

May 16, 2016

Final Notice Concerning Shutdown of Part of the Production Operation in One of our Subsidiaries

The YAMASHIN CEBU FILTER MANUFACTURING CORP., one of the company's subsidiaries, shut down part of the production operation because of a fire, as announced on May 10, 2016, and on the following day, the subsidiary restarted the production operation.

We confirmed the cause of the fire and future preventative approaches as follows;

1. Subsidiary's name and location

- (1) Subsidiary's name: YAMASHIN CEBU FILTER MANUFACTURING CORP.
- (2) Location: Mactan Economic Zone 2-Special Economic Zone Basak, Lapulapu-City6015
Mactan Cebu, Philippines

2. Circumstances

The fire occurred in one of the processing equipment in the factory on May 10, 2016 around 10:45 am, local time (11:45 am Japan time) but was extinguished within approximately 15 minutes from the outbreak. The subsidiary restarted the production operation on May 11, 2016, around 1:30 pm, local time (2:30 pm Japan time).

3. Impact on operations

We confirmed that there were no injuries to our employees. Although the part of the processing equipment was damaged, the equipment has been restored, and the production line involving the equipment has been returned to normal. There is no change to the future shipping schedule.

4. Cause of fire and preventative approaches

We have found out the cause of the fire; there was an error with the initial settings for thermal processing of raw materials. We will review the current education and training for employees and enhance the management system to ensure the safety and security.

5. Impact on business performance

The impact on our business performance is not significant.

We apologize that this incident caused worries and inconvenience to our shareholders, customers and suppliers, and related persons. We will do our best to prevent the reoccurrence of this kind of incident. Your continued support would be highly appreciated.

【News Release】

Contact details for inquiries:

Management Planning Office, YAMASHIN-FILTER CORP.

TEL: +81-45-680-1680

E-mail: ir@yamashin-filter.co.jp