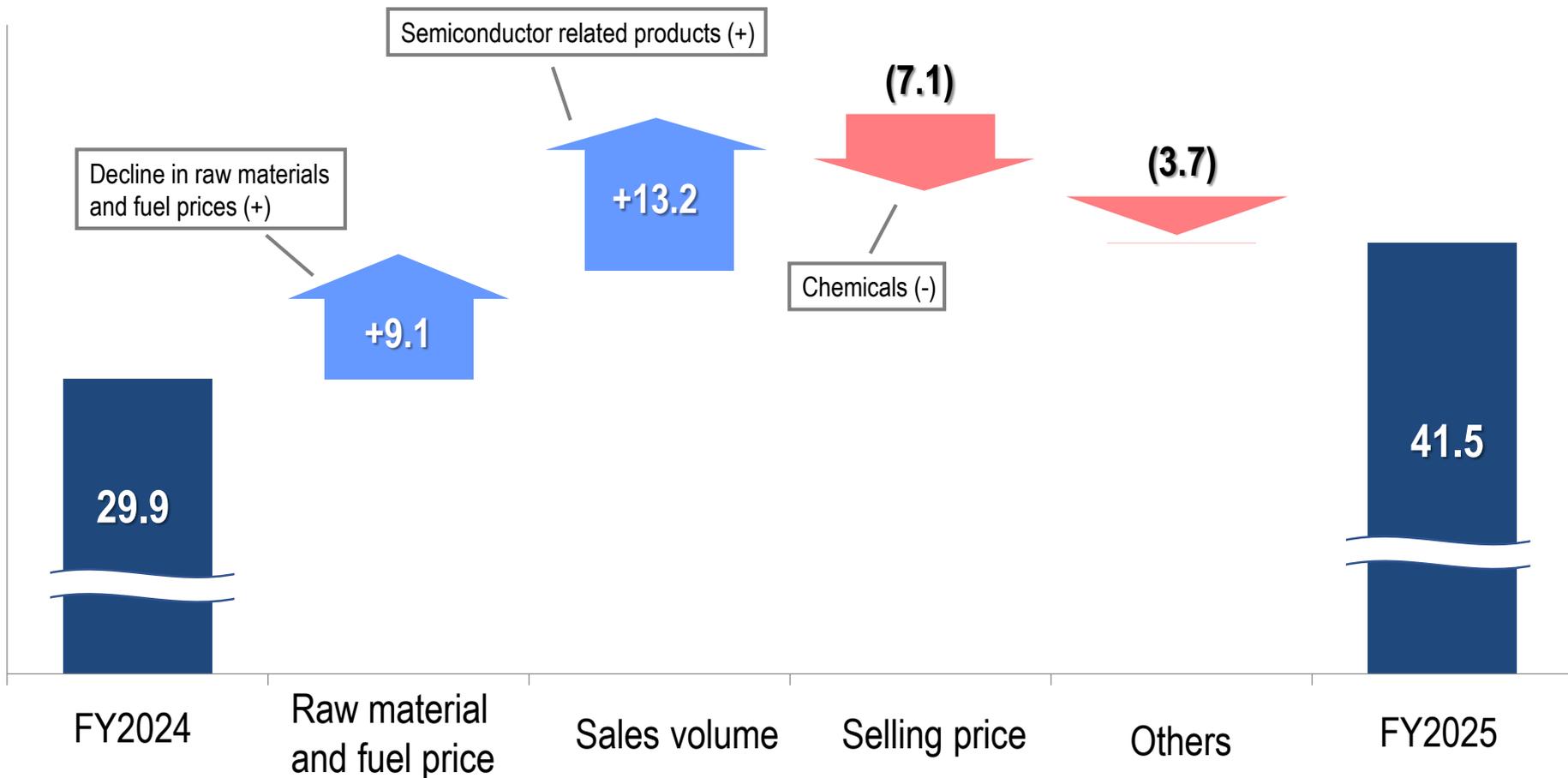
(Note) Sales and operating profit in each segment shown above include inter-segment transactions

4. Changes in Operating Profit

(Year-on-year change)

(Billions of yen)

By Factor



5. Investment Plan

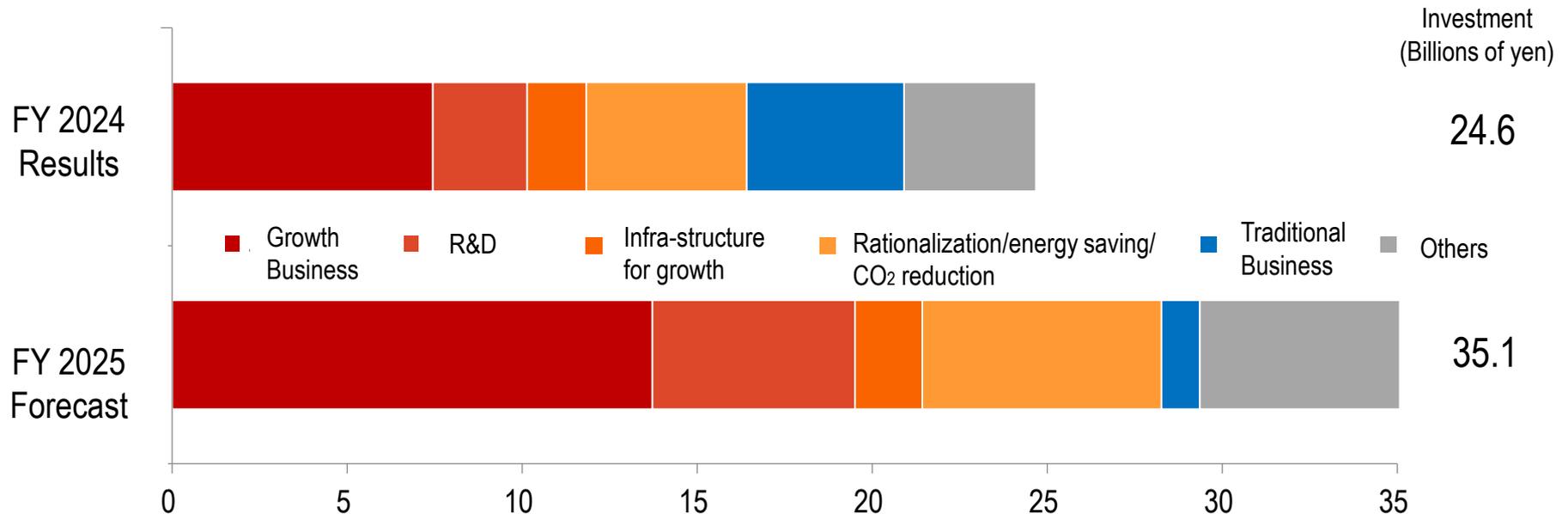
(Billions of yen)

	FY2024 Results	FY2025 Forecast	Changes
Capital expenditures	24.6	35.1	+10.4
Depreciation and amortization	19.6	20.2	+0.6
R&D expenses	16.0	17.1	+1.0

5. Investment Plan

Major Growth Investments

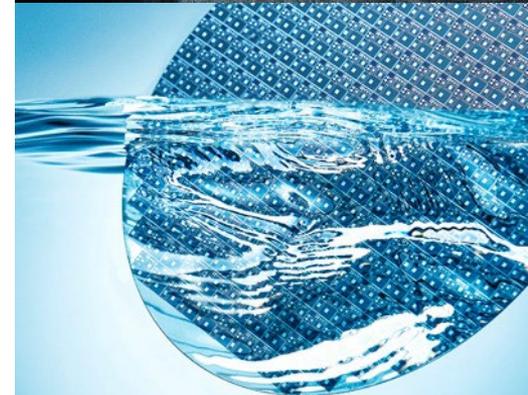
FY 2024 Results	FY 2025 Forecast
Increasing manufacturing capacity of dental materials and equipment	Construction of the factory in Vietnam for polycrystalline silicon
Increasing manufacturing capacity of medical diagnosis systems	Construction of the new recycling facility in FTAC for high-purity IPA
Biomass co-firing-related investment in power plants	Biomass co-firing-related investment in power plants



3

Efforts to Realize Management Conscious of the Cost of Capital and Stock Price

1. Efforts to Realize Management Conscious of the Cost of Capital and Stock Price
2. Shareholder Returns



1. Efforts to Realize Management Conscious of the Cost of Capital and Stock Price

1. Group basis ROIC

FY2024 ROIC: 6.2% WACC: 6.5%

- Group basis ROIC and WACC have been disclosed starting from FY2024
- Businesses that have recorded an ROIC below WACC for two consecutive years are assessed on the basis of cost of capital, including assessing the propriety of continuing such businesses each year. With ROIC falling below WACC, the decision was made to discontinue business at the Company's local subsidiary in China, Tokuyama Plastics Co., Ltd., which engages in the manufacture and sale of microporous films, and to withdraw from this business

2. Reducing cross-shareholdings

Of the total of 23 issues, the Company sold 12 entire issues while disposing of a portion of 3 issues. We will continue to pursue this initiative in FY2025, focusing mainly on the disposal the 3 partially sold issues

2. Shareholder Returns

Policy: Target DOE of 3% and a dividend payout ratio of over 30% from the fiscal year ending March 31, 2025

- **Fiscal 2024** The Company expects to pay out a year-end dividend of ¥50 per share as planned
- **Fiscal 2025** The Company plans to pay an interim and year-end dividend of ¥60 per share each.
Raised the annual dividend by ¥20 for two consecutive periods

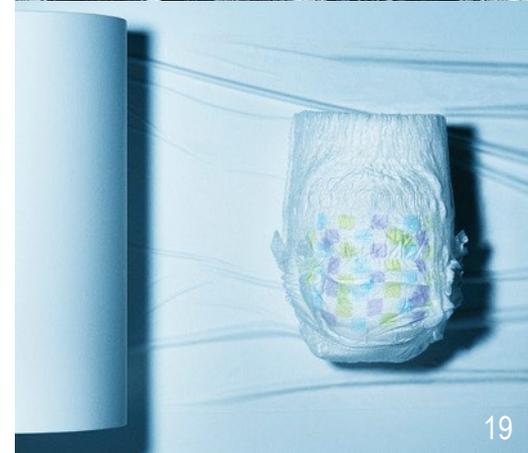
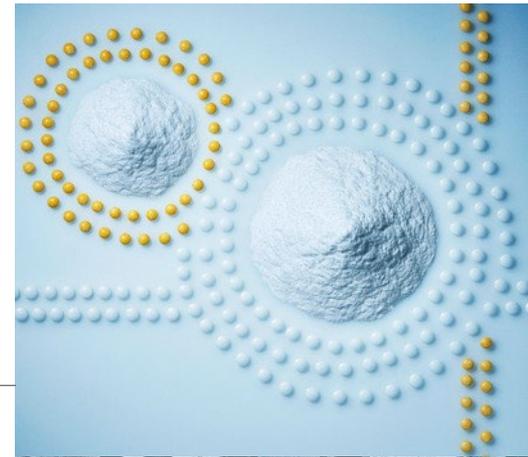
Fiscal Year	2020	2021	2022	2023	2024	2025 Forecast
Interim Dividend (Yen)	35	35	35	35	50	(60)
Year-end Dividend (Yen)	35	35	35	45	50	(60)
Payout ratio (%)	19.9	18.0	53.8	32.4	30.8	(29.8)
DOE* (%)	2.6	2.4	2.3	2.5	2.9	(3.2)

*Figure at the end of the fiscal year

4 Topics

1. Next Medium-Term Management Plan

The next medium-term management plan will be announced around the end of February 2026.



For the People of Tomorrow

TOKUYAMA 

5 Supplementary Material

1. Consolidated Financial Statements
2. Non-Operating Income / Expenses, Extraordinary Gains / Losses and Financial Cost
3. Investment Results / Plan
4. Performance Trend
5. CAPEX, Depreciation and R&D Expenses Trend
6. Interest-Bearing Debts Trend
7. Cash Flow Trend
8. Number of Employees Trend



1. Consolidated Financial Statements

Income Statements

(Billions of yen)

	FY2023	FY2024	Changes	
			Amount	%
Net sales	341.9	343.0	+1.0	+0
Cost of sales	242.4	234.9	+7.5	+3
Selling, general and administrative expenses	73.8	78.1	(4.2)	(6)
Operating profit	25.6	29.9	+4.3	+17
Non-operating income/expenses	0.6	(0.3)	(1.0)	-
Ordinary profit	26.2	29.5	+3.2	+13
Extraordinary income/expenses	(0.4)	1.7	+2.1	-
Profit/loss before income taxes	25.8	31.3	+5.4	+21
Income taxes	8.4	8.0	+0.4	+5
Non-controlling interests	(0.3)	(0.1)	(0.2)	-
Profit attributable to owners of parent	17.7	23.3	+5.6	+32

*Regarding changes, income or profit is shown as positive and expenses or losses are shown as negative amount

1. Consolidated Financial Statements

Balance Sheets

(Billions of yen)

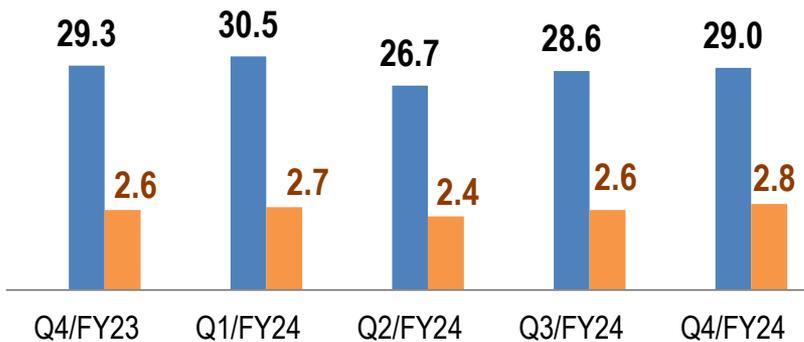
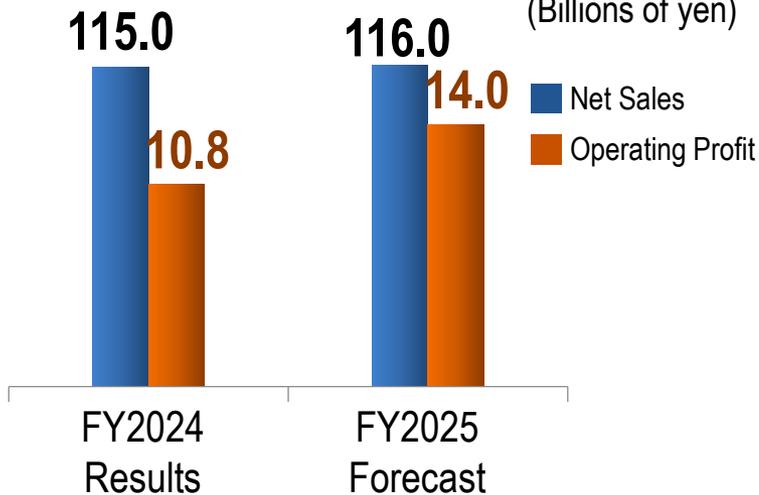
	As of Mar 31,2024	As of Mar 31,2025	Changes	
			Amount	%
Total assets	457.3	476.2	+18.8	+4
Current assets	217.7	234.6	+16.8	+8
Tangible fixed assets	168.7	172.2	+3.5	+2
Intangible fixed assets	3.4	4.2	+0.7	+22
Investments and other assets	67.3	65.0	(2.2)	(3)

	As of Mar 31,2024	As of Mar 31,2025	Changes	
			Amount	%
Total liabilities	197.4	202.3	+4.9	+3
Current liabilities	103.9	91.3	(12.5)	(12)
Long-term liabilities	93.4	111.0	+17.5	+19
Total net assets	259.9	273.8	+13.9	+5

2. Changes in Net Sales / Operating Profit by Business Segment

Chemicals

(Billions of yen)



Higher earnings on higher sales

Qualitative information

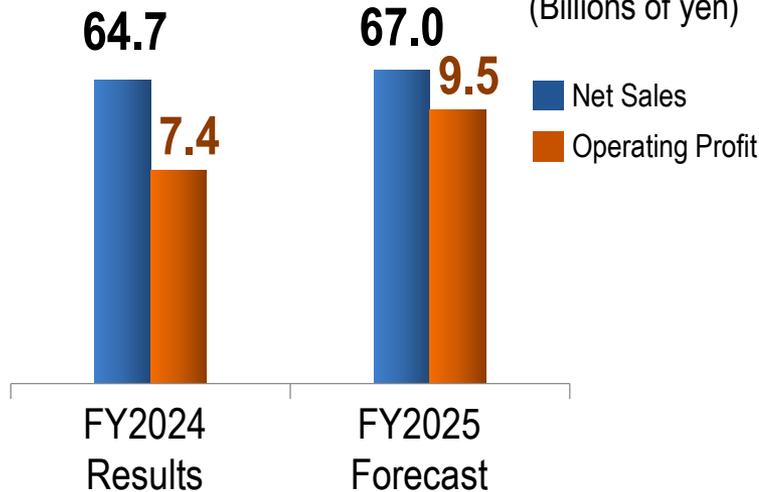
- From a sales and profit perspective, the high risk of fluctuation is expected to continue owing mainly to trends in raw material and fuel costs as well as overseas market conditions for mainstay products
- Under these circumstances, Tokuyama will work diligently to secure earnings in the Chemicals segment by strengthening competitiveness through reductions in manufacturing costs and implementing measures that address changes in the business environment

2. Changes in Net Sales / Operating Profit by Business Segment

Cement

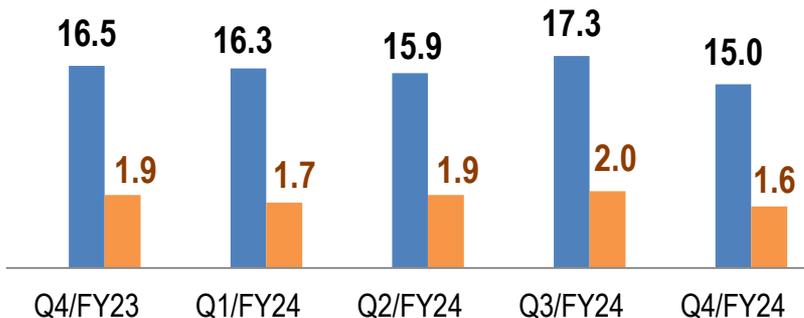
Higher earnings on higher sales

(Billions of yen)



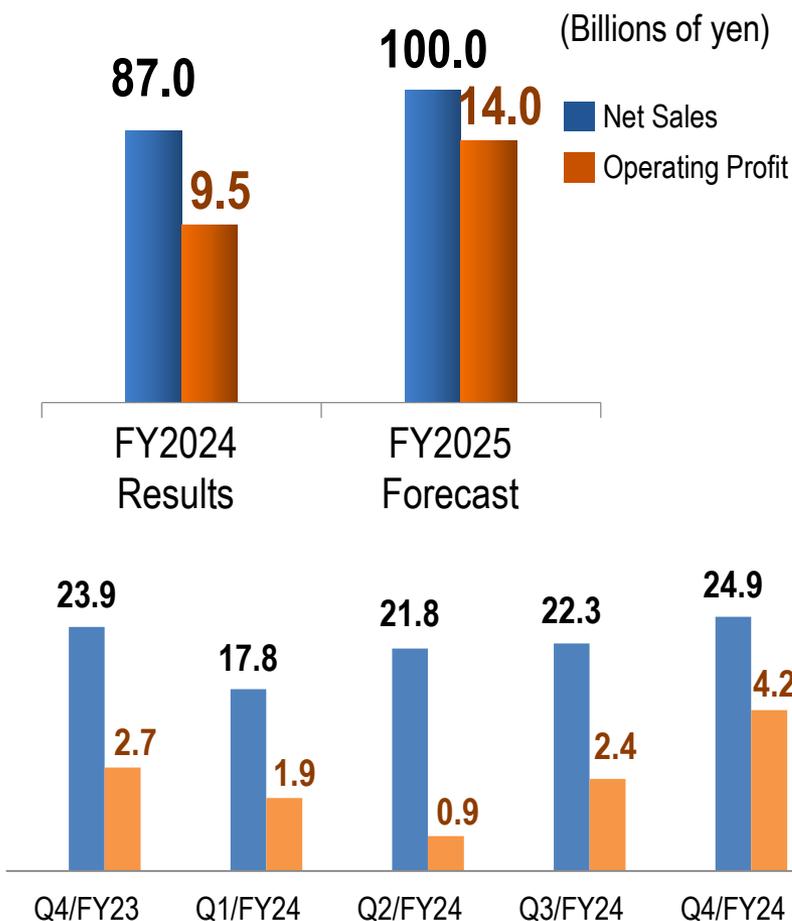
Qualitative information

- While private-sector demand is firm for factory and other construction mainly in urban areas, demand in Japan is expected to shrink from fiscal 2024 owing to such factors as longer construction periods and labor shortages mainly among contractors and logistics providers in the Cement segment.
- We will work to fulfill our responsibilities by ensuring stable supply and endeavor to improve earnings by engaging in the revision of sales prices with an eye on environmental measures aimed at achieving carbon neutrality



2. Changes in Net Sales / Operating Profit by Business Segment

Electronic & Advanced Materials



Higher earnings on higher sales

Qualitative information

Despite uncertainties surrounding such factors as the impact of U.S. trade policies, demand is projected to expand over the medium to long term in the semiconductor market. In addition, as miniaturization progresses, customers are increasingly demanding higher quality and more stable supply

(Semiconductor-grade Polycrystalline silicon)

- We will pursue higher quality products and thereby set ourselves apart from other companies

(IC chemicals)

- Tokuyama will focus on upgrading and expanding its global supply system to meet the upswing in demand by further increasing shipments from bases in Taiwan and establishing a mass production system in South Korea

(Fumed silica and Thermal management materials)

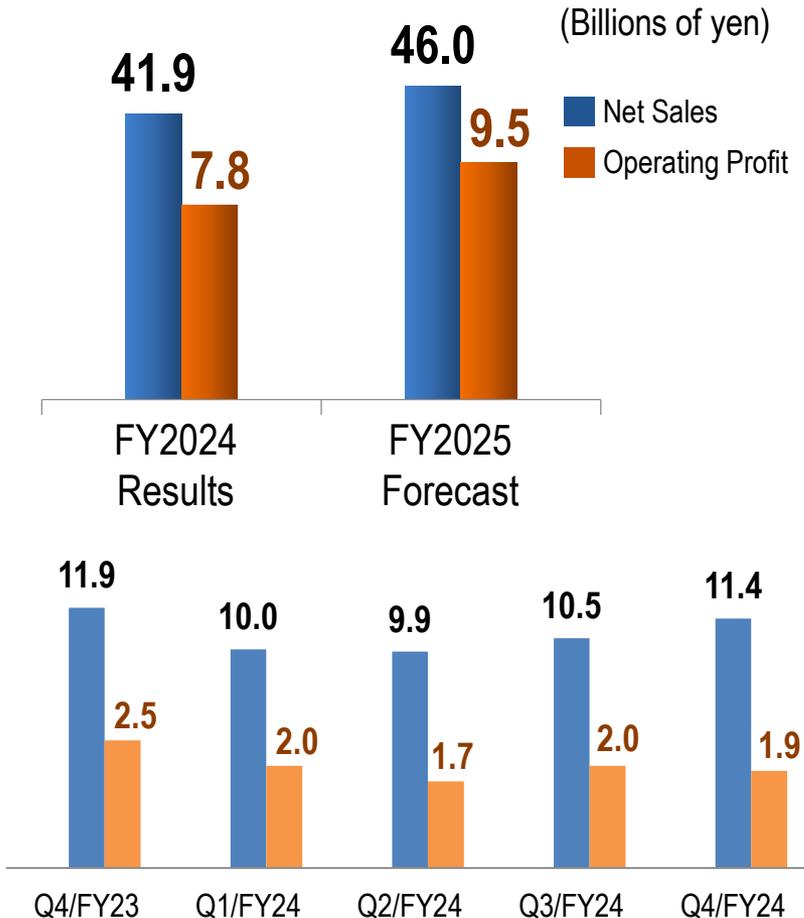
- We will increase sales of existing products and pursue the commercialization of products under development

2. Changes in Net Sales / Operating Profit by Business Segment

Life Science

Higher earnings on higher sales

(Billions of yen)



Qualitative information

(Dental materials / Plastic lens-related materials)

- The overseas shipment volumes are on an increase trend. We will continue to focus on new product development and sales activities in response to changes in customer needs and the market, while aiming to increase profits. The construction of a new building for dental materials and equipment was completed on a new building. Moving forward, energies will be further directed toward expanding sales

(Medical diagnosis systems)

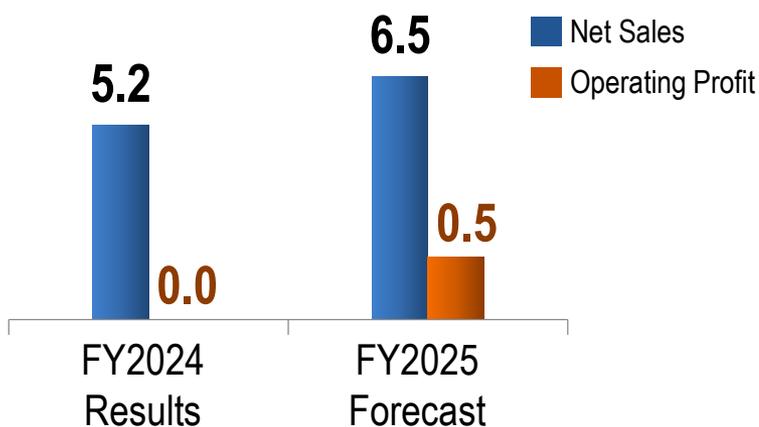
- We will be directed toward expanding sales of mainstay products in a bid to increase sales and profit, promoting the development

2. Changes in Net Sales / Operating Profit by Business Segment

Eco Business

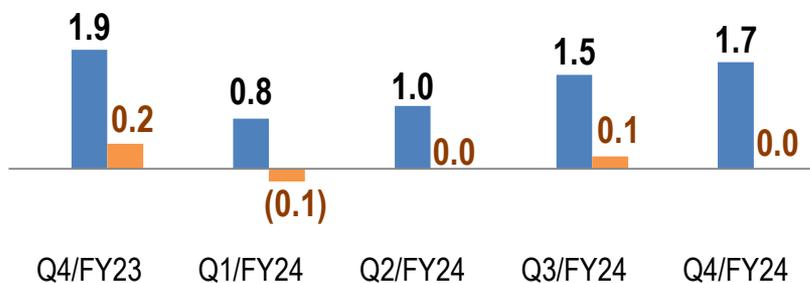
Higher earnings on higher sales

(Billions of yen)



Qualitative information

- In addition to expanding existing businesses such as ion-exchange membranes and the recycling of waste gypsum board, We will accelerate the development and commercialization of technologies that contribute to the reduction of greenhouse gas (GHG) emissions, as well as contribute to the transformation of our business portfolio



3. Non-Operating Income/Expenses, Extraordinary Gains/Losses and Financial Cost

(Billions of yen)

		FY2023	FY2024	Changes
Non-operating income	Interest and dividend income	0.7	0.8	+0.0
	Other income	4.6	5.1	+0.5
	Total	5.4	6.0	+0.6
Non-operating expenses	Interest expenses	1.3	0.9	+0.4
	Other expenses	3.4	5.4	(2.0)
	Total	4.7	6.3	(1.6)
Non-operating income/expenses		0.6	(0.3)	(1.0)

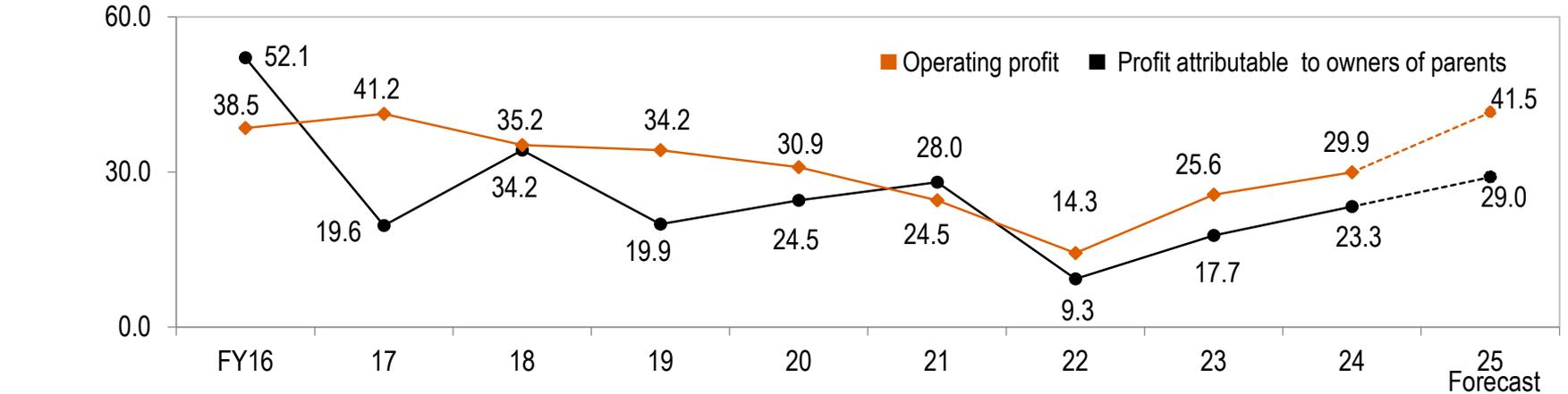
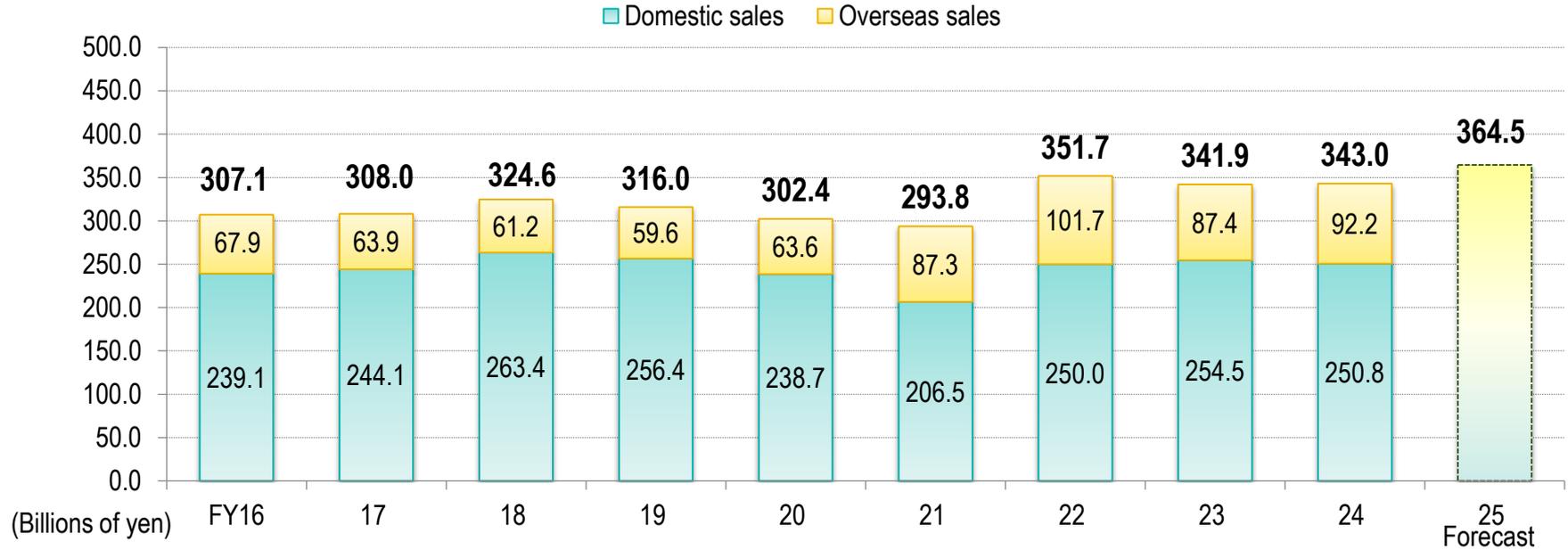
Extraordinary gains	0.8	4.0	+3.1
Extraordinary losses	1.3	2.3	(0.9)
Extraordinary gains/losses	(0.4)	1.7	+2.1

Financial income and expenses	(0.5)	(0.0)	+0.4
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*Regarding changes, income or profit is shown as positive and expenses or losses are shown as negative amount

4. Performance Trend

Net sales
(Billions of yen)



4. Performance Trend

(Billions of yen)

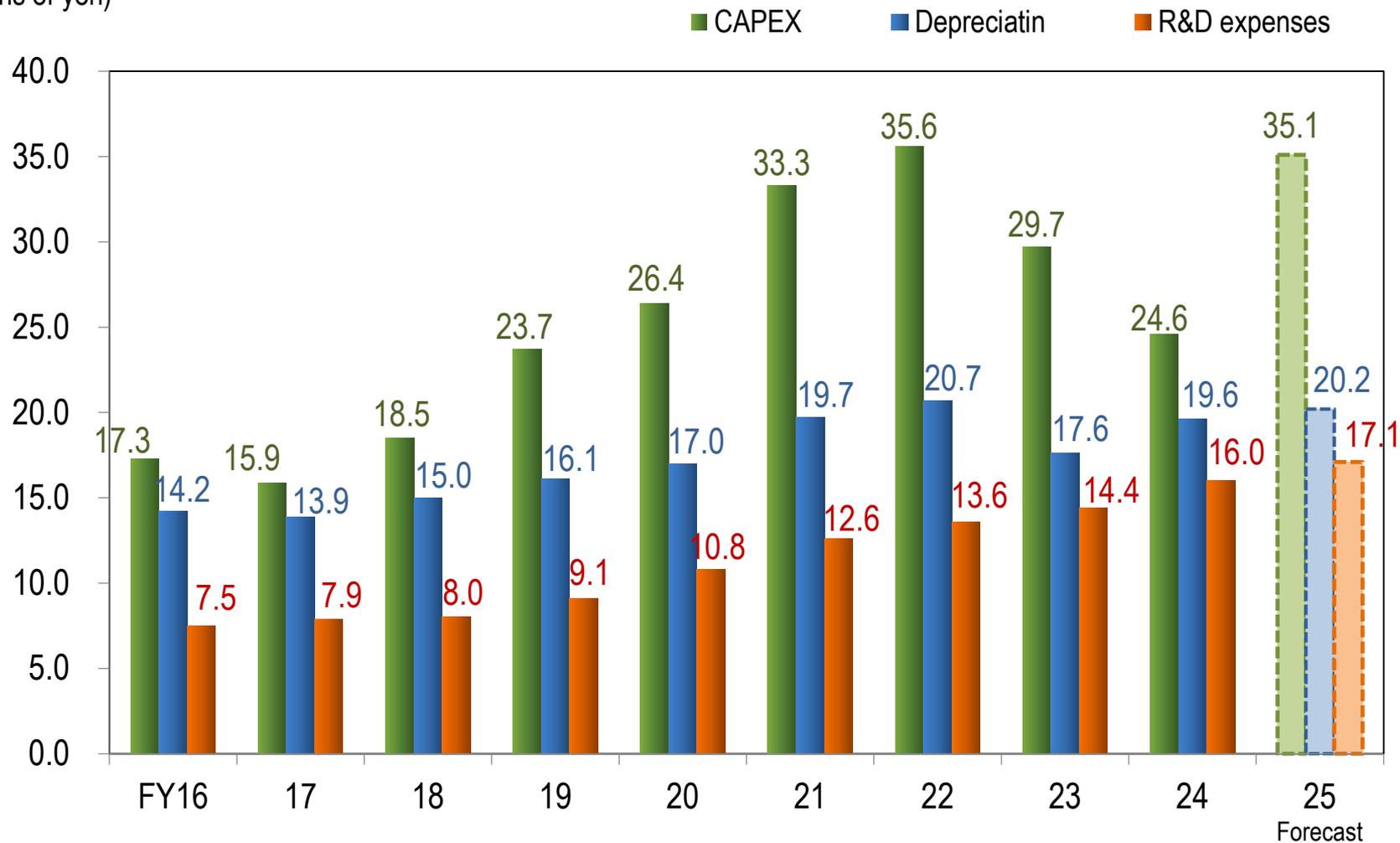
Net sales	FY2023				FY2024			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Consolidated Results	84.8	81.2	84.1	91.7	82.5	83.0	87.8	89.6
Chemicals	28.6	27.1	30.4	29.3	30.5	26.7	28.6	29.0
Cement	16.4	16.0	18.0	16.5	16.3	15.9	17.3	15.0
Electronic & Advanced Materials	18.3	17.5	18.1	23.9	17.8	21.8	22.3	24.9
Life Science	10.1	10.1	9.0	11.9	10.0	9.9	10.5	11.4
Eco Business	2.7	1.5	1.0	1.9	0.8	1.0	1.5	17.0

Operating profit	FY2023				FY2024			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Consolidated Results	5.1	3.4	8.3	8.7	7.5	6.4	7.1	8.8
Chemicals	2.0	3.1	3.6	2.6	2.7	2.4	2.6	2.8
Cement	0.4	1.8	2.5	1.9	1.7	1.9	2.0	1.6
Electronic & Advanced Materials	0.7	(0.1)	(0.0)	2.7	1.9	0.9	2.4	4.2
Life Science	2.1	1.9	1.9	2.5	2.0	1.7	2.0	1.9
Eco Business	(0.3)	0.0	(0.0)	0.2	(0.1)	(0.0)	0.1	0.0

*Figures for consolidated results include Others segments and Inter-segment eliminations and corporate-wide expenses

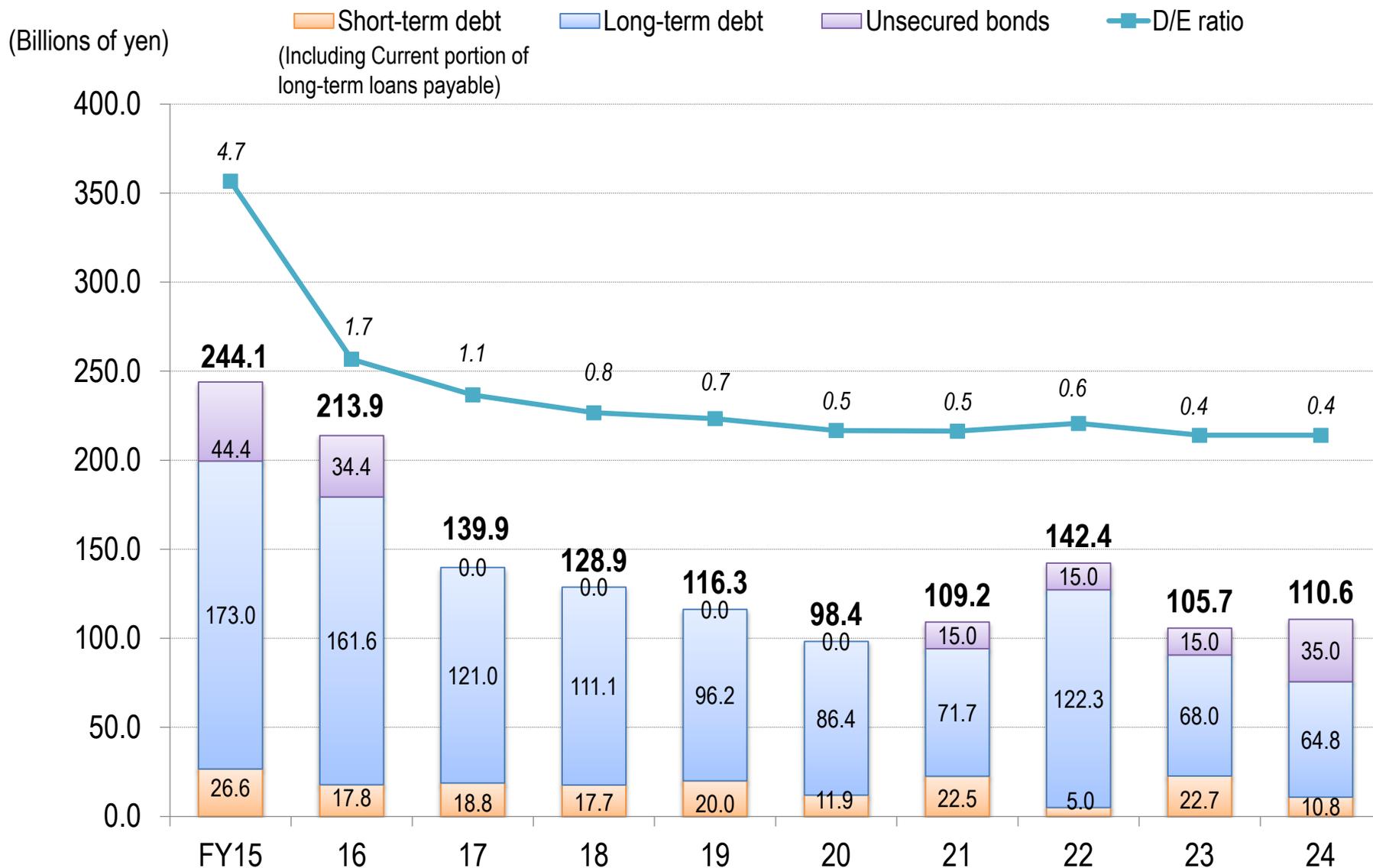
5. CAPEX, Depreciation and R&D Expenses Trend

(Billions of yen)



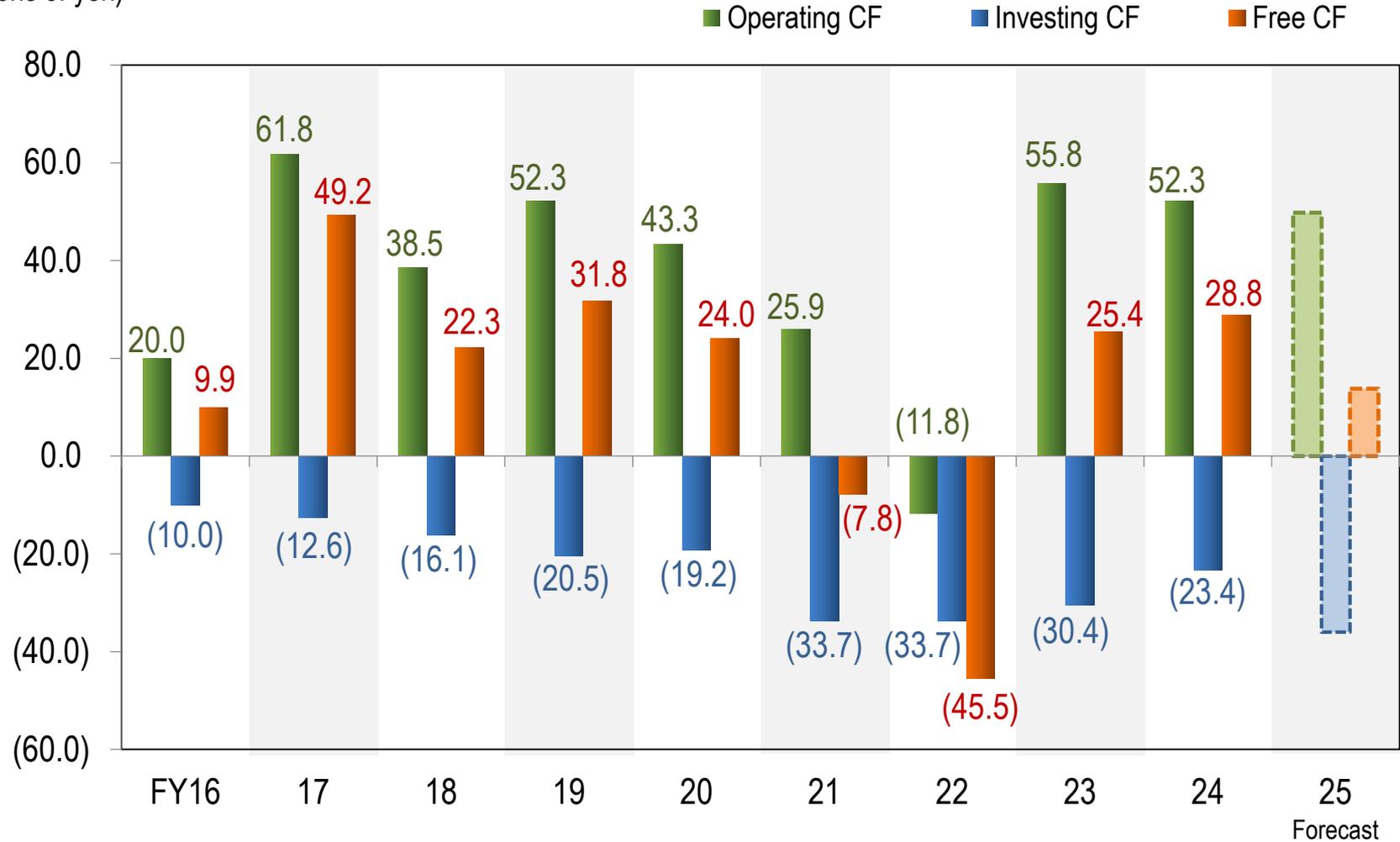
*The depreciation method for property, plant and equipment was changed from the declining balance method to the straight-line method from fiscal year 2023.

6. Interest-Bearing Debts Trend



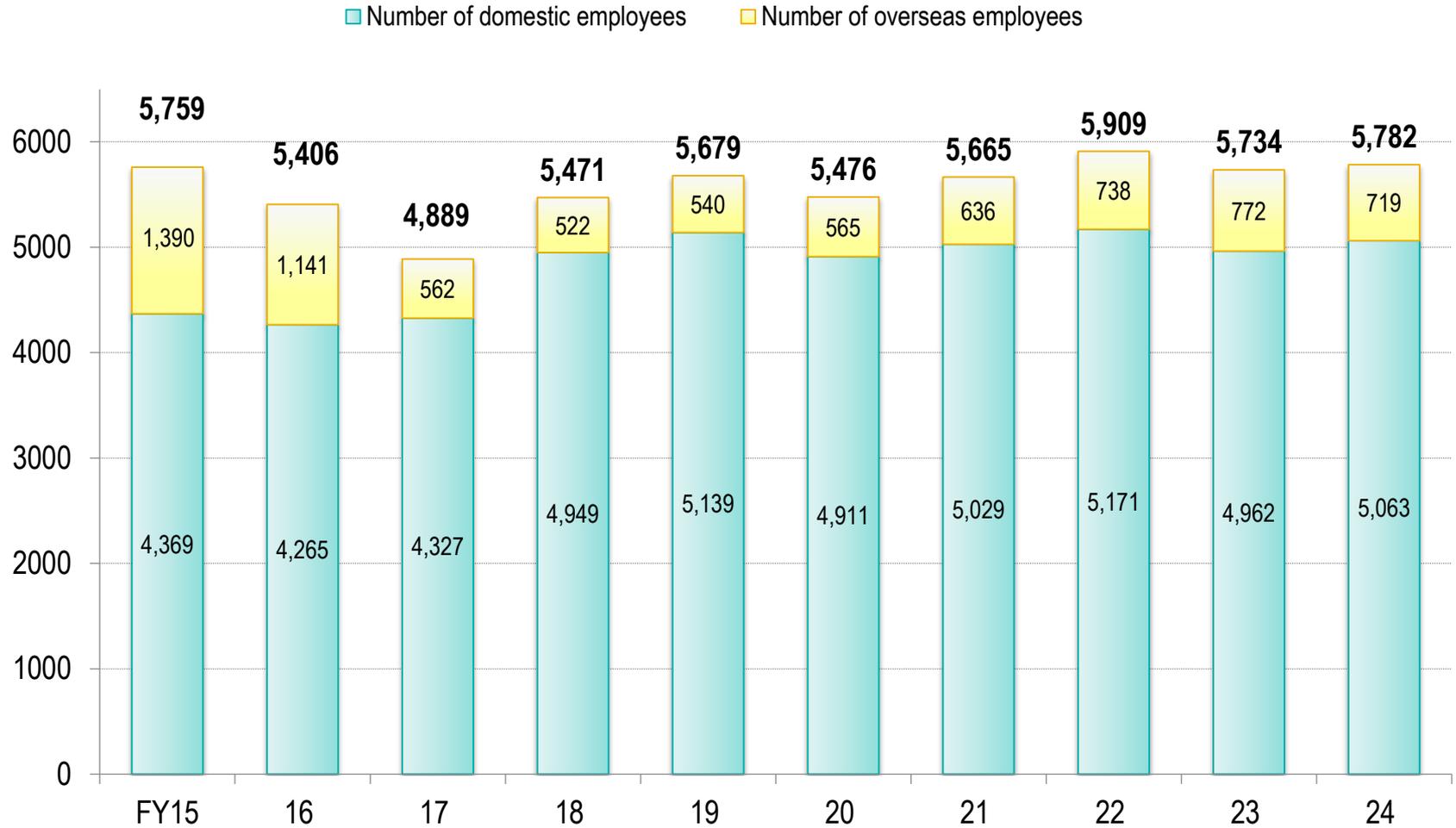
7. Cash Flow Plan

(Billions of yen)



*Figures for FY2025 do not take into account the impact of business acquisitions

8. Number of Employees Trend



(*Number at the end of the fiscal year)

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