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Notice concerning Difference between Performance Forecast and Actual Results for First Half Fiscal 2016, and Revision of Performance Forecast for Full Fiscal 2016

Tokuyama Corporation (hereinafter referred to as “Tokuyama” or “the Company”) announces the difference between the performance forecast, previously disclosed on May 12, 2016, and actual results for the first half fiscal 2016 (April 1, 2016 to September 30, 2016), as described below. The Company has also revised the performance forecast for full fiscal 2016 (April 1, 2016 to March 31, 2017), announced on May 12, 2016, as described below.

1. Difference between Performance Forecast and Actual Results for First Half Fiscal 2016

(1) Difference between Performance Forecast and Actual Results

(April 1, 2016 to September 30, 2016)

(Unit: Millions of yen)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Basic earnings per share (yen)
Previous forecast : (A) (May 12, 2016)	145,000	14,500	11,500	7,000	19.37
Actual results : (B)	142,593	18,025	14,509	18,449	52.28
Difference : (B) – (A)	(2,407)	3,525	3,009	11,449	—
Rate of change (%)	(1.7)	24.3	26.2	163.6	—
[Reference] First Half Fiscal 2015	149,128	7,549	5,262	2,783	8.00

(2) Reasons for the difference

Net sales were almost level with the previous forecast. Operating income and ordinary income were better than the previous forecast mainly due to lower-than-expected raw material and fuel prices. Profit attributable to owners of parent exceeded the previous forecast owing to above-mentioned reasons as well as posting 2.2 billion yen of the gain on subsidy income of Tokuyama Malaysia Sdn. Bhd. (hereinafter referred to as “Tokuyama Malaysia”) and 1.9 billion yen of the gain on sales of shares in Figaro Engineering Inc. as extraordinary gains for the first half of the fiscal year ending March 31, 2017, and the decrease of tax expense due to having made the decision on the transfer of Tokuyama Malaysia.

2. Revision of Performance Forecast for Full Fiscal 2016 (April 1, 2016 to March 31, 2017)

(1) Revision of Performance Forecast for Full Fiscal 2016

(Unit: Millions of yen)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Basic earnings per share (yen)
Previous forecast : (A) (May 12, 2016)	302,000	32,000	27,000	17,000	46.68
Newly revised forecast : (B)	291,000	33,000	27,000	21,000	58.18
Change : (B) - (A)	(11,000)	1,000	0	4,000	—
Rate of change (%)	(3.6)	3.1	0.0	23.5	—
[Reference] Fiscal 2015	307,115	23,071	17,725	(100,563)	(289.10)

(2) Reasons for the revision

The performance forecast for the full fiscal year ending March 31, 2017 has been revised as above from the previous performance forecast released on May 12, 2016, due to the revised forecast of raw material and fuel prices as well as exchange rate, and the impact of transfer of Tokuyama Malaysia.

(Note) The performance forecast and other forward-looking statements contained in this material have been prepared on the basis of information available at this point and certain assumptions which are judged to be rational, and may be substantially different from the actual performance because of various factors that may arise from now on.