



NEWS RELEASES

November 24, 2009

Notice of new subsidiary foundation in China.

ALCONIX CORPORATION announced the foundation of a new subsidiary in Suzhou province, China. The new subsidiary, named “ALCONIX DIECAST SUZHOU CO., LTD.”, is founded for the purpose of responding to our clients requirements as well as proceeding Die cast-manufacturing business. ALCONIX will hold 100% of shares in order to found this subsidiary.

The initial purpose of the foundation is to secure the current commercial right of Die cast products business in China by supplying directly to clients requirements. Currently ALCONIX runs the business of Aluminum Die cast products with Japanese industrial machinery manufacture in China by way of third country trade, which is one of main profit center for “Construction and Industrial Material” business segment in our group. Meanwhile the momentum of Die cast products manufacture is outstanding in China, which has already surpassed the amount in Japan by lowest cost. From this background, a lot of Japanese manufactures with having business bases in China plan to raise the ratio of localization of procurement further from current levels instead of purchasing from overseas like Japan or other Asian countries. For this reason, ALCONIX decided to found the subsidiary which deals with Die cast product as manufactures.

The fables-modeled factory is designed to maximize the profit by outsourcing main manufacturing process like casting, fabrication and coating. The subsidiary itself has minimum equipment like Research and Development, Manufacture control. To secure high quality control as well as technology level, the subsidiary will hire a technician with the appropriate skills, who will strive to construct the ideal manufacturing structure as stated board of director.

Regarding the marketing in China, one of subsidiary, “ALCONIX (SHANGHAI) COPR.” will create the sales route in China.

Corporate Profile of new subsidiary

Company name	: ALCONIX DIECAST SUZHOU CO., LTD. 雅高压铸件（蘇州）有限公司（Chinese name）
Founded	: January 1, 2009
Paid-In Capital	: 120 million Yen
Head Office	: Suzhou City, Jiangsu Province, China
Main activities	: Manufacture and sales of Aluminum or related light metal-made Die cast products.
Major share holder	: ALCONIX CORPORATION 100%