

July 15, 2015

## Otsuka Chemical America Celebrates New Terracess Factory Opening in Griffin, GA

Otsuka Chemical Co., Ltd. today announced the grand opening of its new Terracess (fiber-free potassium titanate) plant in Griffin, GA. The completion of this milestone follows the establishment in February 2014 of Otsuka Chemical America, Inc., a new company that will serve as Otsuka Chemical's sales headquarters for the Americas in addition to a production site for Terracess.

In recent years, Terracess has been growing in demand as a material employed in automotive brake pads. In response to this demand, Otsuka has bolstered its efforts to expand sales of the material in the Americas, especially in the United States, due to the region's robust market for new automobiles and the presence of numerous brake pad development facilities. The new facility will support an annual production capacity of 2,000 metric tons.

Leveraging the next-generation technologies and production know-how Otsuka has accumulated to date at its titanate facilities in Japan and China, the project was a multinational effort involving construction firms and equipment suppliers across the U.S., China and Japan. As a result, the new facility was completed in record time, a mere twelve months after the groundbreaking in July 2014.

1. Company name:	Otsuka Chemical America, Inc.
2. Location:	Griffin, GA, U.S.A
3. Dimensions:	34 acres (13.75ha)
4. Products produced:	Terracess (fiber-free potassium titanate)
5. Grand opening:	July 14, 2015
6. Launch of operations:	November 2015 (planned)
7. Ownership:	100% Otsuka Chemical Co., Ltd.
8. No. of employees:	Approx. 25
9. Production capacity:	2,000 MT/year

### ***About Terracess***

Terracess is a titanate material that has been developed in a flaky (platelet) microparticle form. The material is currently used in applications such as micro-reinforcement and friction.

For over thirty years, Otsuka Chemical has researched and developed technology for controlling the shape of this titanate material, and the company has successfully produced a wide variety of different shapes and compositions. By employing Terracess, customers can minimize brake squeal and variability in wear among pads, thereby enabling long-term stable brake performance.

Otsuka Chemical named this fiber-free potassium titanate Terracess, a brand name that expresses the

company's desire to work with customers throughout the world ("terra," which is Latin for "earth") to achieve success ("cess").

### ***Product History***

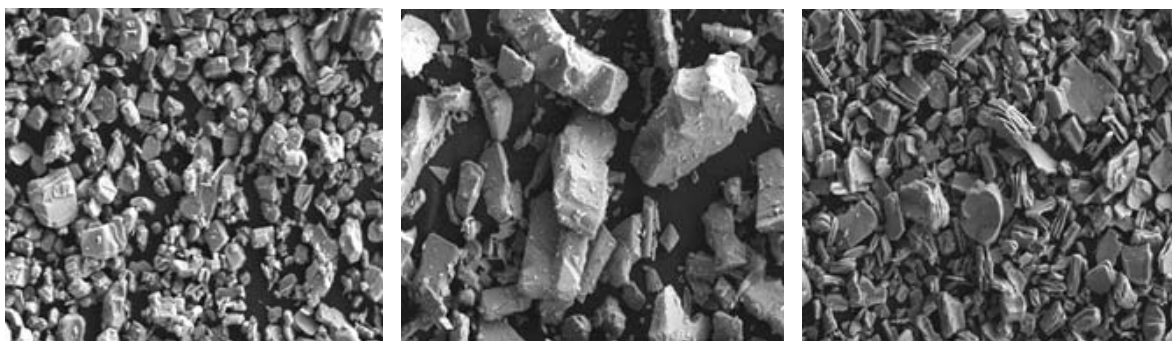
1979: After becoming the first in Japan to establish a commercial-scale plant for potassium titanate whisker material under the brand name Tismo, Otsuka Chemical launched industrial production of Tismo as a material for reinforcement and sliding. The material is employed for providing heat resistance in coatings, enhancing resin strength, and improving the friction and wear characteristics of automotive brake pads.

2000: In addition to Tismo, Otsuka Chemical developed and began production and sales of Terracess in Japan.

2004: Otsuka Chemical established Zhangjiagang Otsuka Chemical Co., Ltd. in Zhangjiagang, China, where it began production of Terracess for the first time outside Japan.

2014: Otsuka Chemical established a new Terracess plant in Georgia.

### Scanning Electron Microscope Imagery of Otsuka Chemical's Terracess



(Source: Otsuka Chemical Co., Ltd.)

### ***Supporting Comments***

*Hiroyoshi Tosa, Chief Executive Officer and Chief Financial Officer, Otsuka Chemical America, Inc.*

"From its conception, Otsuka's first U.S. Terracess plant has been a tremendous undertaking of global scale. The success of this project is a testament to the planning and execution of all of our staff and partners. The new facility will deliver unparalleled quality and service to customers in the Americas and Europe, and we look forward to building on Otsuka's three decades of experience as a key supplier to the automotive friction industry."

### ***Company Profile***

Otsuka Chemical Co., Ltd.

Established:	August 29, 1950
Capital:	5 billion yen
President:	Takeharu Harashima, President and Representative Director
Head Office:	3-2-27, Ote-Dori, Chuo-Ku, Osaka, 540-0021 Japan
Employees:	549 (as of December 31, 2014)
Business description:	Manufacturing and sales of chemical products