

Summary of the First Half Fiscal 2007

Tokuyama Corporation

1. Consolidation

Classification	1 st Half Fiscal 2007	Fiscal 2006	Change(*)
The number of consolidated subsidiaries	44	44	0
The number of subsidiaries & affiliates by the equity method	15	15	0

* See the note on page 3

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

(Billions of yen, except number of employees)

	1 st Half Fiscal 2007	1 st Half Fiscal 2006	Changes
Sales	150.2	141.7	+ 8.5
Operating income	18.1	15.1	+ 3.0
Ordinary income	16.6	13.6	+ 2.9
Net income	9.8	8.0	+ 1.7
Net income per share (yen)	35.79	29.36	+ 6.43
Capital expenditure	12.0	9.7	+ 2.3
Depreciation	10.1	8.2	+ 1.8
R&D expenses	5.5	5.0	+ 0.5
Financial income and expenses	- 0.2	- 0.4	+ 0.1

	As of Sept. 30, 2007	As of March 31, 2007	Changes
Interest-bearing debt	67.3	72.0	- 4.6
Number of employees	4,847	4,852	- 5

3. – (1) Net Sales/ Operating income by Business Segment

(Unit : Billions of yen)

	1st Half FY2007		1st Half FY2006		Changes			
	Net Sales	Operating income	Net Sales	Operating income	Net Sales	%	Operating income	%
Chemicals	57.1	2.7	55.2	3.2	+1.9	+3	-0.5	-17
Tokuyama	42.5	1.3	40.2	1.6	+2.3	-	-0.2	-
Tokuyama Group (including consolidation adjustment)	14.5	1.3	15.0	1.6	-0.4	-	-0.2	-
Specialty Products	50.1	15.5	42.8	12.1	+7.2	+17	+3.3	+28
Tokuyama	38.6	14.4	32.7	11.3	+5.8	-	+3.0	-
Tokuyama Group (including consolidation adjustment)	11.5	1.0	10.1	0.7	+1.3	-	+0.2	-
Cement, Building Materials and Others	42.8	1.7	43.5	1.4	-0.6	-2	+0.2	+19
Tokuyama	19.6	0.8	20.4	0.8	-0.8	-	-0.0	-
Tokuyama Group (including consolidation adjustment)	23.2	0.9	23.0	0.6	+0.1	-	+0.2	-
Total	150.2	20.0	141.7	16.9	+8.5	+6	+3.1	+18
Inter-segment eliminations and corporate	-	-1.8	-	-1.7	-	-	-0.0	-
Consolidated results	150.2	18.1	141.7	15.1	+8.5	+6	+3.0	+20

- In the Chemicals Segment, operating income decreased because of failure to offset higher raw materials and fuel costs by revising product sales prices.
- In the Specialty Products Segment, price revisions of polycrystalline silicon contributed to the increase in operating income.
- In the Cement, building materials and others segment, sales were down due to decreased shipment related to the delay in building confirmation by the revised Building Standards Act. We endeavored to rationalize operations and adjust the product prices in response to cost increases by a sharp rise in raw materials and fuel prices.

3.– (2) Net Sales/ Operating income by Business Segment
(comparison with the forecast at the beginning of this fiscal year)

(Unit : Billions of yen)

	1st Half FY2007 Results		1st Half FY2007 Estimate(as of May 11)		Changes	
	Net Sales	Operating income	Net Sales	Operating income	Net Sales	Operating income
Chemicals	57.1	2.7	59.0	2.8	-1.8	-0.0
Specialty Products	50.1	15.5	49.2	14.3	+0.9	+1.2
Cement, Building Materials and Others	42.8	1.7	45.7	2.2	-2.8	-0.4
Total	150.2	20.0	154.0	19.3	-3.7	+0.7
Inter-segment eliminations and corporate	-	-1.8	-	-1.8	-	-0.0
Consolidated results	150.2	18.1	154.0	17.5	-3.7	+0.6

- In the Chemicals Segment, the results were slightly worse than we had expected, due to sales volume decrease in Shin Dai-ichi Vinyl Corp. and disposal of Tianjin Sunshine Plastics by sale.
- In the Specialty Products Segment, the results were better than we had expected, due to increased shipment of polycrystalline silicon, the exchange effect, etc.
- In the Cement, building materials and others segment, the results were worse than we had expected, due to the effects of the delay in building confirmation by the revised Building Standards Act, etc.

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

(1) The assumptions of the performance forecast for the second half Fiscal 2007

		07/ the 2nd half (As of Nov. 9)	07/ the 2nd half (As of May 11)
Domestic naphtha price (¥/KL)		60,000	53,000
Exchange rate (¥/\$)	imports	118	113
	exports		108

(2) The revised performance forecast for Fiscal 2007

(The figures of each segment are revised. The forecast of consolidated results are not changed.)

(Unit : Billions of yen)

	2007 Estimate (as of Nov. 9)		2007 Estimate (as of May 11)		Changes	
	Net Sales	Operating income	Net Sales	Operating income	Net Sales	Operating income
Chemicals	117.3	5.5	118.2	6.3	-0.9	-0.8
Specialty Products	102.1	29.3	99.5	27.7	+2.6	+1.6
Cement, Building Materials and Others	89.6	4.0	91.2	4.7	-1.6	-0.7
Total	309.0	38.8	309.0	38.8	0.0	0.0
Inter-segment eliminations and corporate	-	-3.8	-	-3.7	-	-0.1
Consolidated results	309.0	35.0	309.0	35.0	0.0	0.0

- In the Chemicals Segment, in addition to the factor in 3.– (2), the revised assumptions of naphtha and the exchange rate for the 2nd half are taken into consideration.
- In the Specialty Products Segment, the effects of the revised assumption for the exchange rate for the 2nd half, etc are included in the performance forecast.
- In the Cement, Building Materials and Others Segment, the effect of the factor in 3.– (2) mentioned above are mainly taken into consideration.

Note:

Addition: Tokuyama Chemicals (Zhejiang) Co., Ltd.
Tokuyama Dental Deutschland GmbH

Reduction: Tianjin Sunshine Plastics Co., Ltd.
Tokuyama Trading Co., Ltd.

Summary of Consolidated Financial Statements for the First Half Fiscal 2007

Nov 9, 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 filing of the interim consolidated financial statements : December 20, 2007
Scheduled date of interim dividends payout : December 10, 2007

1. Consolidated results for fiscal year ended Sept. 30, 2007 (April 1, 2007 – Sept. 30, 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 [%]
First Half Fiscal 2007	150,225	6.0	18,173	20.2	16,631	22.0
First Half Fiscal 2006	141,718	14.5	15,123	45.7	13,637	53.4
Fiscal 2006	292,764		34,737		31,672	

	Net income		Net income per share	Diluted net income per share
	(millions of yen)	Year-on-year change [%]	(yen)	(yen)
First Half Fiscal 2007	9,821	21.8	35.79	-
First Half Fiscal 2006	8,063	42.6	29.36	-
Fiscal 2006	18,460		67.24	-

(Reference) Equity in earnings of unconsolidated subsidiaries and affiliates:

FY07(interim): 375 million yen FY06(interim): 477 million yen FY06: 971 million yen

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	(millions of yen)	(millions of yen)	(%)	(yen)
Sept. 30, 2007	376,243	203,820	52.5	720.48
Sept. 30, 2006	361,806	187,841	50.6	667.31
March 31, 2007	373,745	197,811	51.4	699.69

(Reference) Shareholders' equity:

FY07(interim): 197,664 million yen FY06(interim): 183,216 million yen FY06: 192,020 million yen

(3) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)
First Half Fiscal 2007	20,430	(10,676)	(6,725)	32,513
First Half Fiscal 2006	18,343	(10,600)	(8,002)	30,866
Fiscal 2006	34,225	(22,531)	(13,836)	29,222

2. Dividends

(Period)	Dividends per share		
	Interim	Year-end	Annual
Fiscal 2006	Yen 3.00	Yen 3.00	Yen 6.00
Fiscal 2007	3.00	—	9.00
Fiscal 2007 (forecast)	—	6.00	

(Note) Details of year-end dividend forecast for Fiscal 2007: Commemorative dividend ¥3.00

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
	(millions of yen)	%	(millions of yen)	%	(millions of yen)	%	(millions of yen)	%	(yen)
Fiscal 2007	309,000	5.5	35,000	0.8	32,000	1.0	20,000	8.3	72.90

(% indicates the rate of increase over the previous 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 first half of 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) :

FY07(interim): 275,671,876 FY06(interim): 275,671,876 FY06: 275,671,876

Number of treasury stock at end of period :

FY07(interim): 1,320,432 FY06(interim): 1,113,806 FY06: 1,232,757