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MONTHLY REPORT FOR THE PERIOD: December 1 -31, 1974

TO: Dr. A.-L. Zecha

CC: Mr. John L. Myers

RECEIVED
JAN 3 1975

FROM: F. S. Wada

PLAINTIFF'S EXHIBIT
UC-3642

ASBESTOS:

1. Price Increase:

The price increase of average of 14% effective January 1, 1974 was postponed to April 1, 1975 for AS-200, HPO and three other grades, due to customers' financial difficulties caused by slow business and tight-money. Whereas, the price increase for RG-244, HPP, T-135 P & O and two other grades will be increased from Janauary 1, 1974.

John L. Myers has given a special consideration to Tomoe's difficult position with excessive inventory, slow business and customers predicaments to accept a price increase to postpone the price increases of AS-200, HPO, etc. until April 1, 1975.

2. The Labor Safety Sanitary Regulations:

The Nikkan Kogyo Shinbun of November 19, 1974 reported that the Labor Ministry announced that the asbestos will be included in the Labor Safety Sanitary Law as the occupational cancer causing material, which will be revised next Spring.

The new regulations are

(1) Total prohitition of gunniting (spray gun),of asbestos

(2) To change present dry process to wet process from production (of asbestos slates and pipes) to fabrication (cutting, grinding, drilling hole and finishing).

(3) Any materials containing "over 5% asbestos" will be affected by this new regulation.

Reference:

The asbestos used for slates, pipes and insulation are stiff long fiber called "blue asbestos" (crocidolite) causing cancer. Whereas, our California and Canadian asbestos are short flexible fiber (Chrysotile) proven to be harmless to human body.

3. Nittobo is planning to use Calidria SG-102 for floor tile in place of Canadian Carey asbestos. The quantity will be about 100 T/M starting March 1975 and increase up to 300 T/M with economic recovery. If successful, Nittobo will be our first customer for floor tile application.

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4. Daiken Patent:

The writer checked with Kurauchi Patent Office for any progress taken place, and the writer was informed that no action has been taken by Daiken regarding UCC, Eidai, etc. oppositions.

In our subsequent calls on Daiken, no mention has been made to Tomoe or to the writer.

5. Mr. R. E. Byrue has made plants to visit Japan from March 8 to 26 in order to develop RG-600 market as our potential customer trial tests have been unsatisfactory. Without Niagara Falls' technical assistance RG-600 market development will be impossible.

FSW/ys

F. S. Wada

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1974 OBJECTIVES

BATTERY - ASBESTOS - CARBON

- December -

Title		
Battery:	a. To achieve 5-10% of MAM watch battery replacement market by end of year thru Yuasa	Yuasa holding blister pack, due to JV formation.
	b. To achieve objective $3.5 MM sales volume for MAM cells by year-end	YTD sales attained $4.3 MM to exceed target of $3.5 M by $1.0 M
	c. To fulfill our obligation to accompany Mr. H. Matsumura to study MAM and SAM battery sales channels in USA	Completed in September
	d. To bring UCSIL carbon-xinc battery prices to proper market prices level by year-end at Daiei Supermarkets	Sales to Daiei will be discontinued from Jan. 1, 1975 and Supper 99 batteries are agreed to be sold out by end of March 1975
Asbestos:	a. To adjust Tomoe's inventory to reasonable level from over three months inventory	Import orders of October, November and December were cancelled
	b. Market development for new grade RG600	All tests conducted by customers were unsatisfactory that a technical assistance required
	c. To study asbestos production and sales in USA	Expected to be realized in 1975
Carbon:	a. To improve carbon products (ATJ and Brush plates) delivery delays	Now the economic changed suddenly that the orders are cancelled to adjust Tomoe inventory
	b. To achieve Grafoil sales of $0.8 MM thru Tomoe by year-end	Attained 76% of $0.8 MM or $0.648 MM

F. S. Wada

UCC 008543

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TO: Dr. A. L. Zecha

FROM: F. S. Wada

SALES:

	December			Year-to-Date		
	$	%ABB	%LAST YEAR	$	%ABB	%LAST YEAR
BATTERY:						
MAM	45	15	31	4,331	124	252
SAM	0	0	0	193	63	25
Total	45	14	22	4,524	119	182
UCSIL	6	20	-	176	50	-
Battery Total:	51	15	25	4,700	113	189
ASBESTOS:	0	0	0	656	46 (66)	81
CARBON:						
Carbon:	19	33	61	603	88	160
Grafoil	33	49	-	648	76	-
	52	42	168	1,251	84	335
GRAND TOTAL:	103			6,607		

FSW/ys

F. S. Wada

UCC 008544

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Comments:

Battery: The imports of MAM and SAM batteries were 14% of ABB/12 for December and 22% of ABB/12 of 1973, due to slow sales and Yuasa's exessive unintended inventory.

But for the year of 1974, it was 119% of ABB and 182% of 1973 imports, which is miraculous growth, indicating great advance in electronification of cameras watches in Japan leading the world in these area.

But we must not forget the great efforts of Yuasa, who has reinforced their organization and personnel to keep up with this expanding market.

Asbestos: There were no imports for December following November and October, due to slow-down activities and excessive Tomoe inventory.

The imports of $656 M was 46% of ABB and 81% of 1973 imports.

Carbon: The carbon products import was 61% of ABB/12 for December, due to cancellation of orders of brushes and ATJ. The import of $603 M for the year was 88% of ABB and 160% of 1973 imports.

The import of Grafoil for December was 49% of ABB/12, and for the year $648 M was 76% of ABB, due to recession.

The carbon products as a whole including Grafoil, the import amounted to $1,251 M or 333% of 1973.

New Assignment - UCARSEP:

The writer has been assigned to assist Mr. K. Gustafson on sales of UCARSEP systems on November 15, 1974.

UCARSEP market evaluation survey was conducted by Dr. Arino and followed by Dr. Litz's potential customers calls during September this year.

Since the day of the writer's assignment, like inquiries Nippon Parkarizing, Nippon Yushi (Nagase), Toyota through Mitsui Bussan were received.
Except Toray Engineering, who has placed order for a standard 2 x 6 UCARSEP system, we are unable to comply with the customers requests to test our system, until our plans made and budget approved.

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