



January 23, 2014

Notice Concerning Early Retirement Incentive Program

Taiyo Nippon Sanso Corporation (TNSC) hereby announces that at a meeting of the board of directors held on January 23, 2014, it resolved to enforce an early retirement incentive program as described below.

1. Reason for the early retirement incentive program

Although TNSC has been expanding its overseas business, the Japanese market remains sluggish; therefore, in order to achieve sustainable growth, TNSC will cut costs by carrying out structural reforms and implementing a variety of measures and policies. As a part of these efforts, TNSC has resolved to enforce the early retirement incentive program, so that each employee can review his/her individual career plan; we wish to also provide each employee with options to achieve these plans.

2. Outline of the early retirement incentive program

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| (1) Eligible employees: | TNSC employees who, as of March 31, 2014, have more than 10 years of continuous service and are at least 40 years of age and less than 60 years of age |
| (2) Number to be admitted: | about 100 employees |
| (3) Application period: | February 26, 2014 to March 10, 2014 |
| (4) Retirement date: | April 30, 2014 |
| (5) Benefits: | The retiree will be paid the prescribed retirement allowance as involuntary retirement with special incentives. Further, outplacement support will be provided through an outside agency for those who request it. |

3. Impact on TNSC's financial forecasts

In the fiscal year ending March 31, 2014, TNSC expects to record, as an extraordinary loss, expenses including extra severance pay incurred due the enforcement of the early retirement incentive program. However, because the number of applicants is still unknown at this juncture, we will promptly release an announcement once we have confirmed the projected impact this will have on earnings.