

Summary of Consolidated Financial Statements for the First Quarter Fiscal 2009

August 3, 2009

Tokuyama Corporation

Stock exchange listings:

Tokyo, Osaka

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

Local Code : 4043

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Scheduled date for the filing of the quarterly consolidated financial statements : August 12, 2009

Scheduled date of dividends payout : --

1. Consolidated results for fiscal first quarter ended June 30, 2009 (April 1, 2009 - June 30, 2009)

(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 Quarter Fiscal 2009	61,297	(22.1)	2,152	(71.1)	1,564	(79.3)
First Quarter Fiscal 2008	78,697	-	7,458	-	7,542	-

	Net income		Net income per share	Diluted net income per share
	(millions of yen)	Year-on-year change [%]	(yen)	(yen)
First Quarter Fiscal 2009	749	(83.1)	2.73	-
First Quarter Fiscal 2008	4,433	-	16.16	-

(2) Consolidated financial position

	Total assets (millions of yen)	Net assets (millions of yen)	Shareholders' Equity ratio (%)	Net assets per share (yen)
June 30, 2009	407,258	192,581	45.8	680.38
Mar. 31, 2009	403,613	189,757	45.5	669.80

(Reference) Shareholders' equity: June 30, 2009: 186,431 million yen Mar. 31, 2009: 183,539 million yen

2. Dividends

(Period)	Dividends per share				
	1st quarter	2nd quarter	3rd quarter	Year-end	Annual
Fiscal 2008, ended Mar 31, 2009	(yen) -	(yen) 3.00	(yen) -	(yen) 3.00	(yen) 6.00
Fiscal 2009, ending Mar 31, 2010	-				
Fiscal 2009 (Forecast)		3.00	-	3.00	6.00

(Note) Revision of dividends forecast during this quarter: No

3. Consolidated performance forecast for Fiscal 2009 (April 1, 2009 - March 31, 2010)

(% 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 2009	134,000 (16.3)	7,500 (48.8)	6,500 (55.1)	3,000 (66.1)	10.95
Fiscal 2009	286,000 (5.0)	20,000 (12.0)	18,000 (11.6)	10,000 -	36.49

(Note) Revision of consolidated performance forecast during this quarter: No

4. Other information

(1) Changes of significant subsidiaries in the scope of consolidation during this period

: No

(2) Application of simplified accounting methods and accounting methods specific to the preparation of the quarterly consolidated financial statements

: Yes

(3) Changes of accounting principles, procedures and presentation methods, etc. related to the preparation of the quarterly consolidated financial statements

i. Changes by revision of accounting standard: Yes

ii. Changes other than the above: Yes

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

i. Number of shares issued at end of period (including treasury stock):	First Quarter Fiscal 2009:	275,671,876	Fiscal 2008:	275,671,876
ii. Number of treasury stock at end of period:	First Quarter Fiscal 2009:	1,661,690	Fiscal 2008:	1,650,227
iii. Average number of shares over period:	First Quarter Fiscal 2009:	274,014,325	First Quarter Fiscal 2008:	274,351,209

(Note) Cautions pertaining to appropriate use of performance forecast and other particular items

The performance forecast and other forward-looking statements contained in this material have been prepared on the basis of information available at this point and certain assumptions which are judged to be rational, and may be substantially different from the actual performance because of various factors that may arise from now on.

[Qualitative information on consolidated financial statements]

1. Qualitative information on consolidated business results

In the First Quarter Fiscal 2009, the Japanese economy remained sluggish due to much uncertainty over the future prospects for the global economy, the worsening of the employment situation, and sluggish consumption, although the progress of inventory adjustments led to some recovery in production in some industries as a result of the partial economic recovery overseas.

Under such circumstances, despite signs of recovery in some products, the Company's performance was about level with the fourth quarter fiscal 2008 in which its performance had worsened significantly. As a result, the Company registered a decrease in both net sales and operating income compared with the corresponding period of the previous fiscal year.

(Unit: Millions of yen)

	Net sales	Operating income	Ordinary income	Net income
First Quarter Fiscal 2009	61,297	2,152	1,564	749
First Quarter Fiscal 2008	78,697	7,458	7,542	4,433
Rate of change (%)	(22.1)	(71.1)	(79.3)	(83.1)

Net sales

Consolidated net sales decreased 22.1%, or ¥17.3 billion compared with the corresponding period of the previous year, to ¥61.2 billion, due to decreased sales volume caused by the economic recession, a fall in the selling prices of part of our products, and other factors.

Cost of sales

Cost of sales decreased 19.3%, or ¥10.6 billion compared with the corresponding period of the previous year, to ¥44.4 billion, due to decreased sales volume, a fall in raw material prices, and other factors.

SG&A expenses

SG&A expenses decreased 9.1%, or ¥1.4 billion compared with the corresponding period of the previous year, to ¥14.6 billion, due to a decrease in physical distribution costs as a result of decreased sales volume, and other factors.

Operating income

Operating income decreased 71.1%, or ¥5.3 billion compared with the corresponding period of the previous year, to ¥2.1 billion, due to a decline in the operating ratio and increased depreciation etc. as well as decreased sales volume and a fall in the selling prices of part of our products.

Non-operating income/expenses, Ordinary income

Non-operating income/expenses worsened by ¥0.6 billion compared with the corresponding period of the previous year due to, among others, a foreign exchange loss. Ordinary income decreased 79.3%, or ¥5.9 billion compared with the corresponding period of the previous year, to ¥1.5 billion, due to the above-mentioned factor etc.

Extraordinary gains/losses, Income before income taxes, Net income

Extraordinary gains/losses worsened by ¥0.6 billion compared with the corresponding period of the previous year due to, among others, costs of compensation for products arising from the plastic window sashes (fireproof/fire-resistant grade) problem. Income before income taxes decreased 81.6%, or ¥6.6 billion compared with the corresponding period of the previous year, to ¥1.4 billion, due to this factor etc.

After deducting income taxes etc. calculated in an appropriate way, the Company recorded net income of ¥0.7 billion, down 83.1%, or ¥3.6 billion compared with the corresponding period of the previous year.

Chemicals

In the chemicals business, sales decreased substantially, due to decreased sales volume arising from a sluggish economy, a fall mainly in the petrochemicals selling prices, and other factors. However, operating income increased owing to the effect of price revisions in inorganic chemicals which had been made in the second half of the previous fiscal year as well as the cost decrease with a drop in raw materials and fuel prices.

In the film business, Sun-Tox Co., Ltd. registered a decrease in sales due to decreased sales volume, while operating income rose due to improvement in productivity and cost reduction.

As a result of the above, this segment recorded sales of ¥22.3 billion, down 27.2% compared with the corresponding period of the previous year, and operating income of ¥1.2 billion, an increase of 70.4% year on year. Sales fell, while operating income rose.

This segment accounted for 36.4% of total net sales.

Specialty Products

Our new polycrystalline silicon plant commenced operations in this quarter. The new plant is continuing its stable operations. However, sales in the polysilicon business decreased, because part of the shipments have been rescheduled from this quarter to the second quarter at the earliest due to our customers' slump. Operating income also decreased due to depreciation of the new plant as well. We registered a decrease in both sales and operating income in products other than polycrystalline silicon, including silica products and advanced materials, due to sluggish demand.

A&T Corporation recorded increased sales, owing to favorable sales of laboratory information systems etc., while it registered a slight decrease in

operating income due to the cost increase arising from higher development costs etc.

As a result of the above, sales in this segment were ¥21.5 billion, a decrease of 18.9% compared with the corresponding period of the previous year, and operating income was ¥2.5 billion, a decrease of 67.7% year on year. Both sales and operating income declined.

This segment net sales accounted for 35.2% of the Company's total sales.

Cement, Building Materials and Others

In the cement business, despite the price revision effect, the performance was unsatisfactory due to a severe decrease in demand. The recycling & environment business registered a decrease in both sales and operating income, due to a decrease in treatment volume as a result of decreased sales volume of cement.

In the building materials and others business, Excel Shanon Corporation, which is developing plastic window sash business, registered a decrease in both sales and operating income, due to a severe decrease in demand and decreased shipment volume caused by a negative impact of the plastic window sashes (fireproof/fire-resistant grade) problem.

As a result of the above, this segment sales were ¥17.3 billion, a decrease of 18.8% from the corresponding period of the previous year, and an operating loss was ¥0.5 billion. Both sales and operating income decreased over the corresponding period of the previous year.

The segment's net sales accounted for 28.4% of Tokuyama's total sales.

2. Qualitative information on consolidated financial position

As of June 30, 2009, total assets amounted to ¥407.2 billion, an increase of ¥3.6 billion compared with those as of March 31, 2009. This was primarily due to an

increase of ¥3.1 billion in investment securities.

Total liabilities amounted to ¥214.6 billion, an increase of ¥0.8 billion compared with those as of March 31, 2009. Despite a decrease of ¥3.0 billion in accrued income taxes, this mainly reflected an increase of ¥3.8 billion in long-term borrowings.

Net assets totaled ¥192.5 billion, an increase of ¥2.8 billion compared with those as of March 31, 2009. The main contributory factor was an increase of ¥2.5 billion in unrealized holding gains on available-for-sale securities.

3. Qualitative information on consolidated performance forecast

Although our business results during this fiscal first quarter were worse than we had expected due to rescheduling of the shipments of polycrystalline silicon from this first quarter to the second quarter at the earliest, we anticipate that business results will be achieved as planned for the rest of this fiscal year.

Therefore, regarding the performance forecast for First Half Fiscal 2009 and Fiscal 2009, we have not revised the figures which were made public on May 12, 2009.

Segment information

First Quarter Fiscal 2008 (April 1, 2008 – June 30, 2008)

(Millions of yen)

	Chemicals	Specialty products	Cement, building materials and others	Total	Corporate or elimination	Consolidated
Sales						
Sales to customers	30,662	26,602	21,432	78,697	—	78,697
Inter-segment sales/transfer	359	9	4,046	4,415	(4,415)	—
Total	31,021	26,612	25,478	83,113	(4,415)	78,697
Operating income	742	7,777	50	8,570	(1,111)	7,458

First Quarter Fiscal 2009 (April 1, 2009 – June 30, 2009)

(Millions of yen)

	Chemicals	Specialty products	Cement, building materials and others	Total	Corporate or elimination	Consolidated
Sales						
Sales to customers	22,336	21,568	17,392	61,297	—	61,297
Inter-segment sales/transfer	298	11	3,555	3,865	(3,865)	—
Total	22,634	21,580	20,947	65,162	(3,865)	61,297
Operating income (loss)	1,264	2,513	(552)	3,224	(1,072)	2,152