

## **Establishment of a Production and Sales Company for Friction Material Products in China**

Tokai Carbon Co., Ltd. is pleased to announce that it has decided to establish, in the Suzhou District of China, a company for production and sales of friction material products used in construction machinery, agricultural machinery, and other industrial machinery.

Friction materials are components used in the break sand clutches of devices such as automobiles, motorcycles, and construction machinery as well as in the brakes of rail cars. Both domestically and overseas, Tokai Carbon is widely acclaimed as a comprehensive manufacturer of friction materials that handle a wide variety of such materials.

As the first overseas expansion in its friction materials business, Tokai Carbon will establish a production and sales base in China. The Company will strive to expand the business in order to respond to its customers' production in China and to their local procurement, both of which are related to construction machinery and agricultural machinery.

### **Overview of the New Company**

1. Location: Suzhou District, People's Republic of China
2. Establishment period: March to April 2012 (planned)
3. Total investment: Approx. 500 million yen
4. Primary business description: Production and sales company for friction material products
5. Commencement of operations: January 2013 (planned)