



May 12<sup>th</sup> 2016

Immediate Release

JIS TO ACQUIRE NEW SHARES ISSUED BY TOKUYAMA CORPORATION

Japan Industrial Solutions (“JIS”) is pleased to announce today that it has entered into a definitive agreement to acquire new shares issued by Tokuyama Corporation (TSE: 4043, “TOKUYAMA”), through its investment vehicle, Japan Industrial Solutions Fund 1.

TOKUYAMA is a major chemical company, leading in the manufacturing and sales of inorganic/organic industrial chemicals, cement and building materials, electronic materials, functional materials, synthetic resin and films, and medical products. TOKUYAMA promoted the expansion of the polysilicon business in Tokuyama Malaysia Sdn. Bhd., based on its management plan which was formulated in May 2012. However, the decline in the polysilicon market led to the aggravation of the business environment, summing up to a considerable amount of impairment loss in the fiscal year ended Mar 31, 2015 and the fiscal year ended Mar 31, 2016.

In such a situation, TOKUYAMA has recently set “New foundation” as the fundamental policy, with the aim becoming the world’s No.1 in the field of advanced materials using unique technologies for growth businesses (Specialty products, Life & Amenity, and new businesses), and attaining Japan’s top position for traditional businesses (Chemicals and Cement) in terms of competitiveness by 2025. As the “Cornerstone of the Group’s Revitalization” toward achieving those goals, the “five-year medium-term management plan” from fiscal 2016 to fiscal 2020 was formulated: this plan sets 1. Change the Group’s organizational culture and structure, 2. Rebuild the Group’s business strategies, 3. Strengthen Group management, and 4. Improve the Company’s financial position as priority issues. In carrying out this “five-year medium-term management plan,” it is necessary to improve the deteriorated shareholders’ equity, and to secure funds for capital expenditures to expand capacity and sales of advanced materials, rationalize investments for

strengthening competitiveness of the Tokuyama Factory, make strategic M&A investments. Thus TOKUYAMA considered capital reinforcement with JIS, and reached mutual agreement today.

JIS aims to contribute to the advancement of global competitiveness and sustainable growth of Japanese companies through supporting business turnarounds and reorganizations. The acquisition of TOKUYAMA shares will support TOKUYAMA's strive to transit to a robust business structure that is capable of sustainable growth with the implementation of the "five-year medium-term management plan," eventually leading to the reinvigoration of our home industries.

JIS has entered into an agreement with TOKUYAMA, which Board of Directors have passed a Resolution today to issue new shares, to purchase twenty thousand Class A Preferred Shares for an amount of twenty billion yen. Completion of the investment is expected on June 27th 2016, and is subject to customary closing conditions.