

Agreement to Establish a Joint-Venture Company in India

Our company (Asahi Organic Chemicals Industry Co., Ltd) has entered an agreement to establish a joint-venture company with an Indian company of Modi Rubber Limited for manufacture and sale of resin coated sand (RCS) in India.

Indian automobile market has been expanding remarkably in recent years and Japanese auto manufactures have been accelerating their investment in India.

There are many RCS manufactures in India, many of which are manufacturing RCS by Semi-hot method. However, castings made by using local RCS does not necessarily satisfy the high quality requirements of Japanese auto manufactures. The Joint-Venture Company aims to satisfy the requirements by high quality Dry-hot method, and will contribute to the development of Indian automobile industry.

Our subsidiary in China will supply phenolic resin as raw materials to the Joint-Venture Company.

【 Outline of Joint-Venture Company 】

Company Name	- Asahi Modi Materials Private Limited
Company Headquarter	- Gujarat, India
Capital	- Indian Rupee 300 million
Stake holding ratio	- Asahi - 51% ,Modi Rubber- 49%
Business	- Manufacture and sale of RCS (Resin Coated Sand)
Scheduled Start of manufacture	- January 2014
Sales Plan	- 1 billion Yen (in the year of 2016)

【 Outline of Modi Rubber Limited 】

Establishment	February, 1971
Company Headquarter	New Delhi, India
Capital	250 million Indian Rupees
Listing of Stock	Bombay Stock Exchange & National Stock Exchange of India