February 15, 2005

Construction commences on a new technology verification plant for the polycrystalline silicon used in solar cells

Tokuyama Corporation

On February 15, Tokuyama Corporation (President: Shigeaki Nakahara; "Tokuyama") commenced construction at its Tokuyama Factory (Shunan, Yamaguchi) of a verification plant employing a new manufacturing technology (the VLD method) to produce the polycrystalline silicon for use in solar cells. Tokuyama expects to complete the new plant by the end of 2005, at a cost of approximately three billion yen, with the shipment of samples commencing in early 2006 if all goes smoothly. The plant will have an annual production capacity of 200 tons.

Solar cells have recently been very much in the spotlight as a clean-energy, and companies worldwide are expanding their facilities for the manufacture of solar-power generation systems. However, the problem of obtaining sufficient supplies of the polycrystalline silicon used as a raw material in these systems is proving an obstacle to production, with a corresponding risk of facilities being unable to operate to maximum capacity. A stable supply of polycrystalline silicon is therefore required.

Once the verification plant is completed, quality, manufacturing technology, and the like will be quickly confirmed through the shipment of samples. If the technology is successfully validated, Tokuyama will then be looking to play a role in ensuring the stable supply of the material as the world's second-largest manufacturer of polycrystalline silicon.

Funding assistance for the verification facility is to be provided by Japan's New Energy and Industrial Technology Development Organization (NEDO).