

Notice on the Business Alliance in the Businesses of Construction Machinery and Industrial Tools for Use in the Mining and Civil Engineering Fields

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FURUKAWA ROCK DRILL CO., LTD., the core business corporation of the Furukawa Company Group (with head office in Chuo-ku, Tokyo; Yoichiro Kato, President), and Mitsubishi Materials Corporation have recently agreed on a business alliance with regard to overseas products in the businesses of construction machinery and tools for use in mine development and civil engineering works.

As for construction machinery and tools mainly used for mining development and civil engineering works, FURUKAWA ROCK DRILL engages in the manufacture and sales of construction machinery such as drilling machines and is the world's top brand specifically for crawler drills. Mitsubishi Materials manufactures bits, which are fit construction machinery.

Although domestic demand for construction machinery and tools has been shrinking for a long time, primarily affected by a reduction in public works projects, the overseas market has been rapidly expanding due to a firm increase in demand, especially for use in resource-rich and developing countries against a backdrop of the global resource development boom and the ongoing need to improve infrastructures.

Accordingly, FURUKAWA ROCK DRILL and Mitsubishi Materials, both of which engage in the manufacture and sale of core products for mining and civil engineering works, intend to reinforce their respective customer services and further exploit the high-growth foreign markets through business tie-ups for overseas products, including mutual utilization of sales channels, joint product development in response to customer needs and the establishment of a collective delivery system for packaged sets of machinery and tools.

In addition, both parties intend to receive OEM supply of the rods that connect construction machinery to accessory tools, from Daido Steel Co., Ltd., for overseas applications. FURUKAWA ROCK DRILL, Mitsubishi Materials and Daido Steel will embark on joint cooperation in the future, for the development and improvement of diverse products.

<Explanation of technical terms>

\* Crawler drill (photo (1))

A drilling machine for which a crawler-type traveling unit is equipped with a drifter to cut open drill bores for blasting

\* Bit (photo (2))

A boring bit is a cemented-carbide-based excavating tool, to cut open drill bores for blasting by connecting it with the rod tip attached to a crawler drill's drifter.

\* Cemented-carbide

An extremely hard alloy, which is manufactured by mixing tungsten carbide, cobalt and tiny amounts of other ingredients

\* Rod (photo (3))

A cored steel bar, which is attached onto a crawler drill's drifter in connection with a bit, is used to cut open drill bores for blasting.

<Reference>

Furukawa Co., Ltd.

Head office: 2-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo

Representative: Nobuyoshi Soma, President

Establishment: 1918

Capital: ¥28,208 million

Major businesses: Manufacture and sale of nonferrous metals (e.g., copper, gold, silver); manufacture and sale of general industrial machinery, civil engineering and construction machinery, and vehicle-mounted type cranes, etc.; manufacture and sale of cemented-carbide tools, high-performance materials, etc.; manufacture and sale of electronic materials, chemical industrial products, etc.; lease/rental and brokerage of real estate; and sale of petroleum.

FURUKAWA ROCK DRILL CO., LTD.

Head office: 3-14, Nihonbashi Muro-machi 2-chome, Chuo-ku, Tokyo

Representative: Yoichiro Kato, President

Establishment: 1961

Capital: ¥400 million

Major businesses: Manufacture and sale of construction and civil engineering machinery (drifters, etc.)

Mitsubishi Materials Corporation

Head office: 5-1, Otemachi 1-chome, Chiyoda-ku, Tokyo

Representative: Akihiko Ide, President

Establishment: 1950

Capital: ¥119,457 million

Major businesses: Smelting, processing and sales of metals such as copper, gold and silver; manufacture and sale of cement and cement-related products; manufacture and sale of cemented-carbide tools, high-performance materials, etc.; and manufacture and sale of electronic materials, electronic device products and polycrystalline silicon, etc.

