

March 31, 2016

Company name: Tokuyama Corporation

Representative name: Hiroshi Yokota,

President and Representative Director

(Code No. 4043, First Section TSE)

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**Notice concerning Resolution of Infringements  
of Certain Loan Agreement Financial Covenants**

Tokuyama Corporation (hereafter referred to as “Tokuyama” or “the Company”) has acknowledged the possibility that it may infringe upon certain loan agreement financial covenants identified in “1. Qualitative information on consolidated results for the quarter (2) Explanation concerning financial position” of its “Summary of Consolidated Financial Statements for the Third Quarter Fiscal 2015 (JPGAAP)” issued on January 29, 2016. The Company has also taken certain steps in an effort to address this possibility of infringement. Brief details are presented as follows.

1. The possibility of infringing upon certain loan agreement financial covenants

As disclosed in the Company’s press release “Notice concerning the Posting of an Extraordinary Loss, Revision of Performance Forecasts, and the Return of Executive Compensation” dated January 29, 2016, Tokuyama has acknowledged the possibility that it may infringe upon certain loan agreement financial covenants. In specific terms, and in the context of its consolidated balance sheet, the Company may fail to maintain the level of net assets prescribed as of March 31, 2016. This possibility of infringement is largely due to the Company’s decision to record an impairment loss on the polycrystalline silicon manufacturing facilities and equipment of Tokuyama Malaysia Sdn. Bhd.

2. Status of steps taken with respect to financial institutions

a. Tokuyama has received a notification of approval, exempting the Company from infringements of financial covenants stipulated under the term-out medium-term commitment line agreement executed on September 30, 2011, and consent to continuous transactions from The Bank of Tokyo-Mitsubishi UFJ, Ltd.

b. As the result of continuous negotiation, Tokuyama has received approval, exempting the Company from infringements of financial covenants stipulated under the syndicated loan agreement executed on December 22, 2011 with seven lenders with the Development Bank of Japan Inc., serving as lead manager, and the syndicated loan agreement executed on July 24, 2012 with six lenders with The Bank of Tokyo-Mitsubishi UFJ, Ltd., serving as lead manager. Through ongoing requests,

Tokuyama has also executed revised loan agreements with each of the aforementioned financial institutions.

- c. As the result of continuous negotiation, Tokuyama has today prepaid the principal amount in full together with the settlement amount stipulated under the syndicated loan agreement executed on September 26, 2012 with nine lenders with Sumitomo Mitsui Trust Bank, Limited, serving as lead manager.

As a result of the actions taken, the Company has fully resolved all issues relating to infringements of loan agreement financial covenants and concerns regarding future infringement.

There are no changes to the interest rate burden applicable to loan agreements following the aforementioned actions taken with only a limited increase in incidental expenses. Accordingly, there is no material impact on the Company's consolidated performance forecast for the full fiscal year ending March 31, 2016.