

**Conference Call (September 28, 2016) Concerning the Transfer of Tokuyama Malaysia
Q&A (Excerpts)**

Participants:

Hiroshi Yokota, Representative Director, President and Executive Officer

Akihiro Hamada, Director, Managing Executive Officer, General Manager of the Corporate Administration Division

1. Question regarding the transfer

Q1: What will happen to government incentives for the electric power and others as well as sales agreements with users following the transfer?

A1: In principle, we anticipate each will be taken over by OCI Company Ltd. (OCI). We believe that any final decision regarding sales relationships will be left to OCI.

2. Question regarding results and financial position

Q2: What are the reasons behind the projected extraordinary loss of ¥8.0 billion? The decrease in income taxes is expected to offset any incidence of an extraordinary loss. Can we assume, at this stage, that there will be no impact on the Company's results?

A2: In accordance with contractual arrangement, Tokuyama Malaysia Sdn. Bhd. (TMSB) must be debt free at the time of its transfer to OCI. Owing to such factors as debt relief, TMSB's net book value is anticipated to increase and exceed the transfer price of \$98 million dollars. The resulting difference will be accounted for as an extraordinary loss. While we are estimating this extraordinary loss to come in at around ¥8.0 billion following the transfer, we are also forecasting a decrease in income taxes of roughly ¥8.0 billion for the fiscal year under review. Taking these factors into consideration, we believe any impact on results will be limited.

3. Questions regarding future management

Q3: Which businesses will you focus on in the future? Will you continue to manufacture semiconductor-grade polycrystalline silicon in Japan?

A3: As indicated in our Medium-Term Management Plan, our focus on growth businesses including the ICT and healthcare fields remains unchanged. As far as traditional businesses are concerned, we are looking at secure a leading position in Japan by upgrading and expanding operations at Tokuyama Factory. Tokuyama Factory will continue to concentrate its polycrystalline silicon

activities on semiconductor-grade production.

Q4: What are your thoughts having now decided on TMSB's sale, and how do you plan to grow the Company going forward?

A4: We view the sale of TMSB with a deep sense of regret and emptiness. Thoughts of what might have happened had the money invested in TMSB been directed to another business come and go. At the same time, we have pulled the plug on a business that has impacted the Company's results since 2011. We therefore see the decision to transfer TMSB as a new beginning and a driving force that will help us steadfastly carry out our Medium-Term Management Plan.