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Notice regarding Construction Project for Polycrystalline Silicon Factory in Malaysia

As made public in the news release, “Tokuyama Corporation Announces Decision to Build Polycrystalline Silicon Factory in Malaysia” (announced on August 11, 2009), Tokuyama Corporation (hereinafter referred to as “the Company”) made the decision to build a new factory in Sarawak, Malaysia, to manufacture polycrystalline silicon for solar cells.

The annual production capacity of the new factory will be 6,000 tons. The factory construction costs are estimated to be approximately ¥65 billion, apart from the costs of infrastructure and utilities facilities.

In order to make costs related to this factory construction project clearer, the Company newly conducted a detailed examination regarding utilities facilities, including electric power receiving facilities and hydrogen generators, and infrastructure facilities, including roads and wastewater-treatment equipment. (These facilities include those for the future expansion of polycrystalline silicon production facilities.)

Based on the result of this examination, the Company estimates the costs of the infrastructure facilities and utilities facilities to be approximately ¥15 billion.

Tokuyama Malaysia Sdn. Bhd., the Company’s wholly owned subsidiary, will acquire property, plant and equipment related to this project.

The newly estimated costs mentioned above have no effect on the Company’s performance for the current fiscal year (April 1, 2010 to March 31, 2011).

Outline of New Factory

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