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Translation

Asahi Tec Corporaion

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Establishment of a Joint Venture Company in Laos

Asahi Tec Corporation (ATC) has been expanding its manufacturing and sales bases since it has started business in Thailand in 1989. ATC has been studying the opportunity on Joint Venture business in Laos to accommodate largely increasing needs in Aluminum Die casting parts in Thailand, and today it has reached an agreement with Laos company, BMM Group Co.,Ltd.(BMM) to establish Joint Venture company in Savannakhet Province to manufacture aluminum die casing parts. The joint venture company is named “BMM Asahi Tec Co., Ltd.”.

1. Deal Summary

BMM Group is one of the leading companies in Laos, conducting various business such as duty free retail business, real estate development, and so forth.

BMM Asahi Tec Co.,Ltd. plans to sell aluminum die casting parts in Thailand or in South-eastern Asia based on the skills cultivated mainly in ATC Japan. Its manufacturing capacity is scheduled to reach 610 tons per month by latter half of 2016.

As a result, ATC group's total manufacturing capability would reach 1,800 tons per month with its current facility located in Bangbor, Thailand. With this new joint venture opportunity, ATC group would become one of leading aluminum die casting manufacturers in South-eastern Asia.

This is the first time for ATC to expand business into Laos, and would be its 5th business base in South-eastern Asia following its four manufacturing footprints in Thailand.

2. Brief overview of the joint venture

Name: BMM Asahi Tec Co., Ltd.

Location: Savannakhet Province, Lao People's Democratic Republic

Capital: 1,600 million Baht (Appx. 5,100 million JPY)
Ownership: Asahi Tec Corporation: 50%
BMM Group: 50%
No. of employees: 376
Sales: 1,500 million Baht/year
Primary activities: manufacturing and sales of aluminum die casting parts
Establishment: Targeting May, 2013

3. Brief overview of BMM Group Co., Ltd.

Name: BMM Group Co.,Ltd.
Establishment: November, 2011 (Founded in June, 2009)
No. of employees: 234
Sales: 264 million US\$ (FY2011)
Capital: 3.5 million US\$
Representative: Mr.Phisith Banyadith
Business: Grocery trading and wholesale • Retail, Real estate, Restaurants, and Golf course.

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