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February 22, 2024

Company Name: Tokuyama Corporation
Representative Name: Hiroshi Yokota,
Representative Director, President and Executive Officer
(Code No. 4043, Prime Market, TSE)
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Notice Concerning a Company Split (Simplified Absorption-type Split) with a Subsidiary

Tokuyama Corporation (hereinafter referred to as “Tokuyama” or “the Company”) hereby announces its Board of Directors had resolved to transfer part of the rights and obligations of the sales business (hereinafter referred to as “the Business”) for the Company’s chlor-alkali products (liquid caustic soda, solid caustic soda, sodium hypochlorite, liquid chlorine, hydrochloric acid, methyl chloride, methylene chloride, chloroform, carbon tetrachloride, and propylene oxide) and soda calcium chloride products (cullet, sodium bicarbonate (excluding pharmacopoeia sodium bicarbonate), and crystalline layered sodium silicate) to Tokuyama Soda Trading Co., Ltd., (hereinafter referred to as “TST”) through a company split (hereinafter referred to as “the Company Split”) at a meeting held on February 22, 2024. Brief details are presented as follows.

The Company Split will take the form of a simplified absorption-type split with a fully-owned consolidated subsidiary. Accordingly, certain disclosure items and details have been omitted.

1. Purpose of the Company Split

Tokuyama will open a Chemical Products Sales Management Office on April 1, 2024, which will oversee the Chemical Products Sales Department and PVC Sales Department in an effort to integrate operations. Coinciding with this move, Tokuyama will completely overhaul its sales organization for chemical products, and further enhance the sales functions and product lineups of TST. In order to achieve this, the Company will transfer a part of sales functions for chlor-alkali products and others, in addition to the soda ash and calcium chloride, offered by the Chemical Products Sales Departments.

As a result of this sales organization revision, Tokuyama seeks to further reinforce its integrated operations for the soda calcium chloride, chlor-alkali, and PVC businesses, and to centralize the chemical products businesses of the Tokuyama Group. At the same time, the Company will expand sales activities with the aim of further enhancing customer service.

2. Outline of the Company Split

(1) Schedule of the Company Split

Resolutions at the Board of Director's meetings	February 22, 2024
Conclusion of the contract for absorption-type company split	February 22, 2024 (planned)
Effective date	April 1, 2024 (planned)

Note: The Company Split qualifies as a simplified absorption-type split and summary absorption-type split pursuant to Article 784, Paragraph 2 and Article 794, Paragraph 1 of the Companies Act, wherefore the absorption-type split agreement does not require approval by the General Meeting of Shareholders.

(2) Method of the Company Split

In the Company Split, Tokuyama will be the split company and TST will be the succeeding company.

(3) Allotment of shares accompanying the Company Split

In the Company Split, no shares or other consideration will be allocated.

(4) Treatment of stock acquisition rights and bonds with stock acquisition rights

Not applicable.

(5) Increase/decrease in capital accompanying the Company Split

There will be no change in the capital of Tokuyama accompanying the Company Split.

(6) Rights and obligations to be succeeded by the succeeding company

Succession the part of the rights and obligations of the sales business for chlor-alkali products and soda calcium chloride products.

(7) Expected fulfillment of obligations

Tokuyama has judged that there will be no problem in the fulfillment of obligations by Tokuyama and TST.

3. Outlines of the split company and the succeeding company

(1) Outlines of the split company

(i) Company Name	Tokuyama Corporation
(ii) Location	1-1 Mikage-cho, Shunan City, Yamaguchi
(iii) Name and Title of Representative	Hiroshi Yokota, Representative Director, President and Executive Officer
(iv) Description of Business	Production and sales of inorganic and organic industrial chemicals, cement, building materials, electrical materials, life science, eco business
(v) Capital	10,000 million yen
(vi) Establishment	February 1918
(vii) Number of Outstanding Shares	72,072,056 shares (as of March 31, 2023)
(viii) Fiscal Year End	March 31

(ix) Major Shareholders and Ratios of Shareholding (as of March 31, 2023)	The Master Trust Bank of Japan, Ltd. (trust account)	16.94%	
	Custody Bank of Japan, Ltd. (trust account)	7.14%	
	Nippon Life Insurance Company	3.01%	
	The Yamaguchi Bank, Ltd.	2.28%	
	GOLDMAN SACHS INTERNATIONAL	2.14%	
(x) Financial Position and Results in Preceding Fiscal Year (Unit: Millions of yen, except per share amounts)			
	Fiscal year ended March 31, 2021 (Consolidated)	Fiscal year ended March 31, 2022 (Consolidated)	Fiscal year ended March 31, 2023 (Consolidated)
Total Assets	386,794	433,210	478,342
Net Assets	205,261	232,917	241,602
Net Assets per share	2,758.37	3,120.25	3,189.01
Sales	302,407	293,830	351,790
Operating Income	30,921	24,539	14,336
Ordinary Income	30,796	25,855	14,783
Profit	24,534	28,000	9,364
Earnings per share	351.11	389.09	130.15

(2) Outlines of the succeeding company

(i) Company Name	Tokuyama Soda Trading Co., Ltd.,
(ii) Location	Ichigo Nihonbashi East Building, 7-8 Nihonbashibakurocho 2-chome, Chuo-ku,
(iii) Name and Title of Representative	Hisanori Tanaka, Representative Director, President
(iv) Description of Business	Sales of soda ash, calcium chloride, solid caustic soda, isopropyl alcohol and other chemicals
(v) Capital	10 million yen
(vi) Establishment	March 2014
(vii) Number of Outstanding Shares	200 shares (as of March 31, 2023)
(viii) Fiscal Year End	March 31
(ix) Major Shareholders and Ratios of Shareholding	Tokuyama Corporation 100%
(x) Financial Position and Results in Preceding Fiscal Year (Unit: Millions of yen, except per share amounts)	
	Fiscal year ended March 31, 2023 (Consolidated)
Total Assets	9,551
Net Assets	692
Net Assets per share	3,463,904
Sales	773
Operating Income	486
Ordinary Income	477
Profit	307
Earnings per share	1,538,441

4. Outline of the business of Tokuyama to be split

(1) The business of Tokuyama to be split

Succession the part of the rights and obligations of the sales business for chlor-alkali products and soda calcium chloride products.

(2) Performance of the business of Tokuyama to be split (Net sales for the year ending in March 2023)

Net sales: ¥1,460 million

5. Outline of the situation after the Company Split

The names, addresses, representative titles and names, business profiles, capital amounts, and fiscal years of Tokuyama and TST will not be affected by the Company Split.

6. Impact on Business Performance

Since the succeeding company is a wholly-owned consolidated subsidiary of the Company, the impact of the Company Split on the Company's consolidated financial results will be minimal. However, if there are any matters that should be announced in the future, we will promptly announce them.