

June 27, 2016

Company name: Tokuyama Corporation

Representative: Hiroshi Yokota,

President and Representative Director

(Code No. 4043, First Section TSE)

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Notice concerning the Completion of Payment for an Issuance of Class Shares by Third-Party Allotment, the Coming into Effect of Decreased in Capital Stock and Legal Capital Surplus

Tokuyama Corporation (hereinafter referred to as the “Company”, “Tokuyama” or “we”) hereby announces that, as of today, the payment for the issuance of the Class A shares, which was announced in the “Notice concerning Issuance of Class Shares by Third-Party Allotment, Partial Amendments to the Articles of Incorporation, Reduction of Amounts of Capital Stock, Legal Capital Surplus and Legal Retained Earnings, Appropriation of Surplus, and Reduction of Capital Stock and Legal Capital Surplus Concurrent with Issuance of Shares” dated May 12, 2016, has been completed, and the Class A shares were issued.

In addition, the Company also announces that, with the issuance, the decreases in capital stock and legal capital surplus which were announced in the above press release have come into effect.

I. Issuance of Class A Shares

1. Overview of Issuance of the Class A Shares

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| (1) Payment date | June 27, 2016 |
| (2) Number of shares issued | 20,000 shares |
| (3) Issued price | 1,000,000 yen per share |
| (4) Amounts of procurement funds | 20,000,000,000 yen |
| (5) Capital stock and legal capital surplus increased | Capital stock 10,000,000,000 yen (500,000 yen per share) Legal capital surplus 10,000,000,000 yen (500,000 yen per share) |
| (6) Subscription and allotment method (Allottee) | Allotted by a third party allotment method. Japan Industrial Solutions Fund I 20,000 shares |

With this completion of the payment for an issuance of Class A shares, the election of Mr. Hiroshi Akao to the external director, which was approved at the 152nd ordinary general meeting of shareholders held on June 24, 2016, has formally taken effect.

2. Changes in the Total Number of Issued Shares by a Third Party Allotment and Amount of Capital Stock

| | Total number of issued common shares | Total number of issued Class A Shares | Amount of Capital Stock (Note) |
|---------------------|--------------------------------------|---------------------------------------|--------------------------------|
| Before the issuance | 349,671,876 shares | 0 shares | 10,000,000,000 yen |
| After the issuance | 349,671,876 shares | 20,000 shares | 20,000,000,000 yen |

(Note) As indicated below, although the decrease in capital stock has come into effect, the amount of capital stock after the issuance as indicated above is the amount before the decrease in capital stock comes into effect.

II. Decrease in Capital Stock and Legal Capital Surplus

1. Decrease in Capital Stock and Increase in Other Capital Surplus

Based on the provision of Article 447, Paragraph 1 of the Companies Act, the Company decreased capital stock by 10,000,000,000 yen and transferred the total amount of the capital stock decrease to other capital surplus.

2. Decrease in Legal Capital Surplus and Increase in Other Capital Surplus

Based on the provision of Article 448, Paragraph 1 of the Companies Act, the Company decreased legal capital surplus by 10,000,000,000 yen and transferred the total amount of the legal capital surplus to other capital surplus.

After the decreases in capital stock and legal capital surplus as indicated above came into effect, the Company's capital stock, legal capital surplus and other capital surplus became 10,000,000,000 yen, 0 yen and 39,200,222,346 yen, respectively.