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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 11, 2012, for the First Half Fiscal 2012 (April 1, 2012 to September 30, 2012) and Fiscal 2012 (April 1, 2012 to March 31, 2013), as described below.

1. Revised Consolidated Performance Forecast for Fiscal 2012

(1) Performance Forecast for the First Half Fiscal 2012 (consolidated)

(April 1, 2012 to September 30, 2012)

(Unit: Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Previous forecast : (A) (May 11, 2012)	136,000	5,000	3,500	2,000	5.75
Newly revised forecast : (B)	128,500	3,500	1,000	0	0.00
Change : (B) - (A)	(7,500)	(1,500)	(2,500)	(2,000)	—
Rate of change (%)	(5.5)	(30.0)	(71.4)	(100.0)	—
[Reference] First Half Fiscal 2011	141,912	8,194	5,603	2,709	7.79

(2) Performance Forecast for Fiscal 2012 (consolidated)

(April 1, 2012 to March 31, 2013)

(Unit: Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Previous forecast : (A) (May 11, 2012)	286,000	12,000	8,500	5,000	14.37
Newly revised forecast : (B)	272,000	10,000	6,500	2,500	7.19
Change : (B) - (A)	(14,000)	(2,000)	(2,000)	(2,500)	—
Rate of change (%)	(4.9)	(16.7)	(23.5)	(50.0)	—
[Reference] Fiscal 2011	282,381	13,720	11,524	9,351	26.87

2. Revised Non-consolidated Performance Forecast for Fiscal 2012**(1) Performance Forecast for the First Half Fiscal 2012 (non-consolidated)**

(April 1, 2012 to September 30, 2012)

(Unit: Millions of yen)

	Net sales	Ordinary income	Net income	Net income per share (yen)
Previous forecast : (A) (May 11, 2012)	90,000	3,000	2,000	5.75
Newly revised forecast : (B)	82,500	0	(500)	(1.44)
Change : (B) - (A)	(7,500)	(3,000)	(2,500)	—
Rate of change (%)	(8.3)	(100.0)	—	—
[Reference] First Half Fiscal 2011	—	—	—	—

(2) Performance Forecast for Fiscal 2012 (non-consolidated)

(April 1, 2011 to March 31, 2013)

(Unit: Millions of yen)

	Net sales	Ordinary income	Net income	Net income per share (yen)
Previous forecast : (A) (May 11, 2012)	188,000	5,000	3,000	8.62
Newly revised forecast : (B)	175,500	3,000	500	1.44
Change : (B) – (A)	(12,500)	(2,000)	(2,500)	—
Rate of change (%)	(6.6)	(40.0)	(83.3)	—
[Reference] Fiscal 2011	185,099	8,538	8,497	24.42

3. Reasons for the revision

With regard to the non-consolidated performance forecast for the First Half Fiscal 2012 and Fiscal 2012, net sales are expected to be below what was estimated in the previous forecast, because of decreased sales volume of and a drop in sales prices of polycrystalline silicon due to a drop in solar cell prices arising from a supply glut and inventory adjustments of wafers arising from the slumping semiconductor market in the previous fiscal year; a decrease in sales volume of vinyl chloride monomer (VCM) and caustic soda due to a suspension of our VCM plant's operations caused by the plant's malfunction; and other factors.

Despite our efforts to reduce costs, ordinary income is expected to fall short of the previous forecast, due mainly to the above-mentioned factors and the higher ratio of fixed costs arising from the lower operating rate of the polycrystalline silicon plant.

Net income is expected to fall short of the previous forecast, due mainly to the above-mentioned factors and recording of the business restructuring charges of Excel Shanon Corporation, which manufactures and sells plastic window sashes.

With regard to the non-consolidated performance forecast, operating income is not disclosed.

With regard to the consolidated performance forecast for the First Half Fiscal 2012 and Fiscal 2012, net sales have been revised downward, for the same reasons as those mentioned in the non-consolidated performance forecast.

Operating income has been revised downward, due to the reasons for the revision of net

sales in the non-consolidated performance forecast, the higher ratio of fixed costs arising from the lower operating rate of the polycrystalline silicon plant, and other factors.

Ordinary income and net income have been revised downward, for the same reasons as those mentioned in the non-consolidated performance forecast.

※ The performance forecasts 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.