

Summary of the Fiscal 2005

Tokuyama Corporation

1. Consolidation

Classification	Fiscal 2005	Fiscal 2004	Change	Note
The number of consolidated subsidiaries	43	42	+ 1	Kansai Tokuyama Trading Co., Ltd.
The number of subsidiaries & affiliates by the equity method	16	16	-	

2. Summary of performance & other corporate data (Consolidated)

(Billions of yen, except number of employees)

	Fiscal 2005	Fiscal 2004	Changes
Sales	263.3	237.5	+25.8
Operating income	24.3	18.1	+ 6.1
Ordinary income	21.4	15.3	+ 6.1
Net income	13.9	11.0	+ 2.9
Net income per share (yen)	52.61	43.01	9.60
Capital expenditure	20.9	14.3	+ 6.5
Depreciation	18.1	18.4	△ 0.2
R&D expenses	9.3	8.8	+ 0.5
Interest-bearing debt	83.5	89.3	△ 5.7
Financial income and expenses	△ 1.1	△ 1.5	+ 0.3
Number of employees	4,630	4,614	+ 16

3. Net Sales/Operating income by Business Segment

(Unit : Billions of yen)

	Fiscal 2005		Fiscal 2004		Changes			
	Net Sales	Operating income	Net Sales	Operating income	Net Sales	%	Operating income	%
Chemicals	102.6	7.6	95.7	8.5	+ 6.8	+ 7	▲ 0.8	▲ 10
Tokuyama	74.8	3.9	69.6	4.3	+ 5.1	-	▲ 0.4	-
Tokuyama Group (including consolidation adjustment)	27.8	3.7	26.0	4.1	+ 1.7	-	▲ 0.4	-
Specialty Products	76.7	16.1	67.1	9.2	+ 9.5	+14	+ 6.8	+74
Tokuyama	54.7	14.0	45.8	6.9	+ 8.8	-	+ 7.0	-
Tokuyama Group (including consolidation adjustment)	21.9	2.0	21.2	2.2	+ 0.7	-	▲ 0.2	-
Cement, Building Materials and Others	84.0	3.4	74.6	3.2	+ 9.3	+12	+ 0.2	+ 7
Tokuyama	41.6	2.0	39.8	1.8	+ 1.8	-	+ 0.1	-
Tokuyama Group (including consolidation adjustment)	42.3	1.4	34.7	1.4	+ 7.5	-	+ 0.0	-
Total	263.3	27.2	237.5	21.0	+25.8	-	+ 6.2	-
Inter-segment eliminations and corporate	-	▲ 2.9	-	▲ 2.8	-	-	▲ 0.1	-
Consolidated results	263.3	24.3	237.5	18.1	+25.8	+10	+ 6.1	+33

The steep rise in prices of ethylene, propylene, coal, salt, etc. had a great impact, especially on the Chemicals segment.

In the Specialty products segment the price adjustment of polycrystalline silicon contributed to performance.

4. Net Sales/Operating income by Business Segment (Forecasts)

(1) Net Sales/Operating income by Business Segment (Full year comparison)

(Unit : Billions of yen)

	2006 Estimate		2005 Results		Changes			
	Net Sales	Operating income	Net Sales	Operating income	Net Sales	%	Operating income	%
Chemicals	108.1	4.2	102.6	7.6	5.4	+5	▲3.4	▲45
Tokuyama	79.6	2.0	74.8	3.9	4.7	-	▲1.9	-
Tokuyama Group (including consolidation adjustment)	28.5	2.2	27.8	3.7	0.6	-	▲1.5	-
Specialty Products	89.2	24.0	76.7	16.1	12.4	+16	7.8	+49
Tokuyama	66.6	21.6	54.7	14.0	11.8	-	7.5	-
Tokuyama Group (including consolidation adjustment)	22.6	2.4	21.9	2.0	0.6	-	0.3	-
Cement, Building Materials and Others	87.7	4.3	84.0	3.4	3.6	+4	0.8	+23
Tokuyama	41.8	2.4	41.6	2.0	0.1	-	0.3	-
Tokuyama Group (including consolidation adjustment)	45.9	1.9	42.3	1.4	3.5	-	0.4	-
Total	285.0	32.5	263.3	27.2	21.6	-	5.2	-
Inter-segment eliminations and corporate		▲3.5	-	▲2.9		-	▲0.5	-
Consolidated results	285.0	29.0	263.3	24.3	21.6	+8	4.6	+19

(2) The assumptions of performance forecasts for Fiscal 2006

		06 / the first half	06 / the latter half
Domestic naphtha price(¥ / KL)		52,700	50,800
Exchange rate(¥ / \$)	imports	120	115
	exports	115	110

The performance of the Chemicals segment will be much affected by the steep rise in prices of ethylene & propylene, etc.

In the Specialty products segment the price adjustment of polycrystalline silicon for domestic users, which has been realized at the beginning of this fiscal year (FY2006), will contribute to performance.

In the Cement, building materials and others segment an improvement of productivity in plastic window sashes, etc. are expected.

Summary of Consolidated Financial Statements for the Fiscal 2005

May 12, 2006

Tokuyama Corporation

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Stock exchange listings: Tokyo, Osaka

Code number: 4043

Use of U.S. accounting standard: No

1. Consolidated results for fiscal year ended March 31, 2006 (April 1, 2005 - March 31, 2006)

(1) Performance

Note: All amounts are rounded down to the nearest million yen.

	Net sales		Operating income		Ordinary income	
	(millions of yen)	Year-on-year change [%]	(millions of yen)	Year-on-year change [%]	(millions of yen)	Year-on-year change [%]
Fiscal 2005	263,373	10.9	24,311	33.8	21,493	40.1
Fiscal 2004	237,552	8.3	18,172	37.7	15,338	65.9

	Net income		Net income per share (yen)	Diluted net income per share (yen)	Return on equity [%]	Ordinary income per total assets [%]	Ordinary income per total sales [%]
	(millions of yen)	Year-on-year change [%]					
Fiscal 2005	13,964	26.8	52.61	-	8.9	6.4	8.2
Fiscal 2004	11,012	82.4	43.01	-	8.5	5.0	6.4

(2) Financial position

	Total assets (millions of yen)	Shareholders' equity (millions of yen)	Equity ratio (%)	Shareholders' equity per share (yen)
Mar 31, 2006	361,103	179,024	49.6	651.64
Mar 31, 2005	308,924	134,395	43.5	528.35

(3) Cash flows

	Cash flows from operating activities (millions of yen)	Cash flows from investing activities (millions of yen)	Cash flows from financing activities (millions of yen)	Cash and cash equivalents at the end of the year (millions of yen)
Fiscal 2005	25,748	(22,758)	13,155	30,998
Fiscal 2004	25,618	(15,772)	(17,393)	14,800

2. Financial forecast for fiscal 2006 (From April 1, 2006 to March 31, 2007)

	Net sales (millions of yen)	Operating Income (millions of yen)	Ordinary Income (millions of yen)	Net income (millions of yen)
First Half Fiscal 2006	138,500	13,500	12,000	7,500
Fiscal 2006	285,000	29,000	25,500	16,000

Reference: Prospected EPS for fiscal 2006: 58.26 yen

Notes: The forecast have been prepared on the basis of information available at this point, and may be different from the actual performance because of various factors that may arise from now on.