

Japan Foundry Society, Inc.

Korean Investment Casting Market Overview

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13th WORLD CONFERENCE ON INVESTMENT CASTING

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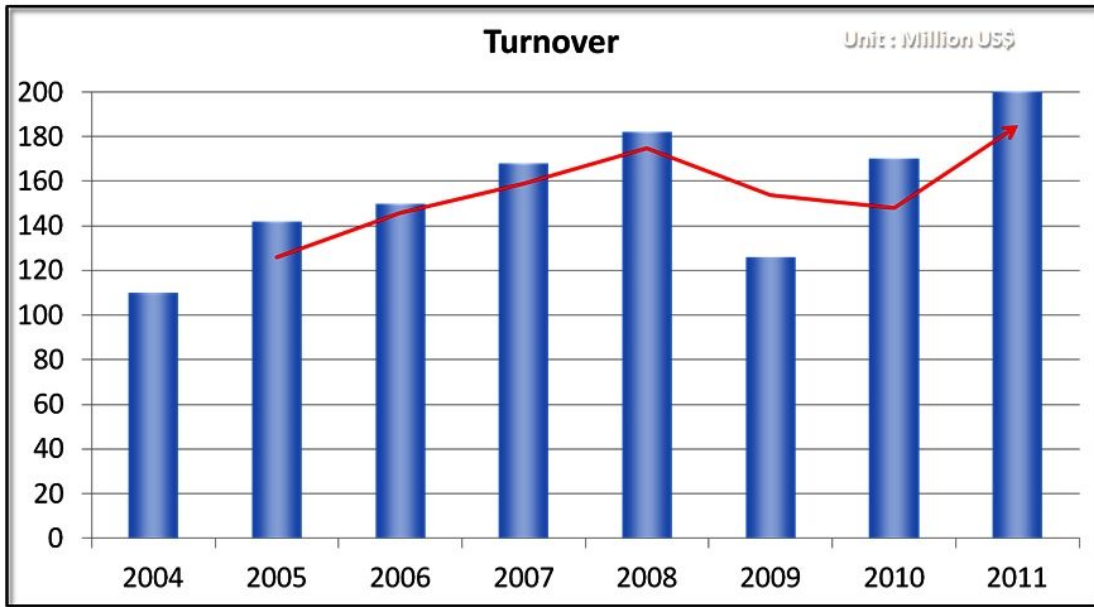
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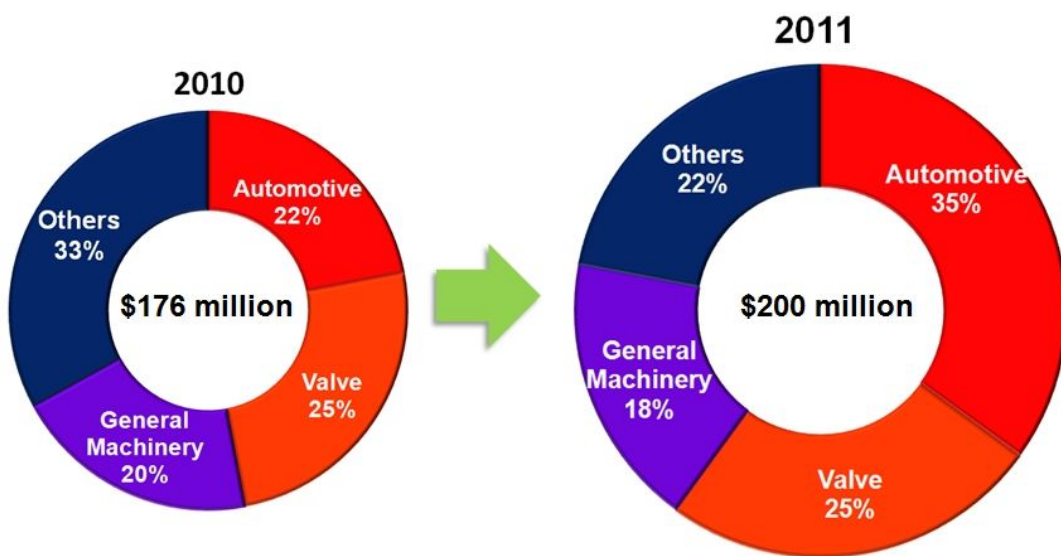
Korea Investment Casting Industry

- 70 Companies
- 1,500 + Employees
- Small to Medium enterprises
 - over 25M\$: 2~3 companies
 - over 10M\$: 10 companies
 - below 5M\$: others
- Gradual sales increase

Korea Investment Casting Sales Trend



Market Segment Sales Trend



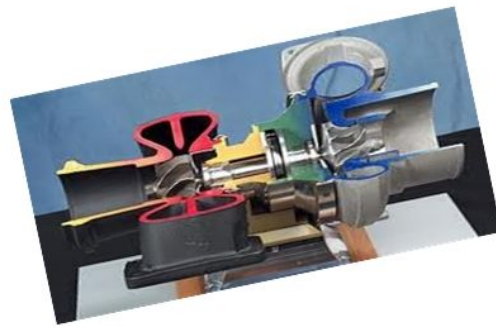
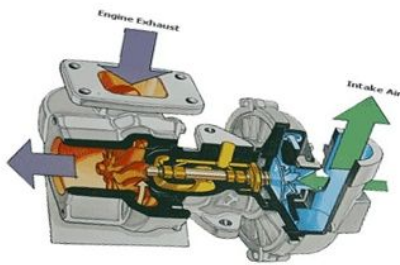
Total Sales of 2011 is estimated 200 million US dollars,
14% increase

Investment Casting Industry

- Segment Summary

- ✓ Automotive

- Driven by Korean Major Automotive manufacturing companies and Tier 1 companies
 - Global companies adopt the parts from Korean source
 - Turbocharger application growing



Investment Casting Industry (cont'd)

- ✓ Valve and Pump

- Strong active in Petrochemical Equipment
 - Market driven by Middle east and South America market (getting stronger)
 - Super Alloy (Duplex, Super Duplex, Super Austenitic, Inconel, etc.) requirement increase
 - Ceramic core / Soluble wax



Investment Casting Industry (cont'd)

✓ General Machinery

- Facing hard competition in “lower and middle value” type of casting
- Market appears to be softening in near term

✓ Vacuum Investment Casting

- For last 3 year, Increase of Vacuum furnace installation
- Participation from Big enterprise and leading company
- In the long term view, it will lead stable growth in this market

Summary

- ❖ Expect to Strong growth trend continued through 2011
- ❖ The increasing demands of investment castings in the areas of IGT, Aerospace, Automobile and etc. will promote the growth of its technical level and production scale
- ❖ Need to focus on market Niches and High Value added
- ❖ Caution on negative impact due to slowing and weak economy situation