

**3Q FY2017 Tokuyama Corporation Investor Meeting**  
**Q&A (Excerpts)**

Date and time: January 31, 2018 (Wednesday) 14:00 – 14:45

Participants:

Akihiro Hamada, Director, Managing Executive Officer, General Manager of the Financial Div.

Taro Kobayashi, General Manager, Corporate Communications & Investor Relations Dept.

**1. Questions regarding 4Q and full fiscal year forecasts**

Q1: Can you provide us with details of the assumptions that underpin the Company's revised forecasts for the full fiscal year?

A1: Revised forecasts for the full fiscal year are based on a 4Q domestic naphtha price of ¥47,500 as well as the current price for Australia coal, which has shown a slight upswing from the 3Q. Increases in the selling prices of caustic soda and polyvinyl chloride from February have been partially factored into forecasts. Increases in the selling price of cement will take effect from April and accordingly have not been incorporated into forecasts.

Q2: The sales volume of polycrystalline silicon in the 4Q is projected to increase compared with the 3Q. Will selling prices increase?

A2: There are no factors of significant note that would suggest an increase in selling prices during the 4Q. However, based on ongoing negotiations with customers regarding the next fiscal year, we do indeed sense a change in perceptions toward polycrystalline silicon prices that also take into account the balance between supply and demand in the future as well as quality.

Q3: Turning to profit and loss forecasts for the full fiscal year, can you provide details of movements from ordinary income to the bottom line?

A3: Movements in extraordinary losses are expected to cancel out trends in extraordinary gains. Income taxes and minority interests are projected to come in at between ¥11 to ¥12 billion and profit attributable to non-controlling interests at around ¥6 billion.

**2. Questions regarding results up to the 3Q**

Q4: Are there any items within the Specialty Products segment that exhibited a drop in earnings from the 2Q and over the 3Q?

A4: There has been a slight decline in IC chemical. This largely reflects a narrowing in the spread

between selling prices and raw material as well as fuel costs on the back of an increase in domestic naphtha prices. As a result, we initiated steps to revise IPA-SE prices in December.

Q5: Trends in the Others segment are firm. What is your outlook for the future?

A5: Sales of surplus power in the Others segment will decline in line with the increase in plant operations in the 4Q. While new plants are projected to come online during the next fiscal year, positive steps have been taken to curtail power consumption at manufacturing plants on the back of BRIGHT II cost reduction activities that currently being undertaken at Tokuyama Factory. At the same time, efforts are being made to ensure that there is no decline in power volumes for external sale.