

Summary of Fiscal 2007

Tokuyama Corporation

1. Consolidation

Classification	Fiscal 2007	Fiscal 2006	Change(*)
The number of consolidated subsidiaries	47	44	+3
The number of subsidiaries and affiliates by the equity method	13	15	-2

* See the note on page 3

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

(Unit: Billions of yen, except number of employees)

	Fiscal 2007	Fiscal 2006	Change
Net sales	307.4	292.7	+14.6
Operating income	35.3	34.7	+0.5
Ordinary income	30.3	31.6	-1.2
Net income	18.8	18.4	+0.4
Net income per share (Unit: yen)	68.85	67.24	+1.61
Capital expenditures	37.0	22.6	+14.3
Depreciation and amortization	21.4	18.1	+3.3
R&D expenses	11.1	10.7	+0.4
Financial income and expenses	-0.4	-0.9	+0.4

	As of March 31, 2008	As of March 31, 2007	Change
Interest-bearing debt	64.2	72.0	- 7.7
Number of employees	5,057	4,852	+ 205

3. Net sales/operating income by business segment (year on year)

(Unit: Billions of yen)

	Fiscal 2007		Fiscal 2006		Changes			
	Net Sales	Operating income	Net Sales	Operating income	Net Sales	%	Operating income	%
Chemicals	118.3	4.7	112.5	8.2	+5.7	+5	-3.4	-42
Tokuyama	89.1	2.3	81.9	4.7	+7.1	-	-2.3	-
Tokuyama Group (including consolidation adjustment)	29.2	2.4	30.5	3.5	-1.3	-	-1.0	-
Specialty Products	101.2	30.5	90.5	25.8	+10.7	+11	+4.7	+18
Tokuyama	76.0	27.8	68.1	23.5	+7.8	-	+4.2	-
Tokuyama Group (including consolidation adjustment)	25.2	2.7	22.3	2.2	+2.8	-	+0.4	-
Cement, Building Materials and Others	87.8	3.6	89.7	4.2	-1.8	-2	-0.5	-12
Tokuyama	41.0	2.0	42.5	2.6	-1.5	-	-0.5	-
Tokuyama Group (including consolidation adjustment)	46.7	1.6	47.1	1.5	-0.3	-	+0.0	-
Total	307.4	38.9	292.7	38.2	+14.6	-	+0.7	-
Inter-segment eliminations and corporate-wide expenses	-	-3.6	-	-3.5	-	-	-0.1	-
Consolidated results	307.4	35.3	292.7	34.7	+14.6	+5	+0.5	+1

- In the Chemicals segment, revised product prices did not adequately absorb the steep rise of raw materials and fuel prices and increased fixed costs, and profits declined as a result.
- In the Specialty products segment, the price adjustment of polycrystalline silicon and the strong performance of fumed silica contributed to increased operating income.
- In the Cement, building materials and others segment, our endeavor to streamline operations and adjust product prices did not adequately absorb the steep rise of raw materials and fuel prices and increased fixed costs. In addition, because decreased shipment due to the delay in building confirmation also had a negative impact on performance, we recorded decline in profits.

4. Net sales/operating income by business segment (forecasts)

(1) Net sales/operating income by business segment (full year comparison)

(Unit: Billions of yen)

	FY2008 Estimate		FY2007 Results		Changes			
	Net Sales	Operating income	Net Sales	Operating income	Net Sales	%	Operating income	%
Chemicals	130.0	4.2	118.3	4.7	+11.6	+9	-0.5	-11
Tokuyama	101.3	2.1	89.1	2.3	+12.1	-	-0.2	-
Tokuyama Group (including consolidation adjustment)	28.7	2.1	29.2	2.4	-0.5	-	-0.3	-
Specialty Products	109.0	27.7	101.2	30.5	+7.7	+7	-2.8	-9
Tokuyama	80.0	25.2	76.0	27.8	+3.9	-	-2.6	-
Tokuyama Group (including consolidation adjustment)	29.0	2.5	25.2	2.7	+3.7	-	-0.2	-
Cement, Building Materials and Others	92.0	2.6	87.8	3.6	+4.1	+4	-1.0	-29
Tokuyama	44.7	1.7	41.0	2.0	+3.6	-	-0.3	-
Tokuyama Group (including consolidation adjustment)	47.3	0.9	46.7	1.6	+0.5	-	-0.7	-
Total	331.0	34.5	307.4	38.9	+23.5	—	-4.4	—
Inter-segment eliminations and corporate-wide expenses	-	-4.5	-	-3.6	-	-	-0.8	-
Consolidated results	331.0	30.0	307.4	35.3	+23.5	+7	-5.3	-15

(2) Assumptions of performance forecasts for fiscal 2008

	Fiscal 2008	Apr-Sep 2007	Oct 2007-Mar 2008
Domestic Naphtha Price (¥/kl)	68,000	58,700	64,100
Exchange Rate (¥/\$)	105	119	109

The estimated cost increase of raw materials and fuel, logistics, depreciation, repairs, retirement benefits, etc., and the impact of product prices adjustments which can be projected at this point are taken into consideration. Approximately ¥1.6 billion in payment for the labor cost difference of employees on loan to other companies, which was previously treated as a non-operating expense, is included in operating

expenses from this fiscal year. In accordance with this change, group companies' year-on-year operating expenses are expected to increase approx. ¥0.4 billion in the Chemicals segment, approx. ¥0.6 billion in the Specialty products segment, and approx. ¥0.7 billion in the Cement, building materials and others segment; operating income is expected to decrease the same respective amounts. In all segments, we expect a decline in profits due to inability to absorb increased costs.

- In the Chemicals segment, the increase of variable costs of coal, ethylene, propylene, raw material salt, logistics, etc., as well as of various fixed cost, and the impact of product price adjustments are taken into consideration. We will continue to endeavor to reduce costs, while at the same time working to adjust prices quickly in response to further raw materials and fuel price hike.
- In the Specialty products segment, the increase of variable costs of coal, metallic silicon, etc., as well as of various fixed costs, and the impact of the price adjustment of polycrystalline silicon are taken into consideration.
- In the Cement, building materials and others segment, the cost increase of coal, the increase of depreciation due to change of depreciable life, and the impact of product price adjustments are taken into consideration. We will continue to endeavor to reduce costs and reinforce the Recycling & Environment business.

Note:

The number of consolidated subsidiaries

- Addition: Tokuyama Chemicals (Zhejiang) Co., Ltd.
Tokuyama Dental Deutschland GmbH
Tianjin Figaro Electronic Co., Ltd.
Tokuyama Electronic Materials (Suzhou) Co., Ltd.
Tokuyama-Dowa Power Material Co., Ltd.
- Reduction: Tianjin Sunshine Plastics Co., Ltd.
Tokuyama Trading Co., Ltd.

The number of subsidiaries and affiliates by the equity method

- Reduction: Tianjin Figaro Electronic Co., Ltd.
Dainippon Plastics Co., Ltd.

Summary of Consolidated Financial Statements for Fiscal 2007

May 12, 2008

Tokuyama Corporation

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

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Stock exchange listings:

Code number:

Tokyo, Osaka

4043

Scheduled date for the Annual Meeting of Shareholders : June 25, 2008

Scheduled date of year-end dividends payout : June 26, 2008

Scheduled date for the filing of the consolidated financial statements : June 26, 2008

1. Consolidated results for fiscal year ended March 31, 2008 (April 1, 2007 – March 31, 2008)

(1) Performance

Note: All amounts are rounded down to the nearest million yen.

% indicates year-on-year changes.

	Net sales		Operating income		Ordinary income		Net income	
	(millions of yen)	[%]	(millions of yen)	[%]	(millions of yen)	[%]	(millions of yen)	[%]
Fiscal 2007	307,453	5.0	35,325	1.7	30,399	(4.0)	18,888	2.3
Fiscal 2006	292,764	11.2	34,737	42.9	31,672	47.4	18,460	32.2

	Net income per share	Diluted net income per share	Net income to shareholders' equity	Ordinary income to total assets	Operating income to net sales
	(yen)	(yen)	[%]	[%]	[%]
Fiscal 2007	68.85	—	9.7	8.0	11.5
Fiscal 2006	67.24	—	10.0	8.6	11.9

(Reference) Equity in earnings of unconsolidated subsidiaries and affiliates: FY07: 715 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)
Mar 31, 2008	383,264	206,135	51.9	725.37
Mar 31, 2007	373,745	197,811	51.4	699.69

(Reference) Shareholders' equity: FY07: 199,010 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 the end of the year
	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)
Fiscal 2007	47,698	(25,664)	(10,176)	41,057
Fiscal 2006	34,225	(22,531)	(13,836)	29,222

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 2006	(yen) 3.00	(yen) 3.00	(yen) 6.00	1,646	8.9	0.9
Fiscal 2007	3.00	6.00	9.00	2,469	13.1	1.2
Fiscal 2008 (Forecast)	3.00	3.00	6.00		9.4	

Fiscal 2007 annual dividends per share of 9 yen include commemorative dividends of 3 yen.

3. Financial forecast for fiscal 2008 (April 1, 2008 – March 31, 2009)

(% indicates the rate of change over the corresponding previous period, such as the previous fiscal year or the previous first half fiscal year.)

	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)
First Half Fiscal 2008	161,000	7.2	14,500	(20.2)	13,500	(18.8)	8,500	(13.5)	30.98
Fiscal 2008	331,000	7.7	30,000	(15.1)	28,500	(6.2)	17,500	(7.4)	63.79

* Notice regarding the appropriate use of performance forecasts and any other special instructions

The forecast has been prepared on the basis of information available at this point, and may be different from the actual performance due to various factors that may arise in the future.

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

- i. Changes by revision of accounting standard: Yes
- ii. Changes other than the above: No

(3) Number of shares issued (in common stock)

- i. Number of shares issued at end of period (including treasury stock):

FY07:	275,671,876	FY06:	275,671,876
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- ii. Number of treasury stock at end of period:

FY07:	1,314,323	FY06:	1,232,757
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