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December 24, 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 Absorption-type Merger (Simplified Merger) of Consolidated Subsidiary

With a resolution at a meeting of Board of Directors held on December 24, 2024, Tokuyama Corporation (hereinafter referred to as “the Company,” “Tokuyama” or “we”) hereby announces that the Company will absorb FL Tokuyama Corporation (hereinafter referred to as “FL Tokuyama”), the Company’s wholly owned subsidiary, effective April 1, 2025.

Since the merger is simplified merger of a wholly owned subsidiary, therefore certain disclosure items and details are omitted.

1. Purpose of Merger

FL Tokuyama is engaged in the planning, design, and sale of products related to replica and portraiture based on building material plaster sheet or plaster, and other manufactured goods.

This decision to merge with FL Tokuyama is consistent with the goal of improving organizational management.

2. Outline of Merger

(1) Schedule of Merger

- Resolution of the Company’s Board of Directors relating to the merger December 24, 2024
- Conclusion of merger agreement December 24, 2024 (planned)
- Date of merger (effective date) April 1, 2025 (planned)

(Note) The merger is, for the Company, a simplified merger under the provisions of Paragraph 2 of Article 796 of the Company Act. Therefore, the Company will not hold a general meeting of shareholders to carry out the merger.

(2) Method of Merger

It is an absorption-type merger in which the Company is the surviving company, and FL Tokuyama will be dissolved.

(3) Allotment Details pertaining to Merger

The Company, which owns all outstanding shares in FL Tokuyama, neither grants nor allots any shares or other consideration included money pertaining to the merger.

(4) Treatment of stock acquisition rights and bonds with stock acquisition rights of the merged company

Not applicable.

3. Overview of the Companies involved in Merger

	Surviving company	Company being merged
(1) Company Name	Tokuyama Corporation	FL Tokuyama Corporation
(2) Location	1-1 Mikage-cho, Shunan City, Yamaguchi	7-5 Sotokanda 1-chome, Chiyoda-ku, Tokyo
(3) Name and Title of Representative	Hiroshi Yokota, Representative Director, President and Executive Officer	Takahide Taniguchi, Representative Director and President
(4) Description of Business	Production and sales of inorganic and organic industrial chemicals, cement ,building materials, electrical materials, life science, eco business	Planning, design, and sale of products related to replica and portraiture based on building material plaster sheet or plaster, and other manufactured goods
(5) Capital	10,000 million yen (as of March 31, 2024)	55 million yen (as of November 30, 2024)
(6) Establishment	February 1918	October 2013
(7) Number of Outstanding Shares	72,088,327 shares (as of March 31, 2024)	2,000 shares (as of November 30, 2024)
(8) Fiscal Year End	March 31	March 31
(9) Major Shareholders and Ratios of Shareholding	The Master Trust Bank of Japan, Ltd. (trust account) 16.76% Custody Bank of Japan, Ltd. (trust account) 7.64% Nippon Life Insurance Company 3.01% The Yamaguchi Bank, Ltd. 2.28% Meiji Yasuda Life Insurance Company 2.06% (as of March 31, 2024)	Tokuyama Corporation 100% (as of November 30, 2024)
(10) Financial Position and Results in Preceding Fiscal Year	(Unit: millions of yen, except per share amounts)	
	Fiscal year ended March 31, 2024(Consolidated)	Fiscal year ended March 31, 2024 (Non-consolidated)
Total Assets	457,360	9
Net Assets	259,948	(280)
Net Assets per share (yen)	3,464.47	(280,924.15)
Sales	341,990	11
Operating Income	25,637	(24)
Ordinary Income	26,292	(23)
Profit (Loss)	17,751	(18)
Earnings (Loss) per share (yen)	246.72	(18,654.36)

(Note) Tokuyama has decided to underwrite the entire amount of the third-party allocation of new shares undertaken by FL Tokuyama on November 29, 2024, and to forgive the company's debt. In addition to meeting the requirements for a simplified merger prescribed under Article 796, Paragraph 2 of Japan's Companies Act, the Company's financial position as of the end of November 2024, reflecting the above, is presented as follows.

Total Assets	55
Net Assets	45
Net Assets per share (yen)	22,638.99

4. Conditions after Merger

The merger does not affect the Company's name, location, representative's title and name, business content, paid in capital or fiscal year end.

5. Future Outlook

Since the merger only involves the Company and its wholly-owned subsidiary, and has no significant impact on the consolidated financial results of the Company, its impact on consolidated business performance of the fiscal year ending March 31, 2025 will be negligible.

Reference: Consolidated Performance Forecast for the Fiscal Year Ending March 31, 2025 (released on October 29, 2024) and Actual Result of the Fiscal Year Ended March 31, 2024.

	Net Sales	Operating Income	Ordinary Income	Profit (Loss) attributable to owners of parent
Consolidated earnings forecast for FY ending March 31, 2025	millions of yen 352,000	millions of yen 33,000	millions of yen 31,000	millions of yen 25,000
Actual result for FY ended March 31, 2024	341,990	25,637	26,292	17,751

(Note) The performance forecast and other forward-looking statements contained in this material have been prepared on the basis of information available at this point and certain assumptions which are judged to be rational, and may be substantially different from the actual performance because of various factors that may arise from now on.