

January 31, 2014

Tokuyama Corporation

Concerning the Expansion of Fumed Silica Subsidiary in China
Tokuyama Transfers a Plant to Produce Fumed Silica (Hydrophobic Surface Treatment Grade)

Tokuyama Corporation (hereinafter referred to as “Tokuyama” or “the Company”) has endeavored to optimize its operations at the two production bases of the Tokuyama Factory and Tokuyama Chemicals (Zhejiang) Co., Ltd. in China as part of fumed silica business structural reforms.

Looking ahead, Tokuyama has decided to transfer a part of Tokuyama Factory’s annual production capacity of 2,000 tonnes to Tokuyama Chemicals (Zhejiang) with the aim to further expand the rapidly growing fumed silica (surface treatment grade) business in China and other Asian markets.

Fumed silica (surface treatment grade) is widely used in many applications, such as a viscosity control agent, an anti-settling agent and a flowability improving agent for paint, adhesive, ink and other products. To date, the Company has implemented pre-marketing activities from Japan and at the same time worked to tap the market aggressively.

The surface treatment grade fumed silica plant, which the Company plans to transfer, is the first full-scale production facilities in China. After the transfer, by developing new applications and expanding sales to customers in the China market, Tokuyama will improve the profitability of Tokuyama Chemicals (Zhejiang) and the fumed silica business as a whole.

Outline of the Plan

Company Name:	Tokuyama Chemicals (Zhejiang) Co., Ltd.
Business:	Manufacture and sale of fumed silica and chlorosilane
Product Which Is to Be Manufactured:	Fumed silica (surface treatment grade)
Investment:	8.4 million US dollars
Commencement of Construction:	May 2014 (Planned)
Start of Operations:	June 2015 (Planned)

Fumed Silica (also referred to as silica dioxide (SiO₂))

Product name: REOLOSIL

Main applications: Filling agent for silicone resin, anti-sagging agent for unsaturated polyester, epoxy resin, paint, etc.

Contact concerning this issue:

Corporate Communications & Investor Relations Dept., Tokuyama Corporation

Phone: +81-3-6205-4832