

December 2, 2016  
**Tokuyama Corporation**

**Notice Concerning the Decision to Bolster  
High-purity Aluminum Nitride Powder Manufacturing Facilities**

Tokuyama Corporation (hereafter referred to as “Tokuyama” or “the Company”) today announced details of its decision to bolster high-purity aluminum nitride powder manufacturing facilities at Tokuyama Factory in response to growing demand.

Projecting an increase in demand for the high-purity aluminum nitride powder in the heat dissipation market, Tokuyama has earmarked growth in the SHAPAL business, which handles aluminum nitride-related products, as a priority issue under its Medium-Term Management Plan. Accordingly, the Company will expand this business by bolstering the manufacture of high-purity aluminum nitride powder using its proprietary reduction-nitridation process in response to needs from the market.

In this instance, Tokuyama Factory will lift its annual production capacity by 120 tonnes. Together with its current capacity of 480 tonnes, total annual production capacity will come in at 600 tonnes.

Work will commence within the site of Tokuyama Factory’s plant in January 2017 with the start of commercial operations scheduled for April 2018.

Efforts to bolster manufacturing capabilities will further upgrade and expand the Company’s high-purity aluminum nitride powder supply structure and systems. Moreover, Tokuyama will promote the development of wide-ranging application while at the same time endeavoring to enhance stable supply.

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