

August 12, 2013

Announcement on closure of ISK Singapore

ISHIHARA SANGYO KAISHA, LTD.

Ishihara Sangyo Kaisha, Ltd. (“**ISK**”) announced on August 12, 2013, that as a part of its ongoing reformation of inorganic business portfolios, it will close the titanium dioxide production plant of its 100% subsidiary ISK Singapore Pte. Ltd. (“**ISK Singapore**”) located at 39 Tuas West Drive, Singapore, and will consolidate the production of titanium dioxide products into its existing plant in Yokkaichi, Japan.

Due to the strong local currency, the higher cost infrastructure and the scale of the plant, the business at ISK Singapore has been challenging, and the recent sharp increase of feedstock prices and worldwide sluggish demand has further impacted its profitability negatively to such an extent that significant improvement cannot be expected in the foreseeable future. Under the given situation, ISK considered it inevitable to downsize its inorganic chemicals business in order to sustain the business by achieving a rapid earnings recovery and increasing the market competitiveness by the consolidation of resources into Yokkaichi Plant.

To improve the performance of inorganic chemicals business, ISK continues to put various plans into practice including overall cost reductions, increasing sales of value-added products such as functional materials, and commercialization of new business such as rare metals and battery materials.