



September 12, 2013

Company name Punch Industry Co., Ltd.  
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### **Notice Regarding Establishment of Joint Venture in Indonesia by a Subsidiary**

Punch Industry Co., Ltd. (hereinafter "Punch Industry") and its consolidated subsidiary Panther Precision Tools Sdn. Bhd. (Head office: Malaysia; hereinafter "Panther") have resolved at their Board of Directors meeting held today that Panther shall enter into an agreement with PT Somagede Indonesia (Head office: Indonesia; hereinafter Somagede) to establish a joint venture.

#### 1. Purpose for Establishing Joint Venture

Punch Group has been accelerating its Southeast Asia strategies having Panther as a key as previously announced in "Acquisition of Panther Precision Tools Sdn. Bhd." on August 12, 2013 and "Notice Regarding Completion of Acquisition of Panther Precision Tools Sdn. Bhd." on August 30, 2013. As part of the strategies it has decided to establish a joint venture with a local influential sales company in Indonesia.

Indonesia is a major automobile manufacturing country following Thailand. Punch Group recognizes Indonesia as a critical element for its Southeast Asia strategies, as its market for automobile-related business is expected to expand.

Meanwhile, Somagede places cutting tools, adhesive and machine components sales as its business pillars, Somagede has been growing its business trading with local major Japanese automobile manufacturers for over 20 years.

Through the establishment of this joint venture Punch Group aims to expand its sales of automobile-related products, the group's strength, by utilizing Somagede's sales channels in Indonesia and realize the early establishment of business base in the Southeast Asia market.

#### 2. Overview of Joint Venture

|                    |   |
|--------------------|---|
| Company name       | PT Punch Industry Indonesia                               |
| Address            | Sunter Agung, Jakarta, Indonesia                          |
| Representative     | Managing Director, Masahiro Kobayashi                     |
| Business           | Production and sales of components for mold               |
| Business year end  | December  |
| Capital            | Rp 2,916,900 thousand (Approximately JPY 30,000 thousand) |
| Establishment      | September 30, 2013 (planned)                              |
| Shareholding ratio | Panther 60%<br>Somagede 40%                               |

3. Overview of Joint Venture Partner

|                        |  |  |
|------------------------|--|--|
| Company name           | PT Somagede Indonesia                                    |  |
| Address                | Sunter Agung, Jakarta, Indonesia                         |  |
| Representative         | CEO, Darmawan B. Soetrisno, CEO                          |  |
| Business               | Sales of cutting tools, adhesives and machine components |  |
| Capital                | Rp 100,000 thousand                                      |  |
| Established            | November 24, 1989  |  |
| Business relationships | Capital relationships                                    | Punch Industry and Somagede do not have any capital relationships that are required to be disclosed. In addition, Punch Industry's related parties and Somagede's related parties do not have any capital relationships that are required to be disclosed.     |
|                        | Personnel relationships                                  | Punch Industry and Somagede do not have any personnel relationships that are required to be disclosed. In addition, Punch Industry's related parties and Somagede's related parties do not have any personnel relationships that are required to be disclosed. |
|                        | Trade relationships                                      | Panther purchases products from Somagede. Punch Industry's related parties with the exception of Panther and Somagede's related parties do not have any trade relationships that are required to be disclosed.   |

4. Schedule

|                    |                                       |
|--------------------|---------------------------------------|
| September 12, 2013 | Board of Directors resolution         |
| September 19, 2013 | Joint venture agreement (planned)     |
| September, 30 2013 | Joint venture establishment (planned) |
| January, 1 2014    | Commencement of business (planned)    |

5. Future Prospects

The establishment of this joint venture will have a negligible impact on Punch Industry's consolidated business results for the fiscal year ending March 31, 2014.