

Summary of Consolidated Financial Statements for the Third Quarter Fiscal 2010 (JPGAAP)

February 10, 2011

Tokuyama Corporation

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Stock exchange listings:

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Local Code :

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Scheduled date for the filing of the quarterly consolidated financial statements : February 14, 2011

Scheduled date of dividends payout: -

Preparation of supplementary quarterly explanatory materials: Yes

Quarterly business results IR briefing to be held: No

1. Consolidated results for fiscal third quarter ended Dec. 31, 2010 (Apr. 1, 2010 – Dec. 31, 2010)

(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 [%] |
| Third Quarter Fiscal 2010 | 214,449 | 9.6 | 14,199 | 30.5 | 10,287 | 6.3 |
| Third Quarter Fiscal 2009 | 195,608 | (17.4) | 10,881 | (46.1) | 9,674 | (49.3) |

| | Net income | | Net income per share | Diluted net income per share |
|---------------------------|-------------------|-------------------------|----------------------|------------------------------|
| | (millions of yen) | Year-on-year change [%] | (yen) | (yen) |
| Third Quarter Fiscal 2010 | 5,294 | 1.6 | 15.22 | - |
| Third Quarter Fiscal 2009 | 5,212 | - | 16.99 | - |

(2) Consolidated financial position

| | Total assets (millions of yen) | Net assets (millions of yen) | Shareholders' Equity ratio (%) | Net assets per share (yen) |
|---------------|-----------------------------------|---------------------------------|-----------------------------------|-------------------------------|
| Dec. 31, 2010 | 479,940 | 244,684 | 49.6 | 684.39 |
| Mar. 31, 2010 | 452,893 | 243,606 | 52.4 | 682.03 |

(Reference) Shareholders' equity: Dec. 31, 2010: 238,140 million yen Mar. 31, 2010: 237,338 million yen

2. Dividends

| (Period) | Annual dividends per share | | | | |
|----------------------------------|----------------------------|----------------------|----------------------|-------------------|----------------|
| | 1st quarter (yen) | 2nd quarter (yen) | 3rd quarter (yen) | Year-end (yen) | Total (yen) |
| Fiscal 2009, ended Mar 31, 2010 | - | 3.00 | - | 3.00 | 6.00 |
| Fiscal 2010, ending Mar 31, 2011 | - | 3.00 | - | | |
| Fiscal 2010 (Forecast) | | | | 3.00 | 6.00 |

(Note) Revision of dividends forecast during this quarter: No

3. Consolidated performance forecast for Fiscal 2010 (April 1, 2010 - March 31, 2011)

(% indicates the rate of change over the corresponding previous period)

| | Net sales | | Operating income | | Ordinary income | | Net income | | Net income per share |
|-------------|-------------------|-----|-------------------|-----|-------------------|-------|-------------------|-----|----------------------|
| | (millions of yen) | [%] | (millions of yen) | [%] | (millions of yen) | [%] | (millions of yen) | [%] | (yen) |
| Fiscal 2010 | 286,000 | 4.7 | 17,500 | 6.2 | 14,000 | (8.8) | 7,500 | 0.6 | 21.55 |

(Note) Revision of consolidated performance forecast during this quarter: No

4. Other information

(1) Changes in significant subsidiaries during this period

: No

Addition to the scope of consolidation: -

Reduction from the scope of consolidation: -

(Note) This item means changes in significant subsidiaries with changes in the scope of consolidation during this period.

(2) Application of simplified accounting methods and special accounting methods

: Yes

(Note) This item means application of simplified accounting methods and special accounting methods applied in the preparation of the quarterly consolidated financial statements.

(3) Changes in accounting principles, procedures, presentation methods, etc.

i. Changes by revision of accounting standards: Yes

ii. Changes other than the above: No

(Note) This item means changes in accounting principles, procedures, presentation methods, etc., which are given in "Changes in significant matters which are bases of the preparation of the quarterly consolidated financial statements," related to the preparation of the quarterly consolidated financial statements.

(4) Number of shares issued (in common stock)

| | | | | |
|---|-------------------------------|-------------|-------------------------------|-------------|
| i. Number of shares issued at end of period (including treasury stock): | Third Quarter Fiscal 2010: | 349,671,876 | Fiscal 2009: | 349,671,876 |
| ii. Number of treasury stock at end of period: | Third Quarter Fiscal 2010: | 1,711,395 | Fiscal 2009: | 1,685,474 |
| iii. Average number of shares over period: | Third Quarter Fiscal 2010: | 347,976,997 | Third Quarter Fiscal 2009: | 306,894,543 |

(Note) Notice on the implementation of quarterly review procedures

This summary of quarterly consolidated financial statements is not subject to quarterly review procedures. At the point of disclosure of this summary of quarterly consolidated financial statements, the quarterly financial statements review procedures in line with the Financial Instruments and Exchange Act have been implemented.

(Note) Cautions pertaining to appropriate use of performance forecast and other particular items

The performance forecast and other forward-looking statements contained in this material have been prepared on the basis of information available at this point and certain assumptions which are judged to be rational, and may be substantially different from the actual performance because of various factors that may arise from now on.

1. Qualitative information on consolidated results for this quarter

(1) Qualitative information on consolidated business results

Consolidated results for the third quarter Fiscal 2010 (April 1, 2010 - December 31, 2010) are summarized as follows:

(Unit: Millions of yen)

| | Net sales | Operating income | Ordinary income | Net income |
|----------------------------------|----------------|------------------|-----------------|--------------|
| Third Quarter Fiscal 2010 | 214,449 | 14,199 | 10,287 | 5,294 |
| Third Quarter Fiscal 2009 | 195,608 | 10,881 | 9,674 | 5,212 |
| Rate of change (%) | 9.6 | 30.5 | 6.3 | 1.6 |

Net sales

Consolidated net sales increased 9.6%, or ¥18.8 billion compared with the corresponding period of the previous year, to ¥214.4 billion, owing to increased sales volume resulting from economic recovery, the selling price revisions of some products including petrochemicals, and other factors.

Cost of sales

Cost of sales increased 10.9%, or ¥15.2 billion compared with the corresponding period of the previous year, to ¥155.1 billion, due to increased sales volume, a rise in prices of ethylene and propylene which are main raw materials for the Company's operations, and other factors.

SG&A expenses

Despite some negative factors including an increase in physical distribution costs as a result of increased sales volume, SG&A expenses increased no more than 0.7%, or ¥0.3 billion compared with the corresponding period of the previous year, to ¥45.0 billion, due to cost-cutting measures including streamlining efforts in the Cement segment, and other factors.

Operating income

Operating income increased 30.5%, or ¥3.3 billion compared with the corresponding period of the previous year, to ¥14.1 billion, due chiefly to decreased depreciation expenses and the higher rate of operation as well as increased sales volume and the selling price revisions of some products.

Non-operating income/expenses, Ordinary income

Non-operating income/expenses worsened by ¥2.7 billion compared with the corresponding period of the previous year due to, among others, a foreign exchange loss. Nonetheless, ordinary income increased 6.3%, or ¥0.6 billion compared with the corresponding period of the previous year, to ¥10.2 billion, due to the above-mentioned increased operating income.

Extraordinary gains/losses, Income before income taxes, Income before minority interests, Net income

Extraordinary gains/losses worsened by ¥1.4 billion compared with the corresponding period of the previous year due to, among others, a loss from closing a subsidiary and a provision for loss on compensation for products.

As a result of the above, income before income taxes decreased 9.3%, or ¥0.8 billion compared with the corresponding period of the previous year, to ¥7.8 billion.

After deducting income taxes etc. calculated in an appropriate way, the Company recorded income before minority interests of ¥5.7 billion. After adjusting minority interests, the Company posted net income of ¥5.2 billion, up 1.6%, or ¥80 million compared with the corresponding period of the previous year.

(Operating results by segment)

Sales

(Unit: Millions of yen)

| | Reportable segment | | | | Others | Total | Adjustment | Figures in quarterly consolidated income statement |
|----------------------------------|--------------------|--------------------|---------------|---------------------|---------------|----------------|-----------------|--|
| | Chemicals | Specialty Products | Cement | Advanced Components | | | | |
| Third Quarter Fiscal 2010 | 58,691 | 71,385 | 47,803 | 32,173 | 30,817 | 240,872 | (26,422) | 214,449 |
| Third Quarter Fiscal 2009 | 53,102 | 59,684 | 47,588 | 31,306 | 26,931 | 218,612 | (23,004) | 195,608 |
| Rate of change (%) | 10.5 | 19.6 | 0.5 | 2.8 | 14.4 | 10.2 | - | 9.6 |

Operating income

(Unit: Millions of yen)

| | Reportable segment | | | | Others | Total | Adjustment | Figures in quarterly consolidated income statement |
|----------------------------------|--------------------|--------------------|--------------|---------------------|--------------|---------------|----------------|--|
| | Chemicals | Specialty Products | Cement | Advanced Components | | | | |
| Third Quarter Fiscal 2010 | 1,778 | 11,243 | 1,497 | 1,505 | 1,751 | 17,776 | (3,577) | 14,199 |
| Third Quarter Fiscal 2009 | 1,761 | 9,522 | 530 | 832 | 1,463 | 14,110 | (3,228) | 10,881 |
| Rate of change (%) | 1.0 | 18.1 | 182.4 | 80.7 | 19.7 | 26.0 | - | 30.5 |

※Sales and operating income in each segment include inter-segment transaction.

※Sales and operating income for the third quarter Fiscal 2009 (April 1, 2009 – December 31, 2009) are reclassified based on the new segments.

Chemicals

Sales in this segment increased, due mainly to increased sales volume of petrochemicals including vinyl chloride resin and PO (propylene oxide) backed by recovery in demand mainly in the automobile and electronics industries, selling price revisions that were made at the beginning of the year, and the rising market price of vinyl chloride monomer as a result of electric power restrictions in China. With regard to profit, despite rising raw material and fuel prices as well as a fall in caustic soda selling prices caused by the worsening of its supply-demand balance, operating income increased compared with the corresponding period of the previous year, due to the above-mentioned effects.

As a result of the above, the segment recorded sales of ¥58.6 billion, up 10.5% compared with the corresponding period of the previous year, and operating income of ¥1.7 billion, a 1.0% year-on-year increase. Both sales and operating income improved.

Specialty Products

Sales of polycrystalline silicon increased due to an increase in shipment volume backed by growing demand for solar cells and recovery in the semiconductor market. However, operating income decreased due mainly to the negative impact of the strong yen and a fall in the selling prices.

Fumed silica sales increased due chiefly to strong shipments of its application in polishing material used for CMP for liquid crystals and semiconductors, with the result that operating income also improved.

The aluminum nitride business posted higher operating income on higher sales, as its shipment volume increased owing chiefly to recovery in the semiconductor market.

Most of the other products in the segment posted sales increases due to recovery in their sales volume backed by recovery in demand in the semiconductor and liquid crystal industries.

As a result of the above, sales in the segment were ¥71.3 billion, an increase of 19.6% compared with the corresponding period of the previous year, while operating income was ¥11.2 billion, an 18.1% year-on-year increase. The segment reported higher operating income on higher sales.

Cement

Despite recovering cement demand in some private sectors, domestic sales volume of cement decreased, as public-sector demand for cement continued to

decline. Furthermore, selling price revisions that were made last year have not yet taken effect, and waste handling volume also decreased as a result of decreased cement production. Despite these negative factors, the Cement segment recorded about the same level of sales as those of the corresponding period of the previous year, as one subsidiary was newly consolidated in the third quarter of the previous fiscal year, and consequently it has contributed to the segment's sales since the beginning of the current fiscal year. Under such a severe business environment, the segment has implemented structural reform of its cement operations and made streamlining efforts. Due to such efforts, the segment secured profit.

As a result of the above, the segment sales were ¥47.8 billion, an increase of 0.5% from the corresponding period of the previous year, and operating income was ¥1.4 billion, a 182.4% year-on-year increase. Both sales and operating income increased over the corresponding period of the previous year.

Advanced Components

Sun-Tox Co., Ltd. registered higher sales due to increased sales volume of film for industrial use and other types of film as well as selling price revisions. Figaro Engineering Inc. posted an increase in sales owing mainly to increased volume of shipment for the North America market. On the other hand, sales of Tokuyama Dental Corporation declined owing to fiercer competition in the home market, and sales of Excel Shanon Corporation also decreased owing to soft sales.

With regard to profit, the segment posted a jump in operating income due to rationalization effects in the segment's companies as well as Figaro Engineering's profit increase.

As a result of the above, the segment recorded sales of ¥32.1 billion, up 2.8%

compared with the corresponding period of the previous year, and operating income of ¥1.5 billion, an 80.7% year-on-year increase. Both sales and operating income increased.

(2) Qualitative information on consolidated financial position

(Status of assets, liabilities and net assets)

As of December 31, 2010, total assets amounted to ¥479.9 billion, an increase of ¥27.0 billion compared with those as of March 31, 2010. This was primarily due to an increase of ¥34.5 billion in others in investments and other assets, an increase of ¥24.6 billion in others in current assets, an increase of ¥22.3 billion in securities, and a decrease of ¥51.3 billion in cash in hand and deposits at bank.

Total liabilities amounted to ¥235.2 billion, an increase of ¥25.9 billion compared with those as of March 31, 2010. This mainly reflected an increase of ¥20.0 billion in corporate bond.

Net assets totaled ¥244.6 billion, an increase of ¥1.0 billion compared with those as of March 31, 2010.

(3) Qualitative information on consolidated performance forecast

Although there is some uncertainty about the Company's earnings prospect, such as rising naphtha prices, performance of most of its businesses remains firm. Therefore, the Company has not revised the performance forecast for Fiscal 2010 (April 1, 2010 - March 31, 2011), announced on November 11, 2010.

Please note, however, that the figures in the performance forecast for Fiscal 2010 do not include an anticipated impact from changes in corporate income tax rates stipulated in the fiscal 2011 Tax Reform Outline.

The performance forecast and other forward-looking statements contained in this

material have been prepared on the basis of information available at this point and certain assumptions which are judged to be rational, and may be substantially different from the actual performance because of various factors that may arise from now on.

Segment information

Third Quarter Fiscal 2009 (cumulative, April 1, 2009 – December 31, 2009)

(Millions of yen)

| | Chemicals | Specialty products | Cement, building materials and others | Total | Corporate or elimination | Consolidated |
|------------------------------|-----------|--------------------|---------------------------------------|---------|--------------------------|--------------|
| Sales | | | | | | |
| Sales to customers | 69,123 | 71,997 | 54,487 | 195,608 | — | 195,608 |
| Inter-segment sales/transfer | 994 | 33 | 11,234 | 12,262 | (12,262) | — |
| Total | 70,117 | 72,031 | 65,722 | 207,871 | (12,262) | 195,608 |
| Operating income (loss) | 4,354 | 9,960 | (227) | 14,088 | (3,206) | 10,881 |

(Supplementary information)

Effective from the first quarter Fiscal 2010, the Company Group has adopted an “Accounting Standard – ASBJ Statement No.17 Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (issued on March 27, 2009) and its “Implementation Guidance – ASBJ Guidance No. 20 Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (issued on March 21, 2008).

1.Summary of reportable segments

The Company Group is composed of segments by product group based on business divisions and the Independent Business Management Div., and has four reportable segments, “Chemicals,” “Specialty Products,” “Cement,” and “Advanced Components.”

Main products etc. of each reportable segment are as follows:

| Reportable segment | Main products etc. |
|---------------------|--|
| Chemicals | Caustic soda, soda ash, calcium chloride, layered sodium disilicate, vinyl chloride monomer, polyvinyl chloride resin, propylene oxide, isopropyl alcohol, methylene chloride |
| Specialty Products | Polycrystalline silicon, fumed silica, precipitated silica, aluminum nitride, pharmaceutical ingredients and intermediates, plastic lens related materials for glasses, metal washing solvents, high-purity chemicals for electronics manufacturing, environment-related equipment, microporous film |
| Cement | Ordinary Portland cement, high early-strength Portland cement, Portland blast-furnace slag cement, ready-mixed concrete, cement-type stabilizer, waste treatment |
| Advanced Components | Biaxial-oriented polypropylene film, co-extrusion multi-layer film, cast polypropylene film, plastic window sashes, clinical analyzers and systems, dental materials and equipment, gas sensors, ion exchange membranes |

2. Information on sales and income/loss by reportable segment

Third Quarter Fiscal 2010 (cumulative, April 1, 2010 – December 31, 2010)

(Millions of yen)

| | Reportable segments | | | | Others*1 | Total | Adjustment*2 | Figures in quarterly consolidated income statement*3 |
|------------------------------|---------------------|--------------------|--------|---------------------|----------|---------|--------------|--|
| | Chemicals | Specialty Products | Cement | Advanced Components | | | | |
| Sales | | | | | | | | |
| Sales to customers | 57,956 | 61,656 | 47,541 | 31,494 | 15,799 | 214,449 | - | 214,449 |
| Inter-segment sales/transfer | 734 | 9,728 | 262 | 679 | 15,017 | 26,422 | (26,422) | - |
| Total | 58,691 | 71,385 | 47,803 | 32,173 | 30,817 | 240,872 | (26,422) | 214,449 |
| Segment income | 1,778 | 11,243 | 1,497 | 1,505 | 1,751 | 17,776 | (3,577) | 14,199 |

*1 “Others” segment comprises businesses other than those of the reportable segments. Concretely, the segment includes overseas sales companies, a distribution company, a real estate business, etc.

*2 Adjustment includes basic R&D expenses not related to each reportable segment and other expenses.

*3 With regard to segment income, operating income in the quarterly consolidated statement of income is calculated by adjusting the sum total of the reportable segments’ income/loss and income/loss in the “Others” segment.