

February 27, 2013

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Notice concerning Posting of Extraordinary Losses, Revision of Performance Forecast, Revision of Year-end Dividend Forecast, and Relinquishment of Executive Compensation

With a resolution at the meeting of the Board of Directors held today, Tokuyama Corporation (“the Company”) hereby announces to post extraordinary losses, as described below.

The Company also announces that it has revised the performance forecast, announced on February 5, 2013, for fiscal 2012 (April 1, 2012 to March 31, 2013), as described below.

Furthermore, the Company has revised the year-end dividend forecast, as described below. Also, the Company’s executives will relinquish their executive compensation, as described below.

1. Extraordinary Losses

The Company expects to post an impairment loss of approximately ¥27.5 billion on the Tokuyama Factory’s manufacturing facilities for polycrystalline silicon and its concurrent product, fumed silica, as extraordinary loss for fiscal 2012, the fiscal year ending March 31, 2013.

Against the backdrop of rapidly deteriorating market conditions, the polycrystalline silicon business has been confronting a persistently harsh operating environment since fiscal 2011. Under such circumstances, the Company made a calculation of future cash flows which the Tokuyama Factory’s polycrystalline silicon operations will generate. As a result, because no future cash flows are anticipated to be generated, the book value of the abovementioned facilities is to be written down to zero, and the amount of the write-downs is to be accounted for as impairment loss.

In addition, the Company expects to adjust polycrystalline silicon raw materials to a proper stock level, and to post loss from inventory revaluation of approximately ¥2.0 billion as extraordinary loss.

2. Revision of Performance Forecast for Fiscal 2012 (April 1, 2012 to March 31, 2013)

(1) Consolidated

(Unit: Millions of yen)

	Net sales	Operating income (loss)	Ordinary income (loss)	Net income (loss)	Net income per share (yen)
Previous forecast : (A) (Feb. 5, 2013)	258,500	4,000	0	(11,500)	(33.05)
Newly revised forecast : (B)	258,500	4,000	0	(41,000)	(117.84)
Change : (B) – (A)	0	0	0	(29,500)	—
Rate of change (%)	0.0	0.0	0.0	—	—
[Reference] Fiscal 2011	282,381	13,720	11,524	9,351	26.87

(2) Non-consolidated

(Unit: Millions of yen)

	Net sales	Ordinary income (loss)	Net income (loss)	Net income per share (yen)
Previous forecast : (A) (Feb. 5, 2013)	164,000	(3,000)	(12,000)	(34.49)
Newly revised forecast : (B)	164,000	(3,000)	(41,500)	(119.27)
Change : (B) - (A)	0	0	(29,500)	—
Rate of change (%)	0.0	0.0	—	—
[Reference] Fiscal 2011	185,099	8,538	8,497	24.42

(3) Reasons for the revision

With regard to the non-consolidated performance forecast and the consolidated performance forecast for fiscal 2012, net loss is expected to be substantially wider than the previous forecast, due to the extraordinary losses mentioned above.

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

Therefore, the Company has revised the performance forecast, announced on February 5, 2013, for fiscal 2012.

(Note) 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.

3. Revision of Year-end Dividend Forecast

(1) Details of the revision

	Newly revised forecast	Previous forecast (Oct. 31, 2012)	Dividend paid in previous year (year-end dividend for fiscal 2011)
Date of record	March 31, 2013	March 31, 2013	March 31, 2012
Dividend per share (yen)	3.00	Undecided	3.00
Total dividend paid (millions of yen)	1,043	—	1,043
Effective date	June 26, 2013	—	June 27, 2012
Source of dividend	Retained earnings	—	Retained earnings

(2) Reason for the revision

Due to a severe business environment, the Company is expected to record a consolidated net loss of ¥41.0 billion (¥41.5 billion net loss on a non-consolidated basis) for fiscal 2012. On the other hand the Company's earnings are expected to rebound from fiscal 2013 and beyond by implementing the Profit Improvement Plan. Therefore, we expect to pay out year-end dividends of 3 yen per share.

As we continue to make every effort to bring about a comprehensive improvement in profits and secure stable dividends, we kindly request the continued support and understanding of shareholders.

4. Relinquishment of Executive Compensation

The Company's executives have already relinquished 20% of their monthly compensation voluntarily since April 2012. However, taking the deterioration in earnings most seriously, they will

further relinquish their executive compensation, as described below.

Details of executive compensation relinquishment

President, Senior Managing Executive Officers, Managing Executive Officers, Executive Officers:
50% of bonus paid to executives in June 2013