

NEWS RELEASE



AMADA CO., LTD.

Department in charge: Publicity & IR Department

URL: <http://www.amada.co.jp>

200 Ishida, Isehara-shi, Kanagawa, 259-1196, Japan

Amada to begin full-scale business development in India to achieve annual sales of 10 billion yen

Amada (President & CEO: Mitsuo Okamoto) has begun to prepare for full-scale business development in India, which, like China, is a high potential market. Planned investments include: (1) Doubling of sales and service bases (from four to eight), (2) Doubling of sales and service staff (from 50 to 100), (3) Implementation of skill-up training, (4) Building of production bases, and (5) Establishment of entirely locally-owned companies. By promoting the above plans, Amada aims to achieve annual sales of 10 billion yen over the medium term (three years).

Currently, Amada has established Amada (India) Pvt. Ltd. (established in 2000, President: Kuniya Matsumoto, Mumbai, 50 employees) and Amada Soft (India) Pvt. Ltd. (ASI) (established in 1996, President: T. Periasami, Chennai, 116 employees) as local corporations and has been developing the business of both.

Amada (India) Pvt. Ltd. is a sales and service company headquartered in Mumbai with four service bases in Chennai, Bangalore, Delhi and Chennai. ASI is a software development company, and accommodates development requests from Japan. Amada has been strengthening linkages with Indian Institutes of Technology (IIT) to cooperate in development and human resources, and will move the ASI base to the IIT campus this April. Amada intends to widely utilize the human network and human resources of IIT, and to establish a bridgehead in the Indian market. Forecast sales for the current term in India are expected to be approximately three billion yen. Forecast peak sales are five billion yen.

The sheet-metal machinery markets in developed countries have leveled off and a rapid recovery in these markets should not be expected soon. Under this situation, increasing sales in China and India, where further market growth is expected, is considered a pressing issue. Sheet-metal customers in India can be inferred to be categorized into large-scale EMS companies and entrepreneurs who wish to enter the metalworking business.

In such a market environment, for the former, Amada promotes engineering business with total solution proposals that utilize all elements of the machine, robots and software together, the same strategy as that used to develop business in Japan, Europe, and the U.S. High-end machines (FI, HDS) will be marketed for those customers. For the latter, Amada enhances school functions and strives in a step-by-step manner to develop Amada fans to increase sales. Low-end machines (FO-MII, RG-MII) with full functionality will be marketed for those customers.

(#1)Engineering = Combines a series of products such as the main machine, software, peripheral devices and servicing to propose business solutions.