

February 27, 2013

Company name: Tokuyama Corporation  
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## Notice concerning Profit Improvement Plan

Tokuyama Corporation (hereinafter referred to as “Tokuyama” or “the Company”) resolved to implement a Profit Improvement Plan at the meeting of the Board of Directors held today. Brief details are presented as follows.

### 1. Current Status and Targets

Earnings are projected to substantially decline in fiscal 2012, the fiscal year ending March 31, 2013. This is largely attributable to the downturn in polycrystalline silicon business profits as a result of the rapidly deteriorating market environment. Looking ahead, every effort will be made to significantly improve profit by rebuilding the polycrystalline silicon business, boosting profits in both existing and new businesses, and adhering strictly to a Companywide policy of expenditure reduction.

	FY2012 (Forecast)	FY2015 (Target)	FY2017 (Target)
Net Sales (Billions of yen)	258.5	320.5	358.0
Operating Income (Billions of yen)	4.0	18.0	25.0

### 2. Polycrystalline Silicon Business Reconstruction

The Company is committed to putting in place a business structure that is capable of generating a continuous stream of profits. To this end, energies will be channeled toward manufacturing semiconductor-grade polycrystalline silicon at Tokuyama Malaysia Sdn. Bhd. and ensuring an optimal production balance between polycrystalline silicon and such concurrent products as silica and silane gas at Tokuyama Factory. At the same time, considerable emphasis will be placed on further reducing manufacturing costs and other initiatives including the recording of impairment losses on polycrystalline silicon manufacturing equipment and facilities at Tokuyama Factory.

### 3. Other Business Profit Improvement Plan

In existing businesses including Chemicals and Cement, the Company will work to ensure the successful launch of the liquid hydrogen business as well as the waste gypsum board recycling business as a part of efforts to promote earnings growth. In the R&D segment, Tokuyama will endeavor to launch businesses that handle such new products as aluminum nitride single crystals and materials for fuel cells.

#### **4. Companywide Profit Improvement Plan**

The Company as a whole will adhere strictly to a policy of expenditure reduction including overhead, purchasing, and personnel expenses and work diligently to improve profitability.

Also, Tokuyama today issued a “Notice concerning Positioning of Extraordinary Losses, Revision of Performance Forecast, Revision of Year-end Dividend Forecast, and Relinquishment of Executive Compensation.”

In conjunction with plans to provide details of its Profit Improvement Plan during the Company’s investor meeting scheduled to be held tomorrow on February 28, 2013, Tokuyama intends to post explanatory materials on its website.