

April 28, 2017

Company name: Tokuyama Corporation
Representative name: Hiroshi Yokota,
President and Representative Director
(Code No. 4043, First Section TSE)
Contact: Taro Kobayashi, General Manager,
Corporate Communications & Investor Relations Dept.
TEL: +81-3-5207-2552

Notice concerning the Additional Posting of Deferred Tax Assets and the Difference between Performance Forecasts and Actual Results

Tokuyama Corporation (hereinafter referred to as “Tokuyama” or “the Company”) announces that is undertaken the additional posting of deferred tax assets. The Company also provides details of the subsequent difference between performance forecasts, previously disclosed on October 28, 2016, and actual results for fiscal 2016, the fiscal year ended March 31, 2017, described as follows.

1. Additional Posting of Deferred Tax Assets

In accordance with the press release “Notice concerning Third-Party Allotment of the New Shares and Transfer of the Shares of Consolidated Subsidiary” issued on September 28, 2016, Tokuyama decided to transfer all of its shares held in Tokuyama Malaysia Sdn. Bhd. (hereinafter referred to as “Tokuyama Malaysia”), a consolidated subsidiary, to OCI Company Ltd. (hereinafter referred to as “OCI”). In line with this decision, and as a result of a reassessment of the recoverability of deferred tax assets, Tokuyama additionally posted deferred tax assets and recorded income taxes - deferred of -¥17.8 billion in the fiscal year ended March 31, 2017.

2. Difference between Performance Forecasts and Actual Results for Fiscal 2016

(April 1, 2016 to March 31, 2017)

(Unit: Millions of yen)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Basic earnings per share (yen)
Previous forecast : (A) (Oct 28, 2016)	291,000	33,000	27,000	21,000	58.18
Actual results : (B)	299,106	39,720	33,998	52,165	147.78
Difference : (B) – (A)	8,106	6,720	6,998	31,165	—
Rate of change (%)	2.8	20.4	25.9	148.4	—
[Reference] First Half Fiscal 2015	307,115	23,071	17,725	(100,563)	(289.10)

Reasons for the difference

Net sales for the fiscal year under review were essentially in line with forecasts. Operating income and ordinary income exceeded forecasts. This largely reflected greater than expected improvement in the loss attributable to Tokuyama Malaysia and lower than projected raw material and fuel costs. In addition to the reasons outlined above, the transfer of consolidated subsidiary Tokuyama

Malaysia was postponed from the originally forecast end of March 2017 to the end of May 2017. As a result, the Company did not post the extraordinary loss related to the transfer of Tokuyama Malaysia that had been factored into forecasts. Accounting for each of these factors and the aforementioned additional posting of deferred tax assets, the profit attributable to owners of parent was higher than forecasts.

(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.