

November 8, 2006

**Concerning a China project of high-purity chemicals
for electronics manufacturing**

Tokuyama Corporation

Tokuyama Corporation (President: Shigeaki Nakahara) and Nippon Refine Co., Ltd. (President: Yasuhito Kawase) announce that we have reached an agreement on establishing a manufacturing & sales company of high-purity chemicals for electronics manufacturing in China as follows.

[A summary of the project]

Name of a company : Tokuyama **E**lectronic **M**aterials (**S**uzhou) Co., Ltd.
(**TEMS** is short for the company.)

Scope of business : Manufacture & sales of Isopropyl alcohol (IPA) for electronics manufacturing and Developer for photolithography

Date of establishment : October 2006

Place of the factory : 86 Yinsheng Road, Shengpu Town, Suzhou Industrial Park,
China 215126

Capital : ¥266 million

Composition of shareholders : Tokuyama 85% Nippon Refine 15%

Representative directors : Chairman : Akira Kitajima President : Hiroaki Mihono

Number of employees : approx. 15 (provisional)

[On the background of this project]

We have decided that we need to build a factory in China because it is expected there will be rising demand for high-purity chemicals for electronics manufacturing in Chinese electronics industry which continues to grow rapidly at present.

The factory will be jointly built by Tokuyama, the world's largest manufacturer of Developer for photolithography and Isopropyl alcohol for electronics manufacturing, and Nippon Refine, the largest company of recycling business for solvents.

We plan to supply high-purity chemicals for electronics manufacturing all over China. Furthermore, we aim to provide "Recycling-oriented total solutions"

combined Tokuyama's manufacturing technology and Nippon Refine's recycling technology in the future. Concretely in this project, Tokuyama will supply raw materials, TEMS will manufacture products, and Tokuyama Trading (Shanghai) Co., Ltd., a sales company of Tokuyama in China, will sell them.

Contact : Tokuyama Trading (Shanghai) Co., Ltd. : 86-21-5306-4804

[Notes]

Isopropyl alcohol (IPA) for electronics manufacturing :

It is used for cleaning or drying semiconductors, liquid crystals, electronic devices, and so on. Compared with isopropyl alcohol (IPA) for industrial use, it is of extremely high purity, and contains an extremely low level of impurities (particles, metallic ions) which do harm to an electronic circuit.

Developer for photolithography :

Tetramethylammonium hydroxide (TMAH)

It is used as photoresist developer. Photoresist is first coated on the surface of the semiconductor wafer, and then through light exposure exposed areas are reacted. After the exposure, photoresist is dissolved by using TMAH to leave the sharp wiring patterns being formed on the wafer.

Product name : SD series