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Tokuyama Corporation Announces Revised Performance Forecast and Dividend Forecast

Based on the current performance trend, Tokuyama Corporation has revised the performance forecast, announced on July 30, 2012, and the dividend forecast, announced on August 1, 2012, 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) (July 30, 2012)	128,500	3,500	1,000	0	0.00
Newly revised forecast : (B)	125,900	700	(1,900)	(2,500)	(7.19)
Change : (B) - (A)	(2,600)	(2,800)	(2,900)	(2,500)	—
Rate of change (%)	(2.0)	(80.0)	-	-	—
[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) (July 30, 2012)	272,000	10,000	6,500	2,500	7.19
Newly revised forecast : (B)	260,500	3,000	(1,500)	(2,500)	(7.19)
Change : (B) - (A)	(11,500)	(7,000)	(8,000)	(5,000)	—
Rate of change (%)	(4.2)	(70.0)	-	-	—
[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) (July 30, 2012)	82,500	0	(500)	(1.44)
Newly revised forecast : (B)	79,900	(3,500)	(3,100)	(8.91)
Change : (B) - (A)	(2,600)	(3,500)	(2,600)	—
Rate of change (%)	(3.2)	-	-	—
[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) (July 30, 2012)	175,500	3,000	500	1.44
Newly revised forecast : (B)	166,500	(5,000)	(5,000)	(14.37)
Change : (B) - (A)	(9,000)	(8,000)	(5,500)	—
Rate of change (%)	(5.1)	-	-	—
[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, despite higher-than-expected cement sales volume, net sales are expected to be below what was estimated in the previous forecast, mainly because of a drop in sales prices of solar-grade polycrystalline silicon due to the weak solar cell market conditions arising from a supply glut and decreased sales volume of semiconductor-grade polycrystalline silicon due to inventory adjustments of wafers arising from the slumping semiconductor market. In addition, the two factors—a decrease in sales volume of caustic soda due to the economic slowdown and a fall in export prices of vinyl chloride monomer (VCM) due to sluggish demand for vinyl chloride resin in Asia—are also contributory to lower-than-expected net sales.

Ordinary income is expected to fall short of the previous forecast, due mainly to the above-mentioned factors and lower profit of VCM arising from higher domestic naphtha prices.

Net income is expected to fall short of the previous forecast, for the same reasons as those for the revision of ordinary income.

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, lower profit of VCM arising from higher domestic naphtha prices, and other factors. Ordinary income and net income have been revised downward, for the same reasons as those for the revision of operating income.

Based on these factors, the Company has revised the performance forecast, announced on July 30, 2012, for the First Half Fiscal 2012 and Fiscal 2012.

※ 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.

4. Revised Dividend Forecast for Fiscal 2012

(Period)	Annual dividends per share				
	1st quarter	2nd quarter	3rd quarter	Year-end	Total
	(yen)	(yen)	(yen)	(yen)	(yen)
Previous forecast (Aug. 1, 2012)	-	3.00	-	3.00	6.00
Newly revised forecast	-	-	-	-	-
Fiscal 2012 (Results)	-	-	-		
Fiscal 2011 (Results)	-	3.00	-	3.00	6.00

5. Reasons for the revision

We regret to announce a forecast for the interim dividends (at the end of Q2) as undecided at this present time, considering the downward revision in our performance forecast mentioned above, while we had previously announced the forecast of 3 yen per share on August 1, 2012.

The forecast for the year-end dividends has not yet been determined, and we will make decisions considering the future performance trend and financial conditions in a comprehensive manner.

The interim dividends will be decided by a Board resolution at the Board meeting held on November 5, 2012.

We would sincerely ask our shareholders to understand our current management situations.