

September 25, 2015

Company name: Tokuyama Corporation
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Notice Concerning the Transfer of Non-current Assets and Posting of Extraordinary Income

Tokuyama Corporation (hereafter referred to as “Tokuyama” or “the Company”) today announced details of its decision to transfer certain non-current assets in accordance with a resolution of the Board of Directors at a meeting held on September 25, 2015. Brief details are presented as follows.

1. Background of the transfer

Tokuyama put in place its Medium-Term Management Plan 2017, which covers the three-year period from fiscal 2015, the fiscal year ending March 31, 2016, to fiscal 2017, the fiscal year ending March 31, 2018, in July 2015. After identifying efforts to rebuild the Company’s financial platform as a priority issue under its Medium-Term Management Plan 2017, Tokuyama has decided to transfer certain non-current assets in order to ensure the effective use of management resources and to improve its financial position.

2. Overview of assets to be transferred

No.	Asset Name	Location / Overview	Transferee	Current State
1	Shibuya Konno Bldg	3-1 Shibuya 3-chome, Shibuya-ku, Tokyo Land area: 817.68 m ² Total floor space: 4,331.70 m ²	Activia Properties Inc.	Real estate for rent
2	Cement Tokyo Service Station	13-42 Shinonome 2-chome, Koto-ku, Tokyo Land area: 10,863.95 m ²	Not disclosed	Site for cement service station use

* The total gain on transfer of the aforementioned assets is estimated at approximately ¥8.5 billion after deducting the book value of each asset and expenses related to the transfer from the total transfer price.

* In accordance with the agreements enter into with each transferee, we refrain from commenting on the transfer price and book value of each asset. The transfer price of each asset is based on a valid evaluation and is deemed appropriate.

* In accordance of the relevant non-disclosure agreement pertaining to the transfer of the cement Tokyo service station, we refrain from disclosing details of the transferee. While the transferee is a business entity in Japan, Tokuyama does not maintain any capital, personal, or transactional ties with this entity. At the same time, there are no related-party items of any substance to report.

3. Overview of the transferee

1 Name	Activia Properties Inc.
2 Location	16-3 Dogenzaka 1-chome, Shibuya-ku, Tokyo
3 Representative	Michie Kawai, Executive Director
4 Business Activities	Asset management based on the Act on Investment Trusts and Investment Corporations
5 Total unitholders' capital	¥150,770 million
6 Date Established	September 7, 2011
7 Relationship with the Company	Not applicable

4. Transfer schedule

No. 1 Shibuya Konno Bldg.

1 Resolution of the Board of Directors	September 25, 2015
2 Date of Contract Execution	September 25, 2015
3 Date of Property Transfer	October 1, 2015 (planned)

No. 2 Cement Tokyo Service Station

1 Resolution of the Board of Directors	September 25, 2015
2 Date of Contract Execution	September 28, 2015
3 Date of Property Transfer	March 31, 2016 (planned)

5. Extraordinary income

Tokuyama plans to post total gains from the sale of non-current assets as extraordinary income of approximately ¥8.5 billion in its consolidated financial statements for the third and fourth quarters of the fiscal year ending March 31, 2016 in line with the transfer of the aforementioned non-current assets.

6. Outlook

The Company is currently taking steps to review its consolidated and non-consolidated financial results forecasts for the fiscal year ending March 31, 2016. Details will be disclosed in a timely manner should any revision to financial results forecasts arise.