

March 1, 2012

TMT Machinery and KAMITSU SEISAKUSHO Conclude Capital and Business Alliance Agreement

TMT Machinery, Inc.
KAMITSU SEISAKUSHO LTD.

On February 14, 2012, TMT Machinery, Inc. (Shosaku Miki, President; hereinafter TMT Machinery) and KAMITSU SEISAKUSHO LTD (Shiro Takimoto, President; hereinafter KAMITSU SEISAKUSHO) reached an agreement on capital and business alliance, on which we are pleased to announce as follows.

1. Purpose of alliance

As a leading manufacturer of processing facilities of synthetic fibers including polyester and nylon, TMT Machinery has supplied integrated production systems ranging from fiber spinning to winding machinery, fully utilizing its technical capabilities known as one of the best in the industry. The company has also contributed to the development of all the industrial sectors through supply of DTY processing machinery, presumed indispensable for functional clothing, as well as industrial yarn equipment for automotive/construction materials where application is ever expanding. KAMITSU SEISAKUSHO, as a specialized winder manufacturer for industrial and clothing materials, has substantial delivery record to the users in each country of the world. Among other things, as the leading manufacturer in the world of winders for carbon fiber application, the company's core business, it has earned a high level of confidence among numerous carbon fiber manufacturers.

In order to continue our unmatched product development in the respective market and accelerate our global business further, the two companies have come to share the best choice of allying our businesses and have agreed to form a business tie-up as strategic partners. With the view to further solidifying the mutual confidence and pushing forward the business alliance, the capital and business alliance has been concluded.

TMT Machinery shall seek machinery development in the new realm within the growth-anticipated carbon fiber related fields, while KAMITSU SEISAKUSHO shall pick up speed in developing products in its unique domain of winder businesses both in the carbon fiber focused industrial material field as well as the clothing material field, as the other business pillar, with introduction of technical and procurement capabilities offered by TMT Machinery, and at the same time promoting cost reduction.

2. Aspects of alliance

1) Business alliance

- [1] We shall endeavor to provide products that would offer more satisfaction to the manufacturers of synthetic fibers and carbon fiber by combining the elemental technologies in which the two companies have respective strength.
- [2] We shall seek further cost reduction by sharing our supply chains.
- [3] We shall jointly develop new products targeting the midstream and the downstream of the market with focus on intermediate base materials for carbon fiber where further growth is anticipated.

2) Capital alliance

TMT Machinery shall acquire ordinary shares of KAMITSU SEISAKUSHO and become the largest shareholder of the company with 50% stock holding. In addition, TMT Machinery shall subscribe to the convertible bonds issued by KAMITSU SEISAKUSHO.

3) Promotional structure

Business alliance promotion committees shall be jointly established for each of above objectives and activities thereon shall be implemented immediately.

4) Existing business transactions

While the two companies go forward building cooperative relationship, the autonomy and independence of management of the respective company shall continue to be sustained. The contractual arrangements including maintenance of confidentiality that have been exchanged with our esteemed customers, therefore, shall continue and remain unchanged hereafter as well.

3. Time schedule

January 30, 2012	TMT Machinery board of directors' meeting
February 13, 2012	KAMITSU SEISAKUSHO extraordinary shareholders' meeting
February 14, 2012	Conclusion of the capital and business alliance agreement of the two companies
April, 2012	Capital and business alliance is to be launched.

4. Corporate profile of each company

TMT Machinery, Inc.

- 1) Corporate name : TMT Machinery, Inc.
- 2) Representative : President, Shosaku Miki
- 3) Head office address : 6th Fl., Osaka Green Bldg., 2-6-26, Kitahama, Chuo-ku, Osaka 541-0041, Japan
- 4) Establishment : April, 2002
- 5) Main line of business : Research & development, design, manufacturing, sales and after-sales services of synthetic fiber machinery and systems
- 6) Capital : JPY 450 million (As of March 31, 2011)
- 7) Sales : JPY 47,400 million (As of March 31, 2011)
- 8) Number of employees : 348 (As of March 31, 2011)

KAMITSU SEISAKUSHO LTD.

- 1) Corporate name : KAMITSU SEISAKUSHO LTD.
- 2) Representative : President, Shiro Takimoto
- 3) Head office address : 16-1, Techno-park, Sanda, Hyogo 669-1339, Japan
- 4) Establishment : March, 1944
- 5) Main line of business : Design, manufacturing, sales and after-sales services of textile machinery (winder)
- 6) Capital : JPY 50 million (As of March 31, 2011)
- 7) Sales : JPY 1,300 million (As of March 31, 2011)
- 8) Number of employees : 66 (As of March 31, 2011)

5. For more information on this subject, please contact the following.

TMT Machinery, Inc.

Mizoguchi, General Manager, Administration & Human Resources Department
6th Fl., Osaka Green Bldg., 2-6-26, Kitahama, Chuo-ku, Osaka 541-0041, Japan
Tel : +81-(0)6-6204-9000 (Direct number)
Fax : +81-(0)6-6204-8371
URL : <http://www.tmt-mc.jp/japanese/>

KAMITSU SEISAKUSHO LTD.

Nakashita, Director GM, General & Finance Dept. & Sales Dept.
Level 14, KM Nishiumeda Bldg. 7-20-1, Fukushima, Fukushima-ku, Osaka, 553-0003
Japan
Tel : +81-(0)6-4798-0250
Fax : +81-(0)6-4798-0256
URL : <http://www.kamitsu.co.jp>