

March 18,2011

Sakai Chemical Industry Co., Ltd.

Representative Director : Iwao Yabunaka, President

Listed on Tokyo Stock Exchange

And Osaka Securities Exchange

The Impact of the Tohoku district-off the Pacific Ocean Earthquake(No. 2)

Sakai Chemical Industry Co., Ltd. (Sakai) expresses its deepest sympathy for those who have been suffered from the calamity by the Tohoku district-off the Pacific Ocean Earthquake (the Earthquake) which devastated on March 11, 2011.

Sakai is currently assessing the impact of the Earthquake upon its three facilities such as Onahama Manufacturing Site, Yumoto Works, and Otsurugi Works, and provides details of current conditions of these facilities.

1 . Names of facilities, addresses, and products.

① Onahama Manufacturing Site (110,Aza Tajuku,Izumi-machi Shimogawa, Iwaki, Fukushima)

Products: Titanium Dioxide, Barium Salt such as Barium Sulfate and Barium Carbonate

② Yumoto Works (1-1, sawame, Joban Iwagaoka-cho, Iwaki, Fukushima)

Products: Zinc Oxide, Zinc Dust

③ Otsurugi Works (382, Aza Otsurugi, Izumi-machi Shimogawara, Iwaki, Fukushima)

Products: Dielectric Materials, Fluorescent Materials for Flat Panel Display

2 . Current conditions

① Sakai has confirmed that all of its employees are safe.

② Operations at all of the facilities have been halted because utilities such as the electricity and the water supply have been shut down since the Earthquake struck.

As a part of the buildings and manufacturing equipments have damages, once aftershocks cease, Sakai will start assessing their conditions in detail.

③ A part of the finished products in the warehouses have been tumbled and they have torn bags.

Sakai is currently assessing the conditions carefully and it will take every effort to deliver them as soon as possible.

3 . Impact upon operating results

Although Sakai is currently assessing the impact of the Earthquake upon its operating results, it is unknown at this time. It will disclose the information once it becomes clear.

4 . Other

Above mentioned facilities are located approximately 50km away from Fukushima Daiichi nuclear power plant.

Sakai expresses its apology for any inconvenience due to the operation shutdown and it appreciates your patience.