

Summary of Fiscal 2006

Tokuyama Corporation

1. Consolidation

Classification	Fiscal 2006	Fiscal 2005	Change
The number of consolidated subsidiaries	44	43	+ 1
The number of subsidiaries & affiliates by the equity method	15	16	- 1

2. Summary of performance & other corporate data (Consolidated)

(Billions of yen, except number of employees)

	Fiscal 2006	Fiscal 2005	Changes
Sales	292.7	263.3	+29.3
Operating income	34.7	24.3	+10.4
Ordinary income	31.6	21.4	+10.1
Net income	18.4	13.9	+ 4.4
Net income per share (yen)	67.24	52.61	14.63
Capital expenditure	22.6	20.9	+ 1.6
Depreciation	18.1	18.1	+ 0.0
R&D expenses	10.7	9.3	+ 1.3
Interest-bearing debt	72.0	83.5	-11.5
Financial income and expenses	- 0.9	- 1.1	+ 0.2
Number of employees	4,852	4,630	+ 222

3. Net Sales/Operating income by Business Segment

(Unit : Billions of yen)

	Fiscal 2006		Fiscal 2005		Changes			
	Net Sales	Operating income	Net Sales	Operating income	Net Sales	%	Operating income	%
Chemicals	112.5	8.2	102.6	7.6	+9.8	+9	+0.5	+6
Tokuyama	81.9	4.7	74.8	3.9	+7.1	-	+0.7	-
Tokuyama Group (including consolidation adjustment)	30.5	3.5	27.8	3.7	+2.7	-	-0.2	-
Specialty Products	90.5	25.8	76.7	16.1	+13.8	+18	+9.7	+60
Tokuyama	68.1	23.5	54.7	14.0	+13.4	-	+9.4	-
Tokuyama Group (including consolidation adjustment)	22.3	2.2	21.9	2.0	+0.3	-	+0.2	-
Cement, Building Materials and Others	89.7	4.2	84.0	3.4	+5.6	+6	+0.7	+20
Tokuyama	42.5	2.6	41.6	2.0	+0.9	-	+0.6	-
Tokuyama Group (including consolidation adjustment)	47.1	1.5	42.3	1.4	+4.7	-	+0.0	-
Total	292.7	38.2	263.3	27.2	+29.3	-	+10.9	-
Inter-segment eliminations and corporate	-	-3.5	-	-2.9	-	-	-0.5	-
Consolidated results	292.7	34.7	263.3	24.3	+29.3	+11	+10.4	+42

- In the Chemicals segment, we made efforts to revise the product prices in response to the steep rise in raw materials and fuel prices.
- In the Specialty products segment, the price adjustment of polycrystalline silicon contributed to performance.
- In the Cement, building materials and others segment, we endeavored to lower the costs and adjust the product prices.

4. Net Sales/Operating income by Business Segment (Forecasts)

(1) Net Sales/Operating income by Business Segment (Full year comparison)

(Unit : Billions of yen)

	2007 Estimate		2006 Results		Changes			
	Net Sales	Operating income	Net Sales	Operating income	Net Sales	%	Operating income	%
Chemicals	118.2	6.3	112.5	8.2	+5.7	+5	-1.9	-23
Tokuyama	87.5	3.1	81.9	4.7	+5.6	-	-1.6	-
Tokuyama Group (including consolidation adjustment)	30.6	3.1	30.5	3.5	+0.1	-	-0.4	-
Specialty Products	99.5	27.7	90.5	25.8	+9.0	+9	+1.9	+7
Tokuyama	74.2	25.1	68.1	23.5	+6.1	-	+1.6	-
Tokuyama Group (including consolidation adjustment)	25.3	2.6	22.3	2.2	+3.0	-	+0.4	-
Cement, Building Materials and Others	91.2	4.7	89.7	4.2	+1.5	+1	+0.5	+11
Tokuyama	42.1	2.9	42.5	2.6	-0.4	-	+0.3	-
Tokuyama Group (including consolidation adjustment)	49.0	1.7	47.1	1.5	+1.9	-	+0.2	-
Total	309.0	38.8	292.7	38.2	+16.3	-	+0.6	-
Inter-segment eliminations and corporate	-	-3.7	-	-3.5	-	-	-0.2	-
Consolidated results	309.0	35.0	292.7	34.7	+16.3	+5	+0.3	+0

(2) The assumptions of performance forecasts for Fiscal 2007

		07/1st	07/2nd	06/1st	06/2nd
Domestic naphtha price (¥/KL)		55,000	53,000	51,500	48,500
Exchange rate (¥/\$)	imports	115	113	115	119
	exports	110	108		

- In the Chemicals segment, cost increases of coal (for generating electricity), ethylene and propylene are taken into consideration.
- In the Specialty products segment, the price adjustment of polycrystalline silicon for

domestic users, which has been realized at the beginning of this fiscal year (FY2007), is counted in the performance forecast.

- In the Cement, building materials and others segment, cost increases of coal (for the generation of electricity and combustion) are taken into consideration.
- The estimated cost increases of R&D expenses, depreciation, personnel expenses, etc. are included.

Summary of Consolidated Financial Statements for Fiscal 2006

May 11, 2007

Tokuyama Corporation

(URL <http://www.tokuyama.co.jp/>)

Representative: Shigeaki Nakahara
President

Contact: Yoshifumi Matsumoto
General Manager, Corporate Communications & Investor Relations Dept.
+81-3-3499-8023

Stock exchange listings: Tokyo, Osaka
Code number: 4043

Scheduled date for the Annual Meeting of Shareholders : June 26, 2007

Scheduled date of year-end dividends payout : June 27, 2007

Scheduled date for the filing of the consolidated financial statements : June 27, 2007

1. Consolidated results for fiscal year ended March 31, 2007 (April 1, 2006 - March 31, 2007)

(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 [%]
Fiscal 2006	292,764	11.2	34,737	42.9	31,672	47.4
Fiscal 2005	263,373	10.9	24,311	33.8	21,493	40.1

	Net income		Net income per share (yen)	Diluted net income per share (yen)	Net income to shareholders' equity [%]	Ordinary income to total assets [%]	Operating income to net sales [%]
	(millions of yen)	Year-on-year change [%]					
Fiscal 2006	18,460	32.2	67.24	-	10.0	8.6	11.9
Fiscal 2005	13,964	26.8	52.61	-	8.9	6.4	9.2

(Reference) Equity in earnings of unconsolidated subsidiaries and affiliates: FY06: 971 million yen FY05: 484 million yen

(2) Financial position

	Total assets (millions of yen)	Net assets (millions of yen)	Shareholders' equity ratio (%)	Net assets per share (yen)
Mar 31, 2007	373,745	197,811	51.4	699.69
Mar 31, 2006	361,103	179,024	49.6	651.64

(Reference) Shareholders' equity: FY06: 192,020 million yen FY05: - million yen

(3) Cash flows

	Cash flows from operating activities (millions of yen)	Cash flows from investing activities (millions of yen)	Cash flows from financing activities (millions of yen)	Cash and cash equivalents at the end of the year (millions of yen)
Fiscal 2006	34,225	(22,531)	(13,836)	29,222
Fiscal 2005	25,748	(22,758)	13,155	30,998

2. Dividends

(Period)	Dividends per share			Total dividends paid (Annual) (millions of yen)	Dividend payout ratio (Consolidated) (%)	Dividend on net assets ratio (Consolidated) (%)
	Interim	Year-end	Annual			
Fiscal 2005	Yen 3.00	Yen 3.00	Yen 6.00	1,586	11.4	1.0
Fiscal 2006	3.00	3.00	6.00	1,646	8.9	0.9
Fiscal 2007 (forecast)	3.00	3.00	6.00		8.2	

3. Financial forecast for fiscal 2007 (From April 1, 2007 to March 31, 2008)

	Net sales		Operating Income		Ordinary Income		Net income		Net income per share (yen)
	(millions of yen)	%	(millions of yen)	%	(millions of yen)	%	(millions of yen)	%	
First Half Fiscal 2007	154,000	8.7	17,500	15.7	16,000	17.3	10,000	24.0	36.44
Fiscal 2007	309,000	5.5	35,000	0.8	32,000	1.0	20,000	8.3	72.88

(% indicates the rate of increase over the corresponding previous period, such as the previous Fiscal Year and the previous First Half Fiscal Year.)

※ **The forecast has been prepared on the basis of information available at this point, and may be different from the actual performance because of various factors that may arise from now on.**

4. Other information

(1) Changes of significant subsidiaries in the scope of consolidation or application of the equity method for the current fiscal year
: No

(2) Changes of accounting policies applied, procedures and disclosures for presenting the consolidated financial statements
Changes by revision of accounting standard : Yes
Changes other than the above : No

(3) Number of shares outstanding (in common stock)
Number of shares outstanding at end of period (including treasury stock) :
FY06: 275,671,876 FY05: 275,671,876
Number of treasury stock at end of period :
FY06: 1,232,757 FY05: 1,043,365