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Tokuyama Corporation Announces Revised Performance Forecast

Based on the current performance trend, Tokuyama Corporation has revised the performance forecast, announced on May 12, 2010, for the First Half Fiscal 2010 (April 1, 2010 to September 30, 2010), as described below.

1. Revised Performance Forecast for the First Half Fiscal 2010

(April 1, 2010 to September 30, 2010)

(1) Consolidated

(Unit: Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Previous forecast : (A) (May 12, 2010)	136,500	6,000	5,500	3,000	9.46
Newly revised forecast : (B)	140,000	8,000	6,000	3,500	10.06
Change : (B) - (A)	3,500	2,000	500	500	—
Rate of change (%)	2.6	33.3	9.1	16.7	—
[Reference] First Half Fiscal 2009	130,799	8,369	7,013	4,268	14.91

(2) Non-consolidated

(Unit: Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Previous forecast : (A) (May 12, 2010)	91,500	4,500	4,000	2,500	7.88
Newly revised forecast : (B)	96,000	6,500	4,500	2,000	5.71
Change : (B) – (A)	4,500	2,000	500	(500)	—
Rate of change (%)	4.9	44.4	12.5	(20.0)	—
[Reference] First Half Fiscal 2009	89,909	7,992	5,611	3,162	11.04

2. Reasons for the revision

First Half Fiscal 2010 (April 1, 2010 – September 30, 2010)

With regard to the non-consolidated performance forecast, net sales are expected to increase, as there are expected to be strong sales of polycrystalline silicon and vinyl chloride monomer. In addition to the aforementioned factor, as raw materials prices are expected to be below what was estimated at the announcement of the previous performance forecast, and more progress is expected to be made with streamlining measures of our cement operations than anticipated in the previous forecast, operating income is also expected to increase.

It is expected, however, that ordinary income will increase by no more than ¥0.5 billion due chiefly to a foreign exchange loss incurred in the first quarter. Net income is estimated to decrease by ¥0.5 billion owing mainly to an extraordinary loss due to liquidation of a subsidiary.

With regard to the consolidated performance forecast, net sales will be affected by weak sales of cement sales companies, liquidation of the subsidiary and other factors, on top of the above-mentioned factors on the non-consolidated basis. However, net income is expected to increase, mainly because a subsidy will be posted as an extraordinary gain.

Based on these factors, we have revised the performance forecast for the First Half Fiscal 2010 (April 1, 2010 to September 30, 2010), announced on May 12, 2010.

Fiscal 2010 (April 1, 2010 – March 31, 2011)

With regard to the performance forecast for Fiscal 2010 (Full year, April 1, 2010 to March

31, 2011), we have not revised the figures announced on May 12, 2010, as future prospects for the Company's business environment are uncertain.

※ The performance forecast contained in this material has 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.