

May 10, 2016

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

YAMASHIN-FILTER CORP. announces that the YAMASHIN CEBU FILTER MANUFACTURING CORP., one of the company's subsidiaries, shut down part of the production operation due to outbreak of a fire from one of the machinery equipment in the factory, which occurred in May 10, 2016 around 10:45 am, local time (11:45 am Japan time).

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-City 6015
Mactan Cebu, Philippines

2. Cause of fire

We are investigating the cause of the fire. The fire occurred in one of the processing equipment in the factory and was extinguished within approximately 15 minutes from the outbreak. We will disclose the details of the cause of the fire and the future preventative methods in regards to fire when the details are clear.

3. Impact on operations

We confirmed that there were no injuries to our employees. We are investigating the extent of the damage to the equipment and the lost raw materials and revising the future shipping schedule. Operations other than the production line involving the affected equipment are running normally.

4. Impact on business performance

The impact on our business performance is under investigation. We will update the information as soon as possible if we find that our business will be significantly affected by this accident.

Contact details for inquiries:

Management Planning Office, YAMASHIN-FILTER CORP.

TEL: +81-45-680-1680

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