

## **TOWA Announces Start of New Business Operations (Tool Sales)**

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TOWA CORPORATION ("TOWA") is proud to announce the start of new business operations according to a resolution made at the Board of Directors' meeting held on January 30, 2014.

### 1. Purpose of Starting Business Operations

TOWA maintains a dominant global market share of precision molds for use in the fabrication of semiconductors and similar products due to the strength of our ultrafine metalworking technology. TOWA internally manufactures tools for cutting and similar tasks used for processing and performs precision processing using these tools because commercially available tools for the processing of materials with a high degree of hardness used for metal molds do not satisfy the requirements of our company, such as precision standards and durability.

TOWA has received strong appeals for direct sales of our internally manufactured tools for cutting and similar tasks from persons related to the sales of tools due to the high level of marketability they possess, as well their substantial competitiveness in terms of precision standards, durability, and cost (cost of manufacture). In response to such appeals, TOWA is initiating new business operations in the area of tool sales.

### 2. Outline of New Business Operations

#### (1) Contents of New Business Operations

- ① Business operations contents: Tool sales
- ② Sales format: Sales are to be handled by agents for the present, and direct sales will be considered if it is determined that there are no particular hindrances after checking the response of the industry, users and similar persons in regards to our products.
- ③ Products: Various (CBN) end mills and other tools for metalworking

#### (2) Department Responsible for these Business Operations

An existing organization (Mold Products Div.) will supervise operations.

#### (3) Special Funds for Supporting the Start of these Operations and Corresponding Details

Existing equipment (processing machines) owned by TOWA will be used for the required manufacturing when starting these business operations. Although it is expected that there will be minimal expenditures made for purposes of sales promotion and similar activities, there is no need at the moment for increasing personnel and similar measures, such that there will not be any special initial investments or costs involved.

### 3. Schedule

Date of resolution by Board of Directors: January 30, 2014  
Date of start of business operations: February 2014 (scheduled)

### 4. Future Outlook

The start of these business operations will have a slight effect on the financial results of the TOWA Group for this period. However, in terms of the med- to long-term business scale, efforts will be directed for the meantime at expanding sales with an annual sales target of one billion yen.