

September 22, 2008

**Notice regarding the Business Collaboration with IMC International Metalworking Companies B.V., Change in the Parent Company, and the Business Alliance with OSG Corporation**

On September 20, 2008 Tungaloy Corporation (head office: Kawasaki-shi, Kanagawa, Japan; hereafter the “Company”) executed a business collaboration agreement with IMC International Metalworking Companies B.V. (head office: The Netherlands; hereafter “IMC”). In order to promote this business collaboration, 250,743 shares in the Company (**Approximately 71.2% of the total number of issued shares in the Company**) held by the parent company of the Company, Nomura Principal Finance Co., Ltd. (head office: Chiyoda-ku, Tokyo, Japan; hereafter “NPF”) will be transferred to IMC and IMC will become our parent company.

Also we hereby give notice that, we agreed that, upon the acquisition of 67,500 shares in the Company (**Approximately 19.2% of the total number of shares issued by the Company**) held by OSG Corporation (head office: Toyokawa-shi, Aichi, Japan; hereafter “OSG”) by the Company as treasury stock after the execution of the share transfer described above, we would terminate the capital and business alliance agreement executed between Company and OSG on July 25, 2006 (hereafter the “Original Agreement”) and executed a new business alliance agreement (hereafter the “New Agreement”).

The Company has decided to execute a business collaboration agreement with IMC in order to further expand its business. At the same time, in order to strengthen the relationship between the Company and IMC, the parent company of the Company, NPF, will transfer all of its shares in the Company to IMC, and IMC will become our new parent company.

IMC, whose parent company is Berkshire Hathaway Inc. (head office: the United State), is a holding company with many tool makers as subsidiaries, including Iscar (head office: Israel), Ingersoll (head office: the United States) and TaeguTec (head office: Korea).

The Company and IMC agreed to implement their mutual collaboration including the following to achieve the purpose of the business collaboration under the business collaboration agreement between Company and IMC:

- maintenance and expansion of the present distribution networks of Company and the group companies or distributors in and outside Japan;
- preservation and expansion of all current businesses (including those related to Friction Materials and Related Products, PCB Drills, Wear-resistant Tools and Machine Parts and Civil-Engineering and Building Construction Tools);
- effective use of IMC's resources in connection with cooperative purchasing of raw materials and cooperative distribution of products; and
- mutual use of all of the patents and other related intellectual property rights, for production of products which shall not be interchangeable with the niche products of the other (cross-license).

Furthermore, in its collaboration with the Company, IMC commits itself to:

- respect and uphold the independence of the Company's management;
- protect the Company's reputation, name and brand names;
- maintain employment for the Company's employees globally;
- develop and expand the Company's existing and future business.