

Supplementary Material to Presentation for Fiscal 2010 IR Meeting

Tokuyama Malaysia

Second-phase Construction Project for Polycrystalline Silicon Plant

Tokuyama Corporation

June 20, 2011

1. Construction Plan

2. Financial Plan

3. Supply-demand Forecast

4. Sales Plan

5. Profitability Estimates

(Reference) Timeline for Expansion of
Production Capacity

1. Construction Plan

【Outline of Second-phase Plant in Malaysia】

Location	Samalaju Industrial Park in Sarawak, Malaysia
Production Capacity	13,800 tons/Y
Plant Construction Costs	Approx. ¥100 billion (\$90/kg at the rate of ¥80/\$)
Production Method	Siemens method
Target Usage of Polycrystalline Silicon	Solar cells
Construction Plan	Commence construction in April 2012 and aim to start operations in January 2015

- The annual production capacity of Tokuyama Malaysia Sdn. Bhd. will total 20,000 tons, combined with capacity of the plant under construction (“first-phase plant”)
- Tokuyama’s present goal is to raise its current global share of polycrystalline silicon for solar cells, which is estimated to be about 5%, to 10% or more

2. Financial Plan

【Financial Plan (FY2011 through FY2014, Tokuyama + Tokuyama Malaysia)】

[Cash inflow] Unit: Bil. yen

Cash on hand	60.0
Net income + Depreciation expenses	140.0
Interest bearing debt	60.0
Advances received	20.0
Total	280.0

[Cash outflow] Unit: Bil. yen

1st-phase construction (amount outstanding)	20.0
2nd-phase construction	125.0
Other investments (including maintenance and renewal costs)	100.0
Cash on hand, Dividend	35.0
Total	280.0

* This financial plan has been prepared on the basis of information available at this point,
and is not final and conclusive

3. Supply-demand Forecast

【Supply-demand Forecast of Polycrystalline Silocon】

(CY) Unit: Thousand tons

		2010	2015
Demand	Solar cells	100	200
	Semiconductors	30	40
	Total	130	240
Production capacity		180	350

- * The forecast assumes that annual installed photovoltaic capacity for 2015 will be 40GW
- * The figures shown above are based on the Company's estimate

4.Sales Plan

- Although it is presumed that the polysilicon market is facing an oversupply at this point in time, Tokuyama keeps operating at full capacity and selling out all the amount it produces
- With regard to polysilicon of 6,200 tons that the “first-phase plant” will produce, the Company has almost sold it out by entering into long-term contracts
- With regard to polysilicon of 13,800 tons that the “second-phase plant” will produce, the Company is currently negotiating contracts with customers for the purchase and sale of it by offering long-term contracts and advances received as a package

It can be expected that Tokuyama will sell out all the amount (polysilicon of 13,800 tons), as there are customers' confidence in Tokuyama's quality and its brand power built up over many years

5. Profitability Estimates

Estimated Market Price	\$ 40 ~ 45/kg
EBITDA Margin	50% or more

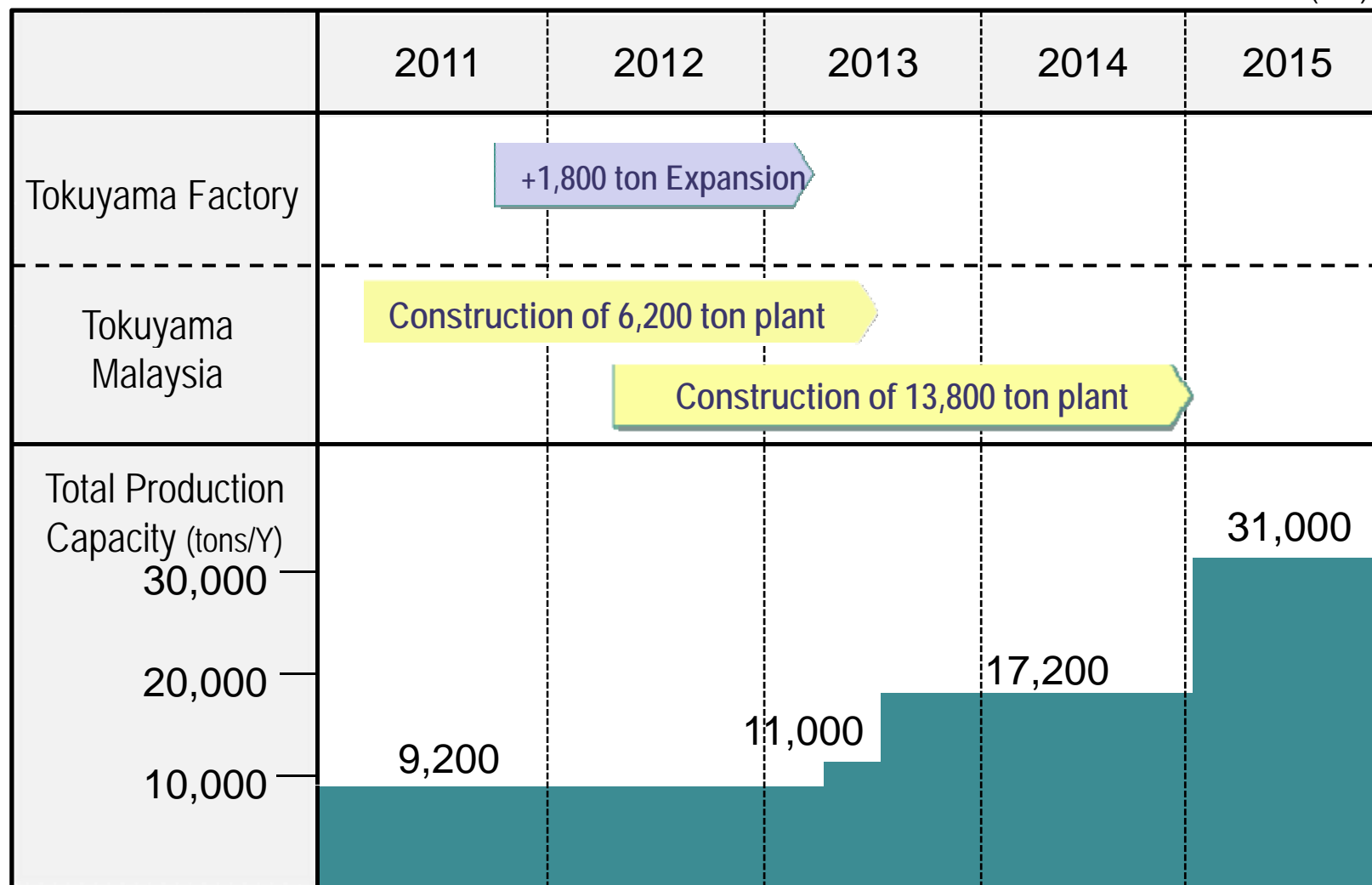
※EBITDA Margin : Earnings before interest, tax, depreciation and amortization / Sales

【Reference】 Profitability Estimates for the First-phase Plant

Estimated Market Price	\$ 45 ~ 50/kg
EBITDA Margin	50% or more

(Reference) Timeline for Expansion of Production Capacity

(CY)



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This material is supplied to provide information of the Company, and is not intended as a solicitation for investment or other actions.

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