

Summary of Consolidated Financial Statements for the Fiscal 2024 (JPGAAP)

April 28, 2025

Tokuyama Corporation

Stock exchange listings:

Tokyo

(URL <https://www.tokuyama.co.jp/eng/>)

Local Code :

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Scheduled date for the Ordinary General Meeting of Shareholders: June 24, 2025

Scheduled date of year-end dividends payout: June 25, 2025

Scheduled date for the filing of the consolidated financial statements: June 25, 2025

Preparation of supplementary quarterly explanatory materials: Yes

Business results IR briefing to be held: Yes (for institutional investors and analysts)

1. Consolidated results for fiscal year ended Mar. 31, 2025 (Apr. 1, 2024 – Mar. 31, 2025)

Note: All amounts are rounded down to the nearest million yen.

(1) Performance

% indicates year-on-year changes.

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	(millions of yen)	[%]	(millions of yen)	[%]	(millions of yen)	[%]	(millions of yen)	[%]
Fiscal 2024	343,073	0.3	29,968	16.9	29,588	12.5	23,388	31.8
Fiscal 2023	341,990	(2.8)	25,637	78.8	26,292	77.9	17,751	89.6

(Note) Comprehensive income: FY24: 19,261 million yen [(25.2)%] FY23: 25,753 million yen [157.0%]

	Basic earnings per share	Diluted net income per share	Net income to shareholders' equity	Ordinary profit to total assets	Operating profit to net sales
	(yen)	(yen)	[%]	[%]	[%]
Fiscal 2024	325.08	—	9.2	6.3	8.7
Fiscal 2023	246.72	—	7.4	5.6	7.5

(Reference) Share of profit of entities accounted for using equity method: FY24: 442 million yen FY23: 905 million yen

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	(millions of yen)	(millions of yen)	[%]	(yen)
Mar 31, 2025	476,207	273,858	54.9	3,635.62
Mar 31, 2024	457,360	259,948	54.5	3,464.47

(Reference) Shareholders' equity: FY24: 261,562 million yen FY23: 249,256 million yen

(3) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the year
	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)
Fiscal 2024	52,368	(23,478)	(1,106)	74,926
Fiscal 2023	55,828	(30,405)	(46,508)	47,905

2. Dividends

(Period)	Annual dividends					Total dividends paid (Total)	Dividend payout ratio (Consolidated)	Dividend on net assets ratio (Consolidated)
	1st quarter	2nd quarter	3rd quarter	Year-end	Total			
	(yen)	(yen)	(yen)	(yen)	(yen)	(millions of yen)	[%]	[%]
Fiscal 2023	--	35.00	--	45.00	80.00	5,765	32.4	2.4
Fiscal 2024	--	50.00	--	50.00	100.00	7,206	30.8	2.8
Fiscal 2025 (Forecast)	--	60.00	--	60.00	120.00		29.8	

3. Consolidated performance forecast for fiscal 2025 (April 1, 2025 - March 31, 2026)

(% indicates the rate of change over the corresponding previous periods respectively)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	(millions of yen)	[%]	(millions of yen)	[%]	(millions of yen)	[%]	(millions of yen)	[%]	(yen)
Fiscal 2025	364,500	6.2	41,500	38.5	41,500	40.3	29,000	24.0	403.09

*Notes

(1) Changes in significant subsidiaries during this period

: Yes

Addition to the scope of consolidation: 1 (Company Name: TOKUYAMA VIETNAM CO., LTD.)

Reduction from the scope of consolidation: 1 (Company Name: Shin Dai-ichi Vinyl Corporation)

(Note) For more details, please refer to “2. Consolidated Financial Statements and (5) Notes on Consolidated Financial Statements (Significant changes in the scope of consolidation during this period)” on page 19 of the Accompanying Materials to this Summary of Consolidated Financial Statement.

(2) Changes of accounting policies, changes in accounting estimates, and retrospective restatements

- | | |
|--|-----|
| i. Changes in accounting policy by revision of accounting standards: | Yes |
| ii. Changes in accounting policy other than the above: | No |
| iii. Changes in accounting estimates: | No |
| iv. Retrospective restatements: | No |

(3) Number of shares issued (in common stock)

- | | | | | |
|---|--------------|------------|--------------|------------|
| i. Number of shares issued at end of period (including treasury stock): | Fiscal 2024: | 72,088,327 | Fiscal 2023: | 72,088,327 |
| ii. Number of treasury stock at end of period: | Fiscal 2024: | 144,095 | Fiscal 2023: | 141,799 |
| iii. Average number of shares over period: | Fiscal 2024: | 71,945,158 | Fiscal 2023: | 71,950,166 |

(Reference) Summary of Non-Consolidated Operating Results

1. Non-consolidated results for fiscal year ended March 31, 2025 (April 1, 2024 – March 31, 2025)

(1) Performance

Note: All amounts are rounded down to the nearest million yen.

% indicates year-on-year changes.

	Net sales		Operating profit		Ordinary profit		Net profit	
	(millions of yen)	[%]	(millions of yen)	[%]	(millions of yen)	[%]	(millions of yen)	[%]
Fiscal 2024	252,439	3.7	18,619	65.8	20,311	39.6	31,677	181.3
Fiscal 2023	243,402	(6.7)	11,230	461.3	14,544	431.6	11,262	685.5

	Net profit per share	Diluted net profit per share
	(yen)	(yen)
Fiscal 2024	440.30	—
Fiscal 2023	156.54	—

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	(millions of yen)	(millions of yen)	[%]	(yen)
Mar 31, 2025	385,829	199,780	51.8	2,776.89
Mar 31, 2024	356,276	177,060	49.7	2,461.01

(Reference) Shareholders' equity:

FY24: 199,780 million yen

FY23: 177,060 million yen

(Note) This summary of consolidated financial statements is not inside the scope of audit procedure by certified public accountants or audit corporations.

(Note) Cautions pertaining to appropriate use of performance forecast and other particular items

(Cautions related to Forward-looking statement)

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

(Access to supplementary explanations on business results)

The Company also has disclosed supplementary materials "Presentation for IR Meeting" through Company Announcement Service provided by Tokyo Stock Exchange at the same date.

Contents for Accompanying Materials

1. Analysis of Operating Results and Financial Position	
(1) Analysis of Operating Results	P. 2
(2) Analysis of Financial Position	P. 9
(3) Achievement of Medium-Term Management Plan	P. 12
(4) Research and Development (R&D) activities	P. 12
(5) Basic Policy for Profit Distribution and Dividends for Fiscal 2024 and 2025	P. 12
2. Consolidated Financial Statements	P. 13
(1) Consolidated Balance Sheets	P. 13
(2) Consolidated Statements of Income	P. 15
(3) Consolidated Statements of Comprehensive Income	P. 16
(4) Consolidated Statements of Cash Flows	P. 17
(5) Notes on Consolidated Financial Statements	P. 19
(6) Segment Information	P. 20
(7) Material Subsequent Event	P. 23

1. Analysis of Operating Results and Financial Position

(1) Analysis of Operating Results

<1> Operating results for the fiscal year under review

[1] Overview of performance for the fiscal year under review

During the period under review, amid the rising geopolitical risks associated with the conflicts in Ukraine and the Middle East, conditions throughout the global economy remained uncertain during the period under review. This uncertainty largely reflected concerns surrounding global inflation, soaring raw material costs, frequent natural disasters caused by extreme weather conditions, and rising tensions regarding international trade.

On the domestic front, while signs of a modest recovery began to emerge in the Japanese economy as inbound demand recovery and increased corporate capital investment and efforts to raise wages by companies, lacked strength as consumer spending remained sluggish due to increase in cost of living and rising interest rates.

Under these circumstances, the Company has been working on the priority measures of its Medium-Term Management Plan 2025: transform business portfolio, contribute to mitigation of global warming, and practice socially responsible management.

In terms of business performance, both net sales and operating profit increased compared with the previous consolidated fiscal year, on the back of such factors as firm trends in semiconductor-related product sales and progress in improving manufacturing costs.

(Unit: Millions of yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Fiscal 2024	343,073	29,968	29,588	23,388
Fiscal 2023	341,990	25,637	26,292	17,751
Rate of change (%)	0.3	16.9	12.5	31.8

Net sales

Consolidated net sales came in at ¥ 343,073 million, up 0.3%, or ¥ 1,083 million, compared with the previous consolidated fiscal year on the back of firm sales of semiconductor-related products.

Cost of sales

Cost of sales decreased 3.1%, or ¥ 7,540 million compared with the previous consolidated fiscal year, to ¥ 234,929 million. This was mainly due to progress in manufacturing cost improvements.

SG&A expenses

SG&A expenses increased 5.8%, or ¥ 4,292 million compared with the previous consolidated fiscal year, to ¥ 78,175 mainly due to the increase in R&D expenses and logistics costs.

Operating profit

Operating profit increased 16.9%, or ¥ 4,330 million compared with the previous consolidated fiscal year, to ¥ 29,968 million largely on the back of such factors as firm trends in semiconductor-related product sales and progress in improving manufacturing costs.

Non-operating income/expenses, Ordinary profit

Non-operating income/expenses deteriorated by ¥ 1,034 million compared with the previous consolidated fiscal year owing to a variety of factors, including the decrease in foreign exchange gains and share of profit of entities accounted for using equity method.

As a result of the above, ordinary profit increased 12.5%, or ¥ 3,296 million compared with the previous consolidated fiscal year, to ¥ 29,588 million.

Extraordinary income/losses, Profit before income taxes, Profit, Profit attributable to owners of parent

Extraordinary income/losses improved by ¥ 2,163 million compared with the previous consolidated fiscal year owing to a variety of factors, including an increase in gain on sale of investment securities in conjunction with a reduction in cross-shareholdings, and the posting of a gain on share exchange of affiliated companies with efforts to restructure of the polyolefin film business.

As a result of the above, profit before income taxes increased 21.1%, or ¥ 5,459 million compared with the previous consolidated fiscal year, to ¥ 31,315 million.

Profit after deducting income taxes calculated in an appropriate way increased 33.7%, or ¥ 5,867 million compared with the previous consolidated fiscal year, to ¥ 23,388 million.

Profit attributable to owners of parent increased 31.8%, or ¥ 5,636 million compared with the previous consolidated fiscal year, to ¥ 23,388 million.

[2] Operating performance by business segment

Tokuyama changed the management categorizations of a certain subsidiary effective from the consolidated fiscal year under review. Data for the previous consolidated fiscal year has been adjusted to reflect this change to enable the year-on-year comparison presented as follows.

(Unit: Millions of yen)

	Fiscal 2024		Fiscal 2023		Rate of change (%)	
	Net sales	Operating Profit (loss)	Net sales	Operating Profit (loss)	Net sales	Operating Profit (loss)
Chemicals	115,002	10,832	115,594	11,530	(0.5)	(6.0)
Cement	64,705	7,453	67,187	6,710	(3.7)	11.1
Electronic & Advanced Materials	87,054	9,583	77,969	3,341	11.7	186.8
Life Science	41,955	7,816	41,368	8,595	1.4	(9.1)
Eco Business	5,216	52	7,392	(102)	(29.4)	-
Others	40,769	2,163	43,722	1,356	(6.8)	59.5
Total	354,702	37,902	353,234	31,432	0.4	20.6
Adjustment	(11,629)	(7,933)	(11,244)	(5,795)	-	-
Figures in quarterly consolidated profit statement	343,073	29,968	341,990	25,637	0.3	16.9

(Note) Sales and operating profit (loss) in each segment include inter-segment transactions.

Chemicals

Despite an increase in export volumes, caustic soda earnings declined owing to such factors as weak domestic sales volumes.

Despite sluggish sales volumes, vinyl chloride monomer and vinyl chloride resin performance were in line with the previous consolidated fiscal year owing to successful efforts to revise sales prices of vinyl chloride resin in Japan.

Earnings of soda ash decreased owing to lower sales volumes.

As a result of the above, segment net sales decreased 0.5% compared with the previous consolidated fiscal year, to ¥ 115,002 million and operating profit decreased 6.0% to ¥ 10,832 million. The segment reported lower earnings on lower sales.

Cement

Despite a slight decrease in sales volume year on year in Japan, earnings in cement grew on the back of such factors as successful efforts to maintain sales prices at an appropriate level and progress in reducing manufacturing costs.

As a result of the above, segment net sales decreased 3.7% compared with the previous consolidated fiscal year, to ¥ 64,705 million and operating profit increased 11.1% to ¥ 7,453 million. The segment reported higher earnings on higher sales.

Electronic & Advanced Materials

Semiconductor-grade polycrystalline silicon earnings grew thanks to a variety of factors, including an upswing in sales volumes.

IC chemical earnings improved. This mainly reflected the increase in operating rates at Formosa Tokuyama Advanced Chemicals Co., Ltd. in Taiwan.

Fumed silica profits decreased due to lower sales volumes amid weak semiconductor market and Chinese economic conditions.

Thermal management material earnings increased. This reflected robust sales volumes of such applications used for semiconductor production equipment.

As a result of the above, segment net sales increased 11.7% compared with the previous consolidated fiscal year, to ¥ 87,054 million and operating profit increased 186.8% to ¥ 9,583 million. The segment reported higher earnings on higher sales.

Life Science

Dental materials and equipment earnings deteriorated despite sales of being in line with the corresponding period of the previous year. This downturn largely reflected increase in selling expenses to expand sales and R&D expenses.

Plastic lens-related materials earnings increased owing to an increase in shipments to overseas.

APIs and intermediate operating profit declined owing to the impact of changes in the product mix and other factors.

As a result of the above, segment net sales increased 1.4% compared with the previous consolidated fiscal year, to ¥ 41,955 million and operating profit decreased 9.1% to ¥ 7,816 million. The segment reported lower earnings on higher sales.

Eco Business

Ion exchange membrane earnings decreased owing to the decline in shipments.

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

In plastic window sashes, Excel Shanon Corporation was removed from the Company's scope of consolidation effective from the previous consolidated fiscal year. This reflected the transfer of a portion of the company's shares.

As a result of the above, segment net sales decreased 29.4% compared with the previous consolidated fiscal year, to ¥ 5,216 million and operating profit amounted to ¥ 52 million (posted operating loss of ¥ 102 million in the previous consolidated fiscal year).

<2> Outlook for fiscal 2025

[1] Outlook for operating forecasts for fiscal 2025

In the next fiscal year, while the economy is expected to continued growth in inbound demand as well as a recovery in global semiconductor demand, anxieties are anticipated to surge on the back of various factors, including the risk that the Trump administration's tariff policies will adversely affect corporate earnings and consumer spending.

The Group will strongly promote the fields of electronics, health, and the environment, which are defined as growth businesses in the Medium-Term Management Plan 2025 announced on February 25, 2021, while aiming for growth. Our Chemicals and Cement businesses will promote increased efficiency while generating sustainable cash flows.

Based on current information, we forecast net sales of ¥ 364.5 billion, an increase of 6.2% (¥ 21.4 billion) compared with the consolidated fiscal year under review, operating profit of ¥41.5 billion, an increase of 38.5% (¥ 11.5 billion), ordinary profit of ¥41.5 billion, an increase of 40.3% (¥ 11.9 billion) and profit attributable to owners of parent of ¥29.0 billion, an increase of 24.0% (¥ 5.6 billion).

(Unit: Millions of yen)				
	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Fiscal 2025	364,500	41,500	41,500	29,000
Fiscal 2024	343,073	29,968	29,588	23,388
Rate of change (%)	6.2	38.5	40.3	24.0

These forecasts are calculated based on an exchange rate of ¥140/\$ and a domestic naphtha price of ¥68,000/kl.

[2] Outlook for segment forecasts for fiscal 2025

Chemicals

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

Cement

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

Electronic & Advanced Materials

Despite uncertainties surrounding such factors as the impact of U.S. trade policies, demand is projected to expand over the medium to long term in the semiconductor market. In addition, as miniaturization progresses, customers are increasingly demanding higher quality and more stable supply. Under these conditions, we are working to differentiate Tokuyama from other companies by further pursuing quality in semiconductor-grade polycrystalline silicon. In IC chemicals, Tokuyama will focus on upgrading and expanding its global supply system to meet the upswing in demand by further increasing shipments from bases in Taiwan and establishing a mass production system in South Korea. In fumed silica and thermal management materials, we will increase sales of existing products and pursue the commercialization of products under development. In fumed silica and thermal management materials, we will increase sales of existing products and pursue the commercialization of products under development.

Life Science

The overseas shipment volumes of plastic lens-related materials and dental materials and equipment are on an increase trend. We will continue to focus on new product development and sales activities in response to changes in customer needs and the market, while aiming to increase profits. As far as dental materials and equipment are concerned, construction was completed on a new building at which the Group produces dental filling composite resin. Moving forward, energies will be further directed toward expanding sales. In medical diagnosis systems, energies will be directed toward expanding sales of mainstay products in a bid to increase sales and profit.

Eco Business

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

Others

The “Others” segment includes businesses which are responsible for the Group’s product sales, logistics, utilities and other functions. The segment will work to increase Group-wide earnings by continuing to reduce costs.

(2) Analysis of Financial Position

<1> Analysis of assets, liabilities and net assets

Summary of Consolidated Balance Sheets

(Unit: Millions of yen)

	Mar 31, 2024	Mar 31, 2025	Amount of change	Rate of change (%)
Assets	457,360	476,207	18,847	4.1
Liabilities	197,411	202,349	4,938	2.5
(Interest-bearing debt)	105,784	110,691	4,906	4.6
Net assets	259,948	273,858	13,909	5.4
(Shareholders' equity)	249,256	261,562	12,305	4.9

Financial indicators

	Mar 31, 2024	Mar 31, 2025	Amount of change
D/E ratio	0.42	0.42	(0.00)
Net D/E ratio	0.23	0.13	(0.10)
Shareholders' equity ratio (%)	54.5	54.9	0.4
Shareholders' equity ratio based on market price (%)	42.7	42.1	(0.6)

(Note)

*D/E ratio : interest-bearing debt / shareholders' equity
 Net D/E ratio : (interest-bearing debt - Cash and cash equivalents) / shareholders' equity
 Shareholders' equity ratio (%) : interest-bearing debt / total assets
 Shareholders' equity ratio based on market price (%) : market capitalization / total assets

(Assets)

Total assets amounted to ¥ 476,207 million, an increase of ¥ 18,847 million compared with those as of March 31, 2024.

This increase primarily reflects the increase of cash and deposits and property, plant and equipment increased by ¥ 26,860 and ¥ 3,536 million, respectively, despite decrease in merchandise and finished goods and deferred tax assets of ¥ 5,849 and ¥ 3,450 million, respectively.

(Liabilities)

Total liabilities amounted to ¥ 202,349 million, up ¥ 4,938 million compared with those as of March 31, 2024.

Despite the decrease of commercial papers of ¥ 15,000 million, this increase primarily reflects the increase of bonds payable of ¥ 20,000 million.

(Net assets)

Retained earnings increased ¥ 16,534 million as a result of posting profit attributable to owners of parent mainly, despite the decrease of valuation difference on available-for-sale securities decreased ¥ 2,034 million.

As a result, net assets totaled ¥ 273,858 million, an increase of ¥ 13,909 million compared with those as of March 31, 2024.

(Financial indicators)

With regard to the consolidated fiscal year under review, the D/E ratio was in line with the previous consolidated fiscal year to 0.42 times due to a ¥ 12,305 million increase in shareholders' equity, despite of a ¥ 36,662 decrease in interest-bearing debt.

<2> Analysis of cash flows

Summary of Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	Fiscal 2023	Fiscal 2024
Cash flows from operating activities	55,828	52,368
Cash flows from investing activities	(30,405)	(23,478)
Cash flows from financing activities	(46,508)	(1,106)
Effect of exchange rate changes on cash and cash equivalents	1,461	(762)
Net increase (decrease) in cash and cash equivalents	(19,623)	27,020
Increase/decrease in cash and cash equivalents due to changes in the accounting period of consolidated subsidiaries	(27)	-
Increase/decrease in cash and cash equivalents resulting from change in scope of consolidation	0	-
Cash and cash equivalents at end of year	47,905	74,926

(Cash flows from operating activities)

Net cash provided in operating activities totaled ¥ 52,368 million, a decrease of ¥ 3,460 million compared with the previous consolidated fiscal year. This change primarily reflects profit before income taxes of ¥ 31,315 million and depreciation of ¥ 19,688 million.

(Cash flows from investing activities)

Net cash used in investing activities totaled ¥ 23,478 million, a decrease of ¥ 6,926 million compared with the previous consolidated fiscal year.

Major contributory factors were payments for purchases of property, plant and equipment of ¥ 22,598 million.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥ 1,106 million, a decrease of ¥ 45,401 million compared with the previous consolidated fiscal year.

This change primarily reflects decrease in commercial papers, dividends paid, and repayments of long-term borrowings of ¥ 15,000, ¥ 6,839, and ¥ 2,234 million, respectively, despite proceeds from issuance of bonds of ¥ 19,909, and proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation of ¥ 2,704 million.

<3> Procurement of Funds and Liquidity

(Procurement of Funds)

The Tokuyama Group recognizes the need to retain a certain level of funds in order to secure the working capital required to finance its business activities, for priority investments in growth fields for the purpose of transforming its business portfolio and capital investments for the purpose of contributing to the mitigation of global warming, such as rationalization, energy saving, and measures to reduce GHG emissions, as well as to promote strategic investments. While the principal method of procuring these funds is to accumulate cash on hand through the continuous posting of business earnings, the Group will also pursue other avenues. These include borrowing from financial institutions and the issuing of unsecured bonds.

Furthermore, the Tokuyama Group's intended capital investment amount for the next fiscal year is ¥35.1 billion. Plans are in place to utilize cash on hand and borrowings from financial institutions.

(Liquidity)

Cash and cash equivalents stood at ¥ 74,926 million as of the end of the fiscal year under review. On this basis, the Tokuyama Group is confident that it maintains more than ample liquidity to promote its business activities. In addition, Tokuyama has executed revolving credit facility, overdraft, and credit liquidation agreements with a financial institution. Accounting for these factors, the Company is more than capable of maintain a certain level of liquidity should any impediment arise. To secure liquidity funds in preparation for unforeseen circumstances, we will also set up commitment lines on an as needed basis.

(3) Achievement of Medium-Term Management Plan 2025

While domestic sales volumes were weak in the Chemicals and Cement segments, sales in the Electronic & Advanced Materials segment increased on the back of strong sales of semiconductor-related products. As a result, net sale climbed 0.3% compared with the previous consolidated fiscal year. Buoyed by such factors as the substantial jump in earnings in the Electronic & Advanced Materials segment as well as progress in reducing manufacturing costs, ROE came in at 9.2%, surpassing the level of the previous consolidated fiscal year.

(4) Research and Development (R&D) activities

Total R&D expenses for the consolidated fiscal year under review amounted to ¥ 16,066 million.

(5) Basic Policy for Profit Distribution and Dividends for Fiscal 2024 and 2025

The Company has positioned the return of profits to its shareholders as one of its most important management policies. The company will continue to provide stable and continuous returns to shareholders, based on a comprehensive assessment of factors, including maximizing corporate value from a medium- to long-term perspective through investment, financing and research and development for sustainable growth, business performance, financial situation and the cost of capital. Under this policy, after FY2024, the Company aims for a dividend payout ratio of at least 30% with a target of 3% for the dividend on equity ratio (DOE), which is not easily affected by performance during any one fiscal year.

The Company's basic policy is to pay dividends from capital surplus twice a year, an interim dividend and a year-end dividend. The year-end dividend is determined by the General Meeting of Shareholders and the interim dividend by the Board of Directors. The Articles of Incorporation stipulate that interim dividends may be paid by a resolution of the Board of Directors in accordance with Article 454, Paragraph 5 of the Companies Act.

Prior to the application of the aforementioned policy, the Company has decided to pay a year-end dividend of ¥50 per share for the fiscal year under review. This, together with the interim dividend of ¥50 per share paid in December 2024, brings the annual dividend to ¥100 per share, an increase of ¥20 over the previous fiscal year. This in turn brings the dividend payout ratio for the fiscal year under review to 30.8%.

For the next fiscal year, the Company plans to pay an annual dividend of ¥ 120 per share (including an interim dividend of ¥ 60 per share), an increase of ¥ 20 per share over the previous year, based on the assumptions outlined in “<2> Outlook for fiscal 2025 of (1) Analysis of Operating Results.”

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	3/31/2024	3/31/2025
Assets		
Current assets		
Cash and deposits	48,684	75,544
Notes receivable - trade	5,466	3,520
Electronically recorded monetary claims - operating	4,383	3,433
Accounts receivable - trade	77,279	74,596
Lease receivables	11	10
Merchandise and finished goods	28,522	22,673
Work in process	18,428	21,028
Raw materials and supplies	24,938	25,951
Other	10,159	7,957
Allowance for doubtful accounts	(99)	(85)
Total current assets	217,776	234,630
Non-current assets		
Property, plant and equipment		
Buildings and structures	119,122	126,460
Accumulated depreciation	(80,870)	(83,476)
Buildings and structures, net	38,252	42,983
Machinery, equipment and vehicles	496,906	503,931
Accumulated depreciation	(434,655)	(443,906)
Machinery, equipment and vehicles, net	62,251	60,025
Tools, furniture and fixtures	24,729	25,265
Accumulated depreciation	(20,673)	(21,254)
Tools, furniture and fixtures, net	4,056	4,010
Land	33,117	33,003
Leased assets	11,038	12,105
Accumulated depreciation	(4,463)	(4,918)
Leased assets, net	6,575	7,186
Construction in progress	24,503	25,081
Total property, plant and equipment	168,755	172,291
Intangible assets		
Goodwill	252	69
Leased assets	20	14
Other	3,190	4,126
Total intangible assets	3,463	4,210
Investments and other assets		
Investment securities	36,196	36,050
Long-term loans receivable	2,046	1,835
Deferred tax assets	14,834	11,383
Retirement benefit asset	9,816	9,252
Other	4,522	6,635
Allowance for investment loss	(7)	(7)
Allowance for doubtful accounts	(44)	(74)
Total investments and other assets	67,365	65,074
Total non-current assets	239,583	241,577
Total assets	457,360	476,207

(Millions of yen)

	3/31/2024	3/31/2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	48,093	45,742
Short-term borrowings	4,234	6,446
Commercial papers	15,000	—
Current portion of long-term borrowings	2,225	3,028
Lease liabilities	1,247	1,377
Income taxes payable	3,195	2,982
Provision for bonuses	3,241	3,744
Provision for repairs	4,656	5,084
Provision for decommissioning and removal	186	455
Provision for product warranties	77	121
Provision for loss on compensation for damage	202	21
Provision for environmental measures	14	68
Provision for restructuring	—	526
Provision for contract loss	499	654
Other	21,061	21,083
Total current liabilities	103,935	91,338
Non-current liabilities		
Bonds payable	15,000	35,000
Long-term borrowings	63,262	59,644
Lease liabilities	4,814	5,194
Long-term income taxes payable	—	84
Deferred tax liabilities	251	246
Provision for retirement benefits for directors (and other officers)	135	159
Provision for share awards	53	80
Provision for repairs	1,671	1,541
Provision for decommissioning and removal	224	16
Allowance for loss on compensation for building materials	13	—
Provision for environmental measures	67	—
Provision for contract loss	—	44
Retirement benefit liability	1,741	1,817
Asset retirement obligations	19	181
Other	6,220	7,001
Total non-current liabilities	93,475	111,011
Total liabilities	197,411	202,349
Net assets		
Shareholders' equity		
Share capital	10,000	10,000
Capital surplus	22,947	22,777
Retained earnings	197,418	213,953
Treasury shares	(422)	(428)
Total shareholders' equity	229,944	246,302
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,221	7,187
Deferred gains or losses on hedges	(0)	—
Foreign currency translation adjustment	8,446	6,883
Remeasurements of defined benefit plans	1,645	1,188
Total accumulated other comprehensive income	19,312	15,259
Non-controlling interests	10,691	12,295
Total net assets	259,948	273,858
Total liabilities and net assets	457,360	476,207

(2) Consolidated Statements of Income

(Millions of yen)

	FY2023	FY2024
Net sales	341,990	343,073
Cost of sales	242,470	234,929
Gross profit	99,519	108,143
Selling, general and administrative expenses		
Selling expenses	43,286	45,182
General and administrative expenses	30,595	32,993
Total selling, general and administrative expenses	73,882	78,175
Operating profit	25,637	29,968
Non-operating income		
Interest income	234	261
Dividend income	564	610
Share of profit of entities accounted for using equity method	905	442
Outsourcing service income	548	1,397
Trial products income	295	1,255
Rental income from non-current assets	616	615
Other	2,235	1,421
Total non-operating income	5,401	6,004
Non-operating expenses		
Interest expenses	1,333	912
Trial products expenses	347	1,181
Fiduciary obligation expenses	441	1,106
Cost of idle operations	270	784
Other	2,354	2,398
Total non-operating expenses	4,746	6,384
Ordinary profit	26,292	29,588
Extraordinary income		
Gain on sale of non-current assets	69	58
Gain on sale of investment securities	609	1,371
Gain on share exchange of affiliated companies	—	2,313
Subsidy income	106	251
Gain on insurance claims	108	44
Total extraordinary income	894	4,038
Extraordinary losses		
Loss on sale of non-current assets	50	2
Impairment losses	83	397
Loss on disaster	20	30
Loss on tax purpose reduction entry of non-current assets	41	137
Loss on disposal of non-current assets	762	704
Loss on sale of shares of subsidiaries and associates	25	—
Provision for loss on compensation for damage	197	—
Provision for restructuring	—	539
Restructuring expenses	—	499
Compensation for damage	148	—
Total extraordinary losses	1,330	2,311
Profit before income taxes	25,856	31,315
Income taxes - current	4,741	4,337
Income taxes - deferred	3,703	3,699
Total income taxes	8,445	8,037
Profit	17,411	23,278
Loss attributable to non-controlling interests	(340)	(109)
Profit attributable to owners of parent	17,751	23,388

(3) Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY2023	FY2024
Profit	17,411	23,278
Other comprehensive income		
Valuation difference on available-for-sale securities	5,213	(2,031)
Deferred gains or losses on hedges	2	0
Foreign currency translation adjustment	3,170	(1,474)
Remeasurements of defined benefit plans, net of tax	(245)	(447)
Share of other comprehensive income of entities accounted for using equity method	201	(63)
Total other comprehensive income	8,342	(4,017)
Comprehensive income	25,753	19,261
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	25,553	19,912
Comprehensive income attributable to non-controlling interests	200	(651)

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY2023	FY2024
Cash flows from operating activities		
Profit before income taxes	25,856	31,315
Depreciation	17,690	19,688
Increase (decrease) in provision for loss on business restructure	—	539
Increase (decrease) in provisions	1,387	1,140
Increase (decrease) in retirement benefit liability	31	28
Decrease (increase) in retirement benefit asset	(190)	(7)
Interest and dividend income	(799)	(871)
Foreign exchange losses (gains)	(527)	139
Loss (gain) on sale of property, plant and equipment	(19)	(55)
Loss (gain) on sale of investment securities	(609)	(1,371)
Loss (gain) on sale of shares of subsidiaries and associates	25	—
Gain on share exchange of affiliated companies	—	(2,313)
Share of loss (profit) of entities accounted for using equity method	(905)	(442)
Subsidy income	(106)	(251)
Interest expenses	1,333	912
Loss on tax purpose reduction entry of non-current assets	41	137
Impairment losses	83	397
Loss (gain) on disposal of non-current assets	762	704
Gain on insurance claims	(108)	(44)
Compensation for damage	148	—
Decrease (increase) in trade receivables	3,705	5,262
Decrease (increase) in inventories	8,834	2,434
Decrease (increase) in other current assets	1,220	2,049
Increase (decrease) in trade payables	(1,475)	(2,071)
Increase (decrease) in other current liabilities	1,307	(110)
Other, net	474	(220)
Subtotal	58,160	56,988
Interest and dividends received	1,301	1,189
Interest paid	(1,362)	(1,173)
Proceeds from insurance income	108	44
Compensation paid for damage	(124)	—
Income taxes refund (paid)	(2,254)	(4,680)
Net cash provided by (used in) operating activities	55,828	52,368

	(Millions of yen)	
	FY2023	FY2024
Cash flows from investing activities		
Payments into time deposits	(480)	(402)
Proceeds from withdrawal of time deposits	250	543
Purchase of property, plant and equipment	(31,591)	(22,598)
Proceeds from sale of property, plant and equipment	962	75
Purchase of investment securities	(583)	(183)
Proceeds from sale of investment securities	1,368	2,580
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	1,604	—
Long-term loan advances	(128)	(2)
Proceeds from collection of long-term loans receivable	563	220
Subsidies received	106	184
Other, net	(2,478)	(3,896)
Net cash provided by (used in) investing activities	(30,405)	(23,478)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	1,726	2,563
Increase (decrease) in commercial papers	15,000	(15,000)
Proceeds from long-term borrowings	6,582	162
Repayments of long-term borrowings	(61,396)	(2,234)
Proceeds from issuance of bonds	—	19,909
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(1,908)	(972)
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	—	2,704
Dividends paid	(5,038)	(6,839)
Dividends paid to non-controlling interests	(145)	(53)
Decrease (increase) in treasury shares	(12)	(6)
Other, net	(1,313)	(1,339)
Net cash provided by (used in) financing activities	(46,508)	(1,106)
Effect of exchange rate change on cash and cash equivalents	1,461	(762)
Net increase (decrease) in cash and cash equivalents	(19,623)	27,020
Cash and cash equivalents at beginning of period	67,556	47,905
Increase/decrease in cash and cash equivalents due to changes in the accounting period of consolidated subsidiaries	(27)	—
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	0	—
Cash and cash equivalents at end of period	47,905	74,926

(5) Notes on Consolidated Financial Statements

(Going Concern Assumption)

Not applicable.

(Significant changes in the scope of consolidation during this period)

Effective from the consolidated fiscal year under review, Shin Dai-ichi Vinyl Corporation, which was a consolidated subsidiary until the previous consolidated fiscal year, was excluded from the Company's scope of consolidation following its dissolution in an absorption-type merger with Tokuyama remaining as the surviving company.

Following its establishment, TOKUYAMA VIETNAM CO., LTD. was included in the Company's scope of consolidation as a subsidiary effective from the consolidated fiscal year under review.

(Consolidated Balance Sheets)

Long-term power purchase contracts

As of March 31, 2024

The Company has entered into a long-term purchase contract with a power generation company for the receipt of electricity. Such contract is noncancelable before maturity, and losses may be incurred depending on future market conditions and other factors.

As of March 31, 2025

The Company has entered into a long-term purchase contract with a power generation company for the receipt of electricity. Such contract is noncancelable before maturity, and losses may be incurred depending on future market conditions and other factors.

(6) Segment information

<1> Summary of reportable segments

The reportable segments of the Tokuyama Group are defined as individual units, where separate financial information is available and which are subject to regular review by the Board of Directors of the Company to evaluate their results and decide the allocation of management resources.

The Company has business divisions by product group, and the Tokuyama Group conducts business operations through each business division devising its comprehensive product strategy for domestic and overseas markets.

The Tokuyama Group is, therefore, composed of segments by product group based on business divisions, and has five reportable segments, “Chemicals,” “Cement,” “Electronic & Advanced Materials” “Life & Amenity,” and “Eco Business”.

Main products and services of each reportable segment are as follows:

Reportable segment	Main products and services
Chemicals	Caustic soda, soda ash, calcium chloride, sodium bicarbonate, sodium silicate, hydrogen, vinyl chloride monomer, polyvinyl chloride resin, propylene oxide, and chlorinated solvents
Cement	Cement, ready-mixed concrete, cement-type stabilizer, and resource recycling business
Electronic & Advanced Materials	Polycrystalline silicon, fumed silica, tetrachlorosilane, aluminum nitride, high-purity isopropyl alcohol for the electronics industry, photoresist developer and isopropyl alcohol for industrial use
Life Science	Medical diagnosis systems, dental materials and equipment, pharmaceutical ingredients and intermediates, plastic lens-related materials for glasses and microporous film
Eco Business	Waste gypsum board recycling and ion exchange membranes

(Changes in reportable segments)

Tokuyama changed the management categorizations of a certain subsidiary effective from the consolidated fiscal year under review. Data for the corresponding period of the previous consolidated fiscal year has been adjusted to reflect this change.

<2> Information on sales, income, assets and other items by reportable segment

Fiscal 2023 (April 1, 2023 – March 31, 2024)

(Millions of yen)

	Reportable segments					Others*1	Total	Adjustment *2	Figures in quarterly consolidated income statement*3
	Chemicals	Cement	Electronic & Advanced Materials	Life Science	Eco Business				
Sales									
Sales to customers	115,401	66,308	77,316	41,348	7,024	34,590	341,990	-	341,990
Inter-segment sales/transfer	193	878	652	20	368	9,131	11,244	(11,244)	-
Total	115,594	67,187	77,969	41,368	7,392	43,722	353,234	(11,244)	341,990
Segment profit (loss)	11,530	6,710	3,341	8,595	(102)	1,356	31,432	(5,795)	25,637
Segment assets	71,590	71,993	123,902	46,920	8,335	60,601	383,343	74,017	457,360
Other items									
Depreciation expenses*4	2,350	3,319	4,862	1,171	576	3,071	15,350	2,339	17,690
Increase in tangible and intangible fixed assets*5	2,986	4,524	9,500	3,826	547	2,928	24,312	6,481	30,794

*1 The “Others” segment comprises businesses other than those of the reportable segments. Specifically, the segment includes overseas sales companies, a distribution company, a real estate business, etc.

*2 Adjustment is as follows:

- (1) The segment profit adjustment amount consists mainly of basic R&D expenses that are not related to specific reportable segments.
- (2) Included in the segment assets adjustment amount are corporate assets that are not allocated to specific reportable segments (¥ 118,345 million).

*3 With regard to segment profit (loss), operating profit in the quarterly consolidated statement of profit has been calculated by making an adjustment to the sum total of the reportable segments’ profit and the “Others” segment’s profit.

*4 Included in depreciation expenses is the long-term prepaid expense depreciation amount.

*5 Included in increase in tangible and intangible fixed assets is the long-term prepaid expense increase amount.

*6 Net sales are not presented separately from earnings derived from contracts with customers and other earnings because the amount of other earnings is insignificant

Fiscal 2024 (April 1, 2024 –March 31, 2025)

(Millions of yen)

	Reportable segments					Others*1	Total	Adjustment *2	Figures in quarterly consolidated income statement*3
	Chemicals	Cement	Electronic & Advanced Materials	Life Science	Eco Business				
Sales									
Sales to customers	114,925	64,312	86,218	41,933	4,935	30,748	343,073	-	343,073
Inter-segment sales/transfer	76	392	835	22	280	10,021	11,629	(11,629)	-
Total	115,002	64,705	87,054	41,955	5,216	40,769	354,702	(11,629)	343,073
Segment profit	10,832	7,453	9,583	7,816	52	2,163	37,902	(7,933)	29,968
Segment assets	64,335	66,705	118,175	47,244	7,645	65,925	370,032	106,174	476,207
Other items									
Depreciation expenses*4	2,624	3,745	5,438	1,395	573	3,235	17,012	2,675	19,688
Increase in tangible and intangible fixed assets*5	3,802	2,875	8,011	2,829	193	4,937	22,651	5,132	27,784

*1 The “Others” segment comprises businesses other than those of the reportable segments. Specifically, the segment includes overseas sales companies, a distribution company, a real estate business, etc.

*2 Adjustment is as follows:

- (1) The segment profit adjustment amount consists mainly of basic R&D expenses that are not related to specific reportable segments.
- (2) Included in the segment assets adjustment amount are corporate assets that are not allocated to specific reportable segments (¥ 147,149 million).

*3 With regard to segment profit, operating profit in the quarterly consolidated statement of profit has been calculated by making an adjustment to the sum total of the reportable segments’ profit and the “Others” segment’s profit.

*4 Included in depreciation expenses is the long-term prepaid expense depreciation amount.

*5 Included in increase in tangible and intangible fixed assets is the long-term prepaid expense increase amount.

*6 Net sales are not presented separately from earnings derived from contracts with customers and other earnings because the amount of other earnings is insignificant.

(7) Material Subsequent Event

(Business Combination through Acquisition)

The Company decided to acquire the in vitro diagnostics and in vitro diagnostic pharmaceutical materials businesses held by JSR Corporation in accordance with a resolution of the Company's Board of Directors at a meeting held on April 22, 2025. The share transfer agreement executed on the same date.

<1> Overview of business combination

1. Name and business of acquired company

Name (tentative) : JSR-01 Corporation

Business: In vitro diagnostics business, in vitro diagnostic materials business
and stock management business

2. Purpose of business combination

Under its Medium-Term Management Plan 2025, Tokuyama has identified the “Electronics,” “Healthcare,” and “Environment” fields as growth businesses. As a part of efforts to transform our business portfolio, our plan is to increase the proportion of consolidated sales generated from growth businesses to more than 60% by FY2030. Taking the aforementioned into consideration, our intention is to position the newly acquired businesses at the heart of our healthcare domain.

In the Company's existing diagnosis systems business, our wholly owned subsidiary A&T Corporation is working to expand its in vitro diagnostics endeavors and is engaged in the research and development of new in vitro diagnostics reagents. In order to further accelerate the pace of healthcare domain growth, we recognize the need to generate high levels of additional revenue on a sustainable basis by entering new business areas.

In bringing the aforementioned new businesses into the Tokuyama Group fold and complementing our ability to commercialize immunoassay reagents that utilize particles and antibodies, we expect to significantly shorten the time required to develop new products and to generate synergies with our fundamental technologies. In this manner, we anticipate building a highly profitable reagent business within the Group. At the same time, we believe that the acquisition of new businesses will enable us to cross-sell both the Company's and A&T's electrolyte analyzer electrodes, reagents, and other products to our existing customer base of hospitals in Japan and Korea as well as to customers in China.

In a bid to accelerate the pace of business portfolio transformation, we will work diligently to develop the in vitro diagnostics business as the cornerstone of the healthcare domain centered on the newly acquired businesses going forward.

Plans are in place to adopt the following process when undertaking the subject acquisition:

- (1) JSR (hereinafter referred to as “JSR”) will newly establish JSR-01 Corporation (hereinafter the “newly established company”)
- (2) JSR will transfer a portion of its in vitro diagnostics business to its wholly owned subsidiary, MBL, through an absorption-type split; the remaining portion of the business and all issued and outstanding shares of the company will be transferred to the newly established company through an absorption-type split.
- (3) JSR will transfer a portion of its in vitro diagnostic pharmaceutical materials business to its wholly owned subsidiary, JSR Life Sciences Co., Ltd., through an absorption-type split; the remaining portion of the business and all issued and outstanding shares of the company will be transferred to the newly established company through an absorption-type split.
- (4) Tokuyama will acquire all issued and outstanding shares of the newly established company and then include the newly established company in its scope of consolidation as a wholly owned subsidiary.

3. Date of business combination

October 1, 2025 (planned)

4. Legal form of business combination

Share acquisition

5. Company name after combination

JSR-01 Corporation (tentative)

6. Ratio of voting rights to be acquired

100%

7. Ratio of voting rights to be acquired

To enable the Company to acquire shares in consideration for cash.

<2> Overview of business combination

Consideration for acquisition: Cash ¥82,000 million

Note: The aforementioned acquisition cost is a current estimate. The actual acquisition cost may differ from the aforementioned.

Although the acquisition cost stated above has been verified and reasonably estimated based on the results of valuation, legal, financial, tax and separation due diligence, the final transfer price is expected to be the price adjusted in accordance with the price adjustment clause stipulated in the share transfer agreement executed.

<3> Procurement of Funds (planned)

Cash on hand and interest-bearing debt