

January 31, 2017

Tokuyama Corporation

**Notice concerning the Decision to Transfer
Deep Ultraviolet LED Technologies and Facilities to Stanley Electric Co., Ltd.**

Tokuyama Corporation (hereinafter referred to as “Tokuyama,” or “the Company”) hereby announces that the Company has concluded an agreement to transfer the Company’s deep ultraviolet LED technologies and facilities with Stanley Electric Co., Ltd. (hereinafter referred to as “Stanley Electric”).

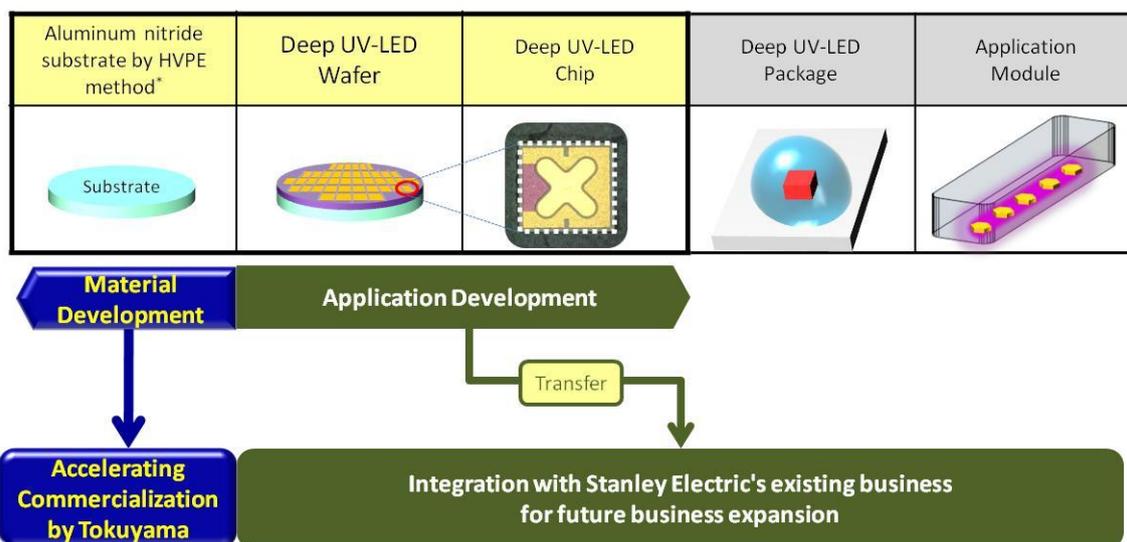
Tokuyama has continued to promote the development of deep ultraviolet LEDs as a part of efforts to expand the application of single crystal aluminum nitride substrates produced using the hydride vapor phase epitaxy (HVPE) method. Guided by the Company’s current Medium-Term Management Plan, and amid ongoing efforts to transition toward a customer-centric research and development structure, the Company has decided to focus on the development of single crystal aluminum nitride substrate materials that harness the strengths of its distinctive technologies. Recognizing that Stanley Electric maintains considerable competitive advantage in the LED market and can be expected to engage broadly in the commercialization of deep ultraviolet LEDs, Tokuyama has at the same time decided to transfer its deep ultraviolet LED-related patents, know-how as well as development and production facilities.

Looking ahead, the Company will direct its research and development resources toward the development of single crystal aluminum nitride substrates. Working to deepen the application of technologies in this field while collaborating with customers including Stanley Electric, Tokuyama will also secure practical use at the earliest possible opportunity and strive to rollout new material development applications.

Outline of Stanley Electric

Location	: 2-9-13 Nakameguro, Meguro-ku, Tokyo, Japan
Date of Establishment	: December 29, 1920
Name and Title of Representative	: Takanori Kitano, President and Representative Director
Capital	: JPY 30,514 million
Number of Employees	: 15,542 (Consolidated)
Business	: Manufacture and sale of headlamps for vehicles, other automotive components, electric components and equipment including LEDs

Appendix: Overview of the Deep Ultraviolet LED Process and Perceived Scenario Following the Transfer of Technologies and Facilities



* Single crystal aluminum nitride growth technology utilizing the hydride vapor phase epitaxy (HVPE) method.

After obtaining the support of the Japan Science and Technology Agency, an industrialization process successfully developed at the Company following the introduction of substrate technologies held by Tokyo University of Agriculture and Technology.

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