

TOKUYAMA REPORT 2021

Fiscal year ended March 31, 2021



Tokuyama's New Vision

Mission

To create a bright future in harmony with the environment, in collaboration with its customers, based on chemistry

Vision

Be a value-creative company that places first priority on R&D and marketing

Be a company that never stops challenging new domains while refining and exploiting its unique strengths

Be a company with healthy employees who have healthy families and take pride in their work at their company

Be a company that fosters bonds with people in communities and societies worldwide

Updated Vision

Tokuyama has recently updated its Mission and Vision in light of its rapidly-changing operating environment, based on a reassessment of the essential value it can provide to stakeholders.

In accord with its New Vision, which encompasses its Values in addition to its Mission and Vision, Tokuyama will create new value in harmony with the environment by supplying products that address societal problems while minimizing the environmental burden imposed by its business activities.

Values

- Commitment to customer satisfaction as a profit source
- A broader, loftier perspective
- Employees who consistently surpass their predecessors
- Integrity, perseverance, a playful spirit and boldness

TOKUYAMA REPORT 2021

Contents

Tokuyama's New Vision	1
Tokuyama: Making a Contribution	2
Tokuyama at a Glance	4
Tokuyama Value Creation	6
Commitment from the Top	10
Financial and Nonfinancial Highlights	16
Growth Strategy	20
Growth Strategy Evolution	21
Medium-Term Management Plan 2025	22
Strategy 1: Transform Business Portfolio	24
Strategy by Business	27
Strategy 2: Contribute to Mitigation of Global Warming	32
Strategy 3: Promote Socially Responsible Management	36
Roundtable Discussion:	
Sustainable Growth and Our Mission	40
Corporate Governance	44
Management Team	49
Business Sites and Group Companies	50
Stock Information	52
Corporate Data & Editorial Policy	53

About This Report

This report is published as an integrated report that combines the annual report and CSR report that were published until FY2020.

Cautionary Note on Forward-Looking Statements

This report contains forward-looking statements on the Company's plans, strategies, operating performance and other matters. These forward-looking statements are the Company's judgments based on information available at the time of this report's preparation. They are subject to various risks and uncertainties. The Company's actual activities and/or operating performance may differ materially from these forward-looking statements as a result of various factors, including but not limited to changes in economic conditions, the operating environment, demand trends or exchange rates.

Disclaimer

This report is intended to be informational. It is not intended as a solicitation. The Company assumes no liability for any losses due to investment decisions made entirely in reliance on forward-looking statements, numerical targets or other information contained herein.

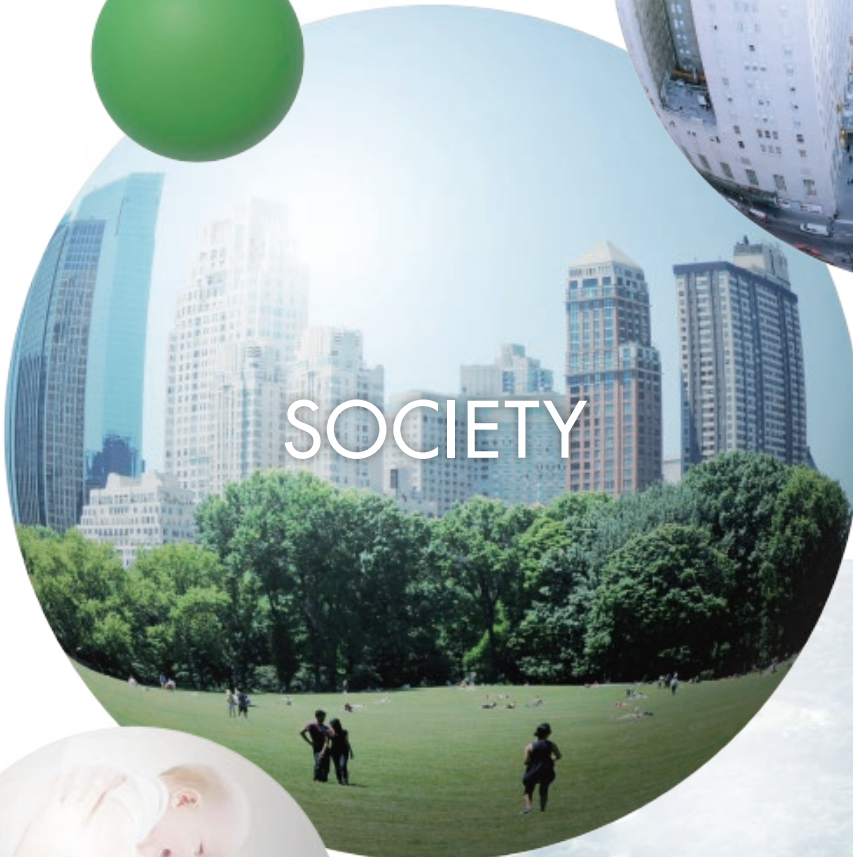
Tokuyama: Making a Contribution

Tokuyama is distinguished by the breadth of its contributions to society through products that run the gamut from basic raw materials to end products and support industry and daily life.

By supplying such products, it creates economic and societal value and contributes to the attainment of the Sustainable Development Goals (SDGs).



ECONOMY



SOCIETY



BIOSPHERE

ECONOMY

Contributions to Economic Growth

Tokuyama helps to improve electronic hardware performance and energy efficiency by supplying a wide range of high-quality products, including advanced materials and high-purity chemicals. With its sights set on a bright future for humanity, Tokuyama contributes to economic growth by facilitating technological innovation in a digital society.



Aluminum nitride

Possesses superior heat dissipation properties conducive to development of smaller, higher-performance ICT hardware



High-purity chemicals for electronics manufacturing

Conducive to miniaturization of semiconductor devices



Semiconductor-grade polycrystalline silicon

Contributes to higher performance as primary raw material in semiconductor wafers



Waste gypsum board recycling

Recycling waste gypsum board

SOCIETY

Contributions to Societal Infrastructure

Japan faces a host of societal challenges, including a low birth rate, an aging population, and aging public infrastructure. To address such pressing challenges, Tokuyama offers diverse products that support both people's health and public infrastructure maintenance.



Plastic lens-related materials

Photochromic dye materials with UV-blocking properties reduce glare and light transmissivity



Dental materials and equipment

Dental materials/equipment such as cosmetic restoration materials contribute to advancement of dentistry



Medical diagnostic systems

Diagnostic reagents and lab test systems that contribute to people's health by supporting healthcare



Cement

Contributes to mass recycling of waste; used to build infrastructure that supports daily life



Sodium hypochlorite

Used as household bleaching agent and water supply disinfectant for its strong biocidal action



PVC resin

Widely used in everything from lifeline infrastructure like water and sewage systems and power grids to staple goods and medical materials/equipment

BIOSPHERE

Contributions to the Natural Environment

Placing priority on mitigating climate change and otherwise preserving the environment, Tokuyama is developing waste recycling processes that utilize ion exchange membranes and proprietary technologies. Tokuyama strikes a healthy balance between commercial viability on the one hand, and its contributions to a sustainable society and preservation of a biodiverse natural environment on the other.



Ion exchange membranes

Used to produce table salt from seawater, recover specific valuable substances from effluent, and reduce volume of industrial wastewater



Plastic window sashes

Contribute to supply of energy-efficient housing through better insulation and airtightness



Caustic soda

Contributes to safe water supplies and protects atmosphere and hydrological cycle through wastewater treatment and neutralization

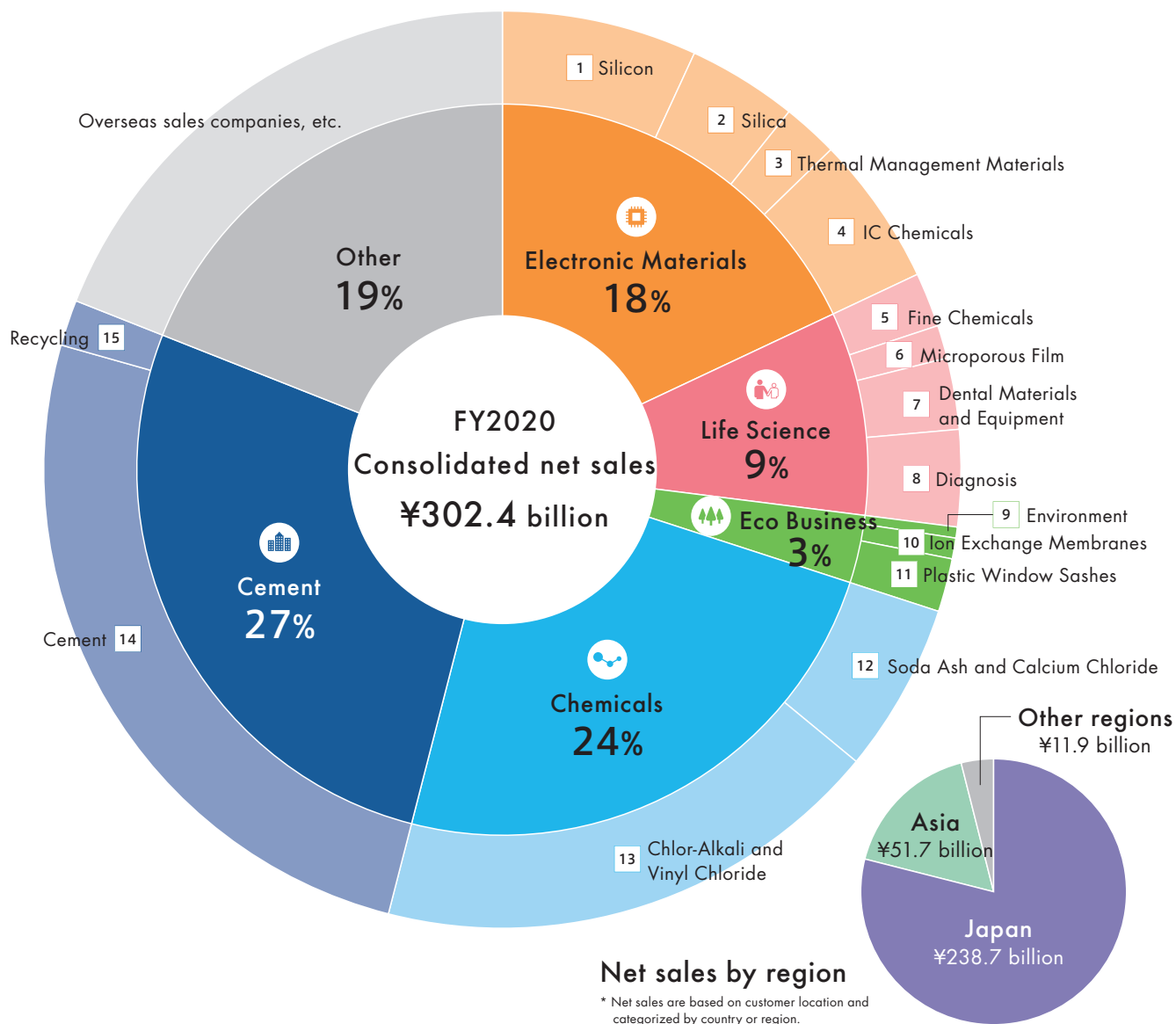


Industrial waste recycling

Contributes to formation of a closed-loop society through recycling of waste as cement feedstock

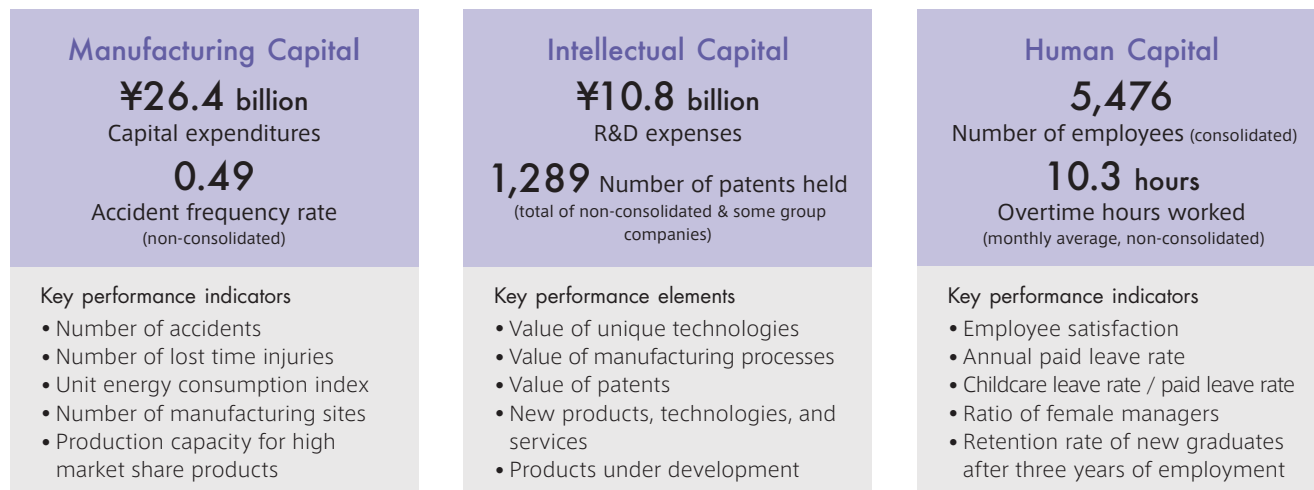
Tokuyama at a Glance

Business Portfolio and Major Products (FY2020)



Tokuyama from the perspective of 6 capital categories (FY2020 and as of March 31, 2021)

Internal Capital

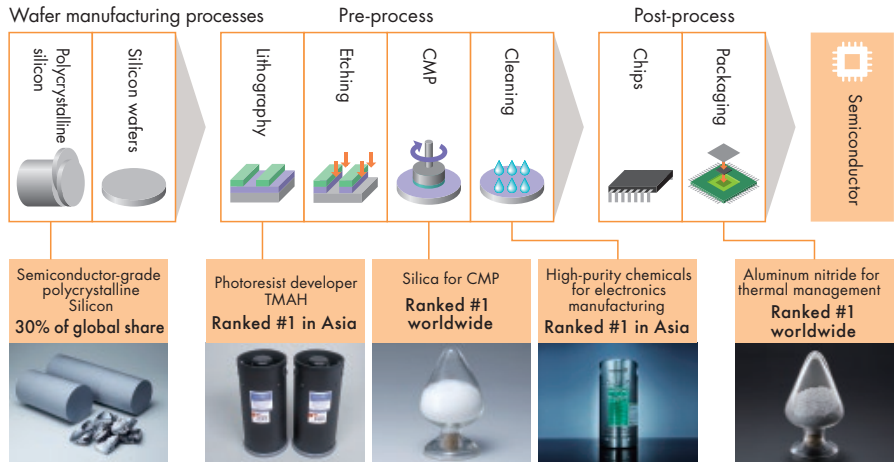




Electronic Materials

- 1 **Silicon**
Semiconductor-grade polycrystalline silicon
- 2 **Silica**
Fumed silica
- 3 **Thermal Management Materials**
Aluminum nitride
- 4 **IC Chemicals**
High-purity chemicals for electronics manufacturing
Photoresist developer TMAH

Product share in semiconductor manufacturing process



Life Science

- 5 **Fine Chemicals**
Photochromic dye materials for eyeglass lenses
Pharmaceutical ingredients & intermediates
- 6 **Microporous Film**
- 7 **Dental Materials and Equipment**
Composite resin
- 8 **Diagnosis**
Laboratory information system diagnostic reagents

Photochromic dye materials for eyeglasses
Ranked #2 worldwide

5



Chemicals

- 12 **Soda Ash and Calcium Chloride**
Soda ash, calcium chloride, sodium bicarbonate
- 13 **Chlor-Alkali and Vinyl Chloride**
Caustic soda, PVC resin, vinyl chloride monomer, propylene oxide (PO), sodium hypochlorite

Soda ash
Sole manufacturer in Japan

12

Caustic soda
Ranked #3 in Japan

13



Eco Business

- 9 **Environment**
Non-kiln resource recycling (world's first 100% complete recycling of waste gypsum board)
- 10 **Ion Exchange Membranes**
Ion exchange membranes and electrolysers for desalination and concentration
- 11 **Plastic Window Sashes**
Plastic window sashes and related products

Gypsum recycled from waste gypsum board
100% recycling

9



Cement

- 14 **Cement**
Cement, cement-type stabilizer
- 15 **Recycling**
Waste processing (Waste plastic recycled as alternative fuel, trash incinerator ash recycled as alternative raw material for cement)

Cement
Ranked #4 in Japan

14

Waste processing
1.73 million tons

15

External Capital

Financial Capital

¥302.4 billion

Consolidated net sales

¥30.9 billion

Consolidated operating profit

Key performance indicators

- Net sales
- Operating profit
- Growth business net sales growth rate
- ROE
- Credit rating

Social Capital

46 countries and regions

Number of countries and regions with sales

Approx. ¥1.1 billion

Subsidized by Tokuyama Science Foundation (cumulative total from FY1988 to FY2020)

Key performance elements

- Relationship of trust with customers and business partners
- Open innovation by industry, government, and academia
- Dialogue with stakeholders
- Regulatory compliance
- Connections with communities

Natural Capital

¥800 million

Investment in environmental conservation (non-consolidated)

¥6.5 billion

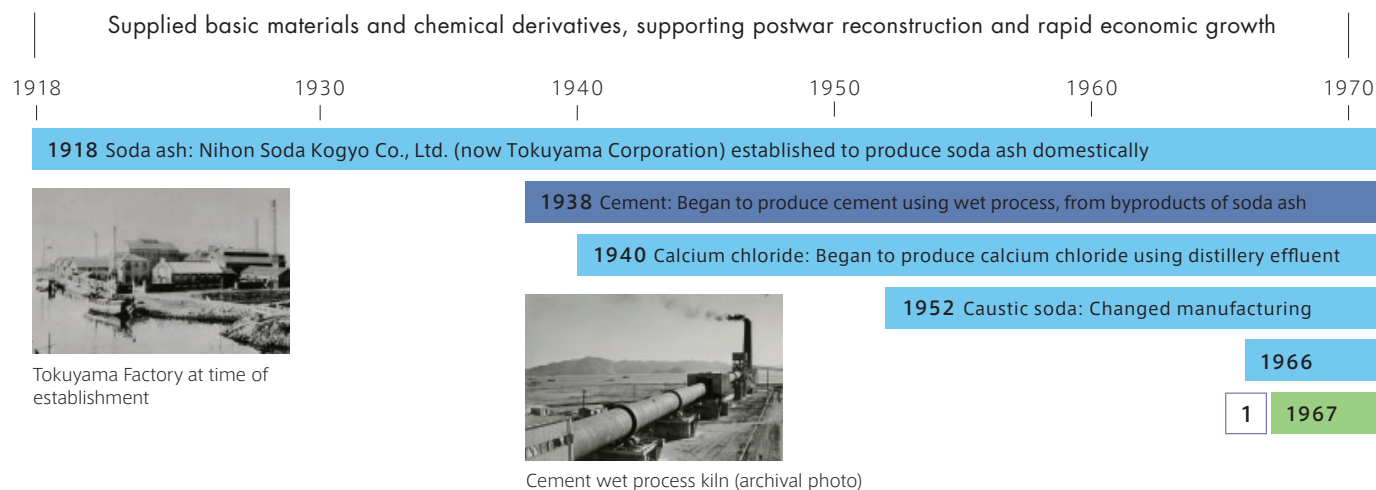
Total environmental conservation costs (non-consolidated)

Key performance indicators

- Total CO₂ emissions
- Effective utilization rate for waste
- Zero waste emission rate
- Emissions of substances with environmental impact
- Number of environmental accidents

Tokuyama Value Creation

Strengths cultivated over a history of more than a century



Technologies Leading to Growth Businesses

Since its establishment in 1918, Tokuyama has worked to accumulate technologies and create new products by cultivating our inorganic chemicals business and, since the 1970s, by promoting the development of fine chemicals and specialty businesses, mainly in organic and polymer chemistry. Over the course of more than a century, we have established technologies that have become the cornerstone of our growth. We will continue to evolve our business as we strive to create value that meets the needs of today.

1 Separation technology using ion exchange membranes

In the 1960s, we became the first company in Japan to commercialize ion exchange membranes. Today, we offer separation technologies for a variety of applications, through the use of selectively permeable membranes that only allow the passage of target materials and membranes that have chemical resistance. These technologies are used in a wide range of industries, including the production of salt from seawater, the recovery of specific valuable substances, the production and refining of food products such as wine and soy sauce, and the production of acids and alkalis from neutral salt effluent.



Ion exchange membranes

2 Molecular design and organic synthesis technology

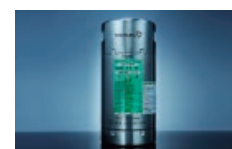
The Company has advanced technological capabilities in molecular design, which involves designing and controlling the chemical structure of photochromic dye materials according to their intended purpose, such as color tone and color development and fading. In addition, we have advanced organic synthesis technology to manufacture products according to design, and we have a track record of delivering numerous products in the field of plastic lens-related materials. In the future, we will continue to expand these two technologies to a wider range of areas.



Plastic lens-related materials

3 High-purity and high-sensitivity analysis technology

Our semiconductor-grade polycrystalline silicon, which is used as a raw material for silicon wafers, is of the highest level of purity in the world. In addition, the Company's isopropyl alcohol, a chemical used to clean electronic components, is characterized by its low level of impurities due to a unique process for the direct hydration of propylene. Our high-purity and high-sensitivity analysis technology, which detects even the smallest amount of impurities, facilitates the development and manufacture of these products.



High-purity chemicals for electronics manufacturing

4 Direct nitridation and nitride reduction technology

Tokuyama holds the largest share of the global market for aluminum nitride and related products. Our aluminum nitride, which has excellent sintering properties due to our proprietary nitride reduction process, is used in semiconductor heat spreading substrates and the manufacturing of equipment materials due to its thermal conductivity, thermal expansion properties, and other characteristics that are far superior to those of our competitors.



Aluminum nitride

5 Waste processing technology

Tokuyama has been effectively utilizing and recycling waste through the cement manufacturing process since the company's inception. We are now accepting a substantial amount of waste, including waste plastic, from outside the company. Because our kilns burn at an extremely high temperature of 1,000 to 1,800°C, the combustible components are completely burned away and the non-combustible components are used as raw materials in cement. This processing technology produces no residue.



Resource recycling

Branched into healthcare space and electronic materials that support information society

Launched recycling business in response to growing environmental consciousness

1980

1990

2000

2010

2020

business

from soda ash production

process of caustic soda to electrolytic process

PVC resin: Established subsidiary to manufacture PVC resin using chlorine produced by electrolysis

Ion exchange membranes: Commenced production of ion exchange membranes, for use in salt production, from concentrated seawater (first ever commercialization of ion exchange membranes in Japan)

1972 Isopropyl alcohol (IPA): Commenced production of isopropyl alcohol using our proprietary direct hydration method

1978 Dental materials and equipment: Entered field of dental materials and equipment by applying polymer technology and powder control technology

1981 Plastic window sashes: Established subsidiary to manufacture plastic window sashes made from vinyl chloride

2 1982 Plastic lens-related materials: Synthesized allyl diglycol carbonate using sodium carbonate method and entered plastic lens field

1982 Pharmaceutical ingredients & intermediates: Entered pharmaceutical ingredients & intermediates business utilizing organic synthetic technology

3 1983 High-purity chemicals for electronics manufacturing: Commenced production of IPA-SE, a high-purity form of isopropyl alcohol

1983 Medical diagnostic systems: Commenced sales of enzyme kits for polyamine tests, resulting in Company's entry into diagnostic reagents and systems business

3 1984 Semiconductor-grade polycrystalline silicon: Commenced production of high-purity polycrystalline silicon by utilizing byproducts chlorine and hydrogen

4 1985 Aluminum nitride: Commenced production of aluminum nitride powder using our proprietary nitride reduction process

5 2000 Resource recycling: Newly established Recycling and Environment Business group at Tokuyama Factory

Liquid hydrogen: Commenced production of liquefied hydrogen at Yamaguchi Liquid Hydrogen Corporation, a joint venture with Iwatani Corporation

2013

Gypsum recycled from waste gypsum board: Established Tokuyama Chiyoda Gypsum Co., Ltd. as joint venture to recycle waste gypsum board

2013



Polycrystalline silicon plant

Manufacturing Technology

From the soda industry, where we got our start, to cement manufacturing utilizing byproducts, aluminum nitride and other industries, Tokuyama has a history of expanding into new businesses that meet the needs of the times by scaling up our proprietary manufacturing technologies. We successfully industrialized high-purity silicon nitride powder by developing a manufacturing process that saves energy and reduces environmental impact. At the Center for Commercialization of Advanced Technology, which opened in April 2021, we also developed an energy-efficient and competitive manufacturing process for ceramics using this powder, and are currently building a plant for its mass production.



Tokuyama Factory



Center for Commercialization of Advanced Technology

Customer Network

In the chemicals and cement businesses we utilize our network of domestic customers, which we have cultivated over a long history of continuous business. As a result, these areas are strong sources of revenue.

In our growth businesses, we are receiving an increasing number of consultations regarding new challenges and product applications from domestic and overseas clients, based on our extensive track record. For example, our Company leverages its proprietary technologies in our proposals for solutions to various challenges arising in the manufacturing processes involved in the miniaturization of semiconductors. Our strength in providing value has always been the driving force behind our business expansion.



Tokuyama Electronic Chemicals (Singapore)



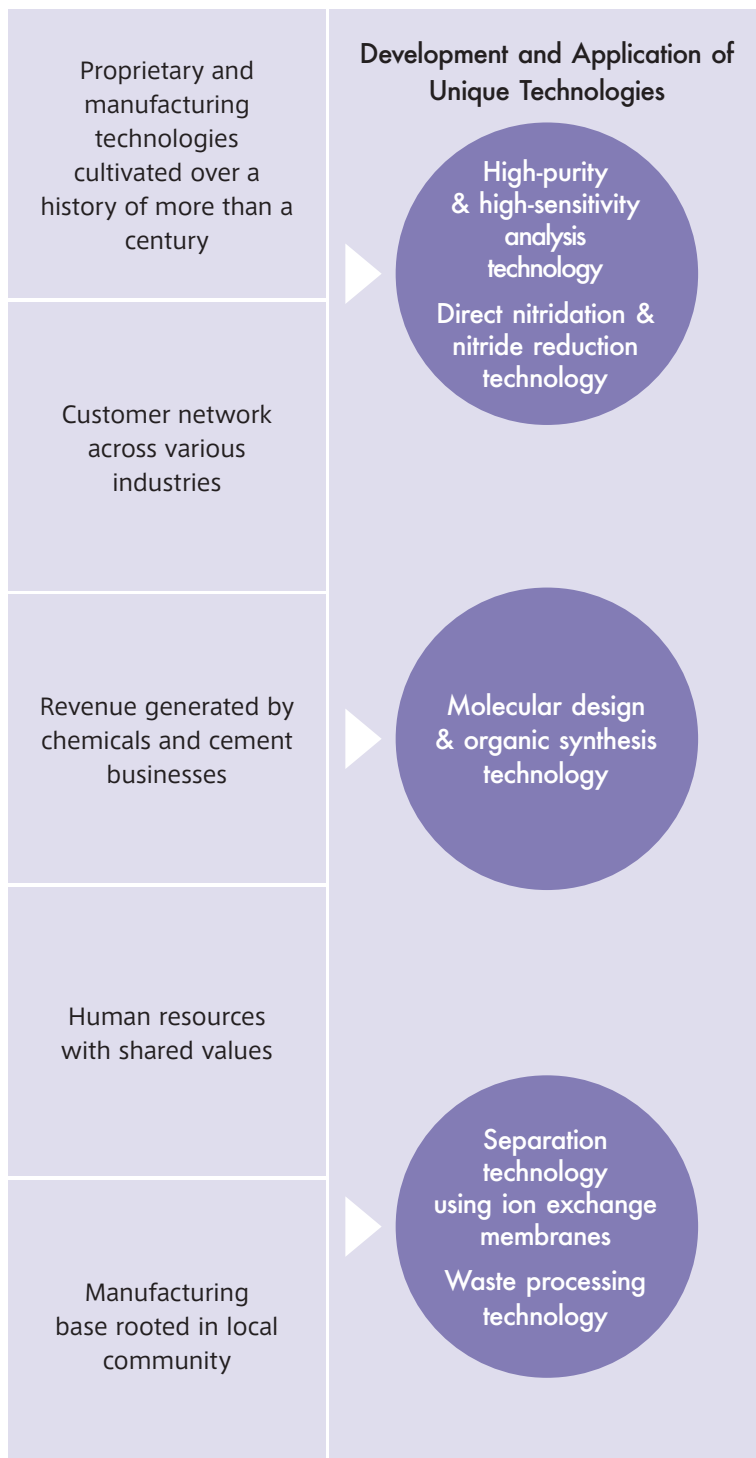
Tokuyama Asia Pacific (Singapore)

Target Business Model

Today, Tokuyama has reached a major milestone in our transition away from energy-intensive businesses. With this awareness, we have selected electronics, healthcare, and the environment as three new growth markets in which we can leverage our strengths. With the combination of our proprietary technologies and marketing, we will develop a solution-oriented business that provides unparalleled value to these three markets.

Through this new business model, we aim to achieve the goals of our material topics that contribute to the realization of SDGs, while reducing our own CO₂ emissions. Moreover, we will continue to be a company that never stops challenging new domains while refining and exploiting its unique strengths, as we have set out in our Vision.

Investment Areas



Focus Areas



Main solutions

- Performance maintenance in state-of-the-art electronic devices and energy efficiency
- Miniaturization of semiconductors
- Improvement of semiconductor performance



Main solutions

- Improvements to quality of life by optimizing performance of eyeglass lenses
- Improvements in dental care
- Support for clinical laboratories to enable rapid, accurate diagnosis and treatment



Main solutions

- Establishment of closed-loop society through waste recycling
- Contribution to mass waste processing
- Protection of water environment by desalination of effluent, etc.



Aspirations

Mission

To create a bright future in harmony with the environment, in collaboration with its customers, based on chemistry

Vision

Be a value-creative company that places first priority on R&D and marketing

- Pursuit of cutting-edge information and technology
- Expansion of external networks
- Contribution to evolution of the times

Be a company that never stops challenging new domains while refining and exploiting its unique strengths

- Differentiation of technology
- Innovation in manufacturing processes
- Expansion of customer network

Be a company that fosters bonds with people in communities and societies worldwide

- Accelerated international expansion
- Contribution to development of local economies and communities



Be a company with healthy employees who have healthy families and take pride in their work at their company

- Promotion of physical & mental health
- Respect for individuality
- Open corporate culture

Commitment from the Top



Representative Director,
President and Executive Officer

Hiroshi Yokota

We aim to help usher in a sustainable society as a company that creates value in harmony with the environment.

Fortitude to continue challenging, undeterred by hardships

We formulated our Medium-Term Management Plan 2025 for FY2021-25 with a new Mission, having decided to update it in response to rapid changes in our operating environment.

We have long derived much of our competitiveness from the Tokuyama Factory's coal-fired power plant and energy-intensive businesses dependent on it. However, changes in the industrial structure, prospective shrinkage in domestic demand due to population decline, and a growing environmental consciousness have convinced us that perpetuation of the status quo is no longer a viable strategy. We must rebuild and grow our businesses in new directions.

Tokuyama has a history of creating and growing new businesses by embracing challenges head on. Founder Katsujiro Iwai was a trader who imported soda ash from England during the early 1900s. When imports were disrupted by World War I, he built his own factory and overcame numerous difficulties to launch his business on a path to success. Tokuyama subsequently built a cement business that reused waste from soda ash production. In the 1960s, it diversified into petrochemicals, including PVC resin made from chloride byproducts of soda ash production. Thus, by creating new businesses that made use of the waste and byproducts of existing operations, Tokuyama grew into a diversified chemical maker.

The 1979 oil shock, however, plunged the petrochemical business into a structural recession and spawned fuel cost inflation that eroded our competitive advantage conferred by captive power generation. Faced with such an adverse environment, our predecessors restructured Tokuyama, pivoting away from energy-intensive businesses like caustic soda and cement toward technologically differentiated, high-value-added new businesses like electronic materials and fine chemicals. This episode truly embodies our founder's adage, "In business, it is easy to fail, but triumphs only come after great travail." Tokuyama's history is a testament that

businesses can best grow by surmounting trials and tribulations with a challenging spirit. The cornerstone of our business today is the fruits of R&D conducted 40 years ago.

We appeared for a while to have perhaps successfully engineered a paradigm shift through restructuring. For example, we temporarily became the world's top manufacturer of plastic lens-related materials. However, we failed to achieve a complete transformation for two reasons. First, our new businesses were more akin to B2C businesses than to our existing B2B business model. We failed to adequately formulate medium/long-term strategies, inclusive of marketing, for the new businesses. Second, we should have sought to exit energy-intensive businesses but instead we ended up reverting to energy dependence by focusing on the semiconductor-grade polycrystalline silicon business. Even now, energy-intensive businesses account for some 70% of our consolidated net sales. Given the increasingly urgent imperative of mitigating global warming, our captive coal-fired power generation has become a major management issue.

We believe the conditions currently facing Tokuyama are, however, similar in impact to multiple earlier crises during our 100+ year history. Our Mission is to learn from previous crises and transform into a truly value-creative solution provider. Taking our founder's words to heart anew, we will embrace the challenge of restructuring now more than ever.

Toward transformation into a value-creative company

We strive to utilize chemistry to create new value that makes peoples' lives healthier, more convenient, and more comfortable. I believe there is no limit to what we can do. No company can survive for long unless it operates in harmony with the environment. Based on that belief, we have updated our Mission and Vision to achieve transformation into a value-creative company. Our Mission is to truly evolve from our existing, purely B2B business model and mindset into more of a hybrid



between B2B and B2C. We revised our Vision to enable all Group personnel to concretely envision what we aspire to become. Through initiatives aimed at realization of our Vision, we plan to pursue sustained growth as a company that keeps providing value deemed essential even amid drastic societal change.

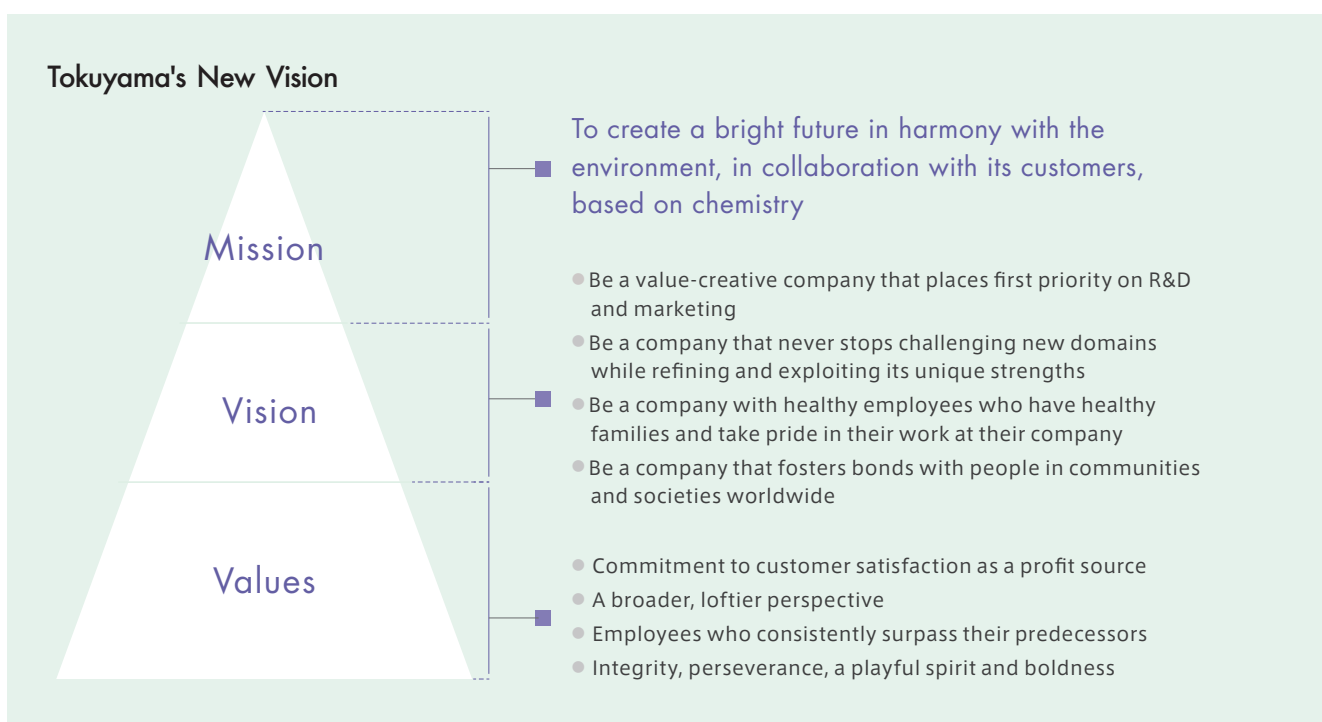
Under our Medium-Term Management Plan 2025, launched in FY2021, we are committed to (1) transforming our business portfolio, (2) contributing to mitigation of global warming, and (3) practicing socially responsible management as priorities.

To transform our business portfolio, we have designated electronics, healthcare and the environment

as our growth businesses. We aim to increase their share of consolidated net sales to at least 50%. We intend to make our chemicals and cement businesses even more efficient as sustained cash cows.

We recognize that laying a solid foundation for our growth businesses while our chemicals and cement businesses are still able to maintain their competitiveness is crucial to achieving business portfolio transformation. To do so, it is important to fundamentally differentiate our products and services in alignment with customers' wishes. Therefore, we will set up suitable marketing-based research programs and promote their commercialization.

To contribute to the mitigation of global warming, we



* Please refer to the "Growth Strategy" section on page 20 for details on the Medium-Term Management Plan.



aim to further accelerate development of next-generation energy technologies and commercialize them. In response to the societal imperative of decarbonization, we have raised our CO₂ reduction target. We now plan to reduce our total CO₂ emissions to 30% below their FY2019 baseline by FY2030. Additionally, we aim to achieve carbon neutrality by FY2050 through development of green products.

Lastly, socially responsible management will play a critically important role in both transforming our business portfolio and contributing to mitigation of global warming. Based on our Vision, we will clarify our businesses' respective contributions and value to society, and pursue material topics (CSR priorities) through concrete action plans.

While proactively investing in expanding growth businesses and shrinking our environmental footprint, we will focus on earning short-term profits and paying stable dividends. We will return a fair share of our profits to shareholders, targeting a consolidated dividend payout ratio of 20-30%. During our five-year plan's term, we intend to swiftly re-embark on a growth trajectory to live up to our stakeholders' expectations.

Direction of growth businesses

As mentioned above, we have designated electronics, healthcare and the environment as growth businesses and reorganized to expedite their progress. From FY2021, we will further accelerate our business strategy by aligning these growth business domains with our segments.

The electronic materials business is currently performing well, capitalizing on the superior quality of products such as high-purity chemicals for electronics manufacturing. It will

continue to focus on expanding markets for high-purity materials essential for miniaturization of semiconductors. Thermal management of power semiconductors used in control circuitry has become a major issue in the wake of advancements in electro-mobility. In the thermal management materials field, aluminum nitride and silicon nitride are in demand. We plan to accelerate overseas expansion to capture the top share in this market as well.

As for the life science business, we clarified its direction in the dental and optical materials markets under our previous medium-term management plan. In both markets, the Tokuyama Group's technologies are globally top-notch. In the optical market in particular, we plan to add more value by expanding our business model to include lens development too. Meanwhile, the COVID-19 pandemic has reaffirmed the critical importance of preventive and diagnostic reagents for human longevity. In light of this, we will pursue new alliances, expand the range of lab tests for which we supply reagents and accelerate development of diagnostic reagents. For the life science business as a whole, our plan is to robustly expand globally in markets where we can differentiate our products with unique technologies, and to capture the top share in niche markets.

In the eco business, we aim to build the operational foundations for a new core business that will play a key role in Tokuyama's future. With demand for water treatment membranes growing in response to environmental regulatory tightening, we plan to expand our ion exchange membranes production capacity and branch out into both Asia and Europe. We will continue to focus on waste recycling not dependent on incineration in a cement kiln, while also aiming to develop and commercialize photovoltaic module recycling technologies.

“For the People of Tomorrow”

We will redefine our own Mission and create value that brings people a better future.

Deeper engagement with customers, more in-depth marketing

I believe innovation and marketing are the most important keys to successfully increasing our growth businesses' share of consolidated net sales to at least 50% over the five years through FY2025.

With product lines that support growth across a wide range of industries, Tokuyama has been refining its unique technologies, including production technologies, in response to changes in its product markets. For example, our isopropyl alcohol is currently used in many state-of-the-art semiconductors. We are already the global market share leader in this field. Despite having products with such competitive advantages, it seems that we have failed to devote sufficient attention over the past few decades to the vital, fundamental task of identifying our technologies' real strengths. If we are too preoccupied with immediate tasks, we will invariably experience technological attrition. We must therefore make steady medium/long-term progress in R&D based on an accurate assessment of the strengths of our technologies and materials, along with clear foresight vis-à-vis market trends. We will accelerate R&D in the right direction, including through open-innovation collaborations with universities and research institutes.

Tokuyama has operated various businesses during its long history, but they have relied too heavily on a product-oriented approach over the years. For example, we have been supplying large volumes of caustic soda and cement products of standardized quality at reasonable prices for decades. In the markets we are targeting going forward, however, product specifications are determined by what type of utility or functionality the end consumer is seeking. These markets require us to work completely differently than we have in the past. In the case of miniaturizing semiconductor devices, for example, it is difficult to meet customers' needs unless we approach them with a clear picture of the end product in which the device will be used and an accurate assessment of the technical challenges involved. It is therefore important for our marketing staff to engage

more deeply with customers to ascertain their true needs as well as the latest trends in their businesses. In our growth markets, the aforementioned electronics, healthcare and the environment, we recognize that we need to gather more intelligence on customer satisfaction.

One obvious way to glean insight into customers' leading-edge needs is to make inferences about competitors' development programs from patent filings and other available information. A more effective approach is to formulate hypotheses about the future and proactively provide customers with samples of new materials to evaluate. In short, the key to technical marketing is ongoing, close communication with customers. The most important element involved in this is employees. I believe it is crucial to develop optimal solutions 10 years ahead of their time by continually collaborating with customers to build relationships through which they recognize Tokuyama's promise.

Creating value in harmony with the environment

The words “in harmony with the environment” in our new Mission are a declaration of our commitment to change society and the environment for the better through our products and services and to dynamically address the worldwide issue of global warming.

In accord with our Medium-Term Management Plan 2025 priority of contributing to the mitigation of global warming, we have announced a target of achieving carbon neutrality by FY2050. It is admittedly an ambitious target, but we believe that having a strong resolve to shape the future is important. Since forming our CO₂ Project Department two years ago, we have been continuously working on how to specifically decarbonize. To accelerate our decarbonization program, in April 2021 we reorganized the CO₂ Project Department into a Carbon Neutral Strategy Division reporting directly to the president. Additionally, under the Carbon Neutral Strategy Division, we established a new Carbon Neutral Planning Department to formulate strategy, and a Biomass Development



Department to source and commercialize biomass fuels for power plants. We see carbon neutrality as an urgent priority facing corporate management globally. We believe our Mission as a chemical company is to demonstrate how to surmount this challenge.

As a chemical company we are also strongly committed to pursuing solutions to various other problems through technology. In April 2021, we established a GREEN Project Department within our Research & Development Division to develop technologies to, for example, use CO₂ as a feedstock, leveraging our corporate DNA of repurposed use of byproducts and waste. We plan to seek out business opportunities while publicly sharing new research findings on reducing CO₂ emissions.

Taking action for the people of tomorrow

We recognize that CSR is a core component of our strategies and efforts to steadily fulfill our Mission.

The foremost key to corporate longevity is earning the trust of communities, local residents, countries and people worldwide. In 2019, Tokuyama joined the ranks of UN Global Compact signatories as an inward and outward expression of our firm commitment to realize sustainable growth while helping to resolve societal problems at a high level as an upstanding member of society. To properly meet societal needs, dialogue with stakeholders is of utmost importance. We must earnestly listen to feedback on our shortcomings and continuously work to improve.

We mainly operate our businesses from the Tokuyama Factory in Shunan, Yamaguchi Prefecture, where our company is based. I feel that Tokuyama must strive to be a beloved local company at which our children aspire to work. Such relationships of trust with society can be built only through a long track record of day-to-day CSR activities. Stepping up

initiatives to address our material topics (CSR priorities) is accordingly a way to bring us closer to realizing our Vision, namely, to build a foundation for growth. For example, Responsible Care activities in domains such as accident prevention, occupational health and safety, and environmental preservation are essential to support Tokuyama's foundations. Ensuring safety in particular is fundamental to all of our business activities. We diligently carry out safety activities as a first step toward maintaining good relations with local communities. Additionally, as a company that places utmost importance on human resources, we believe diversity of ideas will accelerate our transformation into a value-creative company. In managing our operations, we will place priority on diversity as an essential element of our growth strategies going forward.

Just as our predecessors set the stage for the Tokuyama of today by laying the groundwork for our growth businesses, we must follow suit by becoming the cornerstone of the future Tokuyama. How earnestly we tackle this challenge will directly determine our future growth path. In other words, whether we can create the bright future we envision hinges on every single employee's individual efforts. Reforming our organizational culture was a key priority in our previous medium-term management plan. We will continue to focus on reforming our organizational culture to better harness our workforce's energy, because ultimately people are Tokuyama's driving force. We plan to swiftly carry out structural reforms for the sake of both the generation that will create Tokuyama's future and future society as a whole. Keep expecting big things from Tokuyama.

Hiroshi Yokota

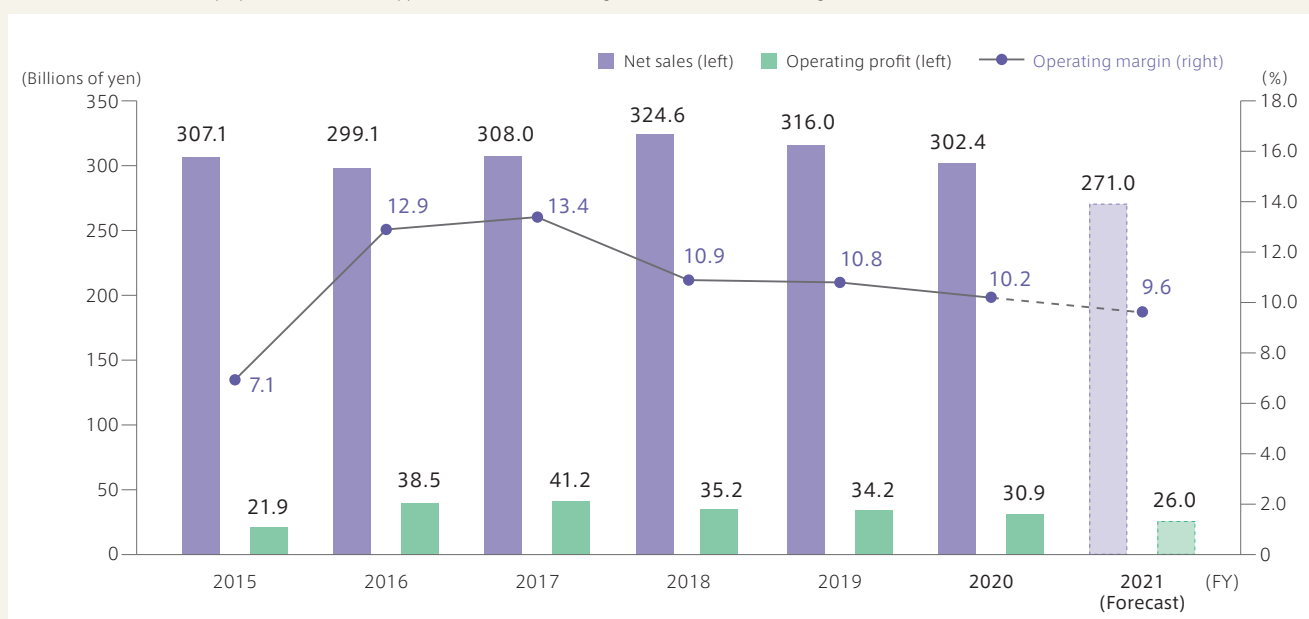
Financial and Non-Financial Highlights

Financial Highlights (Consolidated)

Net Sales / Operating Profit / Operating Margin

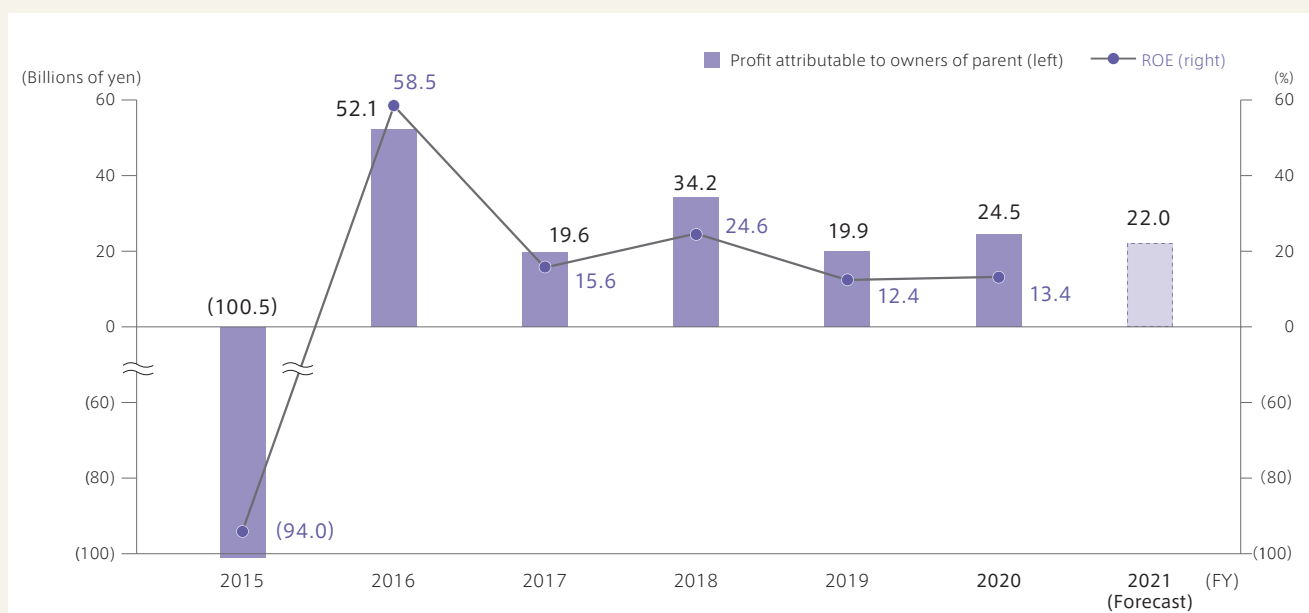
In FY2020, net sales and profits decreased from the previous year mainly due to the exclusion of a subsidiary from consolidation and the impact of COVID-19. In FY2021, although we expect a recovery in the sales volume of chemicals and other products and sales price revisions due to higher raw material and fuel prices, we expect a decrease in profits due to an increase in R&D expenses and depreciation expenses for growth. The decrease in net sales for FY2021 due to application of the "Accounting Standard for Revenue Recognition" is expected to be approximately ¥42.8 billion.

* The forecast for FY2021 is prepared based on the application of the "Accounting Standard for Revenue Recognition" and other standards.



Profit attributable to owners of parent / ROE

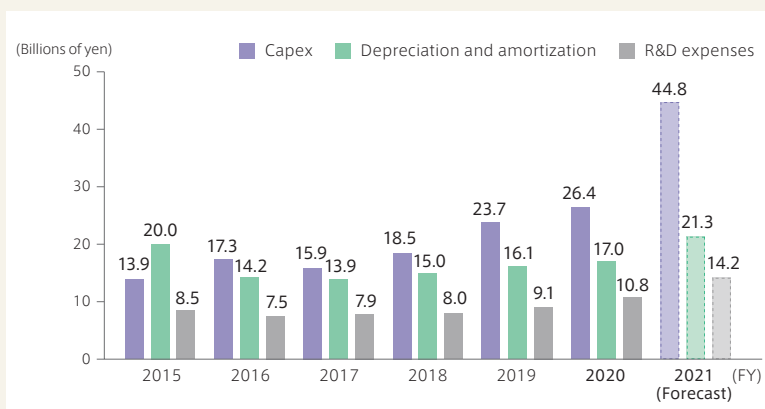
Profit attributable to owners of parent was a loss of ¥100.5 billion in FY2015 due to the recording of losses from unprofitable businesses, but returned to profitability in FY2016 due to withdrawal from those businesses. The target for ROE to be achieved in the final year of Medium-Term Management Plan 2025 is 10% or more. While ensuring a stable financial base, we will promote shareholders' equity efficiency gains and proactively invest in growth to increase corporate value.



Capital Expenditures / Depreciation and Amortization / R&D Expenses

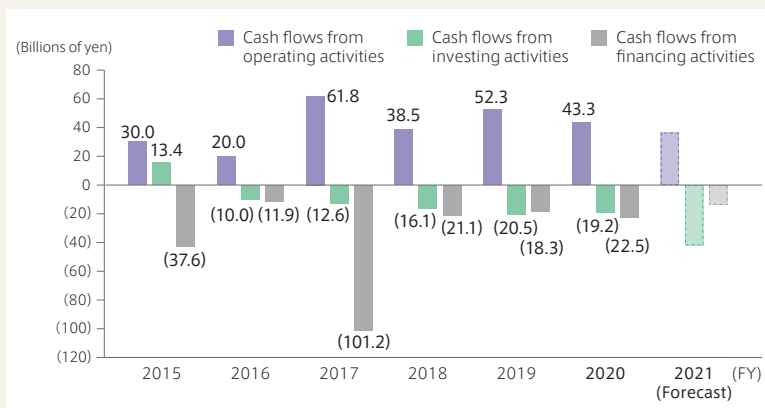
All are expected to increase in FY2021. To achieve the goals of Medium-Term Management Plan 2025, we will accelerate capital investment mainly in electronics, healthcare, and the environment, which we have defined as growth businesses. In R&D, we will focus on corporate development along with growth businesses, and create medium- to long-term development themes with marketing as the core.

* Depreciation and amortization includes amortization of long-term prepaid expenses.



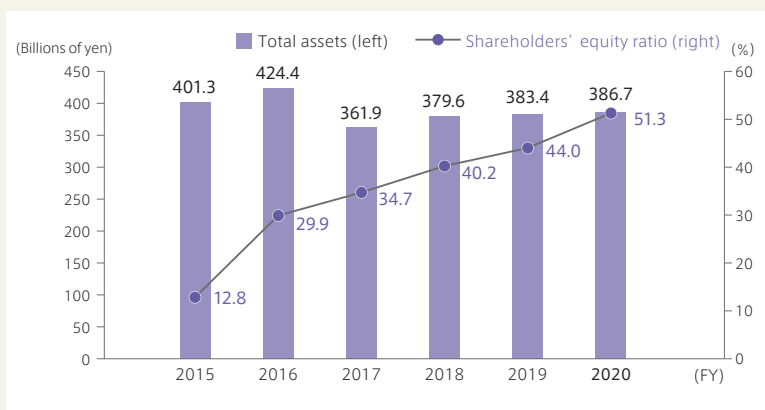
Cash Flows

Regarding cash flow from investing activities in FY2021, we expect an increase in capital expenditures to further enhance corporate value.



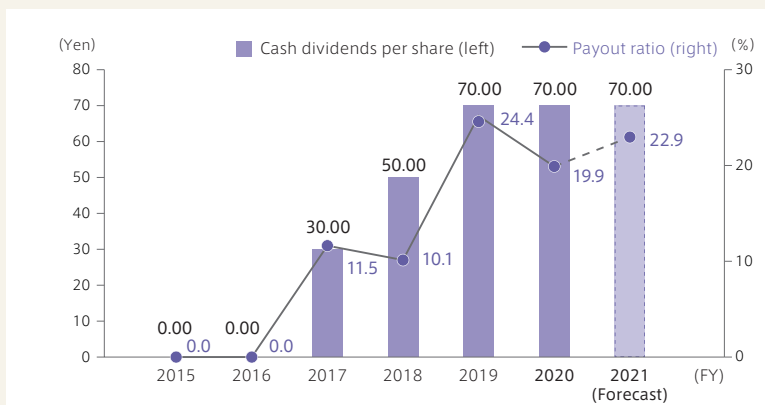
Total Assets / Shareholders' Equity Ratio

With improvement of financial position as a priority issue in our Medium-Term Management Plan: Cornerstone of the Group's Revitalization, which began in FY2016, we promoted the recovery of shareholders' equity by building retained earnings, and implemented measures to quickly strengthen our financial foundation, including the issuance and redemption of preferred stock. As a result, the shareholders' equity ratio in FY2020 was 51.3%, up 38.5 percentage points from FY2015.



Cash Dividends Per Share / Payout Ratio

Regarding the distribution of profits, Tokuyama's basic policy is to ensure the continuous and stable payment of dividends to its shareholders. In carrying out this policy, the Company takes into consideration performance trends and the roadmap established under its medium-/long-term business plan. For FY2021, the Company plans to pay an interim dividend of ¥35 and a year-end dividend of ¥35, for a total annual dividend of ¥70.



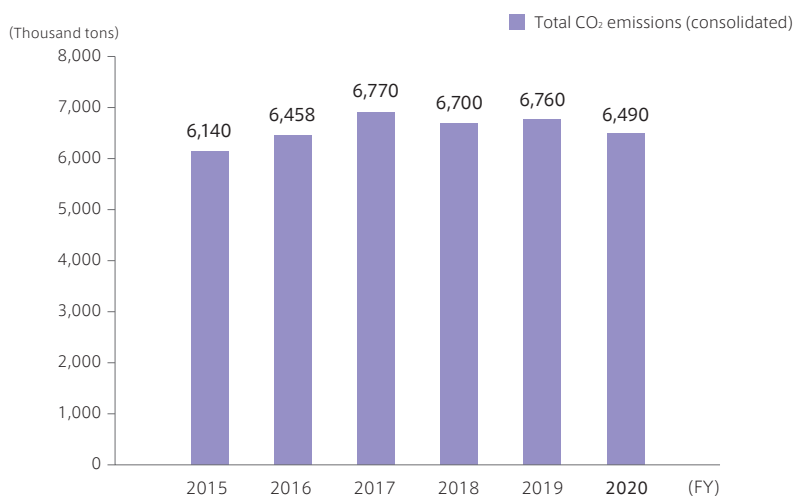
* The Company consolidated its common shares at a ratio of one share for each five shares effective as of October 1, 2017. The cash dividend per share for FY2017 is given on the assumption that said share consolidation was conducted at the beginning of the fiscal year.

* The year-end dividend per share for FY2017 included a commemorative dividend of ¥10 to celebrate the Company's 100th anniversary.

Non-Financial Highlights

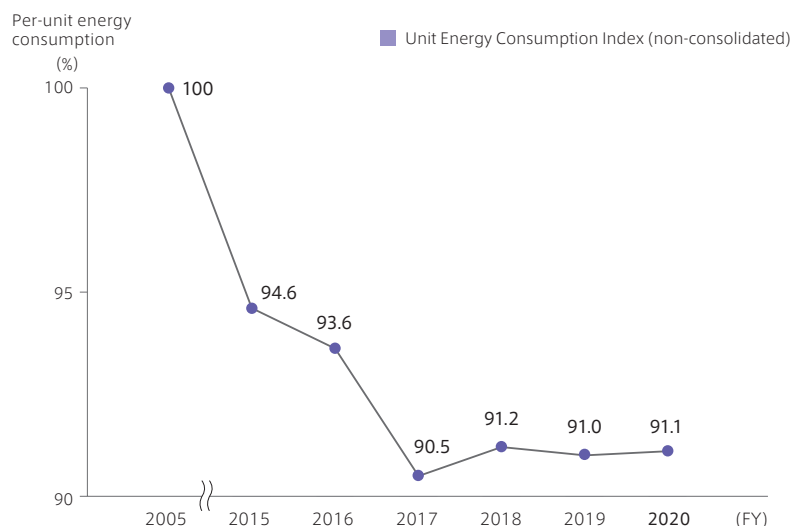
Total CO₂ Emissions

We recognize that the mitigation of global warming is one of the most important issues and are working hard to reduce CO₂ emissions. CO₂ is generated mainly by the combustion of fossil fuels in captive power plants, as well as by the decarbonation of limestone (raw material) in the cement manufacturing process. CO₂ emissions in FY2020 were 6,490 thousand tons due to the promotion of alternative fuels to coal and decreased operating rates.



Unit Energy Consumption Index

We are promoting energy conservation as a measure to mitigate global warming. In FY2020, there were fears that the energy consumption rate would worsen significantly due to a decline in facility operation caused by COVID-19. However, we were able to maintain the same level as the previous year by steadily implementing energy-saving measures and promoting the use of alternative energy sources to coal. As a result, we achieved our target of a 3% improvement in the energy consumption rate based on FY2005 standards.



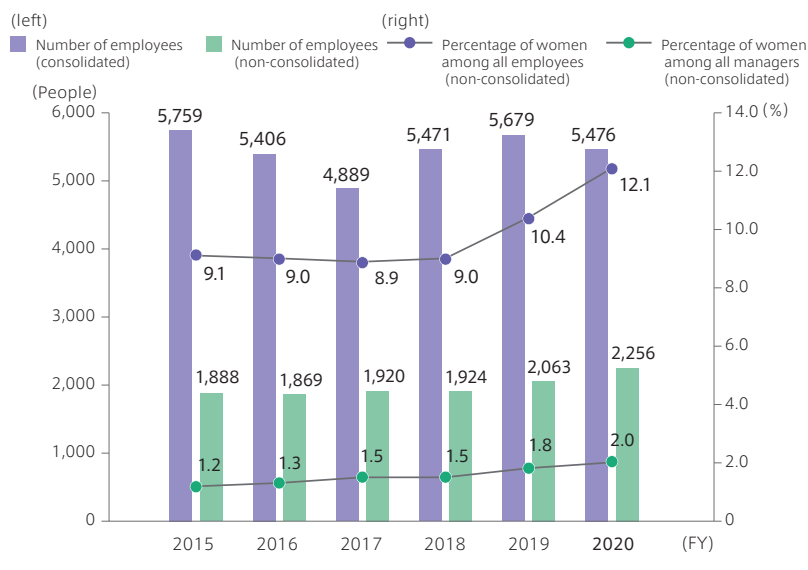
Effective Utilization Rate for Waste / Zero Waste Emission Rate

The effective utilization rate for waste and the zero emission rate remained high in FY2020 due to efforts to reduce the volume of waste and comprehensive recycling efforts. As a result of actively promoting the recycling of waste generated both internally and externally, with a focus on the reuse of waste as feedstock and fuel for cement at the Tokuyama Factory, the effective utilization rate for waste was 94.7% and the zero waste emission rate was 99.7%.



Number of Employees / Percentage of Women among All Employees / Percentage of Women among All Managers

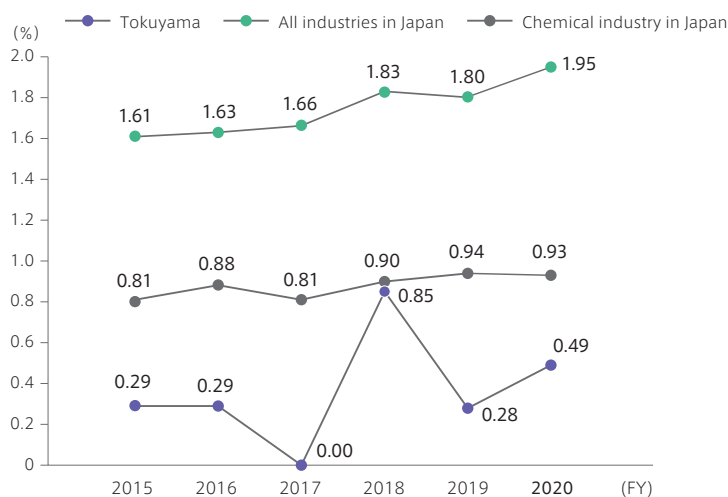
Tokuyama promotes diversity by utilizing the diverse values and perspectives of each employee in its corporate activities. In FY2016, we formulated an action plan in accordance with the implementation of the Act on Promotion of Women's Participation and Advancement in the Workplace, and updated it in FY2020. We are steadily expanding the scope of our activities, with the appointment of women as presidents at Group companies both in Japan and overseas in FY2018, and the appointment of women as general managers in FY2021.



Accident Frequency Rates*

One of our safety management goals is to achieve zero accidents and lost time injuries, and we are working to identify and eliminate risk factors, as well as to understand and recognize the behavioral characteristics of each individual to eliminate unsafe behavior. However, there were two cases of employees with lost time injuries in FY2020, and the frequency rate of accidents was slightly higher than usual. We will continue our efforts to achieve zero lost time injuries.

* Accident frequency rates indicate the frequency of occupational injuries, and are expressed as the number of employees absent from work due to occupational injuries per 1 million total working hours.



Annual Paid Leave Rate

In order to improve our employees' work-life balance, we encourage the planned use of annual leave, and the average rate of use has been over 70%. The revised Labor Standards Act of April 2019 requires employees to take at least five days of annual leave, and we are supporting this appropriately. Our Action Plan to Promote Opportunities for Women, set forth in April 2020, also sets a target of 75% or greater utilization of annual paid leave.





Growth Strategy

Growth Strategy Evolution	21
Medium-Term Management Plan 2025	22
Strategy 1: Transform Business Portfolio	24
Strategy by Business	27
Strategy 2: Contribute to Mitigation of Global Warming	32
Strategy 3: Promote Socially Responsible Management	36
Roundtable Discussion: Sustainable Growth and Our Mission	40

Growth Strategy Evolution

Previous Medium-Term Management Plan in Review

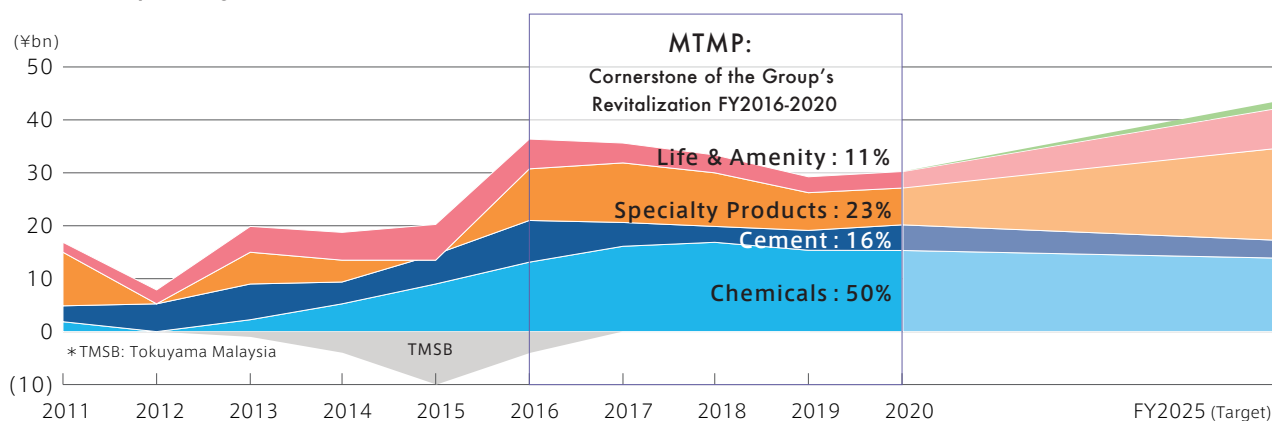
Tokuyama's previous medium-term management plan "Cornerstone of the Group's Revitalization," launched in FY2016 to serve as a "new foundation," placed priority on improving the Company's financial position. Despite falling short of the plan's quantitative targets as a result of the COVID-19 pandemic's impact and costs incurred to lay the groundwork for our next medium-term plan, we believe we are well on track to regain earnings power. During our previous plan's five-year term, we also structurally strengthened our operations, partly by exiting unprofitable businesses, with the aim of becoming the world's top supplier of advanced materials and the domestic market share leader in our legacy businesses by FY2025. That said, efforts to reform our organizational culture remain a work in progress. We will continue these reforms under Medium-Term Management Plan 2025.

	FY2015 results	FY2020 targets	FY2020 results	
Net sales	¥307.1bn	¥335.0bn	¥302.4bn	
Operating profit	¥23.0bn	¥36.0bn	¥30.9bn	
ROA* ¹	5.7%	10%	8.0%	
	Operating margin	7.5%	10%	10.2%
	Total asset turnover	0.77 times	1.0 times	0.79 times
Financial indicators	CCC* ²	69 days	55 days	65 days
	Debt/equity ratio	4.7x	1x	0.5x
JPY/USD	120	110	106	
Domestic naphtha price (¥/kl)	42,800	58,000	31,200	

*1 ROA: operating profit/total assets

*2 Cash conversion cycle: days sales outstanding + days inventory outstanding - days payables outstanding

Consolidated Operating Profit (Planned)



Progress on Priorities

	FY2016	FY2017	FY2018	FY2019	FY2020
Reform organizational culture		<ul style="list-style-type: none"> Revision of personnel evaluation system <ul style="list-style-type: none"> Managers Senior personnel Stepped up hiring/promotion of externally recruited personnel 			<ul style="list-style-type: none"> Regular personnel
Rebuild business strategy	Decided to establish	<ul style="list-style-type: none"> Transferred Tokuyama Malaysia to OCI (Korea) Revised new business assessment process (exit criteria) 	<ul style="list-style-type: none"> Opened Taiwan Research Laboratory 	<ul style="list-style-type: none"> Liquidated Tianjin Tokuyama Plastics (microporous film) 	<ul style="list-style-type: none"> Established Taiwanese JV to sell high-purity IPA to electronics industry
Strengthen group management	<ul style="list-style-type: none"> Partially divested equity stake in Figaro Engineering (gas sensors) 	<ul style="list-style-type: none"> Excel Shanon (plastic window sashes) formed capital tie-up with Panasonic 	<ul style="list-style-type: none"> Partially divested equity stake in Sun-Tox (polyolefin film) 	<ul style="list-style-type: none"> Agreed to acquire affiliate A&T (medical diagnostic systems) as wholly-owned subsidiary 	
Improve financial position	<ul style="list-style-type: none"> Issued preferred stock to strengthen financial base 	<ul style="list-style-type: none"> Redeemed preferred stock 	<ul style="list-style-type: none"> Refinanced subordinated loan 	<ul style="list-style-type: none"> Regained single-A credit rating 	

Medium-Term Management Plan 2025

Background of Strategy

Tokuyama's sources of competitiveness under its legacy business model have been operational integration and cheap electric power generated by the Tokuyama Factory's captive coal-fired power plant. In other words, Tokuyama has generated most of its profits from energy-intensive businesses and has been heavily dependent on domestic demand, deriving some 80% of its net sales from the domestic market.

However, our operating environment changed drastically during our previous medium-term management plan's five-year term. First, effective measures to reduce CO₂ emissions have globally become a priority among governments and companies in the wake of the 2016 Paris Agreement's effectuation. Second, in Japan, Tokuyama's main market, the sluggish trend in chemical demand has worsened markedly, largely in response to societal aging. Third, consumers are becoming increasingly health-conscious and interested in digitally enhanced lifestyles against a backdrop of advancements

in information and communication technology.

To craft a growth strategy that capitalizes on such changing trends, we must boldly transform our individual businesses and their collective revenue mix based on new ideas that go beyond mere extrapolation of the status quo. In particular, we must increase energy-efficient businesses' share of revenue. At the same time, we must seek to create solutions that can contribute to attainment of the Sustainable Development Goals (SDGs) in domains where we can leverage Tokuyama's unique technologies.

In February 2021, we redefined our Mission to strike a healthy balance between achieving sustained growth and contributing to SDGs' attainment. We also unveiled a new Vision to fulfill our Mission. Tokuyama is committed to transforming into a value-creative company by providing products and services that help solve societal problems in accord with its new Mission and Vision.

Mission: To create a bright future in harmony

Management challenges

Society
Accelerated change in industrial structure
Rapid digital revolution

Japan
Domestic demand shrinkage
Growing health consciousness

Planet Earth
Growing environmental consciousness, environmental regulatory tightening

Tokuyama's Aims

Achieve SDGs
 Target societal challenges within Tokuyama's circle of competence as core business domains

Electronics	4 QUALITY EDUCATION	7 AFFORDABLE AND CLEAN ENERGY	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	11 SUSTAINABLE CITIES AND COMMUNITIES	13 CLIMATE ACTION
Healthcare	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	6 CLEAN WATER AND SANITATION	10 REDUCED INEQUALITIES	
Environment	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER

Reduce CO₂ emissions
 Achieve carbon neutrality by FY2050

Reduce dependence on energy-intensive businesses (chemicals, cement) while scaling up energy-efficient businesses (electronics, healthcare, environment)

Overview of Strategy

In response to prevailing societal changes and management challenges, we recently formulated Medium-Term Management Plan 2025 for FY2021-25. The new plan's first priority is business portfolio transformation. First, we have designated our energy-intensive chemicals and cement businesses as cash cows, and will work to maintain their position as market leaders. Next, we have defined electronics, healthcare and the environment as new growth businesses in light of their prospects for market growth. Through proactive R&D investment, we will develop competitively advantaged products and services in these three domains. Meanwhile, we will conduct marketing-based R&D oriented at end users to transform from a materials supplier to a supplier of intermediate goods and solutions.

Our new plan's second priority is contributing to the mitigation of global warming. We aim to steadily achieve our long-term goal of carbon neutrality by FY2050. In

parallel with our decarbonization program, we will accelerate development and commercialization of next-generation energy technologies.

Our plan's third priority is socially responsible management. We plan to focus on addressing material topics (CSR priorities) that will become a springboard for growth toward realization of our Vision. To do so, we will steadily execute on our plan's three priorities with the aim of achieving net sales of ¥320 billion*³ and operating profit of ¥40 billion in FY2025.

It goes without saying that solutions to the individual material topics identified by Tokuyama will come from our employees. We plan to achieve Group-wide growth through continued progress in better developing human resources and reforming our organizational culture.

*³ FY2025 net sales target factors in application of the ASBJ's "Accounting Standard for Revenue Recognition" and other new standards.

with the environment, in collaboration with its customers, based on chemistry

Medium-Term Management Plan 2025

Transform business portfolio

Increase growth businesses' share of consolidated net sales to over 50%

Contribute to mitigation of global warming

Expedite development & commercialization of next-gen energy technologies
Reduce total CO₂ emissions 30%*⁴ by FY2030

Practice socially responsible management

Step up high-priority material topics (CSR initiatives) to lay the groundwork for further growth and realize Vision

FY2025 Targets

KPI	FY2020 results	FY2025 targets	Keys to achieving target
Net sales	¥259.2bn* ⁵	¥320.0bn	Maintain growth while transforming portfolio
Operating profit	¥30.9bn	¥40.0bn	Strengthen and expand highly profitable businesses
Growth businesses' net-sales growth rate	—	CAGR ≥ 10%	Strengthen R&D, accelerate international expansion
ROE	13.4%	≥ 10%	Balance shareholders' equity efficiency and financial base

*Assumptions: JPY/USD rate of ¥105, domestic naphtha price of ¥32,500/kl

*⁵ FY2020 net sales are approximate amounts based on application of "Accounting Standard for Revenue Recognition," etc., and are listed as reference values.

*⁴ Relative to FY2019

Strategy 1: Transform Business Portfolio

Policies and Priority Issues for FY2025

Increase growth businesses' share of consolidated net sales to over 50%

FY2021-25 Plans

- Redefine/reorganize growth businesses around the three themes of electronics, healthcare, and the environment, and proceed to move ahead with expanding them
- Chemicals and cement businesses to promote increased efficiency while generating sustainable cash flows

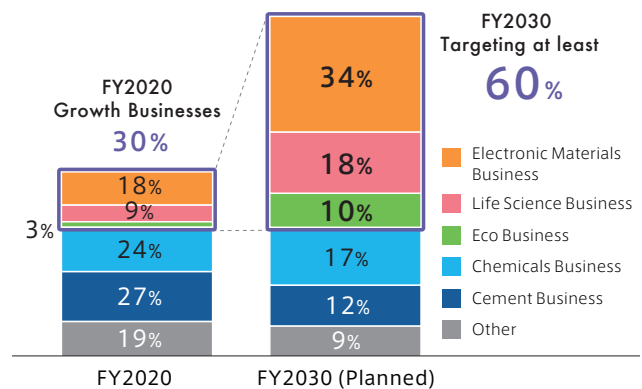
Priorities and initiatives

Technology:	Pursue added value and promote technological differentiation by collaborating more with external partners
Efficiency gains:	Pursue company-wide operational efficiency, mainly through DX
International expansion:	Expand operations in growing overseas markets

Target Business Portfolio

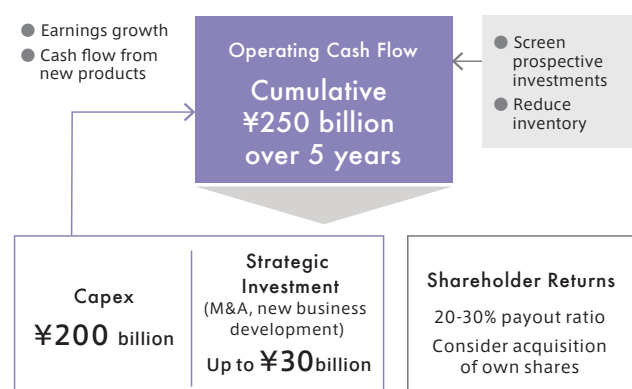
To achieve sustainable growth, Tokuyama will powerfully pursue the transformation of its business portfolio over the next five years. We will position the chemicals and cement businesses as strong sources of revenue, and focus our management resources on growth businesses. In the electronic materials business, we will focus on the development of advanced technologies for semiconductors and high-purity chemicals. In the life science business, we will use our proprietary technologies to capture a top niche position in areas where we can differentiate ourselves. In the eco Business, we will establish an earnings model in order to turn the business into a new pillar for the future. We will set our target for consolidated net sales ratio for these growth businesses at 50% or more by FY2025, while aiming for even higher levels.

Breakdown of Consolidated Net Sales by Business



Financial Management Policy and Capital Expenditures Plan

Under Medium-Term Management Plan 2025, in order to support the transformation of our business portfolio from a financial perspective as well, we will work to generate cash flow through profit growth and improve capital efficiency, while ensuring that group governance functions effectively. Building on our strong financial base, we plan for capital expenditures totaling ¥200 billion over the next five years. About two-thirds of our total investment will be allocated to growth businesses, energy conservation and CO₂ measures, and R&D. Through these proactive investments, we will increase our top line and provide stable shareholder returns, while reducing CO₂ emissions.



R&D Policy

To put the three areas of electronics, healthcare, and the environment on a growth trajectory, it is essential for us to cultivate Tokuyama's proprietary technologies and develop uncharted technological fields through proactive R&D investment.

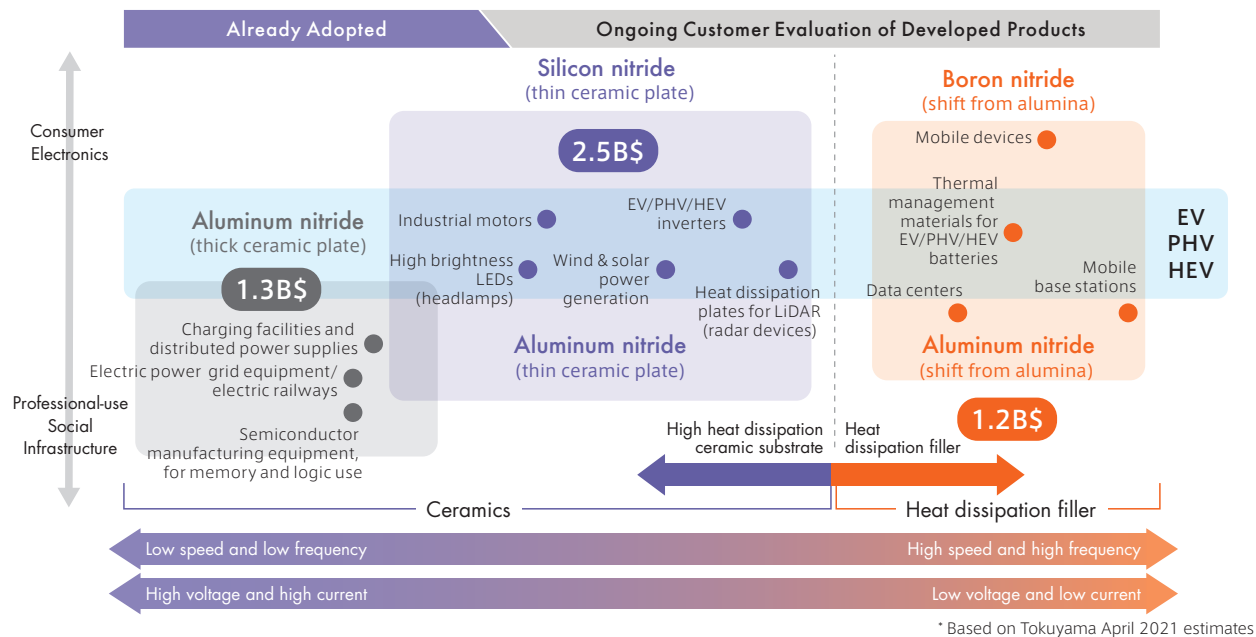
Looking back at our R&D activities over the past five years, we were able to make solid progress on short- and medium-term development themes, take stock of our elemental technologies, and reexamine our unique strengths by concentrating our management resources on development in our business divisions. Under Medium-Term Management Plan 2025, we will concentrate management resources on corporate development and focus on the creation of medium-

to long-term development themes centered on marketing, as corporate development activities have declined and there is a lack of development themes to be addressed over the medium-to long-term. We will also accelerate innovation that integrates different fields and the development of technologies in the environmental field, in which progress has been lagging, in order to transform ourselves into a value-creative and solution-providing company. The customer-driven research and development that we have practiced thus far will remain unchanged, and we will continue to expand the variety of our customer proposals in conjunction with achievements resulting from our corporate development.

Case 1: Thermal Management Materials Demand and R&D

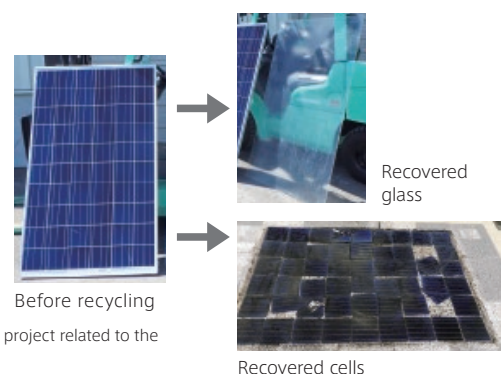
Tokuyama's aluminum nitride, as a high heat dissipation and high insulation material, has gained a significant market share, mainly in industrial applications such as power semiconductors. Under Medium-Term Management Plan 2025, we will continue to promote and cultivate existing products in the global market, while accelerating R&D and commercialization based at the Center for Commercialization of Advanced Technology, which opened in April 2021. By launching new materials for EVs, HEVs, and various power devices, we will expand our product lineup, while at the same time working to solve more familiar heat dissipation problems.

Metallized Substrate Market for Power Semiconductors



Case 2: Recycling Technology for Solar Cell Modules

In the environmental field, Tokuyama is taking a different approach from other companies to the development of new technologies. One of these is the technology to recycle solar cell modules. Currently, we are aiming to establish continuous operation technology¹ for a recycling demonstration plant to collect clean glass, cells, and ribbons² at an experimental facility built in Nanporo Industrial Park in Hokkaido. We are also launching a new business that can achieve high resource recovery rates at low costs through recycling technology using catalysts that chemical manufacturers are uniquely equipped to provide.



¹ Selected by the New Energy and Industrial Technology Development Organization (NEDO) for its project related to the "Development of Elemental Technologies for Photovoltaic Material Recycling."

² Copper wire connecting cells

Pursuit of Operational Efficiency through DX

To transform our business portfolio, we need to establish highly efficient business operations company-wide through digital transformation (DX) using AI and other technologies. Specifically, we will use DX to increase R&D speed, improve manufacturing processes and energy conservation, and optimize inventory. DX can also bring innovation to the

operations of corporate and sales departments, and we expect that it will also serve to innovate the transfer of field knowledge and production processes, as well as improve the efficiency of back-office operations. We will realize our four Visions with continuous innovation through the use of digital technology.

Promoting Digital Transformation (DX)



*MI: Materials Informatics

Accelerated International Expansion

We will accelerate international expansion to increase our consolidated overseas net sales ratio, which remained at approximately 20% in FY2020, to over 50% by FY2030. Behind this policy is the future decline in demand in the domestic market and the steady expansion of overseas markets. At present, our company is not in a position to be able to capture the strong overseas demand. Facing this reality, we plan to expand our business globally by leveraging Tokuyama's advantages.

In the electronic materials business, we will work with

local partners to build a supply system that can meet the needs of customers in cutting-edge fields, mainly in Asia and North America. In the life science business, we will expand our product line in areas where we can differentiate ourselves, such as fine chemicals and dental materials and equipment, in light of the increase in average life expectancy in each country and region. In the eco business, we will expand sales of ion exchange membranes and other products to Asian and European countries.

Future International Expansion of Main Products

Electronic Materials



High-Purity Isopropyl Alcohol (IPA) for Electronics Manufacturing

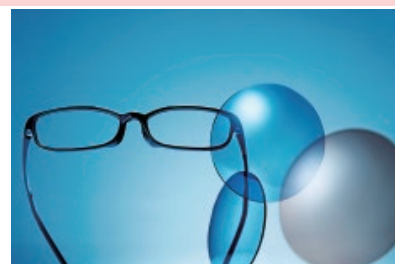
We have supply bases in Taiwan and Singapore, and have established a joint venture IPA manufacturing and sales subsidiary in Taiwan to further strengthen our supply system in the Asian market, with plans to start supplying IPA in January 2022. We are also aiming to establish a supply system in China to expand our market share in Asia and cement our position as the No. 1 supplier in the region.

Life Science



OMNICHROMA

Since its launch in 2019, OMNICHROMA has been highly acclaimed for its innovative concept and creative technology. We aim to promote composite resin sales and achieve brand penetration of the Tokuyama Dental Corporation on a global level. We will expand sales and increase our market share in the U.S. and European markets, and accelerate the launch and marketing of products in emerging markets.



Plastic Lens-Related Materials

To achieve a 25% share of the global market for photochromic dye materials, we will promote value-added improvements throughout the supply chain, including support for next-generation products of customers, and aim to both expand sales and develop new businesses in the European, U.S. and Asian markets.

Strategy by Business

Electronic Materials

Business
Goal

Push forward with globalization, and capture top share in the high-purity and thermal management materials fields supporting the miniaturization and stacking of semiconductors



Hiroshi Nomura

Representative Director, Senior Managing Executive Officer
General Manager, Electronic Materials Business
Division and General Manager, Tokuyama Factory

Business Overview

The segment manufactures and sells high-value-added products across four businesses, namely Silicon, centered on semiconductor-grade polycrystalline silicon and chlorosilanes; Silica, used primarily as a semiconductor polishing agent (CMP) and in silicone; Thermal Management Materials, including aluminum nitride, in which we have global top share, as well as boron nitride and silicon nitride; and IC Chemicals, centered on high-purity chemicals for electronics manufacturing. The segment name was changed from Specialty Products to Electronic Materials with the April 2021 reorganization. Under Medium-Term Management Plan 2025 this is a core business domain, and is positioned as the division that will play a leading role in shifting the Company's business portfolio.

To respond to the demands of semiconductor and electronic materials manufacturers both in and outside Japan, we are now working to develop the Company's unique technologies in high purification and high-sensitivity analysis, among others. We also intend to work to build a solid business model in anticipation of long-term growth, including increasing the weight of product areas categorized as energy-saving.

Strategic Points

The key to the segment's strategy will be to build a system for the timely market launch of products that meet the pace of growth and technical innovation in the semiconductor industry. The electronic materials market is currently witnessing the successive entry of new overseas

manufacturers, and global competition is intensifying. In such an environment, marketing is an important component in ensuring competitive advantage. We are also endeavoring to construct a system for accurately assessing, and quickly reflecting in product development, customer requirements arising from advances in miniaturization, stacking and increased performance.

Here, briefly, are our strategies by product area. In Silicon, we will continue to improve on our world-class quality, along with reviewing processes, advancing automation and taking other steps to significantly reduce costs. In Silica, we will advance the transformation of our business portfolio by uncovering and developing new applications, expanding sales to Asia and N. America, and further, introducing high-value-added products. In Thermal Management Materials, we will expand our product lineup with the addition of silicon nitride and boron nitride, accelerating business development. At the same time, we will utilize joint ventures and M&As to expand applications and move ahead with entry into downstream fields. In IC Chemicals, our work will focus on further increasing levels of purification in high-purity chemicals for electronics manufacturing, while also executing aggressive expansion overseas. We will also promote product development and commercialization in anticipation of near-future markets.

Globalization is a common strategic point across all of these fields. Our goal is to rapidly increase our share of overseas net sales by reorganizing business sites and making aggressive investments not only in markets in Asia, but also with an eye to the US and European markets as well.

Priority Measures

- ▶ Pursue aggressive expansion in overseas markets
- ▶ Develop new applications, expand product portfolio
- ▶ Produce high-quality products, pursue analysis technology

International Expansion

IC Chemicals	Expand Taiwan JV facilities, expand new global facilities	Asia, N. America
Thermal Management Materials	Launch silicon nitride, boron nitride products and expand overseas sales Develop new applications and enter downstream fields	Asia, N. America, Europe
Silicon	Strengthen marketing of semiconductor-grade polycrystalline silicon Extend silane product line and expand in Asia	Asia
Silica	Expansion of CASE ^{*1} and personal care applications Entry into the organic silicone field	Asia, N. America

*1 CASE: Coatings, adhesives, sealants, and elastomers

Quantitative Targets (Billions of yen)

	FY2020 results* ²	FY2025 targets
Net sales	61.7	102.0
Operating profit	7.1	20.0

*² FY2020 net sales are approximate amounts based on application of "Accounting Standard for Revenue Recognition," etc., and are listed as reference values.



Life Science

Business
Goal

Use unique technology to capture top niche share in areas where differentiation is possible (vision, dental, diagnostics)



Naoki Tamura

Executive Officer
General Manager, Life Science Business Division

Business Overview

The segment name was changed from the previous Life & Amenity to Life Science with the April 2021 reorganization, consolidating product areas having to do with human health. Since its entry into the dental care materials field in the latter half of the 1970s, the segment has developed and supplied a succession of products leveraging Tokuyama's unique technologies, including pharmaceutical ingredients, pharmaceutical intermediates, and photochromic dye materials for eyeglass lenses. The Company operates state-of-the-art manufacturing equipment that conforms to manufacturing and quality control standards for pharmaceuticals and quasi-drugs under a strict control system. We contribute to enhancing peoples' quality of life (QOL) through solutions that combine a lineup of high-value-added products created with this system, and Tokuyama's technical expertise, including its patents.

Strategic Points

Our goal is to gain top niche share in fields that allow for easy differentiation, such as eyeglasses, dental care, and diagnosis, based on unique technologies developed by Tokuyama. In addition to expanding our share in plastic lens-related materials, we are also working to utilize organic synthesis technology we have developed to enter the semiconductor and electronic device fields. Going forward, we will prioritize the allocation of management resources for the use of microporous film not only in the medical disposables market, but also for non-medical applications

such as desiccants. In dental materials and equipment, our efforts will focus on continuing to demonstrate initiative in global markets, centered around the OMNICHROMA composite resin product series. In the field of medical diagnostics, through alliances with other companies we aim to become the No. 1 OEM supplier of automated bioanalytic testing systems in Europe and Asia.

For the segment as a whole, we will be shifting the focus of our business to new fields and overseas markets where high growth can be expected. To accomplish that, we will strengthen our marketing capabilities, in part by actively hiring personnel who are intimately familiar with overseas markets. Further, by expanding the business through M&As and collaboration with other companies, we aim to develop new products and offer new added value. In particular, A&T Corporation, which we acquired and made a wholly-owned subsidiary in February 2021, will become our core operating company in the medical diagnostics field, and beginning this fiscal year, will be expanding into blood testing devices, as well as support systems for introducing IT and automation in testing labs and other areas. With the support of Tokuyama's chemical technologies, we aim to move forward with R&D in domains integrating biochemistry and chemistry, including functional peptides and others, with the goal of creating new products in the field of clinical testing reagents. We also intend to grow our main portfolio of products in dental materials and equipment into a global brand for aesthetic repair materials.

Priority Measures

- ▶ Expand product portfolio including biotin and other products for health/pharmaceutical applications
- ▶ Develop new applications for unique biaxially-oriented microporous film; expand Shanghai site
- ▶ Accelerate overseas expansion of cosmetics materials, supplements and other healthcare products, develop new product areas
- ▶ Accelerate the development of diagnostic reagents through chemical integration, establish new alliances, and expand testing areas

International Expansion

Fine Chemicals	Aim for 25% global share in photochromic dye materials	N. America, Europe, Asia
	Accelerate overseas expansion for cosmetics materials, supplements, veterinary products, etc.	Europe, S.E. Asia
Dental Materials and Equipment	Penetration of brands, acceleration of overseas sales of OMNICHROMA series	N. America, Europe, Russia and CIS, emerging countries
Medical Diagnostic Systems	Through alliances, aim to become the No. 1 OEM supplier for open, automated bioanalytic testing systems	China, Korea

Quantitative Targets (Billions of yen)

	FY2020 results*	FY2025 targets
Net sales	28.5	46.0
Operating profit	3.4	7.5

* FY2020 net sales are approximate amounts based on application of "Accounting Standard for Revenue Recognition," etc., and are listed as reference values.



Eco Business

Business
Goal

Serve as a new business pillar
for the future



Ryo Sugiyama

Managing Executive Officer
General Manager, Eco Business Division

Business Overview

This segment is a new division started in April 2021 to bring together environment-related businesses and development operations previously dispersed among the Group companies.

Against the backdrop of the Japanese government's fall 2020 declaration to achieve carbon neutrality by 2050, and other factors, corporate activity is expected to face even greater environmental regulatory tightening going forward. Given this trend, the eco business is developing a resource recycling business based on the Company's long-established and rigorous use of waste products and byproducts. This includes reclamation of gypsum from waste gypsum board, and recovery of useful substances from factory effluent. In addition, we are also working to develop and supply products that can have a direct effect on reducing CO₂, as part of our effort to contribute to achieving a sustainable society through the commercialization of green technologies. Over the five years of Medium-Term Management Plan 2025, our goal is to establish the foundations of the eco business as a new business that will help take us into the future.

Strategic Points

Group company ASTOM Corporation is involved in the manufacture and sale of ion exchange membranes, demand for which is expected to grow with the tightening of environmental regulations mentioned earlier. We will contribute to global environmental preservation and decarbonization by addressing new demand for waste liquid recycling, recovery of valuable substances, and other processes centered on specialized membranes with unique features, in

addition to ion exchange membranes used in salt production and in the production of food and drinking water. To address this growing demand, we have already begun working to put in place and strengthen supply systems.

In 2020, Excel Shanon Corporation, which manufactures plastic window sashes, entered into a partnership with Panasonic Corporation, and the companies have begun working together to develop the housing market, among other goals. We plan to engage the high-performance housing market, boosted by the tailwinds of tightening energy-saving standards in housing and an expanding trend toward energy saving.

Tokuyama Chiyoda Gypsum Co., Ltd. has its own proprietary technology for collecting waste gypsum board and enabling it to be completely recycled as raw material for new gypsum board. Looking ahead over the five years of the medium-term management plan, we expect the value of the business will increase on both the upstream and downstream sides. Today, we plan to strengthen waste board collection routes and establish new plants in areas not covered by our existing plants.

In addition to the above, we are also moving forward in the solar panel recycling business, as solar panels will generate a massive amount of waste in the near future. There is also the issue of photovoltaic modules, where recycling is made difficult by the need to separate glass components, batteries, precious metal wiring and other materials. Focusing on this issue, in FY2019 the Company began working with NEDO* on joint research into separation and material recycling technology.

*New Energy and Industrial Technology Development Organization

Priority Measures

- ▶ Respond to increasing demand for water treatment membranes due to strengthened environmental regulations
- ▶ Expand resource recycling business in waste gypsum board, photovoltaic modules and others
- ▶ Commercialize developed next-generation energy technologies

Investment Policy

- ▶ Ion exchange membranes: Boost production capacity
- ▶ Waste gypsum board recycling: Expand business sites
- ▶ Photovoltaic module recycling: Establish and commercialize recycling technology

International Expansion

Ion Exchange Membranes	Incorporate environmental demand, enter countries in Asia and Europe	China, Korea, Asia, Europe
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Quantitative Targets (Billions of yen)

	FY2020 results*	FY2025 targets
Net sales	8.8	18.0
Operating profit	(0.3)	1.5

*FY2020 net sales are approximate amounts based on application of "Accounting Standard for Revenue Recognition," etc., and are listed as reference values.



Chemicals

Business
Goal

**Ensure stable earnings
in the existing business**



Hirotaka Nishihara

Executive Officer
General Manager, Chemicals Business Division

Business Overview

As a business that has continued since Tokuyama's founding, the chemicals business manufactures and sells basic materials such as inorganic chemicals and chlorine derivatives that are essential to industry and daily life. We have world-class brine electrolyzer unit technology, and are the one and only manufacturer in Japan of soda ash, calcium chloride and sodium silicate cullet. These are the source of the unique technologies Tokuyama has created, and today, Tokuyama is supported by a cumulative century of manufacturing technology and a strong customer base.

In line with its basic policy of "fully produce and fully sell," the segment always strives to optimize the balance of supply and demand. As we anticipate a gradual shrinking of domestic markets, we are focusing on capturing overseas users, where growth can be expected. One result of that effort in recent years has been an increase in the proportion of exports of mainstay products such as caustic soda.

The technologies and expertise the segment has developed are particularly distinctive for including many that can contribute to a closed-loop society through effective use of byproducts generated by the manufacturing process, or through appropriate wastewater treatment, as well as those that contribute to maintaining peoples' health.

Strategic Points

While the chemicals business has advantages in terms of contributing to resource circulation and healthcare, its production sites, including electrolytic plants and soda ash

plants, consume large amounts of energy, resulting in a business structure with high CO₂ emissions. Consequently, we are working to shift to greater energy savings by enhancing the performance of our electrolyzer units, and promoting improvements to, and efficiency gains in, the production process to ensure business continuity. In addition, we have also begun working to develop utilization technology for hydrogen, CO₂ and other segment byproducts by applying technology from soda ash manufacturing. Tokuyama has set out a goal of reducing total CO₂ emissions by 30% by FY2030, and we are moving forward with efforts to establish a business model that is acutely conscious of the SDGs.

Let me also mention something about our strategies for each of our main product areas. In soda ash and calcium chloride, we will ensure stable earnings in existing businesses through improvements and efficiency gains in the manufacturing process and supply chains, via promoting digital transformation (DX). Simultaneously, we will accelerate development of the carbon capture and utilization (CCU) technology mentioned earlier, and establish a process for recovering CO₂ emitted in the manufacturing process. We also plan to test its introduction in the soda ash and sodium bicarbonate manufacturing process to determine its effectiveness. In chlor-alkali and vinyl chloride, we are strengthening efforts to address existing issues, including optimization of domestic supply and demand and logistics reforms, while also working to create new demand, by leveraging our strengths in vinyl chloride, and expand business in growth markets.

Priority Measures

- ▶ Engage in innovative, sustainable and environmentally-friendly manufacturing processes
- ▶ Improve electrolyzer unit energy efficiency to world-class levels, reduce CO₂ emissions through energy saving
- ▶ Improve manufacturing processes and supply chains through promoting DX

Investment Policy

- ▶ Maintain and update facilities needed for stable business continuity
- ▶ Energy saving and rationalization to address environmental issues

Quantitative Targets (Billions of yen)

	FY2020 results*	FY2025 targets
Net sales	79.6	85.0
Operating profit	13.5	13.5

* FY2020 net sales are approximate amounts based on application of "Accounting Standard for Revenue Recognition," etc., and are listed as reference values.



Cement

Business
Goal

**Become the domestic industry leader
in energy efficiency**



Takahide Taniguchi

Managing Executive Officer
General Manager, Cement Business Division

Business Overview

The Company's cement business was begun in 1938 to make effective use of the waste products generated in the production of soda ash. By providing a stable supply of cement and other high-quality basic construction materials, we contribute to building a strong, prosperous country. Further, by safely processing difficult-to-treat waste products utilizing Tokuyama's chemical technologies, we also contribute to reducing environmental impact and achieving a sustainable society. The importance of this segment is also increasing in preparing for natural disasters, which are growing more frequent, and causing even greater damage, with each passing year.

Manufacturing cement requires enormous amounts of energy to burn limestone and other raw materials, which means a business structure with high CO₂ emissions. Given this issue, we have decided on the business goal of becoming the domestic industry leader in energy efficiency. Presently, we are working to achieve that goal by reducing effective energy losses to zero, through rigorous energy savings and by making productive use of waste heat. The Company was also the first in the cement industry to establish a non-polluting technology for treating plastic waste by burning it in a kiln, as an alternative to thermal energy obtained from coal. We are focused on reducing environmental impact by operating production systems using these kinds of technologies.

Strategic Points

In accordance with Tokuyama's company-wide CO₂ emissions reduction plan, energy-saving equipment is also being deployed at our cement plants as we focus on lowering electricity and coal consumption rates. We intend to maintain our competitive strength as a cement manufacturer that leads in energy efficiency. To further curb the volume of coal we use, we are working with our direct sales companies and dealers to strengthen acceptance of combustible waste products.

As a measure to address the domestic market, which is expected to shrink going forward, we are working to further strengthen our relationships with general contractors and subcontractors and expand our sales network. At the same time, we aim to maximize profits by working to expand the value chain.

One important social issue that has been the subject of increased focus in recent years is the aging of public infrastructure such as roads, tunnels and bridges. Led by Tokuyama Mtech Corporation, the segment provides concrete materials essential to the repair and reinforcement of such infrastructure, and we are also developing a building materials business to carry out that construction work. We will work to establish this business as our next earnings pillar while we focus even more on developing and expanding sales of new products.

Priority Measures

- ▶ Introduce energy-saving equipment to reduce CO₂ emissions
- ▶ Reduce use of coal by increasing combustion amount of waste plastic

Investment Policy

- ▶ Maintain and update facilities needed for stable business continuity
- ▶ Energy saving and rationalization to address environmental issues
- ▶ Expand waste treatment that contributes to a closed-loop society

Quantitative Targets (Billions of yen)

	FY2020 results*	FY2025 targets
Net sales	50.8	56.0
Operating profit	4.3	3.5

* FY2020 net sales are approximate amounts based on application of "Accounting Standard for Revenue Recognition," etc., and are listed as reference values.

Strategy 2: Contribute to Mitigation of Global Warming

Goals for FY2030

Expedite development/commercialization of next-gen energy technologies
 Reduce total CO₂ emissions 30% (2 million tons) by FY2030*

*Reduction target: Base year FY2019 total CO₂ emissions of approximately 6.76 million tons

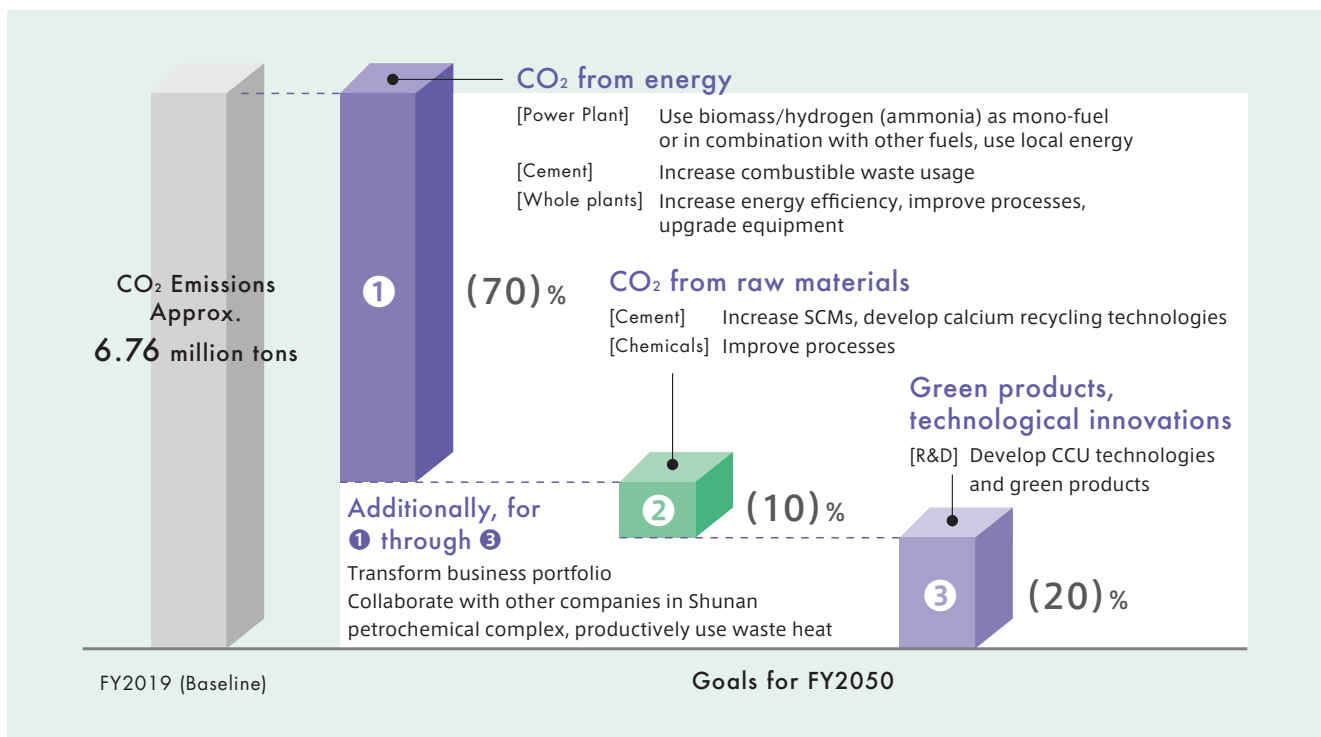
Initiatives Toward Carbon Neutrality in FY2050

As the impact of climate change becomes more apparent, reducing CO₂ emissions is an urgent issue for Tokuyama, because thus far we have been operating captive coal-fired power plants. In February 2021, we declared that we would achieve carbon neutrality in FY2050 by promoting the decarbonization of raw materials and fuels and by developing green products. At the same time, we endeavor to accelerate the speed of structural reforms, including the transformation of our business portfolio, with our highest intermediate target thus far of reducing total CO₂ emissions 30% by FY2030.

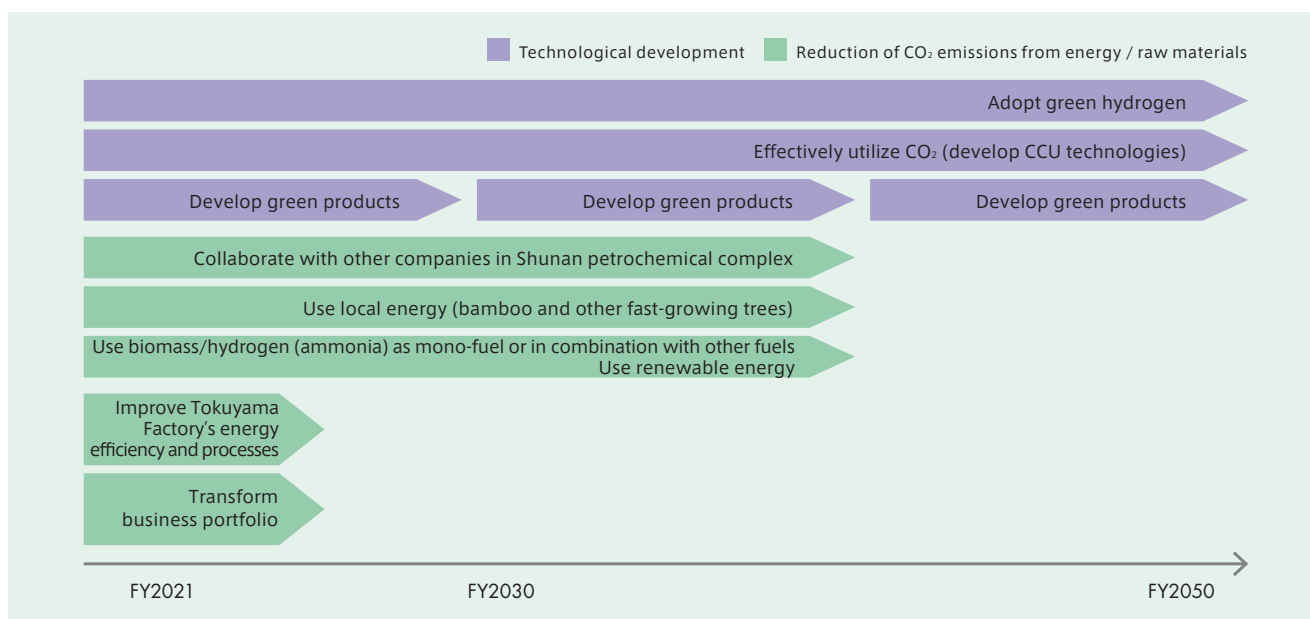
In FY2021, our newly-established Carbon Neutral Strategy Division will take the lead in formulating a concrete action plan and will focus on biomass combustion power generation. We have also started a biomass demonstration project in cooperation with Shunan City in Yamaguchi Prefecture, and to address the problem of bamboo overgrowth in the prefecture are using bamboo resources as fuel for power generation. Tokuyama aims to accelerate the development of next-generation energy and carbon capture and utilization (CCU) technologies, as well as to create new value through the commercialization of these technologies.

Emissions from energy consumption	Captive power plants	Zero CO ₂ emissions (target of 50% reduction in FY2030)
Emissions from raw materials (limestone)	Cement	Seek to reduce limestone consumption
	Chemicals	Explore the possibility of offsetting emissions with CCU technologies, green products, etc. (already underway)

FY2050 CO₂ Emission Reduction Target



Carbon-Neutrality Action Plan



Action Plan	Policy for Future Initiatives
Transform business portfolio	<ul style="list-style-type: none"> Reform organizational culture based on optimal management resource allocation and new philosophy; in doing so, transform from business structure dependent on energy-intensive businesses to value-creative company driven by growth businesses of electronics, healthcare, and environment
Improve Tokuyama Factory's energy efficiency and processes	<ul style="list-style-type: none"> Increase use of combustible waste, such as waste plastics, to reduce coal consumption Continue promoting energy conservation, improving manufacturing processes, and considering upgrades to latest equipment with high environmental efficiency Improve calcination efficiency of clinker (cement feedstock), increase amount of SCMs to reduce amount of clinker used, and promote development of calcium recycling technologies such as using waste concrete materials
Use biomass/hydrogen (ammonia) as mono-fuel or in combination with other fuels	<ul style="list-style-type: none"> Establish new organization specializing in stable procurement of biomass fuels, such as palm kernel shell (PKS), to create a sustainable supply chain Consider facility modification to expand biomass combustion Confirm technology trends in hydrogen and ammonia fuels
Use local energy (bamboo and other fast-growing trees)	<ul style="list-style-type: none"> Promote development of technology and construction of supply chain to convert bamboo and fast-growing trees, which are unused resources in Tokuyama Factory area, into biomass fuel as alternative to coal
Collaborate with other companies in Shunan petrochemical complex	<ul style="list-style-type: none"> Strengthen cooperation among multiple companies to improve energy efficiency of entire industrial complex through energy sharing, and study establishment of carbon cycle through circulation of raw materials Research waste heat recovery technology and catalyst technology for manufacturing using low reaction heat, through collaboration with Shunan petrochemical complex and Society of Chemical Engineers, Japan
Develop green products	<ul style="list-style-type: none"> Promote development of green products in living environment TOPIC Create new green products through introduction of technologies that enable greening of manufacturing processes and products
Effectively utilize CO ₂ (develop CCU technologies)	<ul style="list-style-type: none"> Develop CCU for capture and effective use of CO₂ and survey technological trends Promote open innovation in next-generation carbon recycling technology
Adopt green hydrogen	<ul style="list-style-type: none"> Study water electrolysis technology development and commercialization

Contributing to Energy Efficiency in Japan with High-Performance Plastic Window Sashes (Excel Shanon Corporation)

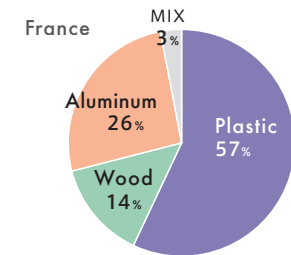
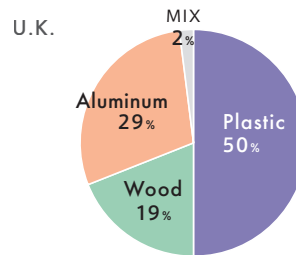
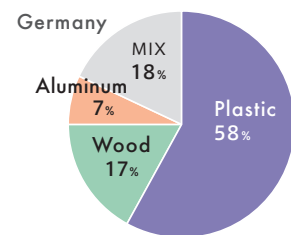
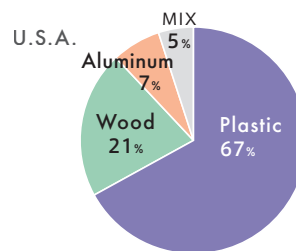
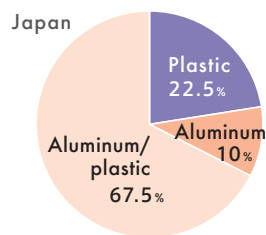
Shanon Wind, Japan's first high-performance plastic window sash, was launched in 1976 and is mainly designed for homes in cold climates, providing, with its excellent heat insulation and airtightness, a cool indoor environment in summer and a warm indoor environment in winter. The adoption rate of plastic window sashes in new housing in Hokkaido increased to 99% in FY2020. However, nationwide the adoption rate of plastic window sashes in Japan is only 22%, lower than that of

environmentally advanced countries such as Germany. For Japan, with its low energy self-sufficiency rate, energy saving in heating and cooling is an important issue, as it accounts for about 30% of energy consumption in the household sector. We will continue to advance the development of super-insulation and contribute to energy saving in Japan through the promotion of our plastic window sashes.

Comparison of Plastic Sash Adoption Rates in Major Countries



Shanon Wind, high-performance plastic window sash



Source
 Japan: "Survey on the Use of Building Materials for Housing, March 2021," Japan Sash Manufacturers Association
 EU: Saint-Gobain Exprover marketing document: 2016 EU Residential Windows by Frame Type, Saint-Gobain
 U.S.A.: 2010/2011 U.S. National Statistical Review and Forecast
 *EU: data provided by Saint-Gobain
 U.S.A.: data excerpted from PVC Windows Industries Association

Risks and Opportunities Behind the Medium-Term Management Plan

Tokuyama

[Risks]

Negative impact on energy-intensive businesses dependent on coal-fired power generation

- Increased costs due to carbon pricing
- Impact due to changes in customers' procurement policies
- Impact on financing due to changes in policies of financial and investment companies

[Opportunities]

Opportunities for the creation of new business in Eco Business

Government: Environmental regulatory tightening in various countries

- Countries strengthening environmental regulations in accordance with international frameworks such as the Paris Agreement
- Emerging countries demand higher levels of environmental protection policies from developed countries
- Introduction of carbon pricing such as carbon tax and emissions trading, gradual increase of tax rates, etc.

Customers / End Consumers: Growing environmental consciousness

- Increase in the number of companies implementing green procurement
- More companies requiring suppliers to switch to renewable energy with capital expenditures
- Increasing demand from environmental industries
- Expansion of waste treatment and resource utilization industries
- Expansion of industries against global warming, etc.

Fund Procurement: Acceleration of environmental finance and ESG investment

- Increase in preferential interest rates offered by financial institutions to environmentally-friendly companies
- Suspension of new loans / refinancing of existing loans to fossil fuel-related businesses by financial institutions
- Increase in ESG investment ratio

Framework for Promoting Carbon Neutrality

The CO₂ Project Division, which has been responsible for formulating CO₂ reduction measures and medium- to long-term targets since January 2020, has been reorganized into the Carbon Neutral Strategy Division, directly under the President, as of April 2021. Within the Carbon Neutral Strategy Department, the Carbon Neutral Planning Department is mainly responsible for developing strategies to achieve our reduction targets. This Department formulates and promotes specific plans such as the best energy mix in cooperation with the Corporate Planning Division, the business divisions, and the Tokuyama Factory. The Executive Committee deliberates proposed strategies and our policy is to implement the PDCA cycle at the management level to simultaneously achieve both our business strategy and our strategy for reducing CO₂ emissions.

Meanwhile, the Biomass Development Department takes the lead in formulating biomass procurement policies and plans. In addition, the GREEN Project Department, newly established in the Research & Development Division, is in charge of CO₂ reduction measures for that division. To accelerate the commercialization of green products and next-generation energy-related services that use innovative reduction technologies, we will work closely with the Carbon Neutral Planning Department to investigate technological trends and collaborate on technologies with external partners.

In February 2021, we announced our support for the TCFD recommendations*¹, and we will also focus on highly transparent information disclosure.

*1 A disclosure framework for investors to appropriately evaluate a company's climate-related risks and opportunities, published by the Task Force on Climate-related Financial Disclosures (TCFD) in 2017.

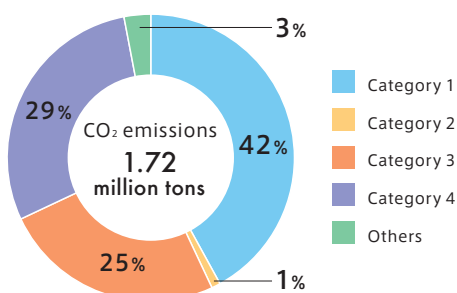
Prospects for Biomass Utilization

The Tokuyama Factory has been focusing on biomass combustion power generation and has been using wood chips and palm kernel shells (PKS) as fuel for power generation. In April 2021, we established the Biomass Development Department, an organization specializing in the stable procurement of biomass fuels, as the demand for biomass fuels is expected to increase in the future. Regarding PKS, we will build a sustainable supply chain while thoroughly implementing CSR procurement that takes into consideration human rights and compliance.

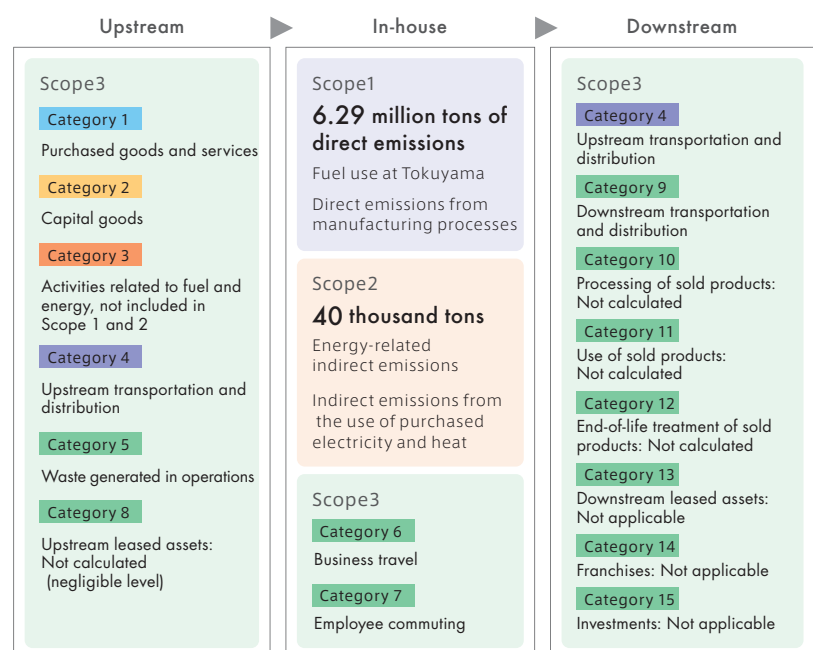
In Shunan City, Yamaguchi Prefecture, where the Tokuyama Factory is located, we are participating in the Woody Biomass Utilization Promotion Council managed by the city. We are studying the utilization of local forest resources, mainly city-owned forests, together with the council members. Also, considering the negative impact on the ecosystem caused by the invasion of bamboo forests, we have started the practical application of biomass power generation using bamboo as mono-fuel. In the future, we plan to develop fuels that will facilitate easier loading, unloading, and storage.

Managing Supply Chain Emissions

Based on the Scope 3 Standard* of the GHG Protocol, Tokuyama has calculated the emissions for Scope 3 Categories 1 to 7 and 9, which are the emissions across the entire supply chain. Emissions in the categories we calculated were 1.72 million tons, a decrease of 70,000 tons from FY2019. This was due to a decrease of 30,000 tons in emissions from Category 1 (Purchased goods and services).



Note: Due to rounding, the sum of the figures in the breakdown does not equal the total amount.



* The GHG Protocol is an organization co-sponsored by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD); the Scope 3 standard is a standard issued by the protocol in November 2011 for calculating CO₂ emissions across an entire supply chain.

Strategy 3: Promote Socially Responsible Management

Why Focus on Socially Responsible Management?

Socially responsible management plays a vital role in fulfilling Tokuyama's newly redefined Mission. When we redefined our Mission, we looked squarely at the problem of CO₂ emissions, which is the main cause of global warming, and placed emphasis on achieving harmony with the environment. Our Mission represents our will to fundamentally change our energy-intensive business structure, and to continue to be sustainable and resilient as a chemical manufacturer. In addition, from the CSR perspective, we have clearly stated that we will create a bright future in collaboration with our customers. In the areas of electronics, healthcare, and the environment, which we will focus on in our Medium-Term Management Plan 2025, it is essential that we develop and propose products that are more consumer-oriented. To do so, we have decided to expand upon our traditional role of meeting customer needs, and focus

Tokuyama's Mission on guiding customers to a better future.

Going forward, we recognize that it will become even more important to respond to CSR-related requests from our customers as well as to understand our business partners' efforts in their own CSR initiatives. More transparent management is required, not only in terms of product quality and environmental contribution, but also from the standpoint of human rights, corporate ethics, and diversity. In other words, we believe that socially responsible management is a prerequisite for sustainable business.

Tokuyama aims to solidify our trust relationship with society by strengthening our efforts in material topics (CSR priorities), while at the same time pursuing our own unique approach to socially responsible management.

* For more information on addressing sustainability in management, please refer to "Corporate Governance" on page 44.

Tokuyama's Materiality

Vision:
1 Be a value-creative company that places first priority on R&D and marketing
2 Be a company that never stops challenging new domains while refining and exploiting its unique strengths

Materiality Relationship to Our Vision	Our FY2025 Vision	KPI
Helping to fight global warming 1 2	Achievement of carbon neutrality by FY2050	<ul style="list-style-type: none"> Reduction of total CO₂ emissions of Tokuyama Group: 30% reduction in FY2030 (compared with FY2019) Increased disclosure information, including Scope 3*
Developing products and technologies that address social issues 1 2	Expansion of development of products and technologies that help to resolve social issues, focusing on SDGs	Promotion of development of products and technologies that help to resolve social issues, focusing on SDGs Environment: Creation of new technologies to reduce CO ₂ emissions Electronics: Expansion of product line and creation of new business in peripheral materials Healthcare: Creation of new technologies for product line expansion and globalization
Preventing accidents and preparing for disasters 3 4	<ul style="list-style-type: none"> Accident prevention and disaster preparation Improvements in process safety management level Fostering and improvement of safety culture 	<ul style="list-style-type: none"> Zero accidents and zero lost time injuries; number of incidents: zero Deepened risk assessment Promotion of smart security
Conserving the environment 4	<ul style="list-style-type: none"> Promotion of recycling and maintenance of zero landfill waste Maintenance of low emissions of environmental impact substances Compliance with legal requirements and other regulations, achievement of zero environmental accidents Contribution to biodiversity conservation 	<ul style="list-style-type: none"> Reduction of environmental impact: Effective utilization rate for waste ≥ 94% Zero waste emission rate ≥ 99.9% Maintenance of low emissions of environmental impact substances Compliance with legal requirements and other regulations, achievement of zero environmental accidents Contribution to biodiversity conservation

Goals for FY2025

Step up high-priority CSR initiatives to lay the groundwork for further growth and realize our Vision

Formulation of Materiality KPIs

Based on the three priority issues that are the pillars of Medium-Term Management Plan 2025, our Vision is a clear statement of the “Tokuyama of the near future,” which we will achieve through sustainable growth. This is not only a slogan -- it is closely related to the ten material topics we have established. Therefore, not only do our efforts toward these material topics contribute to SDGs, but they are also action plans aimed at the achievement of our Vision.

In February 2021, we partially revised our material topics in line with the new Medium-Term Management Plan 2025, and formulated targets and KPIs for FY2025. We have added “Promotion of physical & mental health” as a new material topic, explicitly stating that the physical and mental health of our employees is fundamental to achieving our Vision.

3 Be a company with healthy employees who have healthy families and take pride in their work at their company

4 Be a company that fosters bonds with people in communities and societies worldwide

FY2020 Results	Responsible Department
<ul style="list-style-type: none"> Formulated specific plans to achieve FY2030 CO₂ emission reduction target Set new targets in next medium-term management plan Reduced per-unit energy consumption by 8.9%(compared to FY2005) Included Scope 3, CO₂ reduction, and green products in CSR Report 2020 	Carbon Neutral Strategy Division Responsible Care Management Department Factory Planning and Administration Department
Environment and Energy Field: <ul style="list-style-type: none"> Consolidated and strengthened development themes and personnel in Research & Development Division based on new medium-term strategy for increased speed IoT Field: <ul style="list-style-type: none"> Increased customer satisfaction by providing accurate technical support and increased development stage Healthcare Field: <ul style="list-style-type: none"> Made progress on preparations for commercialization in several themes 	Research & Development Division
Number of accidents: 2 Occupational accidents - employees: 2 lost time injuries; contractors: 3 no lost time injuries Created security skill maps, carried out VR hazard simulation training and disaster prevention training Conducted steady state and nonsteady state risk assessments, reassessed work risks, and implemented countermeasures ICT Project Department assigned frontline staff with latest ICT skills.	Responsible Care Management Department
Effective utilization rate for waste: 94.7% Zero waste emission rate: 99.7% Maintained low emissions of environmental impact substances; efforts underway in each department Exceeded regulatory values under Air Pollution Control Act: 1 case Environmental accidents: 0	Responsible Care Management Department

Materiality Relationship to Our Vision	Our FY2025 Vision	KPI
Improved chemical management and product safety ★ 4	Maintenance of appropriate chemical management and promotion of product safety in the Tokuyama Group	<ul style="list-style-type: none"> Compliance with chemical laws and regulations in each country: Zero infractions of chemical-related regulations Risk management of chemical products, including Group: Zero accidents due to product safety
Promoting CSR procurement 4	Management of supply chains based on CSR procurement guidelines	<p>Promotion of survey and management of supply chains based on CSR procurement guidelines</p> <ul style="list-style-type: none"> More detailed investigation of suppliers by refining assessment sheet Establishment of system to conduct on-site audits of suppliers Reduction of environmental impact in logistics
Engaging with local communities 4	<ul style="list-style-type: none"> Contribution to a decentralized society through business Providing a place where people can grow and flourish 	<p>Harmoniously co-existing and cooperating with communities</p> <ul style="list-style-type: none"> Dialogue with community Active participation and cooperation in various community (residents, government, and organization) events <p>Solutions to community problems and contributions to sustainable development of community</p> <ul style="list-style-type: none"> Employment from community Social contribution activities Contributions to community through business
Developing human resources 2 3	<p>Development and strengthening of human resources as source of corporate competitiveness</p> <p>Strengthening of human resources for next generation</p>	<p>Activation of human resources through career planning and rotation of appropriate personnel: Improvements in education system, etc.</p> <ul style="list-style-type: none"> Development of next generation of managers Training of highly skilled engineers to support business execution Enhanced initial training system by defining required human resources and job skills <p>Establishment of culture of nurturing through work by linking goal setting and feedback: Surveys based on employee attitudes</p>
Promotion of diversity and career fulfillment ★ 2 3	Acceptance and utilization of diverse human resources	<p>Promotion of diversity and inclusion: Active promotion of women: 20% of new graduates, ≥2% of management positions</p> <p>Employment of persons with disabilities: ≥2.3%</p> <ul style="list-style-type: none"> Respect for diversity of experience and skills of each individual Respect for diverse values <p>Promotion of work-life balance: Management of actual working hours per year: Annual paid leave rate ≥80%</p> <p>Improved childcare and nursing care support systems: At least one male employee on childcare leave or parental leave ≥75% (women ≥75%)</p>
Promotion of physical & mental health ☆ 3	<p>All executives and employees take an interest in maintaining & improving their health</p> <p>Implement company-wide initiatives to create a vibrant workplace</p> <p>Eliminate harassment by fostering good communication and mutual trust in the workplace</p>	<p>Promotion of health and productivity management:</p> <p>Leave rate: 0.5%</p> <p>Smoking rate: 15%</p> <p>Health consultation rate: 100%, etc.</p> <p>Strengthen harassment prevention and response</p>

★ Item name revised in February 2021 ☆ Item added

* Greenhouse gas emissions from organizational activities, including raw material procurement, manufacturing, logistics, sales, and disposal.

Note: For detailed information on our activities, please refer to CSR page of Tokuyama's website <https://www.tokuyama.co.jp/eng/csr/>

Vision: **1** Be a value-creative company that places first priority on R&D and marketing **2** Be a company that never stops challenging new domains while refining and exploiting its unique strengths **3** Be a company with healthy employees who have healthy families and take pride in their work at their company **4** Be a company that fosters bonds with people in communities and societies worldwide

FY2020 Results	Responsible Department
<p>Product assessment (secondary and tertiary): Total of 57, labeling assessment: Total of 519 Understood and responded to domestic and overseas regulatory trends (Japan and overseas) Conducted interviews with departments and Group companies regarding training and management status</p>	<p>Responsible Care Management Department</p>
<p>Ongoing assessment of business partners using assessment sheets (currently considering refining assessment by changing assessment sheet)</p>	<p>Procurement Department Logistics Department</p>
<p>Dialogue with community: Community dialogues canceled or scaled down due to COVID-19 Concluded agreement with local community for emergency disaster shelter</p> <p>Social contribution activities: Mikage Bunko book program, Tokuyama Chemical Club, and factory all lit up at same time Donated sodium hypochlorite and splash-proof panels to community</p> <p>Business contributions to community: Supplied stable electricity to Shunan City Hall and Tokuyama Station Building (ongoing)</p>	<p>General Affairs Department Environment & Safety Department Factory Planning and Administration Department</p>
<p>Held human resources development meeting and shared concept of human resources management system with workplace</p> <p>Clarified human resources and skills required to achieve next medium-term management plan; promoted development system</p> <p>Conducted total of 13 training sessions for evaluators (approximately 300 employees); developed deeper understanding of appropriate goal setting</p>	<p>Human Resources Department</p>
<p>Action Plan to Promote Opportunities for Women / actual results, rate of employment of persons with disabilities</p> <p>Ratio of female managers: 1.8%</p> <p>Promotion of diversity and inclusion: Promote mid-career hiring (105 employees in FY2019 and FY2020)</p> <p>Promotion of work-life balance: Continued to inform employees about paid parental leave Number of male employees on childcare leave: 1 (40 days)</p> <p>Respect for human rights: Implemented e-learning to prevent harassment</p>	<p>Human Resources Department</p>
<p>Reference (to be established from FY2021)</p> <p>Leave rate: 0.64%</p> <p>Smoking rate: 20.3%</p> <p>Health consultation rate: 100%</p>	<p>Human Resources Department Health Care Center Tokuyama Health Insurance Association</p>



External Director,
Audit and Supervisory Committee Member
Shin Kato



External Director,
Audit and Supervisory Committee Member
Yuzo Kawamori

Roundtable Discussion: Sustainable Growth and Our Mission

A roundtable discussion was held between Hiroshi Yokota, president, and external directors regarding issues that need to be overcome to achieve sustainable growth, as we consider the qualitative changes to corporate management wrought by the COVID-19 pandemic, as well as key points involved in putting the Company's new philosophy, announced alongside Medium-Term Management Plan 2025, into practice.

Opportunity Lies Where Economic Value and Social Significance Overlap

Moderator: What is your awareness of the issues regarding global expansion by chemical manufacturers, and the qualitative changes wrought on the corporate environment by the COVID-19 pandemic?

Matsumoto: I see the importance of CSR as rising to that of business growth and the pursuit of profit. Globalization has also increased companies' social responsibility to a level not seen before. The situation has completely changed from the days, not so long ago, when companies engaged in social contribution activities as "upstanding members of society." Going forward, companies need to contribute to the global environment even as they create clear value for shareholders, local communities, employees and all other stakeholders. Moreover, the nature of that value is also changing. For example, the new Vision set forth by the Company mentions the health of employees and their families, something which I think is symbolic of recent changes in management vision. We have faced a

number of changes as a result of the COVID-19 pandemic -- from geopolitical risks to more familiar issues such as the spread of remote work -- but if we can raise our sensitivity to risks, and reflect those risks in management policies, it should benefit both economic growth and social contributions. For example, the diverse workstyles made possible by the removal of restrictions on where work is performed -- primarily in the back office divisions -- not only provides the impetus for health and productivity management, but can also offer hints for identifying new business opportunities.

Kawamori: I see things the same way as Mr. Matsumoto does. Today, there is no way we can separate increasing corporate value from social responsibilities. Given that new opportunities arise from the overlap -- between economic value and social significance, strategies focused on that overlap will open a path to medium- to long-term growth. The Medium-Term Management Plan 2025 (the "Mid-term Plan") announced recently is built around three strategic pillars based on this approach, and is thus thoroughly realistic.

Companies have a responsibility to their employees --



Representative Director,
President and Executive Officer
Hiroshi Yokota



External Director,
Audit and Supervisory Committee Member
Naoki Matsumoto

stakeholders whose importance is growing -- to support career formation while helping each individual to develop their hidden potential. Society is also changing direction towards becoming more accepting of diverse values. That said, we are all still living in a competitive society. To ensure the Company can survive in a global market, I hope to see its employees bring even more determination and a stronger sense of Mission to their work.

I think what the COVID-19 pandemic of the past 18 months has revealed is how difficult it is to live a "normal" life, and how joyful it is to be able to do so. How do we leave behind for generations of children and grandchildren to come an environment in which they can lead healthy, happy lives? I see this as a major theme those of us in management have been given to address.

Kato: The business environment has changed significantly compared to when I first took office as an Audit and Supervisory Board Member in 2013. The lineup of products that are driving revenue has also changed. Since 2020 with the COVID-19 issue,

change is coming even faster. That is why I really empathize with Mr. Kawamori's remark about bringing "determination to their work." Today, Tokuyama's management and its employees need to be tough. Employees working on the front lines are in the midst of investing a vast amount of knowledge and effort in trying to open up a new world. It is in these vigorous efforts, particularly in the chemicals and cement businesses, that I most strongly sense Tokuyama's approach to sustainability.

Yokota: As you all have noted, changes in the competitive environment and the COVID-19 pandemic have revealed the management issues Tokuyama faces. For myself, this has reaffirmed that amidst these larger global trends, the value of a company's existence lies in its ability to make people happy -- to contribute to the public good -- through products and services the world needs, while also increasing the profits generated by its business. With that in mind, I intend to refine how we compete in global markets, while at the same time carefully identifying our strengths and attributes to put in place the right internal systems and workplace environments.

A New Mission Based on Top Management's Strong Sense of Urgency

Moderator: Can you tell us more about your impressions of the Company's new corporate philosophy, particularly any points you are focused on?

Kato: I would like to start by saying that companies in which a philosophy is useful within the organization are rare. Once a new philosophy has been in place for a time, nobody pays it any attention. It will not function unless there is a strong will to firmly establish it within the company. At Tokuyama, however, the four Values that form the basis of that philosophy were put in place five years ago, primarily by Mr. Yokota himself. This is a reflection of Mr. Yokota's strong sense of urgency and pragmatism -- his belief that unless all employees quickly put these four Values and actions into practice, the very survival of the Company would be threatened. That is why the employees have successfully internalized his message.

That strong sense of urgency and will is something I sense in this latest renewal of the philosophy. I would like to focus on the new Vision, and in particular, the prominent example of CSR management mentioned by Mr. Matsumoto, to "Be a company with healthy employees who have healthy families and take pride in their work at their company." I think the fact that the Company is emphasizing well-being and pride in one's work, rather than being overwhelmed by work in the process of taking on new business domains, reflects the direction the Company is taking with regards to CSR management.

Matsumoto: It has been about two years since I began my involvement with Tokuyama's management, but I still lack a full understanding of the Company's essential culture. That said, when I considered that in the course of the Company's long, 103-year history it has become deeply rooted in its communities, I inferred it was a culture that found it difficult to express innovativeness and a sense of

urgency. With that problem in mind, at a meeting of the Board of Directors I asked about the intent behind the addition of "... and boldness" at the end of the list of four Values. The reply was that "employees lacked the heart to truly take on new challenges, and we wanted to change that mindset." I sensed something in common with my own understanding of the problem.

I have also spent these past two years in dialogue with the Company's employees. I learned that, particularly at the general manager level, the majority have diverse experience, including in overseas assignments. Developing human resources through careers and experience is an extremely important point in terms of putting this renewed Mission into practice.

Kawamori: What is important is what this philosophy will generate. The first step is to view things in the long term, rationally and in their essence, rather than falling into a pattern of transient, emotional, short-term thinking. If each individual can then approach their work with determination, and with these Values and this Vision in mind, this should naturally lead to sustainable growth. Also, Tokuyama is a much freer company than its established corporate image in and outside the Company might suggest. There is a sense that one is allowed to speak freely. Leveraging this organizational culture should make it easier to push forward with the strategies outlined in the Mid-term Plan.

Yokota: Tokuyama is a company with strong regional characteristics, and I think it is healthy for us to be seen as being unlike other companies in the chemical industry. Being thought of that way is one of the sources of our energy. And as Mr. Kawamori mentioned, our four Values are something I would like our employees to always look back on as they do their work. I would like to create a cycle in which each person does their work based on those Values, and the Company grows as a result, in turn leading to a greater sense of fulfillment for our employees.





Already Possessing the Potential to Cultivate the Seeds of Growth

Moderator: Tell us about your outlook and expectations -- what kind of company do you want Tokuyama to be going forward?

Kato: Over the years, I have had a close-up look at a variety of management styles in a great number of companies, and without reservation I think Tokuyama is a good company. Behind the Company's establishment was the clear vision of its founder, that the Company would make for itself those things needed for Japan's industrialization. Today, after more than a century, the Company at its roots continues to take pride in the fact that it is creating social value. In the midst of rapid changes, when merely doing business as an extension of the past no longer works, I see the Company as already possessing the human resources and technology it needs to ensure competitiveness. I hope the Company will continue to offer the value generated by its respective businesses to all of its stakeholders, including employees, as it works to extract the full potential of those assets.

Kawamori: I would like to tell the employees to be entrepreneurs, not mere workers who do only what they have been told to do. Many new seedlings are now emerging in the areas the Company has marked as growth businesses, including electronics, healthcare and the environment. It is the individual employees, and the Group as a whole, that will grow those seeds into something larger. What is important in that process is the aspiration to create companies, so to speak, within Tokuyama that are capable of generating long-term profits. And as Mr. Kato noted, the Company already has the potential ability to develop those seeds of growth.

Matsumoto: Through its efforts in the ten material issues the Company has identified, aimed at achieving its Vision, I hope Tokuyama will become a company that has a positive impact on society. And, speaking from my own

experience, a company's culture, for better or worse, has an enormous impact on the personalities of its employees. The more uniform the culture, the more easily its bad side is revealed. Recently, however, Tokuyama has increased its hiring of mid-career personnel. I look forward to seeing the Company's culture diversify and change, inspired by people with a wide variety of values. I would also hope that those in charge of each organization work to promote diversity in response to this positive trend.

Yokota: Tokuyama originally consisted of a select few. Today, I would like to see us get back to what we were meant to be. I would like us to be a collective in which each individual brings a sense of professionalism and passion to their work, maintains high aspirations, and continues to grow. As Mr. Kato pointed out, at this major turning point for our generation I cannot envision a future for Tokuyama unless we seek out a way into new domains that are not just extensions of the present. Fortunately, we do not go into this unarmed. We have rich resources -- the wide range of technology we have cultivated to date, our human resources, and our customer base. By effectively leveraging these resources, we will create new value that will be welcomed in times to come. I believe the latent needs that exist in peoples' hearts will provide us with the opening for doing so.

Kawamori: And, I might add, that means giving deep consideration, from the position of a chemical manufacturer, to the essential nature and true desires of people living in these times.

Yokota: That is exactly right. In this approach to constantly developing new fields, we should be able to gain some insight into peoples' essential nature and latent needs. I hope that through these actions and pursuits, Tokuyama will remain a youthful company even beyond its first 100 years.

April 19, 2021

Corporate Governance

Basic Stance

In the midst of enormous changes in society as a whole, the Company, in line with the business environment we face, has redefined its Mission as follows: "To create a bright future in harmony with the environment, in collaboration with its customers, based on chemistry." This incorporates our desire to be a company that contributes to a sustainable society by pursuing its business in harmony with the environment, to create the future together with our customers. We believe that the relationships of trust and cooperation that have been built with our shareholders, customers, business partners, employees, local communities and other stakeholders will make this possible. These relationships result in sustainable growth and an increase in corporate value over the medium to long term. We understand that corporate governance is one of the most important management issues for achieving sustainable growth and enhancing corporate value, and that we should keep working to strengthen corporate governance.

Taking into consideration the introduction of the Corporate Governance Code in Japan as its basic policy, the Company places the utmost emphasis on ensuring the

rights and equality of its shareholders and cooperating properly with various stakeholders, while strengthening the supervisory function, and securing the independence, of the Board of Directors. At the same time, Tokuyama works diligently to accelerate decision-making and to clarify the business execution responsibilities of its Board of Directors while ensuring appropriate disclosure and transparency, as well as promoting constructive dialogue with its shareholders.

Steps to Strengthen Our Governance Structure (most recent five fiscal years)

FY2017	Shift to Company with an Audit and Supervisory Committee Revision to basic policy regarding development of internal control systems
FY2018	Evaluation of effectiveness of Board of Directors conducted by external organization (conducted annually thereafter) Introduction of performance-linked share-based remuneration plan
FY2019	Revision of criteria for determining independence of external directors
FY2020	Announcement of Tokuyama's New Vision Decision to abolish anti-takeover measures
FY2021	One external director added (to strengthen diversity of Board of Directors)

Corporate Governance Structure

As a Company with an Audit and Supervisory Committee, Tokuyama seeks to enhance corporate governance at all times by making the best of its rapid decision-making, as well as through effective supervising and auditing functions. The Audit and Supervisory Committee itself is comprised of five directors, including four outside

committee members. They attend Board of Directors meetings and other important meetings to monitor the execution of business by executive directors.

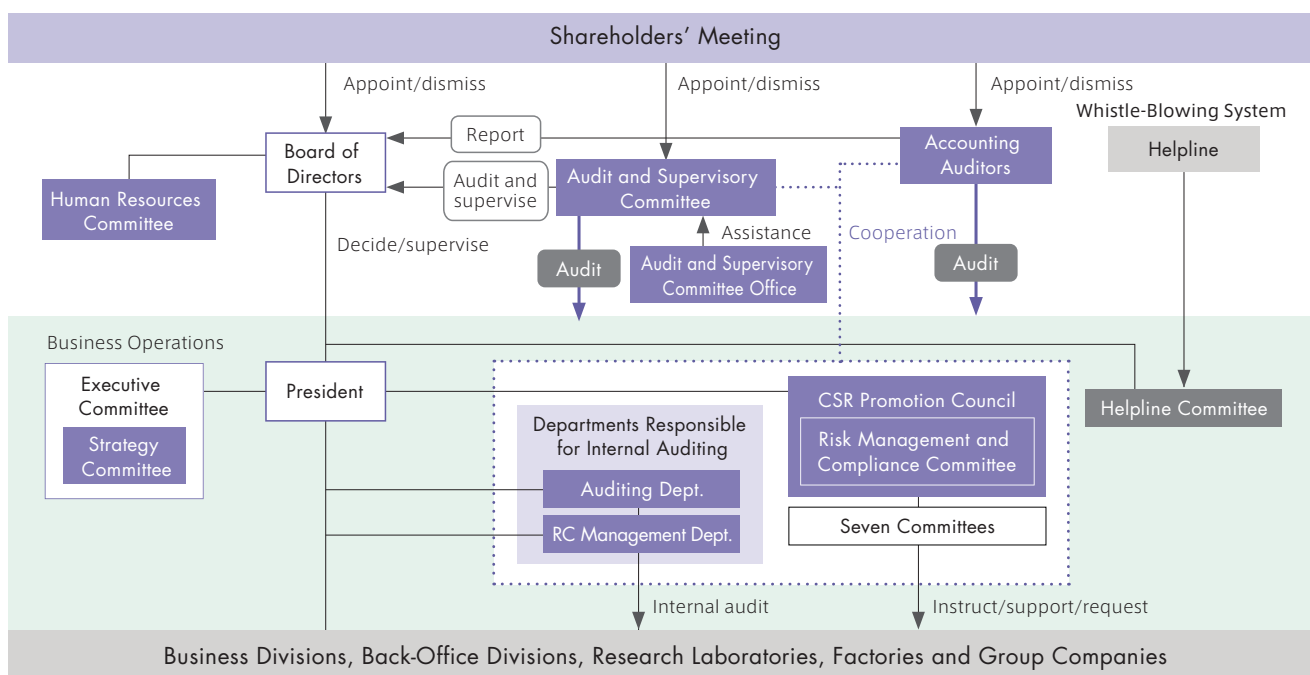
Tokuyama introduced an executive officer system to separate the supervisory and execution functions.

Basic Information Regarding Governance Structure (as of June 25, 2021)

Organization	Company with an Audit and Supervisory Committee
Chair of the Board of Directors	President
Term of office of directors	1 year (2 years for directors who are Audit and Supervisory Committee members)
Number of Board of Directors members	9 (of which 4 are external directors)
Number of independent* external directors	4
Policy regarding granting incentives to directors	Introduction of performance-linked stock remuneration plan (However, remuneration for directors who are Audit and Supervisory Committee members consists of fixed remuneration only)
Audit and Supervisory Committee Chair	Internal director
Number of Audit and Supervisory Committee members	5 (of which 4 are external directors)
Audit and Supervisory Committee support staff, etc.	Establishment of Audit and Supervisory Committee Office
Number of executive officers	12
Bodies supporting President's decision-making	Executive Committee: Body responsible for making decisions about business operations Strategy Committee: Body responsible for discussing the direction of business execution
Voluntary establishment of committee(s) corresponding to Nomination or Remuneration Committees	Human Resources Committee Number of members: 7 (of which 4 are external directors) Chair: Representative Director, President and Executive Officer
Accounting auditors	Grant Thornton Taiyo LLC

*See section "Criteria for Determining the Independence of External Directors" on page 46.

Corporate Governance Structure



Committees

Board of Directors	Deliberates and decides on important matters regarding business operations, while also supervising business operations • Number of meetings held in FY2020: 19
Audit and Supervisory Committee	Attends meetings of Board of Directors and other important meetings to hear status of business operations and monitor execution of business by executive directors • Number of meetings held in FY2020: 24
Human Resources Committee	Discusses candidate selection and remuneration for directors (excluding directors who are Audit and Supervisory Committee members), executive officers and others in advance of Board of Directors meetings
Executive Committee	Business operations decision-making body comprising individuals designated by President and Executive Officer (hereinafter "President") from among executive officers; in principle, meets twice a month, and based on approval rules determined by Board of Directors, discusses and makes decisions about important matters involving business operations
Strategy Committee	Advisory body to President comprising individuals designated by President from among executive officers; meets once a month to discuss direction of business execution, and in important decision-making matters, to 1) confirm that management resources will be invested in reviewing execution conditions, and 2) set direction of business operation policy for those matters
CSR Promotion Council	Chaired by President and comprises all executive officers in Japan; decides on CSR policies and goals, and facilitates activities aimed at achieving those goals. CSR is built upon platform of appropriate corporate governance and internal controls; accordingly, Council also discusses important matters related to internal controls
Risk Management and Compliance Committee	Established within the CSR Promotion Council, and chaired by director in charge of Corporate Social Responsibility Division; primarily responsible for working to promote risk management and compliance, considered core and twin wheels of internal controls
Seven Committees	Tokuyama operates committees focused on risk management and compliance in seven critical and specialized areas, separately from Risk Management and Compliance Committee; seven committees — Financial Reporting Committee, Fair Trade and Competition Committee, Security Trade Committee, Information Security Committee, Environment Committee, Safety Committee and Product Safety and Quality Assurance Committee — operate under CSR Promotion Council
Helpline Committee	Serves role overseeing helpline established as whistle-blowing system for acts within Group that are questionable in terms of legal compliance
Departments Responsible for Internal Auditing	Auditing Dept. and RC Management Dept. established as departments responsible for internal auditing; conduct internal audits of Company's various departments and its Group companies

Addressing Sustainability

The Company promotes socially responsible management as we work to achieve our Vision, revised in 2021. To facilitate CSR activities, Tokuyama has established a CSR Promotion Council that is chaired by the President and comprises all executive officers in Japan. The priority issues (material topics) identified in 2019 and revised in 2021 are also discussed and decided upon by the CSR Promotion Council. Goals and KPIs for 2025, linked with the goals of relevant divisions and departments, have been established to strategically manage these material topics, with the

relevant departments responsible for implementing those policies. Each year, the Corporate Social Responsibility Division compiles a report on the status of implementation, which is then reviewed by the CSR Promotion Council.

In our Medium-Term Management Plan 2025 announced in February 2021, Tokuyama also declared its goal of achieving carbon neutrality by FY2050. A Carbon Neutral Strategy Division, reporting directly to the President, was also established in April of 2021 in preparation for formulating an action plan for reducing CO₂ emissions.

Criteria for Determining the Independence of External Directors

Under the Company's "Criteria for Determining the Independence of External Directors," individuals who do not fall into any of the following categories are deemed as having sufficient independence:

- A) Persons who are currently, or in the past 10 years have been, an executive^{*1} of the Company or its affiliated companies.
- B) Major trading partners of the Company, or their executives, or persons who have been in either position in the past three years. Note, however, that the Company's major trading partners are defined as those falling into either of the following categories.
 - (1) Financial institutions that hold loan balances of 2% or more of the Company's consolidated total assets
 - (2) Trading partners that account for 2% or more of the Company's consolidated net sales
- C) Persons who deem the Company to be a major trading partner, or their executives, or persons who have been in either position in the past three years. However, persons who deem the Company to be a major trading partner are defined as those to which payments by the Company account for 2% or more of said trading partner's consolidated sales.

- D) Consultants, accountants or legal professionals who currently receive or in the past three years have received substantial monetary consideration or other property^{*2} from the Company besides their executive remuneration from the Company. (If the entity in receipt of said property is a corporation, association or other such organization, then persons belonging to said organization).

Note, however, that this includes those falling into either of the following categories:

- (1) Auditing firms that are responsible for the Company's statutory audits
- (2) Law firms that serve as legal counsel to the Company

- E) Spouses or relatives within the second degree of kinship of the relevant persons in the sections above (but limited to important persons^{*3})

^{*1} Pursuant to Article 2, paragraph (3), item (vi) of the Japanese Regulation for Enforcement of the Companies Act.

^{*2} In the case of an individual, substantial monetary consideration or other property is defined as an annual amount of not less than 10.0 million yen, and in the case of an organization, an amount of 2% or more of the total annual income of that organization.

^{*3} In the case of companies, important persons are defined as those who hold positions of responsibility equivalent to director, executive officer, operating officer and manager; in the case of accounting and auditing firms, certified public accountants; in the case of law firms and legal professional corporations, lawyers; and in the case of certified tax accountant offices and tax accountant corporations, licensed tax accountants. In other organizations, an important person means officers, such as a director or a councilor.

List of External Directors

Name	Audit and Supervisory Committee Members	Independent External Directors	Reason(s) for Selection	Attendance at Meetings (FY2020)	
				Board of Directors	Audit and Supervisory Committee
Shin Kato	○	○	Given his wealth of experience and outstanding insight and knowledge as an attorney at law, Mr. Kato is put forward for election as an external director who is an Audit and Supervisory Committee member.	19/19	24/24
Yuzo Kawamori	○	○	Given his outstanding insight and wealth of experience in overseas business development as a manager of an industry-leading company, Mr. Kawamori is put forward for election as an external director who is an Audit and Supervisory Committee member.	19/19	23/24
Naoki Matsumoto	○	○	Given his wealth of experience and outstanding insight into finance and accounting as a manager in a wide variety of businesses in the finance industry, Mr. Matsumoto is put forward for election as an external director who is an Audit and Supervisory Committee member.	19/19	24/24
Nobuko Mizumoto	○	○	Given her broad and outstanding knowledge derived from her experience as a researcher at a major heavy industry manufacturer and as a manager through key posts at the head office, Ms. Mizumoto is put forward for election as an external director who is an Audit and Supervisory Committee member.	—	—

^{*} Appointed June 25, 2021

Evaluating the Effectiveness of the Board of Directors

To ensure transparent and fair processes, the Company commissioned an external organization to evaluate the effectiveness of the Board of Directors.

In April 2021 a survey was taken of all directors, and an analysis of the results was reported at a Board of Directors meeting held in May 2021.

While certain improvements were confirmed regarding issues pointed out in the previous fiscal year, findings revealed several remaining issues with risk management at Group companies.

While the Board of Directors was generally found to have ensured its effectiveness in the current fiscal year, it was

pointed out that to further improve effectiveness, it is important to implement effective monitoring of the priority issues established in the medium-term management plan. It was also pointed out that in doing so, we should create a forum where detailed discussion can be conducted to clarify issues from a company-wide perspective, analyze risks, and formulate measures to overcome those issues, rather than merely stopping at the discussion of occasional investment projects.

We will continue working to improve the effectiveness of the Board of Directors.

Executive Remuneration

The Company has established policies for determining the content of remuneration and so forth for directors on an individual basis (excluding directors who are Audit and Supervisory Committee members; the same below). These are summarized below; the policies are determined by the Board of Directors following deliberation by the Human Resources Committee^{*1}. Note that in determining the content of individual remuneration and so forth for directors, the Human Resources Committee conducts a multifaceted review, including consistency with the draft and the decision policy; the Board of Directors essentially respects the report of the Human Resources Committee and deems it to be in line with the decision policy.

- Providing remuneration and so on to the Company's directors on an individual basis serves to ensure that directors work toward sustainable improvement in corporate performance and corporate value based on our Vision. This also serves to secure and retain human resources through an appropriate level of remuneration, whereas the Basic Policy functions to determine such content.
- Remuneration for the Company's directors consists of basic remuneration (monetary remuneration) and performance-linked stock remuneration^{*2}.
- Basic remuneration is composed of a standard amount determined separately for each position from a comprehensive perspective that takes into account the roles and responsibilities of the director, as well as the Company's performance and remuneration data provided by external expert organizations. An evaluation based on the achievement level for the previous fiscal year's targets is added to this determination.

- Performance-linked stock remuneration is based on the fiscal years covered by the medium-term management plan as the target period, and is provided in the form of the Company's shares in accordance with the achievement level for the predetermined performance targets.
- The ratio of remuneration for Company directors by type is determined in consideration of the ideal balance between the basic standard for the required roles and responsibilities, as well as incentives to increase the motivation to achieve performance targets.

^{*1} The Human Resources Committee is composed of a majority of external directors and deliberates matters related to human resources and remuneration regarding officers. This Committee also serves as a voluntary advisory committee for the Company that makes appropriate reports and recommendations to the Board of Directors.

^{*2} All directors, except those who serve on the Audit and Supervisory Committee, non-executive directors, external directors, and those not residing in Japan, are eligible for the performance-linked stock remuneration plan.

Amount of Remuneration Paid to Directors and Audit and Supervisory Committee Members (FY2020)

Subject of Remuneration	Number of People	Remuneration Amount
Directors (excluding external directors)	5	¥172 million
Directors who are Audit and Supervisory Committee members (excluding external directors)	1	¥27 million
External directors	3	¥42 million

^{*} The above includes refunds of ¥25 million in expenses for performance-linked stock remuneration during the fiscal year in question. They do not include the employee salary portion for executives also serving in employee positions.

Abolishment of Anti-Takeover Measures

The "Policy Regarding Large-Scale Purchases of the Company's Shares, etc. (Anti-Takeover Measures)" expired at the conclusion of the Ordinary General Meeting of Shareholders held on June 25, 2021. After careful consideration of the opinions of institutional investors in and outside Japan and other shareholders, and the impact of changes in the social environment including application of the Corporate Governance Code, the Company has decided not to renew the Policy and has abolished it.

Note that Tokuyama will continue to implement all appropriate countermeasures in accordance with relevant

laws and regulations even after the abolition of the Policy. This includes requesting any party who intends to conduct a large-scale purchase of the Company's shares to furnish all necessary and adequate information, and providing shareholders with pertinent details including the Board of Directors' appraisal and opinion of that information, as well as the business features pertaining to any large-scale purchase. At the same time, Tokuyama will work to secure and improve the common interests of shareholders by steadfastly implementing Medium-Term Management Plan 2025.

Policy on the Holding of Listed Shares for Purposes Other Than Pure Investment

Tokuyama holds shares of publicly listed companies on a strategic basis in accordance with the necessities of its business activities as a part of its overall management strategy. This includes the need to maintain and bolster transactions, raise funds and stably procure raw materials. As far as the strategic holding of shares in publicly listed companies is concerned, the Company will limit its holdings to the minimum level possible taking into consideration the need to ensure efficient corporate management. It sold all shares

of two listed issues in FY2020, resulting in a total of 22 listed issues of shareholdings as of March 31, 2021. In addition, the Board of Directors takes steps to verify the economic rationality of holding shares in publicly listed companies by comparing capital costs that factor in associated risks with accrued benefits while confirming the propriety of its holdings based on an outlook of the future each year. The Company exercises its voting rights based on the contribution to corporate value for both the Company and the investee.

Compliance

Tokuyama understands "compliance" to have a broad meaning, including not only complying with laws and internal rules but also behaving sensibly in a manner that conforms with corporate ethics to meet social expectations. To communicate and spread awareness of compliance

throughout the Group, the Company has put together a handbook that includes the Tokuyama Group Code of Conduct. It is distributed to all Group officers and employees. In addition, we also conduct rank-based training and meetings with those in charge of compliance at our Group companies.

Risk Management

Tokuyama manages risk through the Risk Management and Compliance Committee, which operates under the CSR Promotion Council. It also has expert committees focused on risk management and compliance in seven critical and specialized areas. These committees are set up separately from the Risk Management and Compliance Committee to deliberate important matters and ensure management. The Company has designated a department responsible for regulations concerning management of the risk of loss for each committee, and conducts activities based on the management regulations.

It also works to mitigate compliance risk by establishing

management systems for understanding important laws and regulations that are relevant to business execution, and for keeping track of trends in amendments to these laws and regulations. To prepare against changes in the business environment and cyberattacks, which have become increasingly advanced, in April 2021 the Company established a Cyber Security Department. The Company has also established a business continuity plan (BCP) and other measures in order to ensure an appropriate response by type and severity in the event of natural disasters, accidents and other significant crises.

Business Continuity Management (BCM)

For the continuation of important operations in unforeseen circumstances, the Company has formulated a BCP and updates it, secures funding and resources to ensure business continuity, and engages in business continuity management in normal times, including the taking of preventive measures, and thereby improving its ability to continue its business operations.

To address the COVID-19 pandemic, in February 2020 the Company set up a crisis response headquarters with the President as general manager. The headquarters held

meetings 32 times in FY2020. Actions included notification of instructions issued by the government and industry bodies, infection prevention measures, and establishment of a structure for contacts and public relations should an infection event occur. Crisis response measures included acquiring an understanding of infection responses and status of production at business sites in and outside Japan, as well as recommending work-from-home and staggered commuting policies, increasing equipment for teleworking, and imposing restrictions on entrance to manufacturing sites.

Management Team (as of June 25, 2021)



*From left to right: Nobuko Mizumoto, Yuzo Kawamori, Youji Miyamoto, Hiroshi Nomura, Hiroshi Yokota, Hideo Sugimura, Fumiaki Iwasaki, Shin Kato, Naoki Matsumoto

Representative Director	Hiroshi Yokota	In charge of Chemicals, Cement, Auditing Department, Carbon Neutral Strategy
	Hideo Sugimura	In charge of Corporate Planning, Corporate Social Responsibility, General Affairs and Human Resources, Procurement and Logistics, Secretarial Department
	Hiroshi Nomura	In charge of Electronic Materials, Tokuyama Factory, Environment & Safety and Manufacturing Technology of Kashima Factory
Director	Fumiaki Iwasaki	In charge of Life Science, Eco Business, Research and Development
Director, Audit and Supervisory Committee Member	Youji Miyamoto	Audit and Supervisory Committee Chair
	Shin Kato	External Director
	Yuzo Kawamori	External Director
	Naoki Matsumoto	External Director
	Nobuko Mizumoto	External Director
President and Executive Officer	Hiroshi Yokota	
Senior Managing Executive Officer	Hideo Sugimura	General Manager, Corporate Planning Division
	Hiroshi Nomura	General Manager, Electronic Materials Business Division and Tokuyama Factory
Managing Executive Officer	Ryo Sugiyama	General Manager, Eco Business Division
	Fumiaki Iwasaki	General Manager, Research & Development Division and Tsukuba Research Laboratory
	Takahide Taniguchi	General Manager, Cement Business Division
Executive Officer	Yutaka Tarutani	General Manager, Corporate Social Responsibility Division
	Hiroshi Fujimoto	General Manager, General Affairs and Human Resources Division
	Naoki Tamura	General Manager, Life Science Business Division
	Hiroataka Nishihara	General Manager, Chemicals Business Division
	Tomohiro Inoue	Deputy General Manager, Cement Business Division and General Manager, Cement Manufacturing Department
	Takashi Satou	General Manager, Procurement and Logistics Division and Logistics Department

Business Sites and Group Companies

Business Sites in Japan	
Tokyo Head Office	Front Place Akihabara 7-5 Sotokanda 1-chome, Chiyoda-ku, Tokyo 101-8618, Japan
Osaka Office	Nakanoshima Central Tower 2-7 Nakanoshima 2-chome, Kita-ku, Osaka-shi, Osaka 530-0005, Japan
Hiroshima Branch	Hiroshima Nissay Green Bldg. 8-18 Teppocho, Naka-ku, Hiroshima-shi, Hiroshima 730-0017, Japan
Takamatsu Branch	New Annex, Takamatsu Dai-ichi Seimei Building 1-1 Kotobuki-cho 2-chome, Takamatsu-shi, Kagawa 760-0023, Japan
Fukuoka Branch	Kyowa Building 8-38 Tenjin 2-chome, Chuo-ku, Fukuoka-shi, Fukuoka 810-0001, Japan
Sendai Sales Branch	Dai 6 Doya Building 17-20 Kamisugi 1-chome, Aoba-ku, Sendai-shi, Miyagi 980-0011, Japan
Shunan Sales Branch	1-1 Mikage-cho, Shunan-shi, Yamaguchi 745-8648, Japan
Tokuyama Factory	1-1 Mikage-cho, Shunan-shi, Yamaguchi 745-8648, Japan
Kashima Factory	26 Sunayama, Kamisu-shi, Ibaraki 314-0255, Japan
Tsukuba Research Laboratory	40 Wadai, Tsukuba-shi, Ibaraki 300-4247, Japan
Center for Commercialization of Advanced Technology	2-1, Minamihama 2-chome, Yanai-shi, Yamaguchi 742-0023, Japan

Global Network	
U.S.A. Tokuyama America Inc.	3655 Torrance Blvd., 3rd Floor, Torrance, CA 90503, U.S.A
Germany Tokuyama Europe GmbH	Am Gierath 20A, 40885 Ratingen, Germany
Singapore Tokuyama Asia Pacific Pte. Ltd.	61 Robinson Road, #14-02 61 Robinson Singapore 068893
China Tokuyama (Shanghai) Co., Ltd. Tokuyama Trading (Shanghai) Co., Ltd.	1003, Shanghai International Group Mansion, 511 WeiHai Road, Shanghai China 200041
Korea Tokuyama Korea Co., Ltd.	#604, Korea Air City Terminal Bldg. 22, Teheran-ro 87-gil, Gangnam-gu, Seoul, 06164, Korea

Group Companies			
Company	Capital (Millions of yen)	Scope	Ownership (%)
Electronic Materials			
Tokuyama Chemicals (Zhejiang) Co., Ltd.* ¹	6,477	Production and sale of fumed silica	100.0
Tokuyama-Dowa Power Materials Co., Ltd.	250	Production and sale of aluminum nitride substrates	65.0
Tokuyama Electronic Chemicals Pte. Ltd.	704	Production and sale of high-purity chemicals for electronics manufacturing	100.0
Taiwan Tokuyama Corporation	822	Production and sale of high-purity chemicals for electronics manufacturing	100.0
Formosa Tokuyama Advanced Chemicals Co., Ltd.* ³	944	Production and sale of high-purity chemicals for electronics manufacturing	50.0
Hantok Chemicals Co., Ltd.*	553	Production and sale of photoresist developer	50.0
Category also includes 1 other company			
Life Science			
Shanghai Tokuyama Plastics Co., Ltd.* ¹	1,231	Production and sale of microporous film	100.0
A&T Corporation	577	Production and sale of diagnostic reagents, analyzers and systems	100.0
Tokuyama Dental Corporation	100	Production and sale of dental materials and equipment	100.0
Tokuyama Dental America Inc. * ²	69	Sale of dental materials and equipment	100.0(100.0)
Category also includes 4 other companies			

Eco Business			
ASTOM Corporation	450	Production, sale and maintenance of ion exchange membranes and related equipment	55.0
Excel Shanon Corporation	495	Production and sale of plastic window sashes	51.0
Tohoku Shanon Co., Ltd.* ²	300	Production and sale of plastic window sashes	72.0 (72.0)
Figaro Engineering Inc.*	99	Production and sale of gas sensor devices and related products	33.4
Category also includes 3 other companies			

Chemicals			
Tokuyama Soda Trading Co., Ltd.	10	Stocking and sale of soda ash and calcium chloride	100.0
Shin Dai-ichi Vinyl Corporation* ¹	2,000	Production and sale of PVC resin	85.5
Sun Arrow Kasei Co., Ltd.	98	Production and sale of PVC resin compounds	100.0
Category also includes 4 other companies			

Cement			
Hiroshima Tokuyama Ready Mixed Concrete Co., Ltd.* ²	100	Production and sale of ready-mixed concrete	67.2 (17.2)
Tokuyama Nouvelle Calédonie S.A.	222	Production and sale of cement	75.6
Tokyo Tokuyama Concrete Co., Ltd.	80	Production and sale of ready-mixed concrete and concrete products	99.9
Seibu Tokuyama Ready Mixed Concrete Co., Ltd.	100	Production and sale of ready-mixed concrete	100.0
Kawasaki Tokuyama Ready Mixed Concrete Co., Ltd.* ²	40	Production and sale of ready-mixed concrete	100.0 (100.0)
Chugoku Ready Mixed Concrete Co., Ltd.	80	Production and sale of ready-mixed concrete	52.3
Shirokawa Co., Ltd.	60	Production and sale of ready-mixed concrete	100.0
Tokuyama Tsusho Trading Co., Ltd.	95	Stocking and sale of cement and ready-mixed concrete	100.0
Kansai Tokuyama Trading Co., Ltd.	80	Stocking and sale of cement and ready-mixed concrete	100.0
Tokushou Co., Ltd.	40	Stocking and sale of cement and ready-mixed concrete	100.0
Tokushin Co., Ltd.	40	Stocking and sale of cement and ready-mixed concrete	100.0
Tokuyama Mtech Corporation	50	Processing and sale of building materials and chemical products	100.0
Sanyo Tokuyama Ready Mixed Concrete Co., Ltd.*	50	Production and sale of ready-mixed concrete	50.0
Yamaguchi Eco-tech Corporation*	90	Recycling business of incinerated ash waste	50.0
Category also includes 18 other companies			

Other			
Tomitec Co., Ltd.	100	Production and sale of plastic molded products	60.0
Tokuyama Asia Pacific Pte. Ltd.	62	Stocking and sale of high-purity chemicals for electric manufacturing and electrical materials, etc.	100.0
Tokuyama Trading (Shanghai) Co., Ltd.	73	Stocking and sale of fumed silica, etc.	100.0
Tokuyama Korea Co., Ltd.	61	Stocking and sale of fumed silica, etc.	100.0
Tokuyama (Shanghai) Co., Ltd.	194	Management company to provide services for other group companies in China	100.0
Shunan System Sangyo Co., Ltd.	100	Civil engineering and construction work and planning, onsite contracted factory work, and stocking and sale of construction materials	100.0
Tokuyama Kairiku Unso K.K.	63	Transportation and warehousing	100.0
Tokuyama Information Service Corporation	20	Information processing services	100.0
Shunan Bulk Terminal Co., Ltd.* ²	150	Warehouse operations for bulk cargoes of coal, etc.	83.3 (11.1)
Sun • Tox Co., Ltd.*	300	Production and sale of polyolefin films	34.0
CoorsTek Tokuyama Corporation*	100	Production and sale of ceramics and electrochemical products	30.0
Tokuyama Polypropylene Co., Ltd.*	100	Production and sale of polypropylene	50.0
Nishinihon Resicoat Co., Ltd.*	50	Production of metal parts and anti-rust surface coating materials	50.0
Category also includes 10 other companies			

* Equity method affiliates * The capital stock of overseas group companies is converted into yen at the rate prevailing at the time the shares were acquired.

¹1. The company is a specified subsidiary. ²2. The percentage of voting rights held by the Company in parentheses includes indirect holdings.

³3. Although the Company's holdings are 50% or less, the company is a subsidiary because the Company effectively controls it.

Stock Information (as of March 31, 2021)

Total number of shares authorized to be issued	Common shares: 200,000,000 shares
Number of shares issued	Common shares: 72,077,412 shares (excluding 10,915 treasury shareholders)
Number of shareholders	Common shares: 20,566 shareholders
Fiscal year	From April 1 to March 31

General shareholders' meeting	June
Stock listing	Tokyo Stock Exchange
Number of shares per unit	100 shares
Securities code	4043

Dividend Policy

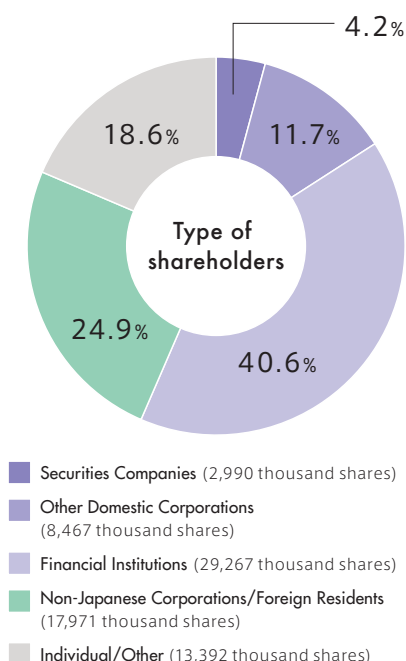
Dividends will be paid to the shareholders stated in the final version of the register of shareholders on March 31 and September 30. As far as the distribution of profits is concerned, Tokuyama's basic policy is to ensure the continuous and stable payment of dividends to its shareholders. In carrying out this policy, the Company takes into consideration performance trends and the roadmap established under its medium- to long-term business plan.

Major Shareholders

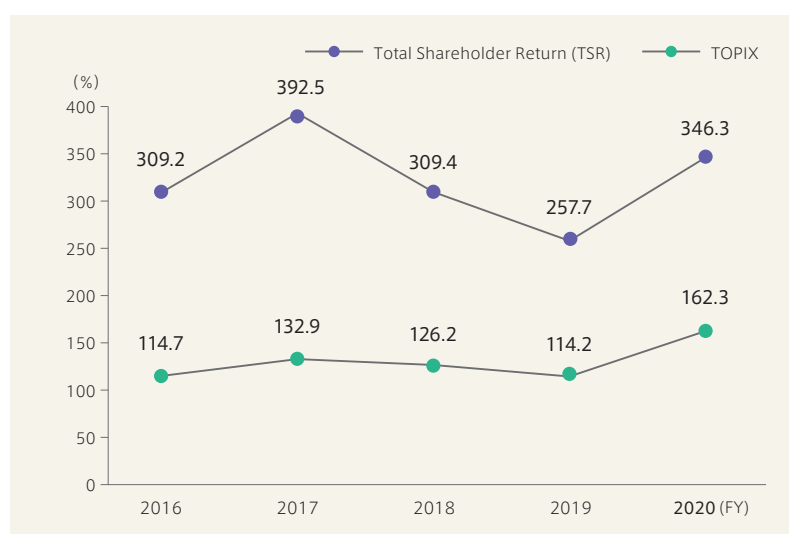
Name	Number of Shares Held (Thousands of shares)	Percentage of Shares Held (%)
The Master Trust Bank of Japan, Ltd. (trust account)	8,929	12.39
Custody Bank of Japan, Ltd. (trust account)	4,575	6.35
Nippon Life Insurance Company	2,174	3.02
The Yamaguchi Bank, Ltd.	1,649	2.29
Meiji Yasuda Life Insurance Company	1,488	2.07
Sojitz Corporation	1,296	1.80
Sumitomo Metal Mining Co., Ltd.	1,180	1.64
Tokio Marine & Nichido Fire Insurance Co., Ltd.	1,104	1.53
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	1,080	1.50
Tokuyama Employee Shareholding Association	954	1.32

Note: The percentage of shares held is calculated after deducting the shares held by the Company as treasury shares (10,915 shares).

Shareholders by Type



Total Shareholder Return (TSR)



Corporate Data (as of March 31, 2021)

Corporate name	Tokuyama Corporation
Established	February 16, 1918
Location	<p>Tokyo Head Office Front Place Akihabara 7-5 Sotokanda 1-chome, Chiyoda-ku, Tokyo 101-8618, Japan TEL. +81-3-5207-2500 FAX. +81-3-5207-2580</p> <p>Tokuyama Factory (Registered Address) 1-1 Mikage-cho, Shunan-shi, Yamaguchi 745-8648, Japan TEL. +81-834-34-2000 FAX. +81-834-33-3790</p> <p>Other Facilities in Japan Kashima Factory, Tsukuba Research Laboratory, Osaka Office, Hiroshima Branch, Takamatsu Branch, Fukuoka Branch, Sendai Sales Branch, Shunan Sales Branch</p>
Capital	¥10,000 million
Number of employees	5,476 (consolidated basis; 565 working overseas) 2,256 (non-consolidated)

Website

For detailed information about the Company, please visit the Company's website.

Corporate data: <https://www.tokuyama.co.jp/eng/company/>

Shareholder and investor information: <https://www.tokuyama.co.jp/eng/ir/>

CSR: <https://www.tokuyama.co.jp/eng/csr/>



Corporate data



Shareholder and investor information



CSR

Editorial Policy

Publication of Integrated Report

The Tokuyama Report 2021 is our first issuance of an Integrated Report, which combines financial and non-financial information with the aim of communicating our value creation and business model in an easy-to-understand manner.

The Report explains the details and strategies of Medium-Term Management Plan 2025, which begins in FY2021, and includes the top commitments made by the President as well as a roundtable discussion between the President and external directors on "Sustainable Growth and Our Mission." This discussion highlights the perspective of the external directors, and focuses on how the Company will change to compete in the global market to achieve sustainable growth in a rapidly-changing business environment such as the one we have witnessed during the COVID-19 pandemic.

We hope that the Tokuyama Report 2021 will facilitate communication with our stakeholders and will deepen understanding of the Company.



Representative Director,
Senior Managing
Executive Officer

Hideo Sugimura

Report Scope

Tokuyama Corporation and Group Companies in and outside Japan

Report Period

Actual data is for FY2020 (April 2020 to March 2021)
Includes some FY2021 activities

Date of Issue

Published in September 2021
(next issue scheduled for September 2022)

For the People of Tomorrow



Tokuyama Corporation

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Corporate Social Responsibility Division
<https://www.tokuyama.co.jp/eng/>

