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March 25, 2026

Company Name: Tokuyama Corporation

Representative Name: Hiroshi Yokota,

Representative Director, President and Executive Officer

(Code No. 4043, Prime Market, TSE)

Contact: Tetsuya Nakano, General Manager

Corporate Communications & Investor Relations Dept.

TEL: +81-3-5207-2552

**Notice Concerning the Establishment of a Wholly Owned Subsidiary and a Company Split (Simplified Absorption-type Split) Following the Transfer of the Domestic Sales Business for Cement and Solidification Agents and Shares in Certain Consolidated Subsidiaries as well as the Change in a Subsidiary due to the Transfer of Shares in the Aforementioned Wholly Owned Subsidiary**

At a meeting of the Board of Directors held today, Tokuyama Corporation (hereinafter referred to as “Tokuyama” or “the Company”) resolved to transfer its domestic sales business for cement and solidification agents and shares in certain consolidated subsidiaries to a newly established wholly owned subsidiary (hereinafter referred to as “the New Company”) through an absorption-type split (hereinafter referred to as “the Absorption-type Split”). Tokuyama also resolved to transfer all of the New Company’s issued and outstanding shares (hereinafter referred to as “the Share Transfer”) to TAIHEIYO CEMENT CORPORATION (hereinafter referred to as “TAIHEIYO CEMENT”), with the Absorption-type Split and Share Transfer hereinafter referred to collectively as “the Transaction.” On this basis, the Company entered into a share transfer agreement with TAIHEIYO CEMENT today. Brief details are presented as follows.

Please note that the Transaction is subject to the completion of all necessary clearances and approvals under domestic competition laws as well as other applicable statutory and regulatory requirements.

In addition, as the Absorption-type Split is a simplified absorption-type split in which the newly established wholly owned subsidiary serves as the successor company, certain disclosure items and details have been omitted.

**1. Objective**

Tokuyama entered the cement business in 1938 by first manufacturing Ordinary Portland cement. The goal was to recycle the sludge, composed primarily of the calcium carbonate generated in large quantities during the manufacture of Soda Ash (sodium carbonate)—the Company’s founding business—as well as coal ash from in-house power generation facilities, into a key cement raw material.

In 1960, construction of the Nanyo Plant, a dedicated cement manufacturing facility, was completed within the Tokuyama Factory. Thereafter, the Company changed its production methods in an effort to improve energy efficiency and expanded its business by diversifying its product lineup (including Ordinary Portland Cement, Early Strength Portland Cement, and Blast Furnace Slag Cement) to capture the growing demand for ports, roads, and housing during Japan’s period of rapid economic growth.

However, demand for cement in Japan has continued to decline since peaking at approximately 86.29 million tonnes in FY1990. As part of the Company’s structural reform endeavors, Tokuyama took steps to establish an appropriate production system by suspending one of our three cement kilns and shifting to a two-kiln operating structure in FY2024.

Tokuyama has adopted a cautious approach toward its vision for the cement business going forward. As it looks to the future, the Company anticipates demand for cement will inevitably decline owing to such factors as the shrinking domestic population, downturn in public investment, and transition to a stock-based society. As a result, Tokuyama resolved to transfer its domestic sales business for cement and solidification agents and all of the issued and outstanding shares of consolidated subsidiaries Tokuyama Tsusho Trading Co., Ltd. and Tokuyama MTech Corp. (hereinafter referred to as “the Subject of the Absorption-type Split”) to TAIHEIYO CEMENT, Japan’s largest cement manufacturer. Moving forward, the Company will consider shutting down production of cement and solidification agents by FY2028 when the transfer is scheduled for completion.

While Tokuyama will transfer all of the rights and obligations related to the Subject of the Absorption-type Split to the New Company through the Absorption-type Split as well as all issued and outstanding shares of the New Company to TAIHEIYO CEMENT, an agreement has been reached to dispatch employees previously engaged in the Company’s cement sales business to the New Company for a certain period following the Share Transfer in order to maintain relationships with customers.

Turning to the sale (export) of cement overseas, steps will be taken to review sales contracts and progressively reduce transaction volumes in conjunction with the start of deliberations regarding shutting down production of cement and solidification agents by FY2028.

Meanwhile, Tokuyama has agreed that virtually all of the internal waste currently handled at the Nanyo Plant will be processed by TAIHEIYO CEMENT. For external waste however, the Company will negotiate with each external source by item and address in good faith. In addition, Tokuyama will explore ways to utilize its cement and solidification agent manufacturing equipment in other areas, including their use in new businesses in the ceramics and waste sectors.

In its Medium-Term Management Plan 2025, Tokuyama positioned the “Electronics,” “Healthcare,” and “Environment” fields as growth businesses. In addition to transforming the business portfolio, every effort is being made to ensure that growth businesses account for more than 60% of the Company’s consolidated net sales by FY2030. With this in mind, the Transaction will significantly alter the nature and structure of the Tokuyama Factory, which houses the Nanyo Plant. Building on the aforementioned, Tokuyama will work diligently to strengthen its competitiveness by further advancing structural reforms and refining its constitution. At the same time, the Company will allocate resources to growth businesses.

## 2. Outline of the Newly Company

(1) Name	Yet to be decided
(2) Location	Shunan City, Yamaguchi
(3) Name and Title of Representative	Yet to be decided
(4) Business	Sale of cement and solidification agents
(5) Capital	1 million yen (planned)
(6) Date of Establishment	July 1, 2026 (planned)
(7) Ratio of Shareholding	Tokuyama Corporation 100%*

\* Plans are in place for TAIHEIYO CEMENT to hold all of the issued and outstanding shares of the New Company following the Share Transfer.

### 3. Outline of the Company Split

#### (1) Outline of the Company Split

##### <1> Schedule of the Company Split

Resolutions at the Board of Director's meetings	First Quarter of fiscal year ended March 31, 2027 (planned)
Conclusion of the contract for absorption-type company split	Same as above (planned)
Effective date	October 1, 2026 (planned)

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

##### <2> Method of the Company Split

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

##### <3> Allotment of shares accompanying the Company Split

In conjunction with the Absorption-type Split, plans are in place for the New Company to issue one share of common stock to Tokuyama as consideration for the rights and obligations transferred.

##### <4> Treatment of stock acquisition rights and bonds with stock acquisition rights

Not applicable.

##### <5> Increase/decrease in capital accompanying the Company Split

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

##### <6> Rights and obligations to be succeeded by the succeeding company

The New Company will also assume the assets, liabilities, contractual status as well as the rights and obligations related to the Subject of the Absorption-type Split on the effective date of the Absorption-type Split as stipulated in the absorption-type split agreement.

##### <7> Expected fulfillment of obligations

Tokuyama recognizes that there are no concerns regarding the likelihood that the obligations assumed by the New Company will be fulfilled on or after the effective date of the Absorption-type Split.

#### (2) Outline of the split and succeeding company

	Absorption-type split company (as of March 31, 2025)	Succeeding company in absorption-type split (yet to be established as of March 25, 2026)
(1) Name	Tokuyama Corporation	Yet to be decided
(2) Location	1-1 Mikage-cho, Shunan City, Yamaguchi	Shunan City, Yamaguchi
(3) Name and Title of Representative	Hiroshi Yokota, Representative Director, President and Executive Officer	Yet to be decided
(4) Business	Production and sales of inorganic and organic industrial chemicals, cement, building materials, electrical materials, life science, eco business	Sale of cement and solidification agents
(5) Capital	10,000 million yen	1 million yen (planned)
(6) Date of Establishment	February 16, 1918	July 1, 2026 (planned)

(7) Number of Outstanding Shares	72,088,327 shares	Yet to be decided																				
(8) Fiscal Year End	March 31	March 31 (planned)																				
(9) Ratio of Shareholding	<table border="0"> <tr> <td>The Master Trust Bank of Japan, Ltd. (trust account)</td> <td>15.97%</td> </tr> <tr> <td>Custody Bank of Japan, Ltd. (trust account)</td> <td>6.26%</td> </tr> <tr> <td>Nippon Life Insurance Company</td> <td>3.01%</td> </tr> <tr> <td>JPMorgan Securities Japan Co., Ltd</td> <td>2.79%</td> </tr> <tr> <td>The Yamaguchi Bank, Ltd.</td> <td>2.21%</td> </tr> <tr> <td>Meiji Yasuda Life Insurance Company</td> <td>2.06%</td> </tr> <tr> <td>BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)</td> <td>2.05%</td> </tr> <tr> <td>Tokuyama Corp. employee share ownership</td> <td>1.97%</td> </tr> <tr> <td>STATE STREET BANK AND TRUST COMPANY 505223</td> <td>1.81%</td> </tr> <tr> <td>NORTHERN TRUST GLOBAL SERVICES SE, LUXEMBOURG RE LUDURE: UCITS CLIENTS 15.315 PCT NON TREATY ACCOUNT</td> <td>1.74%</td> </tr> </table>	The Master Trust Bank of Japan, Ltd. (trust account)	15.97%	Custody Bank of Japan, Ltd. (trust account)	6.26%	Nippon Life Insurance Company	3.01%	JPMorgan Securities Japan Co., Ltd	2.79%	The Yamaguchi Bank, Ltd.	2.21%	Meiji Yasuda Life Insurance Company	2.06%	BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	2.05%	Tokuyama Corp. employee share ownership	1.97%	STATE STREET BANK AND TRUST COMPANY 505223	1.81%	NORTHERN TRUST GLOBAL SERVICES SE, LUXEMBOURG RE LUDURE: UCITS CLIENTS 15.315 PCT NON TREATY ACCOUNT	1.74%	Tokuyama Corporation 100.00%
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(Reference) Consolidated Subsidiary to be transferred to the New Company through an absorption-type split

	Tokuyama Tsusho Trading Co., Ltd. (as of March 31, 2025)	Tokuyama MTech Corporation (as of March 31, 2025)
(1) Name	Tokuyama Tsusho Trading Co., Ltd.	Tokuyama MTech Corporation
(2) Location	KDX Shinnihonbashi Ekimae Building 4-8-16, Nihonbashi-Honcho, Chuo-ku, Tokyo	KDX Shinnihonbashi Ekimae Building 4-8-16, Nihonbashi-Honcho, Chuo-ku, Tokyo
(3) Name and Title of Representative	Kazuya Fujikawa, Representative Director, President and Executive Officer	Takashi Asada, Representative Director, President
(4) Business	Stocking and sale of cement, ready-mixed concrete and building materials	Manufacture and sale of building materials
(5) Capital	95 million yen	50 million yen
(6) Date of Establishment	December 21, 1966	December 18, 1978
(7) Number of Outstanding Shares	58,000 shares	100,000 shares
(8) Fiscal Year End	March 31	March 31
(9) Ratio of Shareholding	Tokuyama Corporation 100.00%	Tokuyama Corporation 100.00%

(10) Financial Position and Results in Preceding Fiscal Year of Absorption-type split company (Unit: Millions of yen, except per share amounts)			
Fiscal Year Ended	Tokuyama Corporation (Consolidated)		
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net Assets	241,602	259,948	273,858
Total Assets	478,342	457,360	476,207
Net Assets per share (yen)	3,189.01	3,464.47	3,635.62
Sales	351,790	341,990	343,073
Operating profit	14,336	25,637	29,968
Ordinary profit	14,783	26,292	29,588
Profit attributable to owners of parent	9,364	17,751	23,388
Earnings per share (yen)	130.15	246.72	325.08

\*Yet to be established as of March 25, 2026, the New Company has no confirmed fiscal year.

(3) Outline of the business to be split

<1> The business to be split

Sale of cement and solidification agents in Japan; manufacture and sale of cement-related products in Japan

<2> Performance of the business to be split (fiscal year ended March 31, 2025)

	Business to be split (A)	Consolidated performance (B)	Ratio (A/B)
Sales	44,704 million yen	343,073 million yen	13.0 %

<3> Items and book values of assets and liabilities to be split (as of March 31, 2025)

Assets		Liabilities	
Account Title	Amount	Account Title	Amount
Current assets	20,023 million yen	Current liabilities	15,882 million yen
Non-current assets	1,676 million yen	Non-current liabilities	1,789 million yen
Total assets	21,700 million yen	Total liabilities	17,671 million yen

\*The aforementioned amounts are calculated based on the Company's consolidated balance sheet as of March 31, 2025. The actual amounts of assets and liabilities to be split will take into account increases or decreases that occur up to the effective date of the Absorption-type Split

(4) Outline of the situation after the Company Split

The names, addresses, representative titles and names, business profiles, capital amounts, and fiscal years of Tokuyama will not be affected by the Company Split. Tokuyama will transfer all of the New Company's issued and outstanding shares to TAIHEIYO CEMENT on the effective date of the Share Transfer.

#### 4. Outline of the Transfer of Shares

(1) Reason for the Transfer of Shares

As outlined in 1. Objective

(2) Transfer method

Tokuyama will transfer all of the issued and outstanding shares of the New Company held to TAIHEIYO CEMENT after the Subject of the Absorption-type Split has been transferred to the New Company by way of the Absorption-type Split.

(3) Outline of the subsidiary to be transferred

As outlined in 2. Outline of the Newly Company

(4) Overview of the other party of the Share Transfer (as of March 31, 2025)

(1) Name	TAIHEIYO CEMENT CORPORATION																					
(2) Location	BUNKYO GARDEN GATE TOWER, 1-1-1, Koishikawa, Bunkyo-ku, Tokyo																					
(3) Name and Title of Representative	Yoshifumi Taura, Representative Director, President																					
(4) Business	Cement, mineral resources, environmental, construction materials, and other businesses																					
(5) Capital	86,174 million yen																					
(6) Date of Establishment	May 3, 1881																					
(7) Net Assets (consolidated)	676,124 million yen																					
(8) Total assets (consolidated)	1,423,695 million yen																					
(9) Ratio of Shareholding	<table border="0"> <tr> <td>THE MASTER TRUST BANK OF JAPAN, LTD. (TRUST ACCOUNT)</td> <td>18.0%</td> </tr> <tr> <td>STATE STREET BANK AND TRUST COMPANY 505001</td> <td>6.4%</td> </tr> <tr> <td>CUSTODY BANK OF JAPAN, LTD. (TRUST ACCOUNT)</td> <td>6.2%</td> </tr> <tr> <td>JP MORGAN CHASE BANK 385632</td> <td>3.5%</td> </tr> <tr> <td>JP MORGAN CHASE BANK 385864</td> <td>2.5%</td> </tr> <tr> <td>STATE STREET BANK AND TRUST COMPANY 505103</td> <td>1.5%</td> </tr> <tr> <td>JP MORGAN CHASE BANK 385781</td> <td>1.4%</td> </tr> <tr> <td>Meiji Yasuda Life Insurance Company</td> <td>1.4%</td> </tr> <tr> <td>Mizuho Bank, Ltd.</td> <td>1.3%</td> </tr> <tr> <td>BNYM AS AGT / CLTS NON TREATY JASDEC</td> <td>1.3%</td> </tr> </table>		THE MASTER TRUST BANK OF JAPAN, LTD. (TRUST ACCOUNT)	18.0%	STATE STREET BANK AND TRUST COMPANY 505001	6.4%	CUSTODY BANK OF JAPAN, LTD. (TRUST ACCOUNT)	6.2%	JP MORGAN CHASE BANK 385632	3.5%	JP MORGAN CHASE BANK 385864	2.5%	STATE STREET BANK AND TRUST COMPANY 505103	1.5%	JP MORGAN CHASE BANK 385781	1.4%	Meiji Yasuda Life Insurance Company	1.4%	Mizuho Bank, Ltd.	1.3%	BNYM AS AGT / CLTS NON TREATY JASDEC	1.3%
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(10) Relationship between the Listed Company and the Company Concerned	Capital Relationship	Not applicable.																				
	Personnel Relationship	Not applicable.																				
	Transaction Relationship	Tokuyama and the subject company maintain a logistics partnership regarding cement products.																				
	Status as a Related Party	Not applicable.																				

(5) Number of Shares Transferred and Status of Shares Held Before and After the Transfer of Shares

Shares held before the transfer	100.0% (Percentage of Voting Rights Held: 100.0%)
Number of shares to be transferred	All shares held
Transfer price	37,000 million yen*
Number of shares held after the transfer	0 shares (Percentage of Voting Rights Held: 100.0%)

\*The actual transfer amount is expected to be the price specified in the share transfer agreement executed today adjusted as of the effective date of share transfer.

(6) Timetable

Resolutions at the Board of Director's meetings	March 25, 2026
Conclusion of share transfer agreement	March 25, 2026
Share transfer	October 1, 2026 (planned)

## 5. Future Prospect

Details of the impact of the Absorption-type Split and the Share Transfer on the Company's performance will be promptly disclosed should any matters requiring disclosure arise in the future.

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