

February 1, 2016

To whom it may concern

Asahi Organic Chemicals Industry Co., Ltd.

Notification of Establishment of a Joint Venture in Singapore

Please be advised that we at Asahi Organic Chemicals Industry Co., Ltd. will establish a joint venture in the Republic of Singapore together with a Singaporean corporation, AGRU TECHNOLOGY PTE. LTD. (hereinafter referred to as Agru Technology) (capital fund scheduled to be paid out at the end of February), starting its business on April 1, 2016.

Description

1. Purpose of Establishment

We manufacture and market piping materials focused on synthetic resin valves throughout the world.

Agru Technology is a sole distributor selling piping systems including pipes made by AGRU kunststofftechnik GmbH, having its head office in Austria, of polyethylene (PE), polypropylene (PP), polyvinylidene fluoride (PVDF), fluorine materials (ECTFE), etc.

EPC companies undertaking the entire processes including "design, procurement and construction" for plants have been currently setting up operations in Southeast Asia in the areas of steel manufacture, chemicals and semi-conductors and procurement of materials used in construction sites within the region of Southeast Asia is in an increasing trend.

Our company and Agru Technology intend to strengthen our sales activities in the entire region of Southeast Asia by establishing a joint venture that handles the respective core products and realizing an overwhelming product lineup in addition to our strength, high quality, with an aim to expand our areas and sales.

2. Profile of the Joint Venture

- (1) Business name: ASahi ASIA PACIFIC PTE. LTD.
- (2) Represented by: Katsuhiko Onishi (Our Executive Officer)
- (3) Address of head office: 207 Woodlands Avenue 9, #06-55, Singapore 738958
- (4) Capital: 1,200,000 Singapore Dollars (approximately JPY100 million)
- (5) Controlling shares: 51% by our company and 49% by Agru Technology
- (6) Line of business: Selling and purchasing piping materials for selling

3. Profile of Agru Technology

- (1) Business name: AGRU TECHNOLOGY PTE. LTD.
- (2) Established: June 2013
- (3) Location of head office: Republic of Singapore
- (4) Capital: 200,000 Singapore Dollars (approximately JPY18 million)
- (5) Represented by: Goh Joo Ching
- (6) Line of business: Selling and purchasing piping materials for selling

4. Future Outlook

The joint venture will be a consolidated subsidiary of our company from this year, but the effect on consolidated performance for the term ending March 2016 will be minimal.

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