

(Note) This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

April 28, 2017

Company name: Tokuyama Corporation

Representative: Hiroshi Yokota,

President and Representative Director

(Code No. 4043, First Section TSE)

Contact: Taro Kobayashi, General Manager

Corporate Communications & Investor Relations Dept.

TEL: +81-3-5207-2552

Notice concerning Change in Number of Shares in One Unit of Shares, Share Consolidation and Partial
Amendments to the Articles of Incorporation

Tokuyama Corporation (hereinafter referred to as the “Company,” “Tokuyama” or “we”) hereby announces that the Board of Directors of the Company, at its meeting held on April 28, 2017, made a resolution for a change in number of shares in one unit of common shares and partial amendments to the Articles of Incorporation as follows, and made a resolution to submit proposals for consolidation of common share and for partial amendments to the Articles of Incorporation at the Ordinary General Meeting of Shareholders (hereinafter referred to as “Ordinary General Meeting of Shareholders”) and the General Meeting of Class Shareholders of Common Shares (hereinafter referred to as “General Meeting of Class Shareholders”) to be held in late June 2017 as explained in the following.

1. Change in Number of Shares in One Unit of Shares

(1) Reasons for the change

Japan’s securities exchanges aim to standardize the trading unit (number of shares in one unit of shares) for common shares of listed companies in Japan at 100 shares per unit by October 1, 2018, based on the “Action Plan for Consolidating Trading Units.”

As the Company is listed on the Tokyo Stock Exchange, it has determined to change the number of shares in one unit of common shares of the Company from one thousand (1,000) shares to one hundred (100) shares, in accordance with the above.

(2) Details of the change

The number of shares in one unit of common shares of the Company shall be changed from one thousand (1,000) shares to one hundred (100) shares.

(3) Scheduled date of the change

October 1, 2017

(4) Conditions for the change

The change is conditional upon the approval of the proposal concerning the following “2. Share Consolidation” at the Ordinary General Meeting of Shareholders and General Meeting of Class Shareholders.

Partial amendments to the Articles of Incorporation on this matter are to be made by a resolution of the Board of Directors in accordance with the provision of Article 195, Paragraph 1 of the Companies Act.

2. Share Consolidation

(1) Purpose of the share consolidation

In changing the number of shares in one unit of common shares of the Company from one thousand (1,000) shares to one hundred (100) shares as described in the above “1. Change in Number of Shares in One Unit of Shares,” the Company determined to execute a share consolidation (every five (5) shares will be consolidated into one (1) share) in order to adjust the investment unit to an appropriate level.

(2) Details of share consolidation

-Type of shares for share consolidation

Common shares

-Ratio of share consolidation

As of October 1, 2017, the share consolidation shall be executed at a ratio of one (1) share for each five (5) shares held by shareholders recorded in the last shareholder register as of September 30, 2017 (substantially September 29, 2017).

-Number of shares to be decreased due to share consolidation

Total number of issued common shares before share consolidation (as of March 31, 2017)	349,671,876 shares
Number of common shares to be decreased due to share consolidation	279,737,501 shares
Total number of issued common shares after share consolidation	69,934,375 shares

(Note) “Number of common shares to be decreased due to share consolidation” and “Total number of issued common shares after share consolidation” are theoretical numbers calculated based on “Total number of issued shares before share consolidation” and the ratio of share consolidation.

(3) Number of shareholders to be decreased due to share consolidation

The composition of shareholders with common shares that are subject to the share consolidation based on the shareholder register as of March 31, 2017 is as follows:

	Number of shareholders (Ratio)	Number of shares held (Ratio)
All shareholders	21,703 shareholders (100.00%)	349,671,876 shares (100.00%)
Less than five (5) shares	298 shareholders (1.37%)	477 shares (0.00%)
Five (5) shares or more	21,405 shareholders (98.63%)	349,671,399 shares (99.99%)

If the share consolidation is executed on the assumption of the above shareholder composition, 298 shareholders who hold less than five (5) shares (total number of shares held by the shareholders: 477 shares) will lose their status as shareholders.

Prior to the effective date of the share consolidation, these shareholders may ask the Company to purchase the shares constituting less than one share unit in accordance with the provision of Article 192, Paragraph 1 of the Companies Act, or to sell an amount of shares that will constitute the number of shares in one unit of shares when added to the shares of less than one share unit held by the shareholder in accordance with the provisions of Article 194, Paragraph 1 and Article 10 of the Company's Articles of Incorporation.

(4) Handling of fractions less than one (1) share

If any fraction less than one (1) share arises as a result of the share consolidation, such fractional shares will be disposed of together in accordance with the provisions of the Companies Act, and proceeds from the disposal will be distributed to shareholders who held the fractional shares in proportion to the number of fractional shares.

(5) Total number of authorized shares as of effective date

As of the effective date, the total number of authorized shares and the total number of authorized common shares will both be 200,000,000 shares.

(6) Conditions for share consolidation

The share consolidation is conditional upon the approval of the proposal on the share consolidation at the Ordinary General Meeting of Shareholders and General Meeting of Class Shareholders, and the proposal taking effect.

3. Partial Amendments to the Articles of Incorporation

The Articles of Incorporation of the Company shall be amended as of October 1, 2017 as follows, conditional upon the approval of the proposal concerning the above “2. Share Consolidation.”

(Amendments are underlined.)

Current Articles of Incorporation	Proposed Revisions
<p>Article 6. Total Number of Authorized Shares</p> <p>The total number of authorized shares of the Company shall be <u>700 million (700,000,000) shares</u> and the total number of authorized class shares of common shares shall be <u>700 million (700,000,000) shares</u>, the total number of authorized class shares of Class A Shares shall be twenty thousand (20,000) shares, the total number of authorized class shares of Class B Shares shall be four thousand and four hundred (4,400) shares, and the total number of authorized class shares of Class C Shares shall be twenty thousand (20,000) shares.</p> <p>Article 8. Number of Shares in One Unit of Shares</p> <p>The number of shares in one (1) unit of shares of the Company shall be <u>one thousand (1,000) shares</u> for common shares and one (1) share for Class A Shares, Class B Shares and Class C Shares.</p>	<p>Article 6. Total Number of Authorized Shares</p> <p>The total number of authorized shares of the Company shall be <u>200 million (200,000,000) shares</u> and the total number of authorized class shares of common shares shall be <u>200 million (200,000,000) shares</u>, the total number of authorized class shares of Class A Shares shall be twenty thousand (20,000) shares, the total number of authorized class shares of Class B Shares shall be four thousand and four hundred (4,400) shares, and the total number of authorized class shares of Class C Shares shall be twenty thousand (20,000) shares.</p> <p>Article 8. Number of Shares in One Unit of Shares</p> <p>The number of shares in one (1) unit of shares of the Company shall be <u>one hundred (100) shares</u> for common shares and one (1) share for Class A Shares, Class B Shares and Class C Shares.</p>

4. Schedule

Resolution of the Board of Directors	April 28, 2017
Resolution of the Ordinary General Meeting of Shareholders and General Meeting of Class Shareholders	Late June, 2017 (planned)
Effective date of change in number of shares in one unit of common shares, share consolidation and partial amendments to the Articles of Incorporation	October 1, 2017 (planned)

As described above, the effective date of the change in the number of shares in one unit of common shares and the share consolidation will be October 1, 2017, but the trading unit will be changed from one thousand (1,000) shares to one hundred (100) shares on the Tokyo Stock Exchange effective on September 27, 2017 due to the share transfer procedures.