

June 17, 2011

Elematec to Establish Specified Subsidiary in China

Elematec Corporation, at the board of directors meeting held on June 17, 2011, resolved to establish a wholly owned subsidiary in Changshu city, Jiangsu province, China. Moreover, Elematec announces that the subsidiary's amount of capital will be equivalent to more than ten-hundredth of Elematec's amount of capital and the subsidiary will become Elematec's specified subsidiary defined by Cabinet Office Ordinance on Disclosure of Corporate Information, etc.

1. Reason for establishment

In China, Elematec Group currently produces printed and cut plastic products such as LCD front panels and decorative panels for enclosures that are used mainly in digital cameras, mobile phones and PC LCD monitors. In recent years, however, the demand for glass processing materials is increasing instead of plastics in electronics products.

In addition, with the rapid spread of various mobile devices such as smartphones, there is a growing demand from touch panel, LCD and other device manufacturers to procure LCD front glass panels installed in these devices in China. Elematec decided to establish a wholly owned subsidiary in Changshu city, Jiangsu province, China to meet these demands.

2. Profile of specified subsidiary

- a. Name Changshu Elematec Optical Co., Ltd. (tentative name)
- b. Location Jiangsu New & High Tech Industrial Park, Changshu Economic Development Zone, Changshu city, Jiangsu province, China
- c. Person in charge Masanori Kitahira (Elematec Director)
- d. Establishment August 2011 (scheduled)
- e. Activities Manufacturing of front glass panels for digital cameras and mobile phones and other sales
- f. Fiscal year end December 31
- g. Capital US \$ 4.77 million
- h. Investment ratio Elematec 100%
- i. Employees 27 (scheduled) at the time of establishment
- j. TEL To be determined
- k. FAX To be determined

3. Outlook for operating results

The effects of the establishment of subsidiary on Elematec operating results (consolidated and non-consolidated) are insignificant and there are no revisions to the operating results for the current fiscal year announced on May 10, 2011.