

December 8, 2006

**Concerning expansion of production facilities
for Polycrystalline silicon**

Tokuyama Corporation

Tokuyama Corporation has decided that we will construct a new plant for polycrystalline silicon, one of our key products, in Tokuyama Factory (Shunan City, Yamaguchi Prefecture). The new plant (Siemens method) will have a total annual capacity of 3,000 tons, which consists of 2,500 tons for semiconductors and 500 tons for solar cells. When this new plant is completed, our annual production capacity for polycrystalline silicon will be 8,200 tons.

The construction will start in June 2007 at Higashi Plant, Tokuyama Factory after the procedures regarding our plan are authorized by government and municipal offices, and its completion is scheduled for spring 2009.

Because of restrictions of infrastructure, etc., however, it is not expected for the time being that the newly-added plant will operate at full capacity.

Total investment amounts will be around 45 billion yen.

Because demand for solar cells has been increasing sharply for these several years, the supply and demand situation of polycrystalline silicon remains tight in the world.

In addition, nowadays demand for semiconductors is expected to be greater.

Under such circumstances, Tokuyama intends to contribute to the stable supply of the product by this expansion of production facilities.