

Q3 Fiscal 2024 - Apr 1, 2024 to Dec 31, 2024-

Presentation for IR Meeting

January 31, 2025

Tokuyama Corporation



Key points of the third quarter of fiscal 2024

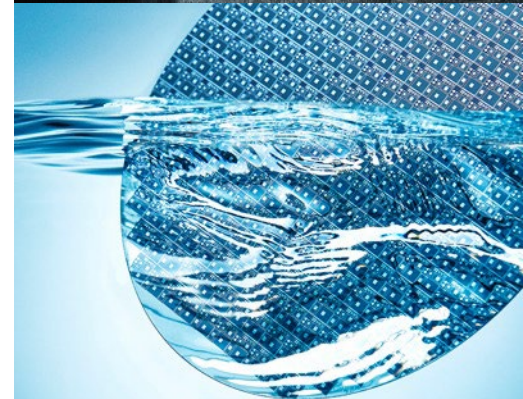
- Increase in net sales compared with the corresponding period of the previous fiscal year on the back of firm sales of semiconductor-related products and dental materials
- Operating profit increased due mainly to lower production costs due to a drop in coal prices
- Continued recovery in advanced fields, the growth of semiconductor-related products exceeds forecasts identified at the beginning of the period. On the other hand, based on the trends in chemicals and cement sales, the previous forecast has been revised downwardly

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① Financial Results for Q3 FY2024

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



1. Financial Highlights

(Billions of yen)

| | Q3 FY2023 | Q3 FY2024 | Difference | | Main changing factors |
|---|-----------|-----------|------------|-----|--|
| | | | Amount | % | |
| Net sales | 250.2 | 253.3 | +3.1 | +1 | Firm sales of semiconductor-related products and dental materials |
| Operating profit | 16.9 | 21.0 | +4.1 | +24 | Progress in manufacturing cost improvements |
| Ordinary profit | 16.9 | 21.9 | +5.0 | +29 | Increase in operating profit |
| Profit attributable to owners of parent | 11.9 | 16.9 | +5.0 | +42 | Increase in ordinary profit Improvement in extraordinary income/expenses* |
| Basic earnings per share (yen) | 165.49 | 235.15 | - | - | - |
| Exchange rate (yen/USD) | 143 | 153 | - | - | - |
| Domestic naphtha price (yen/kl) | 68,000 | 77,300 | - | - | - |

*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 Dec 31,2024 | Difference | Main changing factors |
|----------------------------|-------------------|-------------------|------------|---|
| Total assets | 457.3 | 477.4 | +20.0 | Increase in cash and deposits |
| Shareholders' equity | 249.2 | 257.2 | +7.9 | Posting profit attributable to owners of parent |
| Shareholders' equity ratio | 54.5% | 53.9% | (0.6pts) | - |
| Interest-bearing debt | 105.7 | 110.9 | +5.1 | Issuance of bonds |
| D/E ratio | 0.42 | 0.43 | +0.01 | - |
| Net D/E ratio* | 0.23 | 0.16 | (0.07) | - |
| Net assets per share (yen) | 3,464.47 | 3,575.07 | - | - |

*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)

| | Q3 FY2023 | | Q3 FY2024 | | Difference | | | |
|--|--------------|------------------|--------------|------------------|-------------|-----------|------------------|------------|
| | Net sales | Operating profit | Net sales | Operating profit | Net sales | % | Operating Profit | % |
| Chemicals | 86.2 | 8.8 | 85.9 | 7.9 | (0.3) | (0) | (0.9) | (10) |
| Cement | 50.6 | 4.7 | 49.6 | 5.7 | (1.0) | (2) | +0.9 | +21 |
| Electronic & Advanced Materials | 54.0 | 0.5 | 62.1 | 5.3 | +8.0 | +15 | +4.7 | +867 |
| Life Science | 29.3 | 6.0 | 30.5 | 5.9 | +1.1 | +4 | (0.1) | (3) |
| Eco Business | 5.4 | (0.3) | 3.4 | (0.0) | (1.9) | (36) | +0.3 | - |
| Others | 32.3 | 1.1 | 29.9 | 2.0 | (2.4) | (7) | +0.9 | +83 |
| Total | 258.1 | 21.0 | 261.5 | 27.0 | +3.3 | +1 | +5.9 | +28 |
| Inter-segment eliminations and corporate-wide expenses | (7.9) | (4.1) | (8.1) | (5.9) | (0.2) | - | (1.8) | - |
| Consolidated Results | 250.2 | 16.9 | 253.3 | 21.0 | +3.1 | +1 | +4.1 | +24 |

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

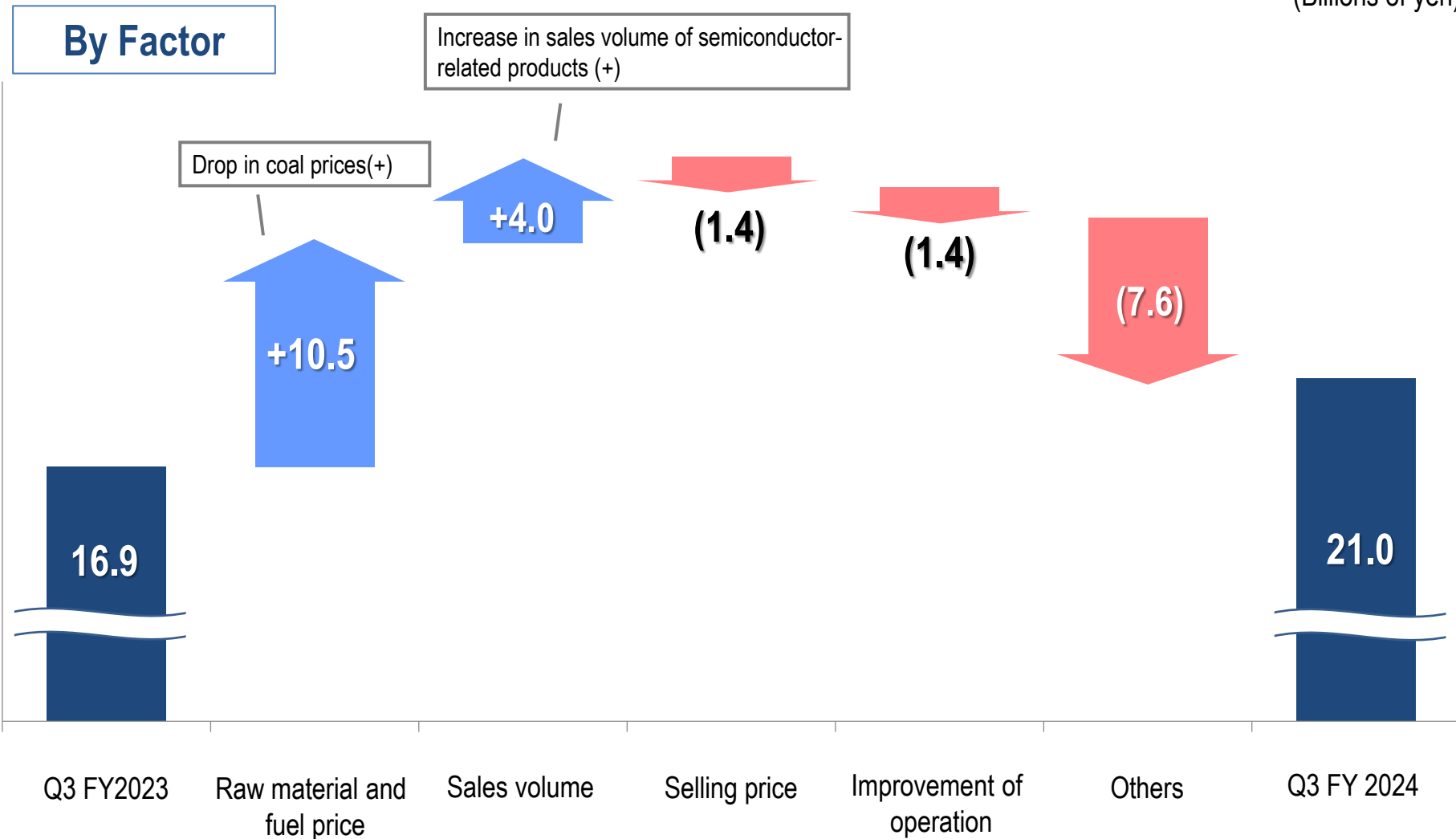
(Note2) The figures of Q3 FY2023 and Q3 FY2024 stated above have been modified to reflect the operating results based on the business segment after this change

3. Changes in Operating Profit

(Year-on-year change)

(Billions of yen)

By Factor

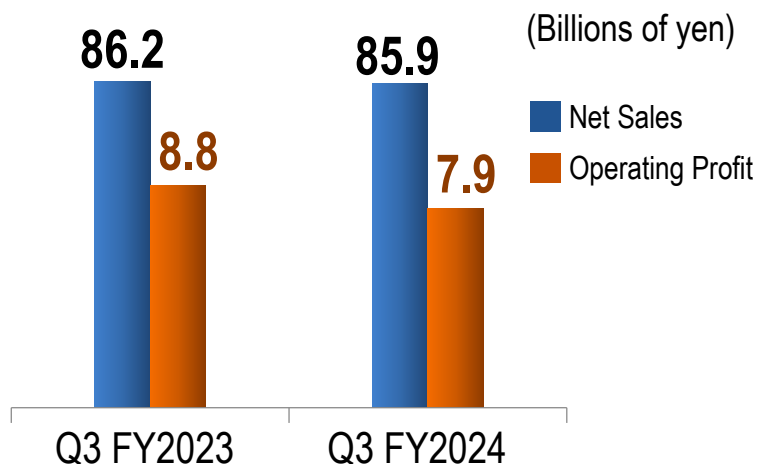


Increase in sales volume of semiconductor-related products (+)

Drop in coal prices(+)

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

Chemicals



Lower earnings on lower sales

Qualitative information

(Caustic soda)

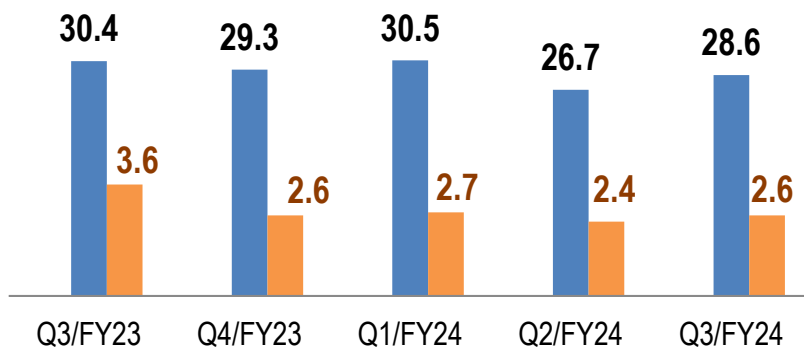
- Despite an increase in export volumes, earnings were in line with the corresponding period of the previous consolidated fiscal year owing to such factors as weak domestic sales volumes

(Vinyl chloride monomer (VCM) / Vinyl chloride resin)

- Earnings declined mainly due to weak sales volume trends in Japan and an increase in manufacturing costs

(Soda ash)

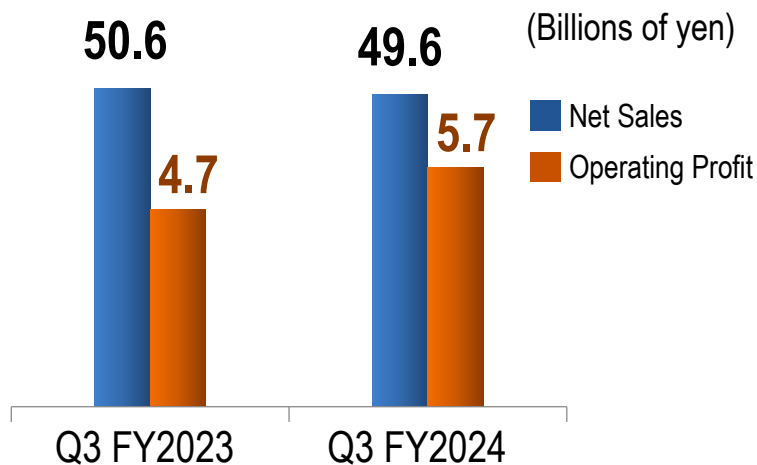
- Earnings decreased owing to lower sales volumes



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

Cement

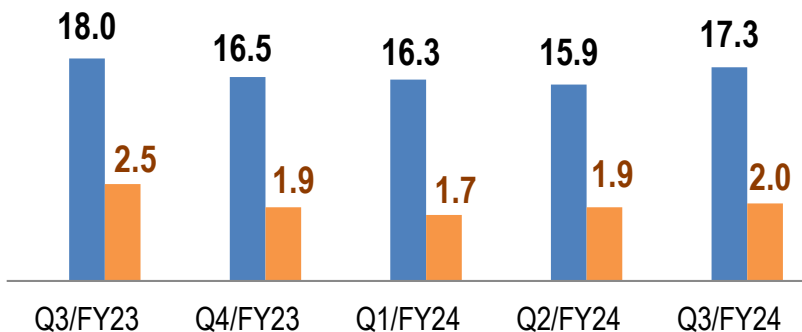
Higher earnings on lower sales



Qualitative information

(Cement)

- Despite a slight decrease in sales volume year-on-year in Japan, earnings grew on the back of progress in manufacturing cost improvements

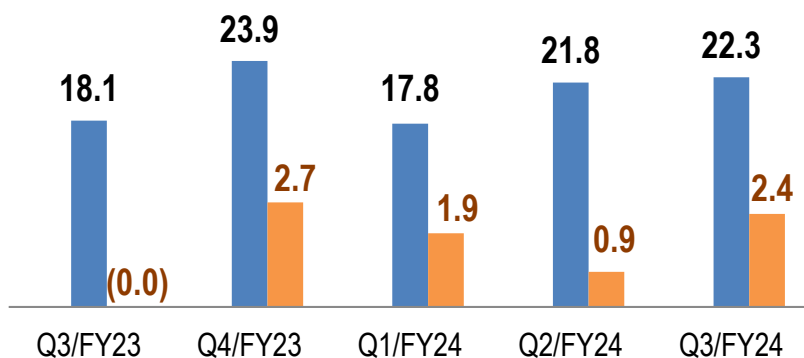
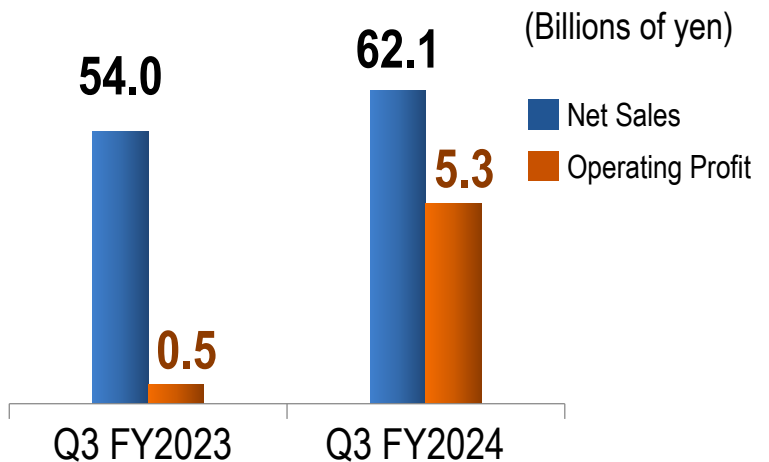


4. Changes in Net Sales / Operating Profit by Business Segment

Electronic & Advanced Materials

(Billions of yen)

■ Net Sales
■ Operating Profit



Higher earnings on higher sales

Qualitative information

(Semiconductor-grade polycrystalline silicon)

- Earnings grew thanks to a variety of factors, including an upswing in sales volumes

(IC Chemicals)

- Earnings improved. This mainly reflected the increase in operating rates at Formosa Tokuyama Advanced Chemicals Co., Ltd. in Taiwan

(Fumed silica)

- Earnings increased owing to a variety of factors, including the reduction in manufacturing costs at Tokuyama Chemicals (Zhejiang) Co., Ltd. or the weak yen

(Thermal management materials)

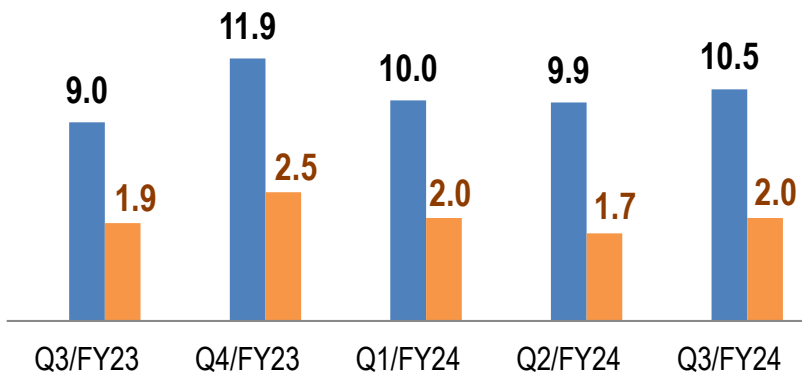
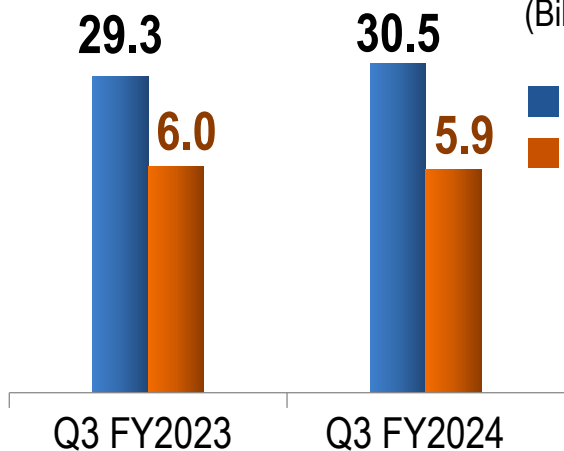
- Earnings increased owing to such factors as firm trends in overseas sales volumes

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

Life Science

(Billions of yen)

■ Net Sales
■ Operating Profit



Lower earnings on higher sales

Qualitative information

(Dental materials)

- Earnings increased owing to a variety of factors, including the upswing in overseas shipments and the impact of movements in foreign currency exchange rates as a result of the weak yen

(Medical diagnostic systems)

- Earnings decreased. This largely reflected a decline in sales volumes of laboratory information systems and laboratory automation systems

(APIs and intermediates)

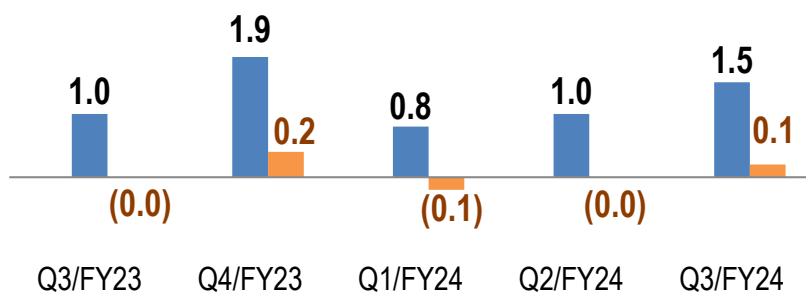
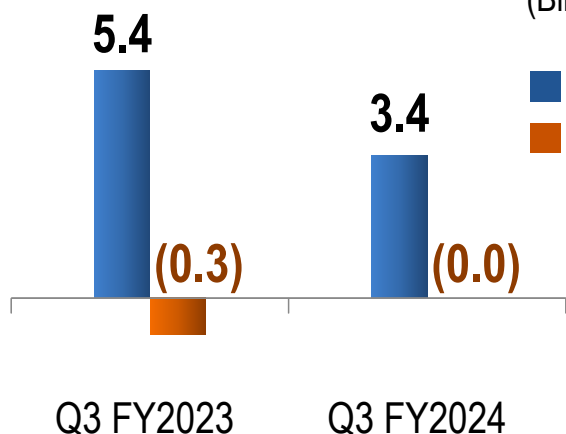
- Earnings declined owing to the impact of changes in the product mix and other factors

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

Eco Business

(Billions of yen)

■ Net Sales
■ Operating Profit



Loss on lower sales

Qualitative information

(Ion exchange membranes)

- Earnings increased owing to changes in the product mix, despite the decline in shipments

(Waste gypsum board recycling)

- Despite firm trends in waste gypsum board collected, earnings were in line with the corresponding period of the previous consolidated fiscal year owing to such factors as the increase in manufacturing costs

(Plastic window sashes)

- Deconsolidation of Excel Shanon Corporation from Q2 FY2023 due to the sales of shares in the Company

② Performance Forecasts for FY2024

1. Revised Performance Forecasts
2. Revised Performance Forecasts by Business Segment



1. Revised Performance Forecasts

(Billions of yen)

| | FY2024 Forecasts (Apr 26, 2024) | FY2024 Forecasts (Jan 31, 2025) | Difference | | Main changing factors |
|---|---|---|------------|-----|--|
| | | | Amount | % | |
| Net sales | 352.0 | 348.0 | (4.0) | (1) | Decrease in sales volume of chemicals and cement |
| Operating profit | 33.0 | 31.0 | (2.0) | (6) | Decrease in sales volume of chemicals and cement |
| Ordinary profit | 31.0 | 31.0 | - | - | - |
| Profit attributable to owners of parent | 25.0 | 25.0 | - | - | - |
| Basic earnings per share (yen) | 347.48 | 347.49 | - | - | - |
| Exchange rate (yen/USD) | First half :153 Second half :145 | Q1-3 results :153 Q4 forecast :145 | - | - | - |
| Domestic naphtha price (yen/kl) | First half :77,500 Second half :69,000 | Q1-3 results :77,300 Q4 forecast :69,000 | - | - | - |

Performance forecast for the full fiscal year ending March 31, 2025 has been revised as above, based on trends in chemicals and cement sales and other factors

2. Revised Performance Forecasts by Business Segment

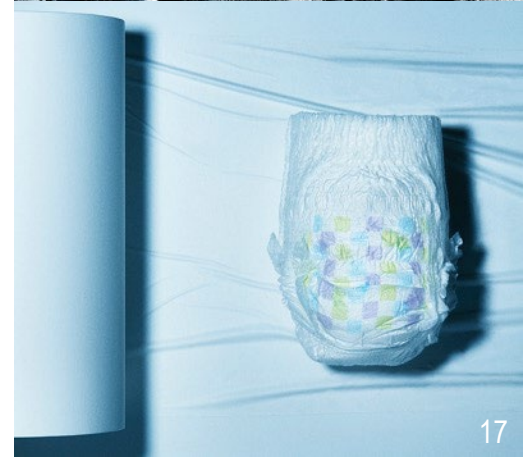
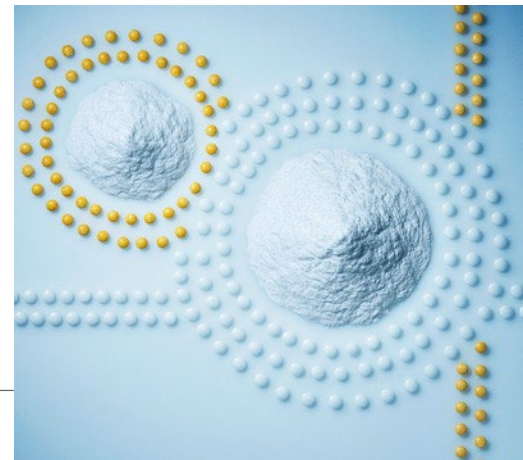
(Billions of yen)

| | FY2024 Forecasts (Apr 26, 2024) | | FY2024 Forecasts (Jan 31, 2025) | | Difference | | | |
|--|------------------------------------|------------------|------------------------------------|------------------|--------------|------------|------------------|------------|
| | Net sales | Operating profit | Net sales | Operating Profit | Net sales | % | Operating Profit | % |
| Chemicals | 120.0 | 13.5 | 116.0 | 11.0 | (4.0) | (3) | (2.5) | (19) |
| Cement | 67.0 | 8.0 | 65.0 | 7.0 | (2.0) | (3) | (1.0) | (13) |
| Electronic & Advanced Materials | 86.5 | 7.0 | 88.5 | 9.0 | +2.0 | +2 | +2.0 | +29 |
| Life Science | 43.0 | 9.0 | 43.0 | 9.0 | - | - | - | - |
| Eco Business | 6.0 | 0.0 | 6.0 | 0.0 | - | - | - | - |
| Others | 41.0 | 3.0 | 41.0 | 2.5 | - | - | (0.5) | (17) |
| Total | 363.5 | 40.5 | 359.5 | 38.5 | (4.0) | (1) | (2.0) | (5) |
| Inter-segment eliminations and corporate-wide expenses | (11.5) | (7.5) | (11.5) | (7.5) | - | - | - | - |
| Consolidated Results | 352.0 | 33.0 | 348.0 | 31.0 | (4.0) | (1) | (2.0) | (6) |

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

3 Topics

1. Semiconductor Market Outlook



1. Semiconductor Market Outlook

<Overall>

(Semiconductor Market Trends)

Despite the performance of device and foundry makers exhibiting a recovery trend mainly in advanced fields, a positive turnaround in general-purpose fields expected to stall

(Tokuyama Semiconductor-related Products Trend)

Overall recovery trend. Recovery in advanced fields in particular continues to be strong. Sense of uncertainty surrounding general-purpose fields

<Semiconductor-grade polycrystalline silicon>



Recovery trend centered on wafers in advanced fields; recovery in volume zone general-purpose fields and the pace at which inventories along the supply chain are employed are considered key

<High purity IPA>



In addition to firm advanced 3 and 5nm trends , projecting the full-scale 2nm shipments

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4 Supplementary Material

1. Consolidated Financial Statements
2. Performance Trend



1. Consolidated Financial Statements

Income Statements

(Billions of yen)

| | Q3 FY2023 | Q3 FY2024 | Changes | |
|--|-----------|-----------|---------|------|
| | | | Amount | % |
| Net sales | 250.2 | 253.3 | +3.1 | +1 |
| Cost of sales | 177.7 | 173.9 | +3.8 | +2 |
| Selling, general and administrative expenses | 55.5 | 58.3 | (2.8) | (5) |
| Operating profit | 16.9 | 21.0 | +4.1 | +24 |
| Non-operating income/expenses | 0.0 | 0.9 | +0.8 | - |
| Ordinary profit | 16.9 | 21.9 | +5.0 | +29 |
| Extraordinary income/expenses | 0.3 | 2.3 | +2.0 | +682 |
| Profit/loss before income taxes | 17.2 | 24.3 | +7.0 | +41 |
| Income taxes | 5.5 | 7.5 | (2.0) | (37) |
| Non-controlling interests | (0.1) | (0.0) | (0.0) | - |
| Profit attributable to owners of parent | 11.9 | 16.9 | +5.0 | +42 |

*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 Dec 31,2024 | Changes | |
|------------------------------|-------------------|-------------------|---------|-----|
| | | | Amount | % |
| Total assets | 457.3 | 477.4 | +20.0 | +4 |
| Current assets | 217.7 | 232.9 | +15.1 | +7 |
| Tangible fixed assets | 168.7 | 171.5 | +2.8 | +2 |
| Intangible fixed assets | 3.4 | 4.2 | +0.7 | +22 |
| Investments and other assets | 67.3 | 68.6 | +1.3 | +2 |

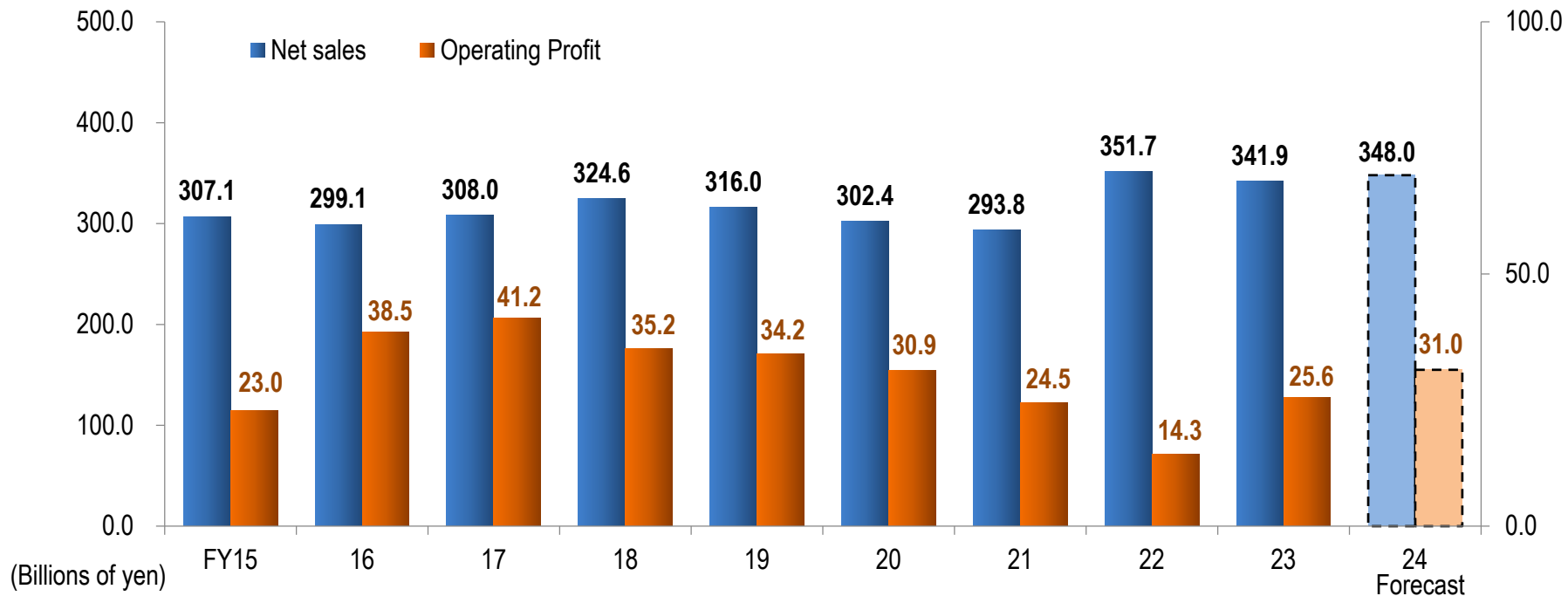
| | As of Mar 31,2024 | As of Dec 31,2024 | Changes | |
|-----------------------|-------------------|-------------------|---------|------|
| | | | Amount | % |
| Total liabilities | 197.4 | 207.3 | +9.9 | +5 |
| Current liabilities | 103.9 | 94.0 | (9.8) | (10) |
| Long-term liabilities | 93.4 | 113.2 | +19.7 | +21 |
| Total net assets | 259.9 | 270.0 | +10.1 | +4 |

2. Performance Trend

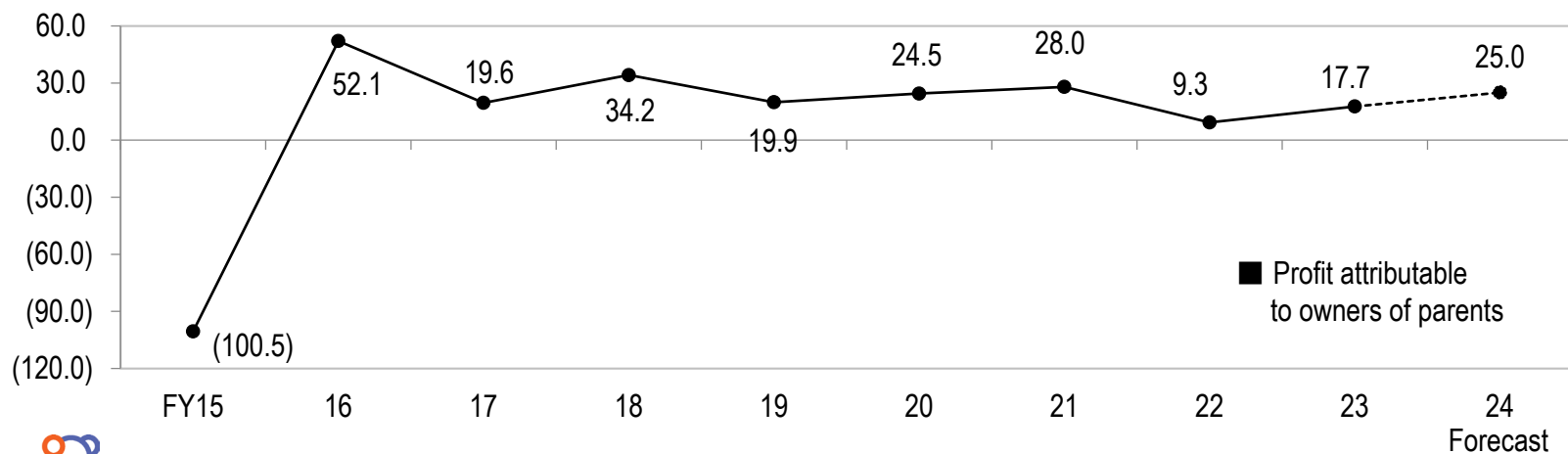
Net sales (Billions of yen)

Annual

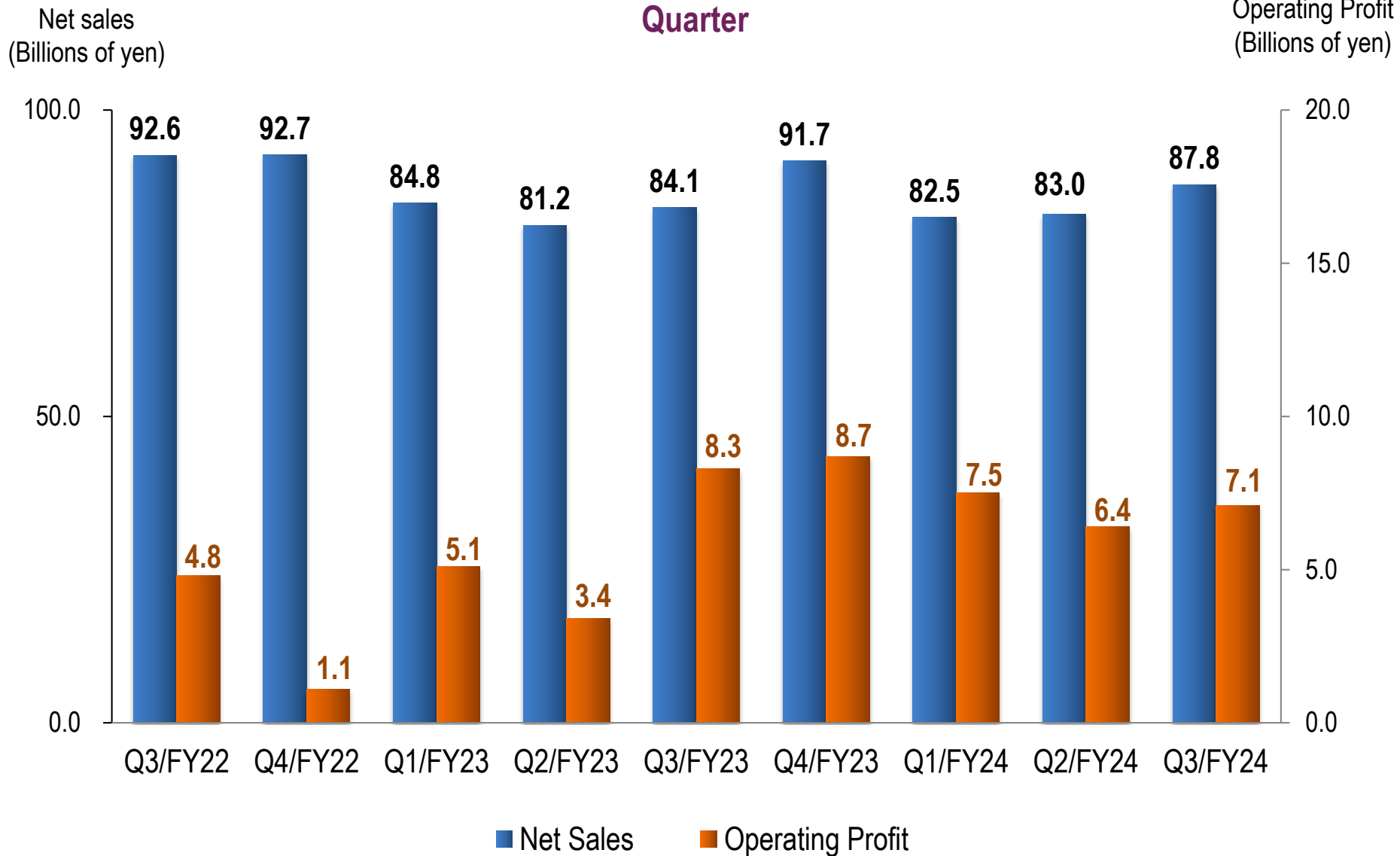
Operating Profit (Billions of yen)



(Billions of yen)



2. Performance Trend



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