

August 11, 2009

Tokuyama Corporation

**Tokuyama Corporation Announces Decision to Build Polycrystalline Silicon
Factory in Malaysia**

***Investment of Approx. ¥65 Billion; Factory to Mass-Produce Polycrystalline Silicon
for Solar Cells***

Tokuyama Corporation (hereinafter referred to as “Tokuyama” or “the Company”) has decided to build a new factory in Sarawak, Malaysia, to manufacture polycrystalline silicon for solar cells.

The new factory will be constructed at the Samalaju Industrial Park in Sarawak, Malaysia. Construction of the new factory is scheduled to commence early in 2011, and the start of operations is scheduled for spring 2013. The factory will be the Siemens method-based facilities with an annual production capacity of 6,000 tons. Tokuyama plans to produce polycrystalline silicon for solar cells at the time of the start of operations. The factory construction costs will be approximately ¥65 billion.

This decision has no effect on the Company’s performance for this fiscal year (the fiscal year ending March 31, 2010).

In preparation for this, Tokuyama Malaysia Sdn. Bhd. will be newly established in Sarawak in August of this year as a company to manufacture and sell polycrystalline silicon. Employees for the new company are to number about 300 people at the time of the start-up of operations, about 280 of whom will be hired locally.

Polycrystalline silicon for solar cells is expected to enjoy high-level growth over the medium to long term, although the supply and demand situation is easy temporarily due to the worldwide recession triggered by the financial crisis in the United States.

To date, Tokuyama has manufactured and sold polycrystalline silicon mainly for semiconductors, and the Tokuyama Factory (Shunan City, Yamaguchi) has been the Company’s only manufacturing base. In terms of the dispersion of risk as well, the Company decided to move forward with the selection of a site for a second manufacturing base. The Samalaju Industrial Park was chosen as the candidate site for the second

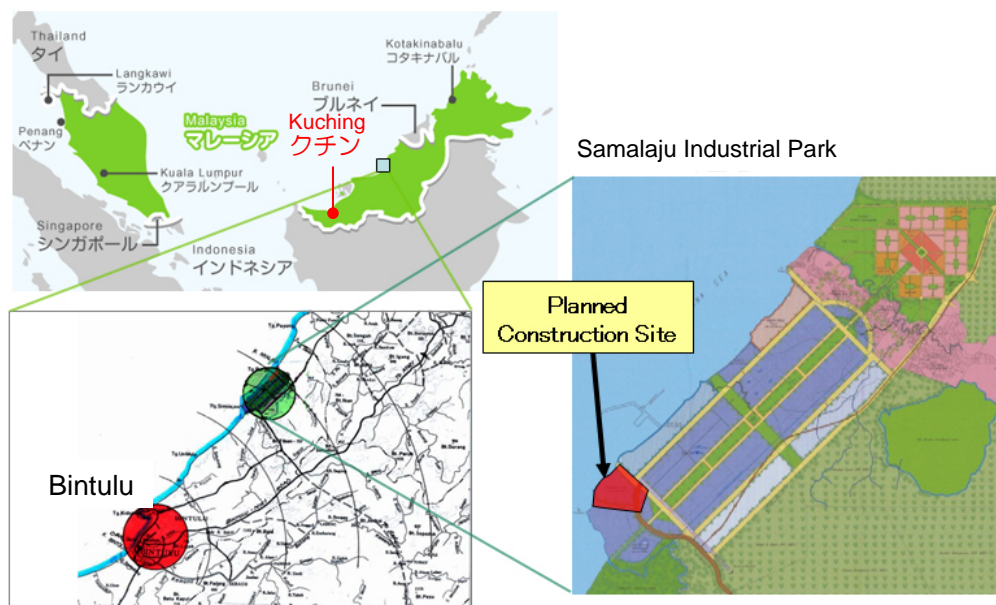
manufacturing base in November of last year. The manufacture of polycrystalline silicon is electricity intensive and requires industrial water, quality workers, and other resources. Such resources are available at the Samalaju Industrial Park. In addition, this industrial park was selected because of the advantages it offers, including preferential tax treatment and support for acquisition of permits and licenses provided by the federal and state government. After selecting the site, Tokuyama drafted the basic design of the factory and at the same time considered various factors, including future trends in supply and demand for polycrystalline silicon. As a result of this process, Tokuyama has decided to move forward as described here.

Tokuyama has designated polycrystalline silicon business as a strategically growing business in its Centennial Vision and is actively strengthening to expand related operations. By mass-producing polycrystalline silicon at the two manufacturing bases of the Tokuyama Factory and the Malaysia facility, Tokuyama will maintain its presence in the industry by focusing on getting new customers in addition to retaining existing ones.

Outline of Second Manufacturing Base

Location: Samalaju Industrial Park (located 50 kilometers northeast of Bintulu, Sarawak, Malaysia)

Planned Site Area: About 200 hectares (about 2 million square meters)



Outline of New Factory

Annual Production Capacity: 6,000 tons
Production Method: Siemens method
Target Usage of Polycrystalline Silicon: Solar cells
Construction Plan: Commence construction early in 2011 and start operations in spring 2013
Principal Construction Company: Chiyoda Corporation
Factory Construction Costs: Approx. ¥65 billion

Overview of New Company

Name: Tokuyama Malaysia Sdn. Bhd.
Location of Headquarters: Kuching (capital of the Malaysian state of Sarawak)
Representative name: Undecided
Business: Manufacture and sale of polycrystalline silicon
Capital: Undecided
Establishment: August 2009
Composition of shareholders: Tokuyama 100% (planned)

Polycrystalline Silicon

To make polycrystalline silicon, trichlorosilane is produced from metallic silicon and then purified by distillation refining. Reduction is performed with hydrogen at temperatures near 1,000°C inside a bell jar, a special reactor, depositing 99.999...% (eleven 9s) high-purity polycrystalline silicon in rod form. This is polycrystalline silicon.

Polycrystalline silicon is a fundamental material for the semiconductor industry and is used in single-crystalline silicon wafers as well as single-crystalline and polycrystalline silicon solar cells.

Tokuyama URLs

English: <http://www.tokuyama.co.jp/eng/index.html>

Japanese: <http://www.tokuyama.co.jp/>