



August 12, 2013

Company name	Punch Industry Co., Ltd.		
Head office	2-12-23 Konan, Minato Ward, Tokyo 108-0075, Japan		
Representative	President, Representative Director	Masaaki Takeda	(Security code : 6165)
Contact	Director	Hiroyuki Yagi	TEL. 03-5460-8237

### **Acquisition of Panther Precision Tools Sdn. Bhd.**

Please be advised that Punch Industry Co., Ltd. (hereinafter "Punch Industry") decided at the Board of Directors meeting held on August 12, 2013 to acquire 100% ownership of Panther Precision Tools Sdn. Bhd. (hereinafter "Panther"). The procedures and reasons behind this decision are detailed below.

#### 1. Reason and Purpose of the Acquisition

Punch Group has been developing its operations placing globalization, expansion of new market and conversion to high profitability business model as priority targets in order to survive in the domestic mature market and aim to make sustainable growth by establishing a position in the growing markets such as Inland China and Southeast Asia. Southeast Asia market, especially, is expected to grow from now on, therefore Punch Group will actively develop the business and construct a business model which makes use of the group's strengths, "integration" and "direct linkage" of manufacturing and sales.

Panther has actively developed the production and sales of component for mold business in Southeast Asia since its foundation in 2000. Panther owns sales channel in Malaysia, Singapore, Vietnam and Europe. Punch Industry has built an amicable relationship with Panther as an overseas business cooperator.

Under that business relation, Punch Industry acquired 14% of Panther's shares in August 2012. Punch Industry commenced the embodiment of Southeast Asia business project by sharing each other's expertise and customer bases, and through the use of Panther's management resources of both production and sales.

Punch Industry decided to make Panther a wholly owned subsidiary in order to establish the business base in early stage and accelerate the globalization instantly in Southeast Asia as well as endeavoring to expand sales, including Panther's existing customers, in Europe by utilizing the company's sales channel.

2. Overview of Panther (As of the end of July 2013)

Company name	Panther Precision Tools Sdn. Bhd.		
Address	51-13-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang, Malaysia		
Representative	Managing Director, Teoh Jin Chye		
Business	Production and sales of component for mold		
Capital	6,000,000RM (Malaysian Ringgit)		
Established	July 3, 2000		
Shareholders and Ratio of Shareholding	Teoh Jin Chye 86% Punch Industry Co., Ltd. 14%		
Business Relationships	Capital Relationships	Punch Industry owns 840,000 shares (Ownership ratio: 14%) of the Panther's shares.	
	Personnel Relationships	Punch Industry has dispatched four employees to Panther.	
	Trade Relationships	Punch Industry and Panther have supply and distribution relationships with each other.	
	Relationships with related parties	Not applicable	
Operating Results and Financial Condition in the Three Most Recent Fiscal Years (RM : Malaysian Ringgit, RM 1 = JPY 30)			
Business year end	Fiscal Year ended December 2010	Fiscal Year ended December 2011	Fiscal Year ended December 2012 (Consolidated)*
Total Asset	RM 9,335 thousand (JPY 280,066 thousand)	RM 12,921 thousand (JPY 387,633 thousand)	RM 12,728 thousand (JPY 381,865 thousand)
Total Net Asset	RM 33,416 thousand (JPY 1,002,501 thousand)	RM 36,949 thousand (JPY 1,108,492 thousand)	RM 65,514 thousand (JPY 1,965,443 thousand)
Net Sales	RM 15,502 thousand (JPY 465,083 thousand)	RM 19,563 thousand (JPY 586,896 thousand)	RM 24,147 thousand (JPY 724,441 thousand)
Operating Profit	RM 4,496 thousand (JPY 134,899 thousand)	RM 4,162 thousand (JPY 124,875 thousand)	RM 7,319 thousand (JPY 219,597 thousand)
Pretax Profit	RM 3,769 thousand (JPY 113,080 thousand)	RM 2,854 thousand (JPY 85,637 thousand)	RM 5,910 thousand (JPY 177,324 thousand)
Current Net Profit	RM 2,267 thousand (JPY 68,014 thousand)	RM 2,392 thousand (JPY 71,778 thousand)	RM 6,616 thousand (JPY 198,504 thousand)

\* The numbers above are consolidated indicators as Panther acquired the shares of two sales companies and made them consolidated subsidiaries in July 2012. The consolidated results only include their operating results for five months from August 1, 2012 to December 31, 2012.

3. Overview of Seller

(1) Name	Teoh Jin Chye
(2) Address	Penang, Malaysia
(3) Relationship between the individual and Punch Industry	There are no capital, executive, transactional relationships between Punch Industry and the seller.

4. Acquisition Price and Number of Shares before and after the Acquisition

(1) Number of Shares held before Acquisition	840,000 shares (Ownership ratio : 14%)
(2) Number of Shares to be acquired	5,160,000 shares
(3) Acquisition Price	Common shares of Panther Precision Tools Sdn. Bhd. RM 48,458 thousand (JPY 1,453 million RM 1 = JPY 30)
(4) Number of Shares held after Acquisition	6,000,000 shares (Ownership ratio : 100%)

5. Schedule

(1) Board of Directors Resolution	August 12, 2013
(2) Signing Contract	August 12, 2013
(3) Share Transfer	August 30, 2013 (Undetermined)

6. Future Prospect

Punch Industry is in the process of assessing the impact of this resolution on its consolidated financial results for the fiscal year ending March 31, 2014. Punch Industry will announce any significant developments on this matter as soon as information becomes available.