

October 31, 2011

Elematec to Discontinue the Establishment of Specified Subsidiary in China

Elematec Corporation, at the board of directors meeting held on October 31, 2011, resolved to discontinue the establishment of the following subsidiary with regard to the press release titled “Elematec to Establish Specified Subsidiary in China” disclosed on June 17, 2011.

1. Description of discontinuation of establishment

Elematec Corporation, at the board of directors meeting held on June 17, 2011, resolved to establish a wholly owned subsidiary (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)in Changshu city, Jiangsu province, China and was preparing for the establishment. However, Elematec at today’s board of directors meeting resolved to discontinue the establishment.

2. Background to the discontinuation of the establishment of subsidiary

Currently in China, there is a growing demand for glass processing materials for various mobile devices including smartphones and Elematec Group was preparing for the establishment of a subsidiary in China to provide Touch panel, LCD and other device manufacturers with LCD front glass panels.

However, in order to respond to rapidly changing economic environment and industry trends and to meet customers’ needs that will change multifariously in the future, Elematec Group considered preferable as a trading firm to provide highly-value added services by using product supply capacities of local purchasers and processing manufacturers. Therefore, Elematec Group decided to discontinue the establishment of the subsidiary.

3. Outlook for operating results

The effects of the establishment of subsidiary on Elematec operating results (consolidated and non-consolidated) have been reflected in the “Notice Concerning Revisions to Business Forecasts” announced on October 17, 2011 and today’s “Business Results for the Second Quarter of the Fiscal Year Ending March 31, 2012”.