



Fiscal 2010 Presentation for IR Meeting

-April 1, 2010 to March 31, 2011-

Tokuyama Corporation

May 13, 2011

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1 Business Results for FY2010

1. Financial Highlights

2. Analysis of Business Results

Compared with the previous fiscal year

(Reference) Net Sales/Operating Income by Business Segment

Compared with the forecast for FY2010

1 Business Results for FY2010

1. Financial Highlights ①

(Billions of yen)

	FY2010 Results		FY2009 Results		Difference			
	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated		Non-consolidated	
Income Statement					Amount	%	Amount	%
Net sales	289.7	197.7	273.1	187.9	+16.6	+6	+9.8	+5
Cost of sales	209.7	140.1	196.4	130.9	+13.2	+7	+9.1	+7
SG&A expenses	59.9	41.6	60.1	42.1	-0.2	-0	-0.4	-1
Operating income	20.1	15.9	16.4	14.8	+3.6	+22	+1.1	+8
Non-operating income/expenses	-2.8	-2.3	-1.1	-2.0	-1.6	-148	-0.2	-13
Ordinary income	17.3	13.6	15.3	12.7	+1.9	+13	+0.8	+7
Extraordinary gains/losses	-1.7	-2.9	-2.4	-4.1	+0.6	+28	+1.1	+28
Income before income taxes	15.5	10.6	12.8	8.6	+2.6	+21	+2.0	+24
Income taxes	5.7	3.9	5.4	3.1	+0.3	+7	+0.8	+27
Net income	9.7	6.7	7.4	5.5	+2.3	+31	+1.2	+22

① Business Results for FY2010

1. Financial Highlights ②

(Billions of yen)

	As of March 31, 2011		As of March 31, 2010		Changes	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Financial Position						
Total assets	474.7	412.6	452.8	391.6	+21.8	+20.9
Current assets	218.6	179.8	224.2	188.7	-5.5	-8.9
Fixed assets	256.0	232.7	228.6	202.9	+27.4	+29.8
Net assets	247.6	221.9	243.6	220.1	+4.0	+1.8
Shareholders' equity ratio	50.8%	53.8%	52.4%	56.2%	-1.6 points	-2.4 points

① Business Results for FY2010

2. Analysis of Business Results

① FY2010 Performance Highlights

② Net Sales/Operating Income by Business Segment Year-on-year change

① Business Results for FY2010/ 2. Analysis of Business Results

① FY2010 Performance Highlights Compared with the previous fiscal year

Sales volume and Selling prices

Polysilicon: Sales volume was up buoyed by the recovery in the semiconductor market and growing demand for solar cells, while the price fell due chiefly to the effect of the stronger yen

Cement : Sales volume was down due to sluggish demand, although the downtrend in domestic demand showed signs of bottoming out with the approach of the fiscal year-end

Chemicals: The price revision of petrochemicals was made to cope with rising naphtha prices, while the price of caustic soda was down

Structural reform in cement operations

Reduced fixed costs by approx. ¥1.5 billion

The impact of the Great East Japan Earthquake

The amount of losses was not large, as the direct damage caused by the earthquake was comparatively slight

① Business Results for FY2010/ 2. Analysis of Business Results

② Net Sales/Operating Income by Business Segment Year-on-year change

(Billions of yen)

	FY2010 Results		FY2009 Results		Difference			
	Net sales	Operating income	Net sales	Operating income	Net sales	%	Operating income	%
Chemicals	79.1	2.4	72.5	3.1	+6.5	+9	-0.7	-23
Specialty Products	96.7	16.3	88.6	14.0	+8.1	+9	+2.3	+17
Cement	64.4	2.0	64.6	1.3	-0.1	-0	+0.6	+50
Advanced Components	43.2	2.0	42.0	1.1	+1.2	+3	+0.9	+81
Others	41.2	2.3	36.2	2.1	+5.0	+14	+0.1	+9
Total	324.9	25.2	304.1	21.8	+20.8	+7	+3.3	+16
Inter-segment eliminations and corporate-wide expenses	-35.1	-5.1	-30.9	-5.4	-4.2	-	+0.2	-
Consolidated results	289.7	20.1	273.1	16.4	+16.6	+6	+3.6	+22

* Sales in each business segment include inter-segment sales

1 Business Results for FY2010/ 2. Analysis of Business Results

Compared with FY10 forecast

(Reference) Net Sales/Operating Income by Business Segment

(Billions of yen)

	FY2010 Results		FY2010 Forecast		Difference			
	Net sales	Operating income	Net sales	Operating income	Net sales	%	Operating income	%
Chemicals	79.1	2.4	79.5	2.0	-0.3	-0	+0.4	+21
Specialty Products	96.7	16.3	95.5	15.0	+1.2	+1	+1.4	+9
Cement	64.4	2.0	61.0	1.0	+3.4	+6	+1.0	+108
Advanced Components	43.2	2.0	45.0	2.5	-1.7	-4	-0.4	-19
Others	41.2	2.3	41.0	2.0	+0.2	+1	+0.3	+18
Total	324.9	25.2	322.0	22.5	+2.9	+1	+2.7	+12
Inter-segment eliminations and corporate-wide expenses	-35.1	-5.1	-36.0	-5.0	+0.8	-	-0.1	-
Consolidated results	289.7	20.1	286.0	17.5	+3.7	+1	+2.6	+15

* Sales in each business segment include inter-segment sales

* FY2010 Forecast ; announced on Nov. 11, 2010

2 Performance Forecasts for FY2011

1.Future Business Environment

2.Performance Forecasts for FY2011

3.Performance Trend

2 Performance Forecasts for FY2011

1. Future Business Environment

Chemicals

- ◆ Business environment remains severe due to rising raw material and fuel prices

Specialty Products

- ◆ There is fear that the Great Earthquake may adversely affect the trend of semiconductor demand, while the solar cell market remains on a growth path
 - Polysilicon sales volume is expected to be about level with the previous year, due to steady demand

Cement

- ◆ Raw material and fuel prices are expected to rise. Estimated domestic demand: approx. 40 mil. tons
 - We will strive to secure profit by price revisions as well as implementing structural business reform

Advanced Components

- ◆ We will produce profit growth by strengthening the group management
 - Excel Shanon group strives to complete all the repair works by the end of Mar. 2012 to regain trust

② Performance Forecasts for FY2011

2. Performance Forecasts for FY2011

① Basis for Performance Forecast

② Performance Forecasts for FY2011

Year-on-year change

③ Performance Forecasts by Business Segment

Year-on-year change

② Performance Forecasts for FY2011/ 2. Performance Forecasts for FY2011

① Basis for Performance Forecast

	FY2011 Forecast	FY2010 Results	10/2H Results	10/1H Results
Domestic naphtha price (¥/kl)	62,000	47,480	48,750	46,200
Exchange rate (¥/\$)	90	86	82	89

② Performance Forecasts for FY2011/ 2. Performance Forecasts for FY2011

② Performance Forecasts for FY2011 *Year-on-year change*

(Billions of yen)

	FY2011 Forecast		FY2010 Results		Difference			
	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated		Non-consolidated	
Revenue/Profits					Amount	%	Amount	%
Net sales	310.0	213.0	289.7	197.7	+20.2	+7	+15.2	+8
Operating income	20.0	16.0	20.1	15.9	-0.1	-1	+0.0	+0
Ordinary income	18.0	14.0	17.3	13.6	+0.6	+4	+0.3	+3
Net income	10.0	8.0	9.7	6.7	+0.2	+2	+1.2	+19

② Performance Forecasts for FY2011/ 2. Performance Forecasts for FY2011

③ Performance Forecasts by Business Segment *Year-on-year change*

(Billions of yen)

	FY2011 Forecast		FY2010 Results		Difference			
	Net sales	Operating income	Net sales	Operating income	Net sales	%	Operating income	%
Chemicals	94.0	2.0	79.1	2.4	+14.8	+19	-0.4	-17
Specialty Products	98.0	18.0	96.7	16.3	+1.2	+1	+1.6	+10
Cement	65.0	2.0	64.4	2.0	+0.5	+1	-0.0	-4
Advanced Components	46.5	1.5	43.2	2.0	+3.2	+7	-0.5	-26
Others	42.0	1.5	41.2	2.3	+0.7	+2	-0.8	-37
Total	345.5	25.0	324.9	25.2	+20.5	+6	-0.2	-1
Inter-segment eliminations and corporate-wide expenses	-35.5	-5.0	-35.1	-5.1	-0.3	-	+0.1	-
Consolidated results	310.0	20.0	289.7	20.1	+20.2	+7	-0.1	-1

* Sales in each business segment include inter-segment sales

② Performance Forecasts for FY2011

3. Performance Trend

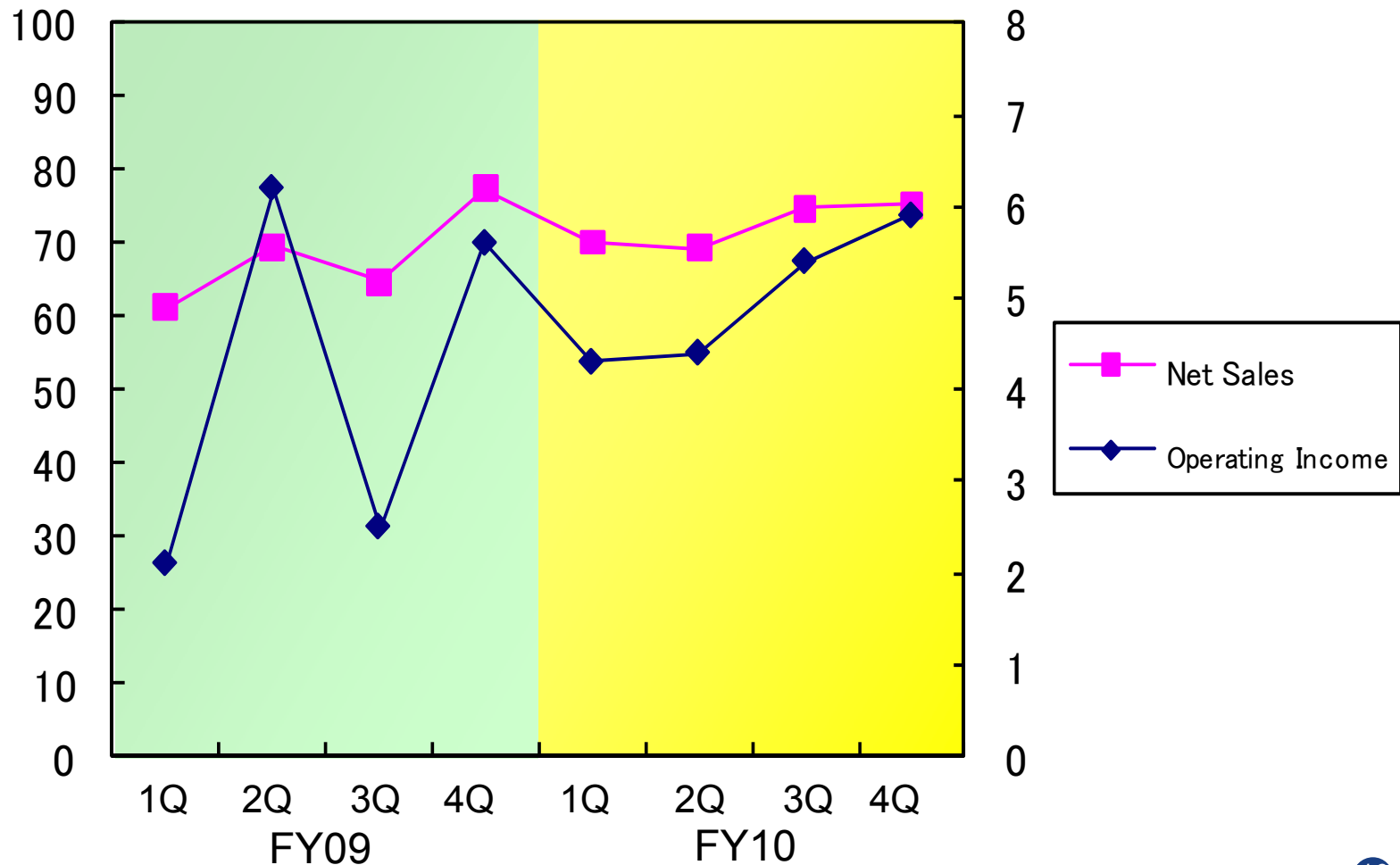
- ① Net Sales/Operating Income by Quarter
- ② Performance Trend during These 10 Years

② Performance Forecasts for FY2011/ 3. Performance Trend

① Net Sales/Operating Income by Quarter **Consolidated**

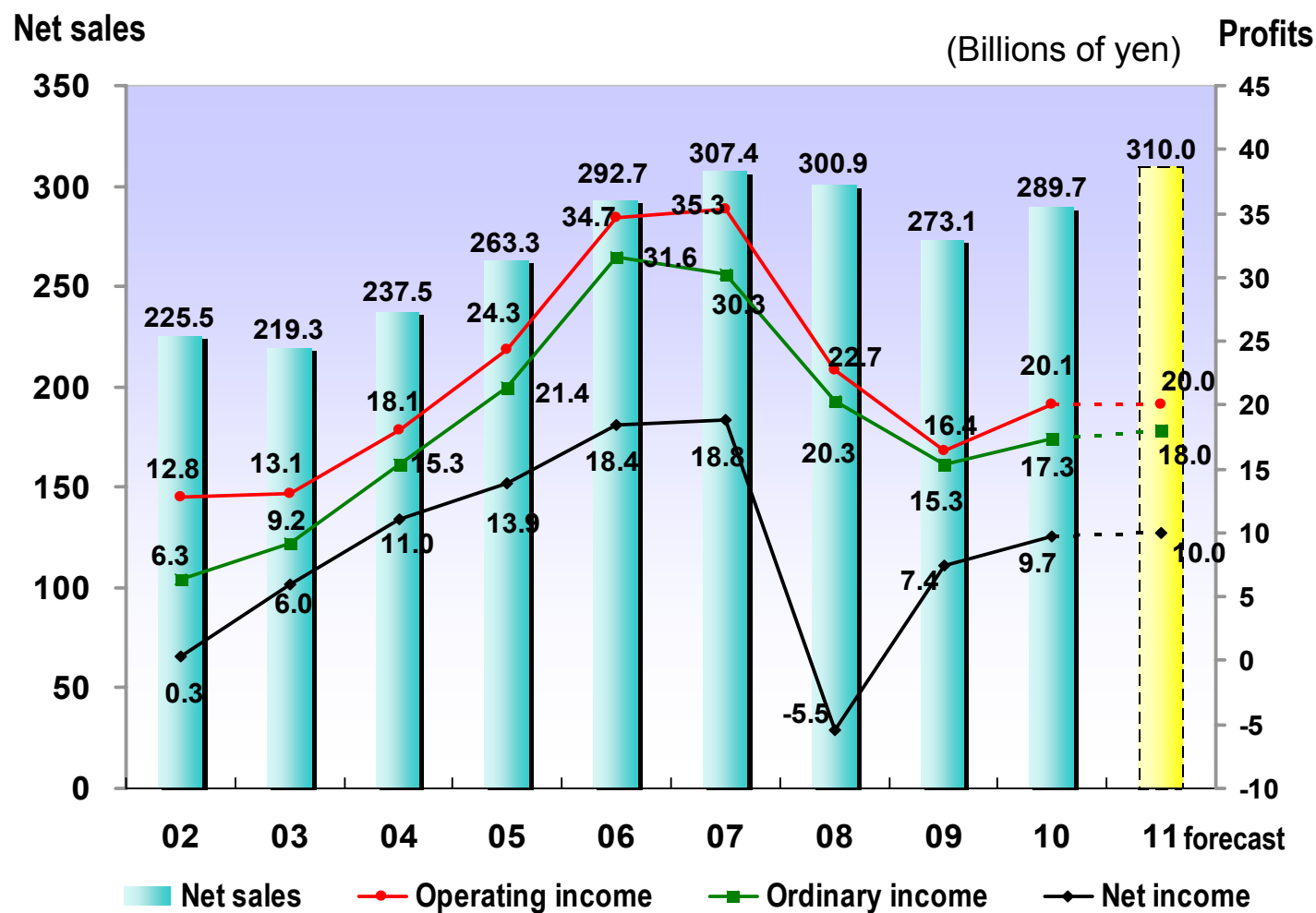
Net Sales (Billions of yen)

Operating Income (Billions of yen)



② Performance Forecasts for FY2011/ 3. Performance Trend

② Performance Trend during These 10 Years Consolidated



- 3** Review of the Previous Medium-term Management Plan
 - 1. Outline of the Previous Three-year Plan**
 - 2. Accomplishments in Growth Strategies**
 - 3. Accomplishments in Foundations for Growth Strategies**
 - 4. Targets and Results for FY2010 (Consolidated)**
 - 5. Redefinition of FY2011 in the Path to the Realization of the Centennial Vision**

③ Review of the Previous Medium-term Management Plan

1. Outline of the Previous Three-year Plan

- The first step toward Centennial Vision based on the key concept, “Venture Spirit & Innovation”
- Plan for implementing Growth Strategies in accordance with Basic Strategies for Centennial Vision

【Growth Strategies】

1. Further Selection & Concentration for Attacking
2. Creation of New Businesses with Global Competitiveness
3. Strengthening Competitiveness through Productivity Improvement

【Foundations for Growth Strategies】

1. Securing management resources and making the optimum allocations
2. Globally competitive HR development
3. Strengthening corporate governance

【FY2010 Targets (consolidated)】

- Net sales ; ¥370 billion or more
- Operating margin* ; 12% or more
- Overseas sales ratio ; 22% or more

*Operating margin: the Ratio of Operating income to Net sales

③ Review of the Previous Medium-term Management Plan

2. Accomplishments in Growth Strategies

Growth Strategies	Accomplishments
Further Selection & Concentration for Attacking	<ul style="list-style-type: none"> ▪ Expanded polysilicon production facilities at the Tokuyama Factory ▪ Commenced construction of a polysilicon factory in Malaysia ▪ Expanded China's manufacturing bases (Tokuyama Chemicals, Shanghai Tokuyama Plastics, etc.) ▪ Restructuring of cement operations (operations by two kilns, personnel reduction, etc.) ▪ Withdrew from thin film business and concentrated management resources on aluminum nitride powder and substrate businesses in Shapal operations ▪ Discontinued precipitated silica production at the Tokuyama Factory
Creation of New Businesses with Global Competitiveness	<ul style="list-style-type: none"> ▪ Verification tests for VLD method continued ▪ Technological development of silane gas completed ▪ Construction of a pilot plant for membranes for fuel cells completed
Strengthening Competitiveness through Productivity Improvement	<ul style="list-style-type: none"> ▪ Rebuilding of information infrastructure completed ▪ Establishment of Shunan Bulk Terminal, Partial operations of its facilities started ▪ Construction of a south combined operations management room

③ Review of the Previous Medium-term Management Plan

3. Accomplishments in Foundations for Growth Strategies

Foundations for Growth Strategies	Accomplishments
Securing management resources and making the optimum allocations	<ul style="list-style-type: none"> ▪ Established the Specialty Products Business Div. to consolidate the Si Business Div. and the Advanced Materials Business Div. ▪ Establishment of the Management of Technology Div. and the Independent Business Management Div.
Globally competitive HR development	<ul style="list-style-type: none"> ▪ Started employing and educating personnel for the Malaysia project ▪ Held Asia Human Resources Development Meeting ▪ The number of the Group's overseas employees 528 as of Mar. 31, 2008 ⇒ 709 as of Mar.31, 2011
Strengthening corporate governance	<ul style="list-style-type: none"> ▪ Reform of managerial structure ▪ Considered introducing the Executive Officer System ⇒ Adopted the System in Fiscal 2011 ▪ Considered external director appointments ⇒ An appointment to be made in Fiscal 2011

③ Review of the Previous Medium-term Management Plan

4. Targets and Results for FY2010 (Consolidated)

	FY2010 Targets	FY2010 Results
Net Sales	¥370 billion or more	¥289.7 billion
Operating Margin	12% or more	7.0%
Overseas Sales Ratio	22% or more	21.4%

Results for FY2010 fell short of FY2010 targeted figures substantially, excepting the overseas sales ratio, due chiefly to delay in commercialization of new businesses as well as shrinkage of market demand resulting from the financial crisis and the fireproof plastic sash problem.

③ Review of the Previous Medium-term Management Plan

5. Redefinition of FY2011 in the Path to the Realization of the Centennial Vision

A year for reconstructing strategies to realize the Centennial Vision

- Reform corporate culture and strengthen organizational functions to achieve the Centennial Vision
(Project for the realization of the Centennial Vision)
- Strengthen corporate governance by appointing an external director and adopting other measures
- Full operations of information infrastructure and Shunan Bulk Terminal
- Strengthen the cross functionality of each department by establishing the Management of Technology Div. and the Independent Business Management Div.
- Complete repairs and improvement works of fireproof plastic sashes

4 Topics

- 1. Decision to Conduct a Second-phase Construction Project at Tokuyama Malaysia**
- 2. Groundbreaking Ceremony Held at Tokuyama Malaysia**
- 3. Expansion of Polysilicon Production Facilities**
- 4. Establishment of Tianjin Tokuyama Plastics**
- 5. Plastic Window Sash Problem**

4 Topics

1. Decision to Conduct a Second-phase Construction Project at Tokuyama Malaysia

Build an additional plant (“Second-phase plant”) to meet the rapidly growing demand for polysilicon for solar cells

- Production capacity of Tokuyama Malaysia to total 20,000 tons/Y (Capacity of the plant under construction and the additional plant combined)
- Aim to raise current approx. 5% global share of polysilicon for solar cells to 10% or more

【Outline of Second-phase Plant】

Location	Samalaju Industrial Park in Sarawak, Malaysia
Production Capacity	13,800 tons/Y
Plant Construction Costs	Approx. ¥100 billion
Production Method	Siemens method
Target Usage of Polysilicon	Solar cells
Construction Plan	Commence construction in April 2012 Aim to start operations in January 2015

4 Topics

2. Groundbreaking Ceremony Held at Tokuyama Malaysia

A groundbreaking ceremony held at Bintulu Tokuyama Malaysia commences construction of a polysilicon factory

- Construction starts after the groundbreaking ceremony held Feb. 16, 2011 in Malaysia
- Operations will start Jun. 2013 (Production capacity: 6,200 tons/Y, Total investment: ¥80 billion)



Groundbreaking ceremony held at Bintulu
(Chief Minister of Sarawak Taib, the center of
the photograph)



Construction site at the Samalaju Industrial Park
(Mar. 12)

4 Topics

3. Expansion of Polysilicon Production Facilities

Addition of a new polysilicon plant and debottlenecking steps

- Add production capacity of 1,800tons/Y ⇒ Annual production capacity: 11,000 tons
- Construction will start Nov. 2011 and is scheduled to be completed in Spring 2013
- Investment: ¥11 billion



Polycrystalline silicon plant at the Tokuyama Factory

4 Topics

4. Establishment of Tianjin Tokuyama Plastics

Tianjin Tokuyama Plastics Co., Ltd. to be established

- Tokuyama will establish Tianjin Tokuyama Plastics Co., Ltd., a microporous film manufacturing company, in Jul. 2011 to meet growing disposable diaper market in China
- Operations will start Sept. 2012 (Production capacity: 120 million m²/Y, Investment: approx. ¥1.2 billion)
- Production capacity in China to increase to 360 million m²/Y (Combined capacity of Shanghai Tokuyama Plastics and Tianjin Tokuyama Plastics)

【Corporate profile】

Company Name :	Tianjin Tokuyama Plastics Co., Ltd.
Location :	Xiqing Development Zone, Tianjin
Ownership :	Tokuyama Corporation 100%
Capital :	5.9 million US dollars (approx. ¥490 million) (Planned)
Establishment :	July 2011 (Scheduled)
Start of Operations :	September 2012 (Scheduled)
Number of Employees :	Approx. 45
Representative :	Tomoyasu Kawamura, President (Planned)
Production Capacity :	120 million m ² /Y

4 Topics

5. Plastic Window Sash Problem

Progress of action in the plastic sash problem

Progress in obtaining authorizations issued by the Minister

- Excepting authorizations for special specifications, acquisition of the required authorizations for repairs is completed (as of Apr. 30)
- We aim to obtain authorizations for special specifications by the end of 2011

Progress of repairs and improvement works

- Completed repairing 49% of 4,183 houses/buildings in question (as of Apr. 30)
- We use Excel Shanon's newly authorized products in the repair works
- We aim to complete all the repair works by the end of Mar. 2012

Progress of recurrence prevention measures

- Urgent, short-term, and medium-term measures were all completed

Chemistry with a heart

TOKUYAMA



5 Supplementary Data

1. Supplementary Financial Data

2. Price Trend of Main Raw Material and Fuel

3. Principal Indicators

5 Supplementary Data

1. Supplementary Financial Data ① Non-operating income/expenses

(Billions of yen)

		FY10	FY09	Changes	Notes
income	Non-operating				
	Interest and dividend income	0.6	0.6	+0.0	
	Other income	2.8	2.7	+0.1	※
	Total	3.4	3.3	+0.1	
expenses	Non-operating				
	Interest expenses	1.8	1.7	-0.0	
	Other expenses	4.4	2.7	-1.7	Foreign exchange loss: -1.8
	Total	6.2	4.4	-1.7	
Non-operating income/expenses		-2.8	-1.1	-1.6	

※ Gains from adjustment to foreign exchange derivatives transaction: +0.3
 Foreign exchange gain: -0.2

5 Supplementary Data

1. Supplementary Financial Data ② Extraordinary gains/losses

(Billions of yen)

	FY10	FY09	Changes	Notes
Extraordinary gains	2.6	2.2	+0.4	Proceeds from national subsidy : +0.3 Gain on sale of investment securities : +0.1
Extraordinary losses	4.4	4.6	+0.2	※
Extraordinary gains/losses	-1.7	-2.4	+0.6	

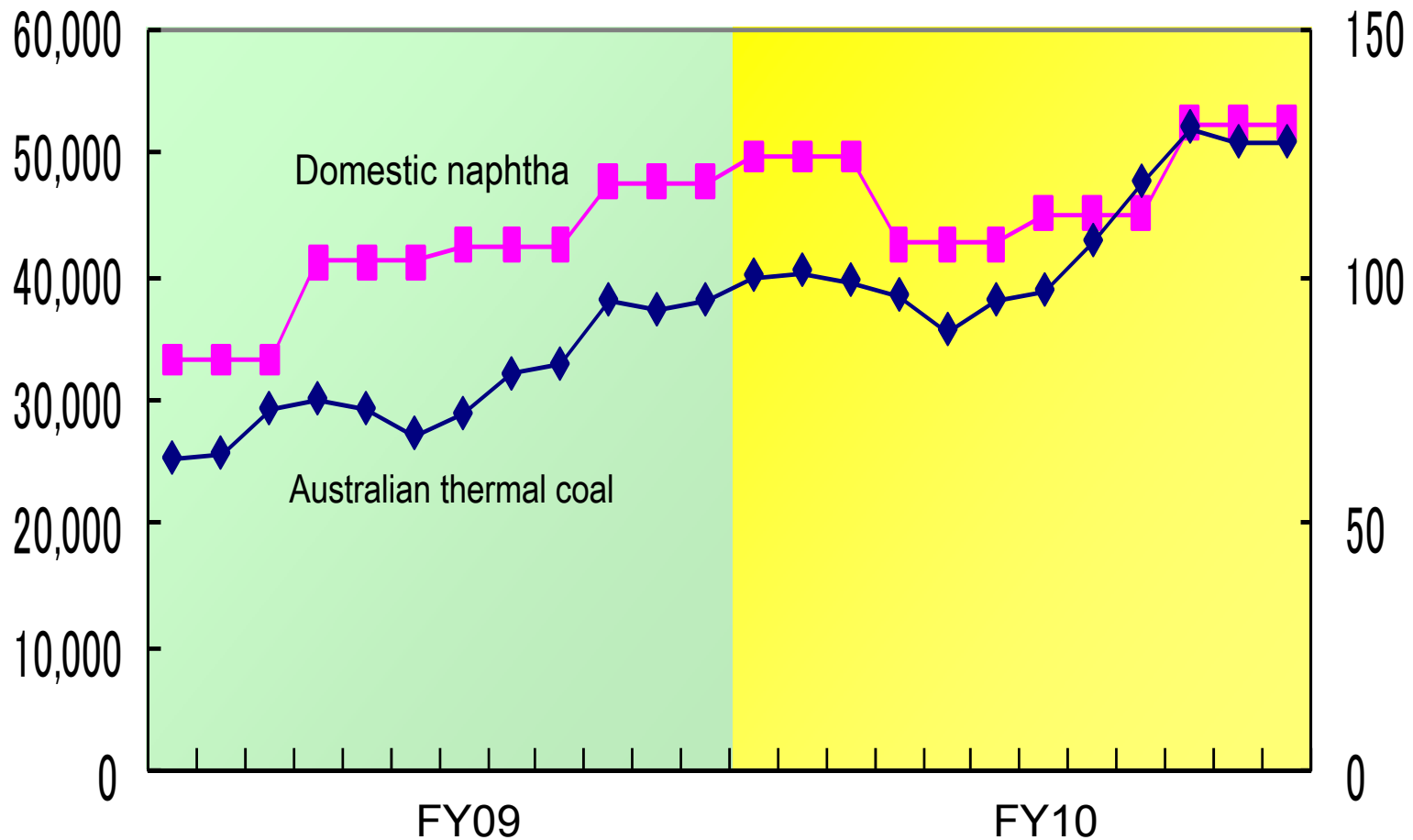
※ Loss relevant to fireproof plastic window sashes: +1.4
 Expenses for a study on the project: +0.4
 Provision for loss on compensation for products : +0.3
 Loss from closing business : -1.5

5 Supplementary Data

2. Price Trend of Main Raw Material and Fuel

Domestic naphtha price (¥/KL)

Australian thermal coal spot price (\$/t)



5 Supplementary Data

3.Principal indicators ① Year-on-year change

		FY2010		FY2009		Changes	
		Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Capital expenditures	Billions of yen	35.8	13.3	26.5	15.4	+9.2	-2.0
Depreciation and amortization	Billions of yen	31.4	26.7	37.6	33.4	-6.2	-6.6
R&D expenses	Billions of yen	11.4	9.4	11.8	10.0	-0.3	-0.5
Financial income and expenses	Billions of yen	-1.2	+0.0	-1.1	-0.0	-0.0	+0.1

5 Supplementary Data

3.Principal indicators ② Compared with the previous fiscal year-end

		As of Mar. 31, 2011		As of Mar. 31, 2010		Changes	
		Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Interest-bearing debts	Billions of yen	126.2	107.6	100.0	79.4	+26.1	+28.2
Number of employees	Persons	5,493	2,195	5,444	2,172	+49	+23

5 Supplementary Data

3.Principal indicators ③ Year-on-year change based on FY11 forecast

(Billions of yen)

		FY11 Forecast		FY10 Results		Changes	
		Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Capital expenditures	Approved limit total	57.2	27.4	47.4	28.0	+9.8	-0.6
	Results	—	—	35.8	13.3	—	—
Depreciation and amortization		28.5	23.8	31.4	26.7	-2.9	-2.8
R&D expenses		12.1	9.7	11.4	9.4	+0.6	+0.3