

Q1 FY2015 Tokuyama Corporation Investor Meeting
Q&A (Excerpts)

Date and time: July 31, 2015 (Friday) 13:30 - 14:30

Participants:

Hiroshi Yokota, Representative Director, President and Executive Officer

Akihiro Hamada, Director, Managing Executive Officer

Hideo Sugimura, Executive Officer, General Manager of the Corporate Planning Division

1. Questions regarding Tokuyama Malaysia PS-2

Q: The performance forecast of Tokuyama Malaysia for FY2015 has been lowered. Is there any change for future schedule?

A: We have no change for the schedule. We will undertake periodic maintenance from October to November, restart operation in December and commence deposition process in the middle of December as scheduled. We believe that we can see certain developments in Q4 this fiscal year.

Q: I got the impression that the cause of unstable operation was not identified a half year ago. Is it clear now?

A: The cause of difficulty has been identified, and we have already started to take measures. If the measures we are taking are proper, we believe that we can start operation right after the periodic maintenance as we planned.

Q: Can you provide us the selling price and cash cost that are premised for FY2017 plan?

A: We set \$20/kg for spot retail price, and cash cost is \$14/kg (same as before) on the assumption for FY2017 plan.

Q: Are you expecting that demand-supply balance of solar-grade polycrystalline silicon would be normalized by FY2017?

A: Yes.

Q: This is a hypothetical question, but if market price continues to hover around lower \$15 range, is there any possibility of downward revision of earnings plan, or posting an impairment loss for PS-2?

A: Although we set \$14 for cash cost target as mentioned, we put all our efforts to improve

processes and reduce costs further in order to avoid any downward factors. In case market price stays in the present range, we would have no alternative choice but to consider processing along accounting standards, as it would not make business sense.

2. Questions regarding Tokuyama Malaysia PS-1

Q: Can you provide further information on a lawsuit? Is it included into the medium-term plan?

A: Unfortunately, we cannot provide detailed information here. We can tell you that we are discussing with legal specialists on the issue and moving forward with the procedure. Possible compensation and costs that could occur are not included in the medium-term plan.

3. Questions regarding dividend

Q: What is the prospect on resumption of dividend?

A: We would truly like to reassume the dividend as soon as possible. A basic condition for resumption of dividend is to confirm TMSB business to get on the right track. We will examine the start-up of production after the coming periodic maintenance, market price forecast of solar-grade polycrystalline silicon, and make a comprehensive decision.

4. Questions regarding Cement business

Q: During the last investor meeting in April, cement division was reported to gain higher sales even though domestic demand remains flat. Can you explain why sales prospect declines this time?

A: Market in Kanto area (Tokyo and the surrounding area) has been very slow in 1H, except for Tokyo. We expect that it will gradually come back toward 2H, however, it would not start recovering until the middle of August. That is the main reason why we have revised downward.