

January 30, 2008

Company name	Nippon Mining Holdings, Inc.
Representative	Mitsunori Takahagi, President and Chief Executive Officer
Stock code	5016
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Notice of Commencement of Tender Offer for Toho Titanium Co. Ltd. Stock

Nippon Mining Holdings, Inc., (the “Company”) has passed a resolution to acquire share certificates of common stock in Toho Titanium Co. Ltd. (Stock code 5727, Tokyo Stock Exchange, First Section; “Toho Titanium”) through a tender offer(the “Tender Offer”). This resolution was passed at a meeting of the Company’s Board of Directors on January 30, 2008. Details appear below.

1. Purpose of the Tender Offer

(1) Background and reason for launching the Tender Offer

As of today, the Company is the largest shareholder in Toho Titanium, owning 20,797,200 shares of that company’s common stock (ownership ratio of 34.22% based on the total number of Toho Titanium shares issued and outstanding). Toho Titanium is an equity-method affiliate of the Company.

The Company decided to launch the Tender Offer primarily to acquire 5,000,000 (ownership ratio of around 8.23%) of the 7,016,226 shares of common stock in Toho Titanium owned by Mitsui & Co. Ltd., that company’s second largest shareholder (ownership ratio of around 11.55%).

If the Company successfully acquires these 5,000,000 shares in Toho Titanium, currently owned by Mitsui & Co. Ltd., its ownership after the Tender Offer will exceed one third of all shares issued and outstanding. The Tender Offer will therefore be executed pursuant to the requirements set out in Article 27-2, Paragraphs 1 and 2 of the *Financial Instruments and Exchange Act* (Act 25 of 1948; this act and amendments to it are collectively referred to as “the Act” below).

Toho Titanium passed a resolution to accept the Tender Offer at a meeting of its board of directors on January 30, 2008.

Toho Titanium was founded by the Company's predecessor, Nippon Mining Co. Ltd. (nonferrous metals and petroleum refining businesses), together with Daiichi Bussan Corporation (currently Mitsui & Co. Ltd.) and Kojiro Ishizuka and his son Hiroshi Ishizuka. Since Toho Titanium was founded, the Company has maintained strong ties with that company in terms of personnel, materials, and capital. Along with continuing changes in the structure of the Nippon Mining Holdings Group, Toho Titanium shares were transferred from Nippon Mining Co. Ltd. to Nippon Mining & Metals Co. Ltd. (October 1992) and then to the Company (April 2006), which currently owns the shares. Currently, the electronic materials segment of Nippon Mining & Metals Co. Ltd., our wholly owned subsidiary, purchases high-purity titanium materials from Toho Titanium. The Company also collaborates with Toho Titanium and Chisso Corporation in developing polysilicon for photovoltaic power generation. As such, the Company maintains a close business relationship with Toho Titanium.

Toho Titanium has an established position as the leading global brand in titanium sponge with manufacturing technology able to satisfy the stringent quality demands of the aerospace industry. Aiming to become "the leading comprehensive titanium manufacturer in the world," Toho Titanium is aggressively expanding into titanium ingot, high-purity titanium, catalysts, and electronic materials. Global demand for titanium has recently been rising with increases in demand for aircraft and the expansion of titanium into new industrial applications. In response, Toho Titanium is currently constructing a new titanium sponge plant in northern Kyushu to follow construction of a new titanium ingot plant, aiming to double its production capacity for these materials, and is planning further dynamic advances in the titanium industry.

As the largest shareholder in Toho Titanium, the Company has actively supported Toho Titanium's growth strategy. The Company has positioned the titanium business as a core business for the future under the growth strategy set out in its mid-term management plan, and the Company is also committed to further strengthening support for Toho Titanium's growth strategy while actively working to expand the growing titanium business with Toho Titanium at the core of its initiatives. Specifically, the Company will work to develop titanium resources, apply the Group's foil and alloy technologies to titanium, and utilize the Group's technologies in the production of polysilicon for photovoltaic power generation. The Company believes that these efforts will enable it to utilize synergies with Toho Titanium to further increase the corporate value of both companies.

Mitsui & Co. Ltd., Toho Titanium's second largest shareholder with an 11.55% stake, expressed its intention to sell these shares as part of its management strategy. After learning of Mitsui's intention and examining the situation, the Company concluded that acquiring the Toho Titanium

shares would prevent the impact that the release of these shares into the market would have on the market share price while providing an opportunity to further solidify capital, material, and personnel ties with Toho Titanium, allowing the Company to strengthen its titanium business, which it has positioned as a core business for the future. The Company also concluded that preventing circumstances that could impede the market liquidity of Toho Titanium's shares would benefit both companies. Accordingly, the Company held negotiations with Mitsui and subsequently decided to launch the Tender Offer provided that an upper limit of 5,500,000 shares was set for the acquisition and that the share price for the Tender Offer ("Tender Offer Price") was set below the market price of the shares.

Mitsui, which will become the third largest shareholder with around 3% of Toho Titanium shares after the Tender Offer, has expressed its intention to continue supporting Toho Titanium's business endeavors.

(2) Management policy after the execution of the Tender Offer

If the Tender Offer is successfully executed, the Company's voting rights in Toho Titanium will exceed 40% of all shareholder voting rights in that company. As of today, the Company plans to make Toho Titanium a consolidated subsidiary using a method other than acquiring more than 50 percent of voting rights after the Tender Offer is executed, but the actual method for achieving this is still under consideration.

(3) Agreements relating to the Tender Offer

In relation to the Company's execution of the Tender Offer, the Company and Mitsui & Co. Ltd. entered into a basic agreement, which took effect on January 30, 2008, regarding the tender of shares under the offer. Under this agreement, Mitsui agreed that if the Company executes the Tender Offer for share certificates of Toho Titanium, it will tender 5,000,000 of the shares it holds in Toho Titanium in response to that offer.

(4) Listing of stock after the Tender Offer

While the Company primarily intends to acquire 5,000,000 of the shares of common stock owned by Mitsui in Toho Titanium, it will not ignore the desire of shareholders other than Mitsui to tender shares in Toho Titanium under the Tender Offer and will therefore purchase up to a maximum of 5,500,000 tendered shares of common stock in Toho Titanium. Toho Titanium's stock is listed on the first section of the Tokyo Stock Exchange. Since an upper limit has been set on the Tender Offer, as described above, Toho Titanium's stock will remain listed after the Tender Offer. As of today, the Company does not intend to purchase any additional shares in Toho Titanium.

2. Outline of the Tender Offer

(1) Corporate data of Toho Titanium

Company name	Toho Titanium Co. Ltd.	
Business activities	Production and sale of titanium metals	
	Production and sale of electronic ceramics materials	
	Production and sale of catalysts for propylene polymerization	
Established	September 6, 1948	
Head Office	3-3-5 Chigasaki, Chigasaki City, Kanagawa, Japan 253-8510	
Representative	Takeshi Kurushima, President and Representative Director	
Capital	¥ 4,812 million (as of September 30, 2007)	
Major shareholders and their ownership ratios (as of Sep. 30, 2007)	Nippon Mining Holdings Inc.	34.22%
	Mitsui & Co. Ltd.	11.55%
	Nippon Steel Corporation	4.94%
	Japan Trustee Services Bank Ltd. (held in trust account)	1.49%
	Mitsubishi UFJ Securities Co. Ltd.	0.75%
	The Master Trust Bank of Japan Ltd. (held in trust account)	0.74%
	Shinko Securities Co. Ltd.	0.53%
	Bank of New York GCM Client Accounts EISG (standing proxy: Settlement Department, The Bank of Tokyo-Mitsubishi UFJ Ltd.)	0.41%
	Mitsubishi UFJ Trust and Banking Corporation (held in trust account)	0.37%
	Calyon DMA OTC (standing proxy: Calyon Capital Markets Asia B.V., Tokyo Branch)	0.34%
	Capital	As of January 30, 2008, the Company owns 20,855,200 shares of common stock in Toho Titanium (ownership: 34.32% (of which indirect ownership is 0.1%)).
Relationships between the Company and Toho Titanium	Personnel	The Company and Nippon Mining & Metals Co. Ltd., the Company's wholly owned subsidiary, have seconded one part-time corporate auditor each (two auditors in total) to Toho Titanium. Although Toho Titanium generally employs personnel in accordance with its own operating requirements, it occasionally requests secondment from the Nippon Mining Holdings Group, as the need arises, to meet personnel shortages in relation to business development and expansion efforts.
	Transactional	Toho Titanium sells high-purity titanium to Nippon Mining & Metals Co. Ltd., the Company's wholly owned subsidiary.
	Related party	Toho Titanium is the Company's equity-method affiliate and therefore a related party.

(2) Period of the Tender Offer

1. Period of the Tender Offer at the time of filing

Thursday, January 31, 2008, to Thursday, February 28, 2008 (20 business days)

2. Possibility of extension based on request from Toho Titanium

Pursuant to Article 27-10, Paragraph 3 of the Act, if Toho Titanium submits a statement of opinion requesting an extension of the period of the Tender Offer (“Tender Offer Period”), the Tender Offer Period will be extended to 30 business days; that is, until Thursday, March 13, 2008.

(3) Tender Offer Price

¥2,236 per one share of common stock

(4) Basis of calculation of price and other matters

1. Basis of calculation

The Tender Offer was planned primarily for the purpose of acquiring Toho Titanium shares held by Mitsui, and, as a result of discussion and negotiation with Mitsui, the Company therefore decided to execute the Tender Offer at a tender price at which Mitsui would agree to tender its holdings. To obtain internal documentation necessary to prepare for discussion and negotiation with Mitsui and to examine the reasonableness of the Tender Offer Price from its own perspective, in November 2007, the Company requested Nikko Cordial Securities Inc., its financial advisor, to calculate the value of Toho Titanium’s shares. On January 28, 2008, the Company received a stock valuation report regarding Toho Titanium’s shares from Nikko Cordial Securities.

Nikko Cordial Securities calculated the value of Toho Titanium’s shares using the market-value method and the discounted cash flow (DCF) method. Under the market-value approach, Nikko used the one-month average closing price and the three-month average closing price based on a reference date of January 25, 2008. The one-month average closing price was ¥2,778 and the three-month average closing price was ¥3,424, giving a range of ¥2,778 to ¥3,424 for the value of Toho Titanium’s shares. With the DCF method, the value obtained for the shares ranged between ¥2,119 and ¥3,177.

With reference to the price valuation ranges presented in the report, the Company proceeded with its analysis based on a lower limit of ¥2,119 and an upper limit of ¥3,424, the lowest and highest figures given in the stock valuation report.

Based on the stock valuation report, the Company concluded that the current market price for Toho Titanium’s shares largely reflected the corporate value of that company. However, as a result of discussion and negotiation with Mitsui, which took into consideration a discount factor for the one-off nature of the transaction and the large number of shares involved relative to the average trading volume of Toho Titanium’s stock, the Company and Mitsui agreed to

execute the Tender Offer on January 30, 2008, at the price below the market price. Specifically, the two parties agreed on a Tender Offer Price of ¥2,236, obtained by discounting by 8% the closing price on the Tokyo Stock Exchange for Toho Titanium's shares on January 29, 2008, the day prior to the resolution date. Accordingly, the Company's Board of Directors, at a meeting held on January 30, 2008, passed a resolution stipulating a Tender Offer Price of ¥2,236.

2. Background to the calculation

Mitsui, Toho Titanium's second largest shareholder, had previously expressed its intention to sell its shares in Toho Titanium. In response, the Company held internal discussions and, as a result, established its intention to purchase shares in Toho Titanium from Mitsui. Negotiations with Mitsui over the Tender Offer Price began in November 2007, and on January 30, 2008, the Company arrived at the Tender Offer Price in the manner described below.

Name of the third party who performed the calculation

The Tender Offer was planned primarily for the purpose of acquiring Toho Titanium shares held by Mitsui, and, as a result of discussion and negotiation with Mitsui, the Company therefore decided to execute the Tender Offer at a tender price at which Mitsui would agree to tender its holdings. To obtain internal documentation necessary to prepare for discussion and negotiation with Mitsui and to examine the reasonableness of the Tender Offer Price from its own perspective, the Company, towards determining the Tender Offer Price, requested Nikko Cordial Securities Inc., its financial advisor, to calculate the value of Toho Titanium's shares in November 2007. On January 28, 2008, the Company received a stock valuation report regarding Toho Titanium's shares from Nikko Cordial Securities.

The stock valuation report is not a "fairness opinion" and therefore does not express the calculation agent's opinion regarding the fairness of the Tender Offer Price.

Overview of the third-party calculation agent's opinion and background to determining the Tender Offer Price based on that opinion and other relevant views

Nikko Cordial Securities calculated the value of Toho Titanium's shares using the market-value method and the DCF method. Under the market-value approach, Nikko used the one-month average closing price and the three-month average closing price based on a reference date of January 25, 2008. The one-month average closing price was ¥2,778 and the three-month average closing price was ¥3,424, giving a range of ¥2,778 to ¥3,424 for the value of Toho Titanium's shares. With the DCF method, the value obtained for the shares ranged between ¥2,119 and ¥3,177.

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Based on the stock valuation report, the Company concluded that the current market price for Toho Titanium's shares largely reflected the corporate value of that company. However, as a result of discussion and negotiation with Mitsui, which took into consideration a discount factor for the one-off nature of the transaction and the large number of shares involved relative to the average trading volume of Toho Titanium's stock, the Company and Mitsui agreed to execute the Tender Offer on January 30, 2008, at the price below the market price.

Specifically, the two parties agreed on a Tender Offer Price of ¥2,236, obtained by discounting by 8% the closing price on the Tokyo Stock Exchange for Toho Titanium's shares on January 29, 2008, the day prior to the resolution date. Accordingly, the Company's Board of Directors, at a meeting held on January 30, 2008, passed a resolution stipulating a Tender Offer Price of ¥2,236.

Measure to ensure the fairness of the Tender Offer Price and prevent conflicts of interests

With reference to the stock valuation report submitted on January 28, 2008, by Nikko Cordial Securities, the independent third-party calculation agent, the Company's Board of Directors met on January 30, 2008, and examined the Tender Offer Price and conditions regarding the Tender Offer.

There is no agreement between the Company and Toho Titanium with regard to the Tender Offer for Toho Titanium's shares that would prevent the emergence and launch of a tender offer by another purchaser.

3. Relationship with the calculation agent

Nikko Cordial Securities Inc. is a related party of neither the Company nor Toho Titanium.

(5) Number of share certificates under the Tender Offer

Number of shares for the Tender Offer (converted into shares)	Lower limit of the Tender Offer (converted into shares)	Upper limit of the Tender Offer (converted into shares)
5,000,000 shares	5,000,000 shares	5,500,000 shares

Note 1: The Company will not purchase all tendered shares if the total number of share certificates tendered under the Tender Offer ("Tendered Share Certificates") does not

reach 5,000,000 shares, the lower limit of the Tender Offer converted into shares (the “Lower Limit of the Tender Offer”).

Note 2: If the total number of Tendered Share Certificates exceeds 5,500,000 shares, the upper limit of the Tender Offer converted into shares (the “Upper Limit of Tender Offer”), the Company will not purchase the excess portion. If this situation arises, the Company will conduct delivery and other settlement processes relating to the tender offer of the share certificates in accordance with the pro rata method specified in Article 27-13, Paragraph 5 of the Act and Article 32 of the *Cabinet Ordinance Concerning Disclosure of Tender Offers of Share Certificates by Parties Other Than the Issuer* (Ministry of Finance Ordinance 38 of 1990; this ordinance and amendments to it are collectively referred to as the “Cabinet Ordinance” below).

Note 3: As mentioned in section 1, “Purpose of the Tender Offer,” the primary purpose of the Tender Offer is to purchase 5,000,000 of the shares owned by Mitsui in Toho Titanium. To ensure that, in executing the Tender Offer, any Toho Titanium shareholders other than Mitsui who wish to tender shares are not ignored, the Company has set the Upper Limit of Tender Offer at 5,500,000 shares.

Note 4: The Company does not intend to acquire Toho Titanium’s treasury stock through the Tender Offer.

Note 5: Odd lot shares are also subject to the Tender Offer provided that the share certificates are submitted. (Share certificates do not need to be submitted if they placed in the custody of the Japan Securities Depository Center Inc. (“JASDEC”) via the Tender Offer agent (specified in subsection (11), “Tender Offer agent,” below).)

(6) Change in ownership due to the Tender Offer

Number of voting rights attached to share certificates owned by the Company prior to the Tender Offer	207,972	Ownership ratio prior to the Tender Offer: 34.28%
Number of voting rights attached to share certificates owned by special related parties prior to the Tender Offer	2,589	Ownership ratio prior to the Tender Offer: 0.43 %
Number of voting rights attached to share certificates to be purchased	50,000	Ownership ratio after the Tender Offer: 42.94%
Number of voting rights of all shareholders of Toho Titanium (as of September 30, 2007)	606,132	

Note 1: The “number of voting rights attached to share certificates to be purchased” refers to the number of voting rights on the 5,000,000 shares to be purchased under the Tender Offer.

Note 2: The “number of voting rights attached to share certificates owned by special related parties prior to the Tender Offer” refers to the total of all voting rights attached to share certificates owned by special related parties.

Note 3: The “number of voting rights of all shareholders of Toho Titanium (as of September 30, 2007)” refers to the number of voting rights (with a minimum trading unit of 100 shares) of all shareholders as described in the interim financial report filed by Toho Titanium on December 14, 2007, for its 77th fiscal term. However, because odd-lot shares that do not constitute a minimum trading unit are accepted under the Tender Offer, figures for the ownership ratio prior to the Tender Offer and the ownership ratio after the Tender Offer were calculated using the total number of voting rights of all Toho Titanium shareholders as of September 30, 2007; a total of 606,771 voting rights. This number comprises the 606,132 voting rights as of September 30, 2007, and an additional 639 voting rights. These additional voting rights include the voting rights on odd-lot shares described in the interim financial report (24,410 shares), which totaled 24,315 shares after subtracting the 95 odd-lot shares held in treasury by Toho Titanium—these 95 odd-lot shares are described in the interim financial report and will not be acquired through the Tender Offer—and the voting rights on 39,600 shares held in deposit by JASDEC. This gives a combined total of 63,915 shares (the equivalent of 639 voting rights).

Note 4: The “ownership ratio prior to the Tender Offer” and the “ownership ratio after the Tender Offer” are rounded to two decimal places.

(7) Tender offer amount: Approximately ¥12,298 million

Note: The Tender Offer Amount is the amount obtained by multiplying the Upper Limit of the Tender Offer (5,500,000 shares) by the per-share price applicable to the Tender Offer (¥2,236).

(8) Method of settlement

1. Name of financial instruments brokerage firm or bank conducting the Tender Offer and other settlements and location of its head office

Nikko Cordial Securities Inc., 3-3-1 Marunouchi, Chiyoda-ku, Tokyo

2. Settlement start date: Wednesday, March 5, 2008

Note: Pursuant to Article 27-10, Paragraph 3 of the Act, if Toho Titanium submits a statement of opinion requesting an extension of the Tender Offer Period, the settlement start date will be Wednesday, March 19, 2008.

3. Method of settlement

After the conclusion of the Tender Offer Period, the Company will promptly post the notice of the Tender Offer to the postal addresses of tendering shareholders (or their standing proxies in the case of non-resident shareholders).

The Tender Offer will be settled in cash. On and after the settlement start date, the Tender Offer agent will promptly remit payment for tendered shares purchased to the locations specified by tendering shareholders (or their standing proxies in the case of non-resident shareholders).

4. Method of returning share certificates

The Company may refrain from purchasing the Tendered Share Certificates in accordance with certain conditions mentioned under heading 1, “Existence and details of any applicable conditions in Article 27-13, Paragraph 4 of the Act,” and 2, “Existence and details of any applicable conditions for cancellation of the Tender Offer and method for disclosing such cancellation” in subsection (9), “Other conditions and procedures related to the Tender Offer,” below. If this occurs, the Tender Offer agent will immediately return any share certificates that it is required to on or after the settlement start date (or the date on which the Tender Offer is cancelled if such a cancellation occurs).

- i) If share certificates are submitted to the Tender Offer Agent under the offer, any of those share certificates that cannot be purchased will be posted back to the tendering shareholders (or their standing proxies in the case of non-resident shareholders).
- ii) If share certificates in the custody of the Tender Offer Agent (or deposited at JASDEC via the Tender Offer Agent) are tendered, any share certificates that cannot be purchased will be returned to the state and location of storage they were in when tendered.

(9) Other conditions and procedures relating to the Tender Offer

1. Existence and details of any applicable conditions in Article 27-13, Paragraph 4 of the Act

The Company will not purchase any of the tendered shares if the total number of Tendered Share Certificates does not reach 5,000,000 shares, the Lower Limit of the Tender Offer. If the aggregate number of shares on the Tendered Share Certificates exceeds 5,500,000 shares, the Upper Limit of Tender Offer, the Company will not purchase the excess portion. If this situation arises, the Company will conduct delivery and other settlement processes relating to the tender offer of the share certificates in accordance with the pro rata method specified in Article 27-13, Paragraph 5 of the Act and Article 32 of the Cabinet Ordinance. (If the Tendered Share Certificates contain portions of odd-lot shares that do not constitute a minimum trading unit (100 shares), the number of shares to be purchased, calculated with the pro rata method, will not exceed the number on each of the Tendered Share Certificates.) If the aggregate number of shares to be purchased from tendering shareholders, calculated with the pro rata method and rounding to the nearest trading unit numbers of shares not constituting a minimum trading unit, does not reach the Upper Limit of the Tender Offer, the Company will purchase tendered shares until the Upper Limit of the Tender Offer is exceeded. This will be done by purchasing one additional trading unit of shares from each tendering shareholder (or additional shares up to the number of tendered shares from each tendering shareholder if the purchase of one additional trading unit would result in that number being exceeded), in order starting from shareholders who had the largest number of shares rounded

down. However, if the purchase of shares in this manner from several tendering shareholders for whom the number of shares rounded down was the same would result in the Upper Limit of the Tender Offer being exceeded, the Company will select shareholders from whom to purchase additional shares by the drawing of lots to the extent that the total number of shares purchased is not less than the upper limit.

If the aggregate number of shares to be purchased from tendering shareholders, calculated with the pro rata method and rounding to the nearest trading unit numbers of shares not constituting a minimum trading unit, exceeds the Upper Limit of the Tender Offer, the Company will lower the number of shares to be purchased from each tendering shareholder to the extent that the total number of shares to be purchased does not fall below the upper limit. This will be done by lowering the number of shares to be purchased from each tendering shareholder by one trading unit (or by the number of the odd-lot shares if the pro rata calculation of the number of shares to be purchased results in the number containing such an odd-lot), in order starting from shareholders who had the largest number of shares rounded up. However, if the lowering of the number of shares, in this manner, to be purchased from several tendering shareholders for whom the number of shares rounded up was the same would result in the Upper Limit of the Tender Offer not being reached, the Company will select shareholders from whom it will purchase less shares by the drawing of lots to the extent that the total number of shares purchased is not less than the upper limit.

2. Existence and details of any applicable conditions for cancellation of the Tender Offer and method for disclosing such cancellation

If any of the conditions specified in Article 14, Paragraph 1, Item 1 (a) to (i) and (l) to (r), Item 2, Item 3 (a) to (h), Item 5, and Paragraph 2, Items 3 to 6 of the *Financial Instruments and Exchange Act Enforcement Ordinance* (Ordinance 321 of 1965; this ordinance and amendments to it are collectively referred to as the “Ordinance” below) arise, the Company may cancel the Tender Offer.

If the Tender Offer is cancelled, the Company will publicly announce the cancellation electronically and in the *Nikkei Shimbun* newspaper. If difficulties arise in placing or making the public announcement by the final date of the Tender Offer Period, the Company will disclose the cancellation via the methods specified in Article 20 of the Cabinet Ordinance and will publicly announce the cancellation immediately after the disclosure.

3. Existence and details of any applicable conditions for lowering the Tender Offer Price and method for disclosing such action

Pursuant to Article 27-6, Paragraph 1, Item 1 of the Act, if Toho Titanium carries out any of the actions set out in Article 13, Paragraph 1 of the Ordinance during the Tender Offer Period, the Company may lower the Tender Offer Price according to the standards set out in Article 19

of the Cabinet Ordinance.

If the Tender Offer Price is lowered, the Company will publicly announce this electronically and in the *Nikkei Shimbun* newspaper. If difficulties arise in placing or making the public announcement by the final date of the Tender Offer Period, the Company will disclose the lowering of the Tender Offer Price via the methods specified in Article 20 of the Cabinet Ordinance and will publicly announce the lowering of the Tender Offer Price immediately after the disclosure. The Company will purchase share certificates tendered prior to the date of such public announcement based on the conditions of purchase effective after the change.

4. Matters relating to the tendering shareholders' rights to cancel contracts

Tendering shareholders may cancel Tender Offer contracts at any time during the Tender Offer Period.

To cancel a contract, tendering shareholders must deliver or send a letter documenting their intention to cancel the Tender Offer contract ("Letter of Cancellation") to the party specified below by 15:30 on the final date of the Tender Offer Period. (Please note that business hours and hours for handling securities differ from branch office to branch office. Tendering shareholders should confirm business hours and other details of the relevant branch office before making a cancellation.) Letters of Cancellation sent must be received by the party specified below by 15:30 on the final date of the Tender Offer Period. (Please note that business hours and hours for handling securities differ from branch office to branch office. Tendering shareholders should confirm business hours and other details of the relevant branch office before making a cancellation.)

Party authorized to receive Letters of Cancellation:

Nikko Cordial Securities Inc. 3-3-1, Marunouchi, Chiyoda-ku, Tokyo

(or other domestic branches of Nikko Cordial Securities Inc.)

The Company will not request the payment of damages or penalties from tendering shareholders who cancel their contracts. The Company will bear the expenses required to return share certificates to storage.

5. Method of disclosure if Tender Offer conditions are changed

During the Tender Offer Period, the Company may change the conditions of the Tender Offer, unless otherwise prohibited under Article 27-6 of the Act and Article 13 of the Ordinance. If the Company changes any conditions, it will publicly announce the changes electronically and in the *Nikkei Shimbun* newspaper. If difficulties arise in placing or making the public announcement by the final date of the Tender Offer Period, the Company will disclose the changes via the methods specified in Article 20 of the Cabinet Ordinance and will publicly announce the changes immediately after the disclosure. The Company will purchase share certificates tendered prior to the date of such public announcement based on the conditions of

purchase effective after the change.

6. Method of disclosure if a correction form is submitted

If the Company submits a correction form to the President of the Kanto Financial Bureau, it will immediately disclose any matters contained within that correction that affect the details of the Tender Offer commencement announcement. Such disclosure will be made via the method stipulated in Article 20 of the Cabinet Ordinance. The Company will also immediately correct the Tender Offer Prospectus and provide corrected Tender Offer Prospectuses to those tendering shareholders to whom the Tender Offer Prospectus had already been provided. If the required correction is small in scope, the Company will make such correction by producing an errata document that gives the reason for the correction, the matters corrected, and the content after the correction and issuing the document to tendering shareholders.

7. Method of disclosure of the results of the Tender Offer

The Company will disclose the results of the Tender Offer on the date immediately after the Tender Offer Period and in the method set forth in Article 9-4 of the Ordinance and Article 30-2 of the Cabinet Ordinance.

8. Other

The Tender Offer is not being conducted, directly or indirectly, in or to the United States, and is not being conducted using the postal services of the U.S. or interstate or international methods or means of communication or commerce of the U.S. (including but not limited to telephone, telex, facsimile, electronic mail, and Internet communications), and, furthermore, is not being conducted through the facilities of securities exchanges in the U.S. Shareholders cannot tender shares for the Tender Offer via the methods, means, or facilities mentioned above, and nor can they tender shares for the Tender Offer from within the U.S.

The Tender Offer Application and related documents will not be sent or distributed in, toward, or from within the U.S. by post or other means, and these methods of sending or distributing may not be used. The Company will not accept tenders under the Tender Offer that directly or indirectly violate the above specified restrictions.

Those tendering shares under the Tender Offer (or their standing proxy in the case of non-resident shareholders) must represent and warrant to the following:

The tendering party is not resident or located in the U.S. as at the time of the tender nor as at the time the Tender Offer Application form was sent; the tendering party has not received or sent any information or documents relating to the Tender Offer in the U.S., toward the U.S., or from within the U.S.; the tendering party has not used, whether directly or indirectly, the postal services of the U.S., interstate or international methods or means of communication or commerce of the U.S.

(including but not limited to telephone, telex, facsimile, electronic mail, and Internet

communications), or the facilities of securities exchanges in the U.S. in the Tender Offer purchase or in signing or sending the Tender Offer Application form; and the tendering party is not acting as a non-discretionary agent or trustee or fiduciary of another person (except where such person provides any and all instructions regarding the Tender Offer purchase from outside the U.S.).

(10) Date of public announcement of commencement of the Tender Offer

Thursday, January 31, 2008

(11) Tender Offer agent

Nikko Cordial Securities Inc.

3. Policy after the Tender Offer and future outlook

If the Tender Offer is successfully executed, the voting rights attached to the Company's holdings in Toho Titanium will exceed 40% of all voting rights of shareholders. The Company plans to make Toho Titanium a consolidated subsidiary other than by acquiring further shares, but the actual method for achieving this is still under consideration.

The Company will issue an announcement on the impact of the Tender Offer on its consolidated and non-consolidated business results as soon as such impact is known.

4. Other

(1) Existence and details of agreements between the Company and Toho Titanium or its directors

Toho Titanium resolved to accept the Tender Offer at a meeting of its board of directors on January 30, 2008.

(2) Other information deemed material to investors' decisions to tender shares under the Tender Offer

1. On August 1, 2007, Toho Titanium released a press release (in Japanese) titled "Notice of Revision of Earnings Forecasts." A summary of this press release in English appears here.

1) Revision of consolidated earnings forecast for the fiscal year ending March 31, 2008

(April 1, 2007 – March 31, 2008)

	(millions of yen)				
	Sales	Operating income	Income before special items	Net income	Earnings per share (yen)
Previous forecasts	43,000	12,300	12,000	7,000	115.36

(A)					
Revised forecasts (B)	44,000	13,200	13,000	7,500	123.60
Changes (B-A)	1,000	900	1,000	500	—
Percentage changes (%)	2.3	7.3	8.3	7.1	—
Actual results for previous period (fiscal year ended March 31, 2007)	38,098	10,943	10,830	6,234	102.75

2) Revision of non-consolidated earnings forecast for the fiscal year ending March 31, 2008
(April 1, 2007 – March 31, 2008)

	(millions of yen)				
	Sales	Operating income	Income before special items	Net income	Earnings per share (Yen)
Previous forecasts (A)	32,300	10,000	10,500	6,400	105.48
Revised forecasts (B)	33,200	10,500	11,000	6,600	108.77
Changes (B-A)	900	500	500	200	—
Percentage changes (%)	2.8	5.0	4.8	3.1	—
Actual results for previous period (fiscal year ended March 31, 2007)	27,932	8,528	8,996	5,348	88.14

3) Reason for the revision

The Company expects full-year consolidated and non-consolidated sales and earnings to exceed initial forecasts due to the yen being weaker than expected and anticipations of lower costs and higher sales for processed titanium goods.

2. In a press release (in Japanese) dated January 23, 2008, titled “Merger of Wholly Owned Subsidiary Toho Catalyst Co. Ltd. (Simplified Merger)”, Toho Titanium announced that at a meeting of its board of directors on January 23, 2008, a resolution was passed to absorb Toho Catalyst Co. Ltd., its wholly owned subsidiary.

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