

Shop	Names of Machines	Outline of Specifications
1	Fine Boring Machine	Ex-Cell-0: 2112
6	" " "	" 2 Spindles
2	" " "	Heald: No. 47 with speed reducing boring fixture
HA	Jig Boring m/c	Genevoise Hydraulic type
HA	Multiple Spindle Drilling m/c	NATCO: 12 Spindles E.5
KI	Borematic Boring m/c	Heald: 47 A
2	Hydraulic Deep Hole Drilling m/c	Leland Gifford
3	Spot Facing Drill	" " Spot facing drill
1(5)	2(1) Internal Grinder	Heald: No. 74 Swing about. 900
4(4)	5(1) " "	" No. 70 with magnetic chuck including several wheel-spindles
5	Internal Grinder	Heald: No. 80
5	External Grinder	Norton: 10" x 36" (6" x 18")
3	" "	Norton: with grinding attachment for cylinder skirt
5	Universal Grinder	Brown & Sharp No. 1
4(2)	5(2) " "	" " No. 2
5(3)	7(5) Thread Grinder	Ex-Cell-0: Short thread grinding type
4	" "	Lindner. F.S. 30 or similar
3	" "	J. & L. Automatic. 8" x 18"
5	Round Plate (ENBAN) Grinder	Heald. 25A with 12" Rotary Table
5	Centerless Grinder	Cincinnati. 2A.
5	Vertical Lapping m/c	Norton: No. 26
HA.	Universal Cutter Tool Grinder	Schuette: WU-5
HA.	Widia Tool Grinder	Cordes: OSWW. 45/2
KI.	Automatic Chaser Grinder	Reishauser
HA.	Profile Grinder	LEOWE. S.M. Profile Grinding m/c
HA.	Broach Grinder	Fortuna: 250 x 1.000
6	Piston Grinder	Norton Co.
1	Crankshaft Grinder	Norton: 26" x 72" High Swing Double Raw Pin Grinding attachment
3	Cylinder Grinder	Heald: 73



Quantity	Estimate		1 st	C h o i c e			Item No.	Order of Importance
	Unit Price	Total		2 nd	3 rd			
3	35,000	105,000	American				24	25
2	37,000	74,000	"	Krause F.B.4			25	26
2	75,000	150,000	"				26	27
1	140,000	140,000	Swiss	Lindner W.15			27	55
1	11,000	11,000	American				28	28
	<del>11,000</del>	<del>11,000</del>					<del>28</del>	<del>28</del>
2	75,000	150,000	"				29	29
			"					
1	9,000	9,000	"				30	31
1	7,000	7,000	"				31	30
6	90,000	540,000	"				32	4
14	50,000	700,000	"				33	5
2	45,000	90,000	"				34	6
4	47,000	188,000	"	German	Italian		35	7
				Fortuna Se,750	BERCO			
1	50,000	50,000	"				36	8
4	40,000	160,000	"	German	Italian			
				Fortuna	BERCO		37	9
4	45,000	180,000	"				38	10
8	82,000	656,000	"				39	56
1	100,000	100,000	German				40	44
2	50,000	100,000	American	Lindner F.S.20				
				Arter 12	"		41	45
1	35,000	35,000	"				42	39
1	45,000	45,000		Lidkoping 4 A			43	38
2	30,000	60,000					44	46
1	55,000	55,000		B. & S. N. 13			45	57
1	20,000	20,000					46	58
1	25,000	25,000					47	59
1	30,000	30,000					48	50
1	20,000	20,000		Schuette			49	47
1	54,000	54,000		Unger			50	48
2	52,000	104,000		Naxas Union	Italian		51	3
				N.T.E.2.-1.500	Berco-610/1500			
4	65,000	260,000		Bryant 24.			52	1



Shop	Names of Machines	Outline of Specifications
4	Gear Grinder	Pratt & Whitney: 10" hydraulic type
4	" "	Maag. SS 60 type
4	Spur Gear Shaper	Fellows: 615 A type (one set 6Z type)
4	Bevel Gear Generator	Gleason: 12" straight
4	Gear Slotter	Elbe-Werke: Model U.Z. with automatic gear slotting
4	Gear Lapping m/c	Michigan Tool Co. or Fellows
4	Broaching m/c	Lapoint. 3.L.100.
3	Honing m/c	Hille PZ II.
3	Finning Machine	Schiess Defries: Fay automatic table 350 x 550
HA.	Dynamic Balancing m/c	Leishauer DWM 200 Universal Balancing m/c
HA.	Universal Die Sinking m/c	Pratt & Whitney. No. 2 B. Universal Die Sinking machine



Quantity	Estimate		1st	C h o i c e			Item No.	Order of Importance
	Unit Price	Total		2nd	3rd			
1	85,000	85,000				53	33	
1	100,000	100,000				54	34	
4	65,000	260,000		Lorenz. S.N.1		55	32	
2	80,000	160,000				56	2	
1	60,000	60,000				57	36	
1	40,000	40,000				58	35	
1	23,000	23,000		German Elbe-Werke		59	49	
2	40,000	80,000		Italian Berco		60	37	
2	60,000	120,000	German	J. & L. Fay		61	60	
1	17,000	17,000	German	Rosenhauser		62	61	
1	47,000	47,000	American			63	62	



Exhibit 36.

FUNDAMENTAL AGREEMENT

New York, January 18, 1940.

Agreement between MANCHURIA INDUSTRIAL DEVELOPMENT CORPORATION (later referred to as Manchuria) and MESTA MACHINE COMPANY (later referred to as Mesta) in which Manchuria organizes the Heavy Machinery Manufacturing Company (later referred to as The Company) with a total capital of 50,000,000 Yen for the purpose of constructing and operating The Company's plant in Manchukuo as a producing unit for the ultimate manufacture of all products made by Mesta, and also other machinery etc.

1. Manchuria agrees to organize a Company capitalized at 50,000,000 Yen, and deliver to Mesta ten per cent (10%) of the total capital stock in non-assessable shares. (Minimum dividends of 6% guaranteed, and the Company will make every effort to obtain a formal assurance of Manchukuo Government that they will be obtainable in United States dollars). Manchuria further agrees to hold an additional ten per cent (10%) of the capital stock in the treasury and give Mesta a five (5) year option to purchase this ten per cent (10%) additional stock at the original par value.

Manchuria further agrees to subscribe to or obtain subscriptions for the balance of the capital stock and pay into The Company for same the par value, and in case the total capital stock is not paid for promptly after forming of The Company, Manchuria guarantees that payment will be made to the Company if and when capital is needed for expansion or general Company business, and that not less than fifty per cent (50%) of the total capital stock of the Company will be paid in full to the Company on or before June 1, 1940.

2. The name "Mesta" may be used by The Company.
3. Mesta will be entitled to have at least two (2) members on the Board of Directors of the Company.
4. Mesta will supply complete information for building the Company shops, in the same manner as if they were building for themselves in the United States. They will supply all detail drawings, supply or procure elsewhere all machinery which has to be purchased outside of Japan, work in conjunction with the Company and the Company's representatives so as to enable the Company to buy as much material and machinery as possible in Japan. It being understood and agreed to by both parties that the sum of \$3,000,000.00 will be available to be expended in the United States,



subject to the approval of the Manchurian Government, and that Mesta will have full and complete charge of making these expenditures, saving and excepting however, that they will consult with the Company's representative on all matters before making actual commitments. It being expressly agreed to that no commissions or gratuities of any kind will be retained or payable to anyone, either directly or indirectly, and that Mesta will be paid a flat fee of \$300,000.00 under the above conditions, 25% of which is to be paid on or before July 1st, 25% on delivery of drawings, and the balance upon final delivery of material and equipment supplied from the United States of America,

5. On all inquiries received by The Company, Mesta will supply general engineering data and make necessary layout drawings, if required by The Company, to enable the Company to quote on rolling mill and steel work equipment, etc. If order is received by The Company, Mesta will furnish detailed manufacturing drawings, list of parts with materials specified, supply all information available to Mesta covering practices developed in the United States, and render such other consultation service as is required on such project.
6. Mesta will supply The Company with data acquired over many years of experience pertaining to organization, methods of manufacture, practices, formulae, special heat treating procedure; allow representatives of The Company to visit Mesta Works, and assist them in becoming skilled in the art of manufacture of machinery rolls, etc.
7. To compensate Mesta in American dollars for services as mentioned in item #5 on the basis of fifteen per cent (15%) of the selling price of any equipment built by The Company for which Mesta supplied detailed drawings. For each subsequent installation where the same or similar equipment is built by The Company, payment is to be seven and one-half per cent ( $7\frac{1}{2}\%$ ) of the selling price of the equipment. These charges do not apply to spare or replacement parts. But with the understanding that this fifteen per cent (15%) is reducible down to ten per cent (10%) for first drawing and that this seven and one-half per cent ( $7\frac{1}{2}\%$ ) is reducible down to five per cent (5%) for each subsequent installation, provided that Mesta and The Company shall negotiate and agree for reduction of rate as circumstance may demand.
8. Mesta will grant free use of all patents owned and controlled by Mesta on any of its equipment designed and supplied. Any royalties that would be assessed on patents not owned by Mesta Machine Company would be paid by The Company.



9. Mesta agrees to grant The Company exclusive manufacturing rights within its capabilities of all Mesta products in the territory covered by this agreement. The Company agrees to place with Mesta all work that must be purchased abroad at current prices.
10. The Company and Mesta will cooperate fully in selling and allocation of work to be done in Manchukuo and America so there is no competition between The Company and Mesta.
11. It is understood that our drawings will not be given or exhibited to other companies without the prior written consent of Mesta Machine Company.
12. Any future machine tools, parts or complete machines required by the Company will be purchased from Mesta at current prices, unless they are manufactured by The Company, in which case Mesta will be paid on the same basis as stated in Item 7, provided Mesta supplies the drawings. If they are manufactured by Mesta, then Mesta will pay The Company on the same basis as stated in Item 7, if The Company supplies the drawings.
13. The complete cooperation between Mesta and The Company would be expected with free exchange of data, patents, etc., in the future.
14. In order that this arrangement may continue on a mutually satisfactory basis, it is desirable that a review, and if necessary an equitable revision, be made every five (5) years.
15. Mesta will allow free access to their works and will have free access to Company's works.
16. The Company will pay salary and traveling expenses of any men sent upon The Company's request.
17. This agreement would cover the Japanese Empire, Manchukuo and China.
18. Time is the essence of this agreement and same will become null and void after June 1st, 1940, in case Manchuria shall have failed to accomplish all and every item as stipulated under paragraph 1, and/or the Manchurian Government fail to sanction conditions stipulated in paragraph 4.

Agreed by

Y. Yano Director  
Manchuria Industrial  
Development Corporation

Agreed by

L. Iversen, President  
Mesta Machine Company



Date: May 16, 1940

Attention Mr. L. Iversen, President

Mesta Machine Company,  
Pittsburgh,  
Pennsylvania.

RE: Fundamental Agreement between  
Manchuria Industrial Development  
Corporation and Mesta Machine  
Company

Gentlemen:

With respect to our Fundamental Agreement dated New York, January 18, 1940, some ambiguity has arisen concerning the interpretation of the word "ultimate" in the first paragraph, seventh line. In order that there may be no misunderstanding created by the use of this word, my company desires to delete the same, since it neither adds to nor detracts from the understanding between the parties.

Likewise, in Section 1, first paragraph of the Fundamental Agreement, we agreed, among other things, to organize the Heavy Machinery Manufacturing Company under the laws of the Empire of Manchukuo, to be capitalized at 50,000,000 yen, and to deliver to your company "ten per cent (10%) of the total capital stock in non-assessable shares," i.e., 5,000,000 yen of such stock.

My company advises that it may be possible that the new company may be capitalized in an amount over 50,000,000 yen, in which event the clause above quoted may create some ambiguity if not further clarified. Since it is understood between the parties that the ten per cent (10%) above mentioned specifically means and is limited to 5,000,000 yen of the capital stock of the new company, we desire to have this clarification and interpretation confirmed by your company, upon condition, however, that such increased capitalization is not to be made by means of a split-up in shares. If additional new capital is invested by reason of new stock offered for subscription, your company will have the right to acquire by purchase a proportionate number of shares representing such increased capitalization, if it so desires.

With regard to the option granted to your Company in the first paragraph of Section 1 of the Fundamental Agreement for a period of five (5) years to purchase "ten per cent (10%) additional stock at the original par value", i.e., an additional 5,000,000 yen of the stock of the new company, we wish it to be expressly understood between the parties that the 10% specifically means and is limited to 5,000,000 yen of the capital stock of the new company and does not mean that in the event the new company should increase capitalization during the option period, your company shall be entitled under the option to purchase any proportionate number of shares representing increased capitalization.



We propose these amendments in order to clarify the understanding between the parties as contained in the aforesaid Fundamental Agreement and shall appreciate very much your assent thereto.

Yours very truly,

MANCHURIA INDUSTRIAL DEVELOPMENT CORP.

By (Signed) Yoshiaki Yano  
Director

Agree, May 16, 1940  
MESTA MACHINE COMPANY

By (Signed)  
President



May 16, 1940.

Attention Mr. L. Iversen, President

Mesta Machine Company  
Pittsburgh,  
Pennsylvania.

Gentlemen:

In paragraph 7 of the Fundamental Agreement dated January 18, 1940, between our two companies, it was agreed, among other things, that we compensate Mesta in American dollars in amounts as specifically set forth in said paragraph, but since no time for, or place of, payment is mentioned in said paragraph and you desire that we specifically come to an agreement on this point, we hereby agree to make these payments in New York and that 50% of such payments, in all cases where Mesta supplies detailed drawings, shall become due and payable upon complete delivery of such drawings, and the balance of 50%, six months thereafter. All amounts payable on account of subsequent installations, where no additional detailed drawings are supplied by Mesta, shall become due and payable upon completion of shipment of such equipment (by completion of shipment is meant practically complete shipment; no omission of minor parts can be claimed as excuse that shipment has not been completed).

It is understood that the drawings so delivered shall be complete in arrangements and details in the same manner and in such condition as used in your factory in Pittsburgh.

This letter is submitted in duplicate and your acceptance and signature below will indicate your agreement to the above amendment.

Yours faithfully,

MANCHURIA INDUSTRIAL DEVELOPMENT  
CORPORATION

By (Signed) Yoshiaki Yano  
Director

Accepted: May 16, 1940

MESTA MACHINE COMPANY

By (Signed)  
President.



May 16, 1940

Mesta Machine Company  
Pittsburgh, Pennsylvania

Attention: Mr. L. Iversen, President

Gentlemen:

In paragraph "1" of the Fundamental Agreement dated January 18, 1940, between our two companies, we agreed to organize a Manchukuoan Corporation to be capitalized at fifty million yen, and to deliver to your company 10% of the total capital stock, i.e., five million yen, in non-assessable shares of such company. It is also provided therein that this company guarantees minimum dividends of 6% on such stock, and that the new company will make every effort to obtain the formal assurance of the Manchukuoan Government that all dividends on such stock will be obtainable in United States Dollars.

Although the new company has not yet been formed, yet we take pleasure in advising you that we have received the formal assurance of the Manchukuoan Government that all dividends on such stock will be obtainable in United States Dollars, and we agree to pay, or cause the new company when formed to pay, such dividends in United States dollars semi-annually in New York City.

It is understood and agreed, however, that in case of the happening of events as provided for under Article VI, Section 2, and/or Article VII, Section 1 of Agreement dated April 27, 1940, and/or the company's shops are not built as contemplated, and Mesta is not required to function any further under the terms and conditions of the Fundamental Agreement, then, and in that event, the new company shall be relieved of its obligation to pay such dividends in United States Dollars.

The foregoing will supersede and amend the dividend provision contained in said paragraph "1" of the Fundamental Agreement.

Will you kindly indicate your consent in writing below to this modification, which we trust will be satisfactory?

Yours faithfully,

MANCHURIAN INDUSTRIAL DEVELOPMENT CORP.

By \_\_\_\_\_  
Director

Accepted: May , 1940  
MESTA MACHINE COMPANY

By \_\_\_\_\_  
President



EXHIBIT 37

Manshu Juki

A G R E E M E N T

Made this 27th day of April, 1940, by and among MANSHU JUKOGYO KAIHATSU KABUSHIKI KAISHA (an English translation thereof being MANCHURIA INDUSTRIAL DEVELOPMENT CORPORATION, under which name said Corporation sometimes does business), a corporation organized and existing under and by virtue of the laws of the Empire of Manchukuo and having its principal office and place of business in the City of Hsinking, Empire of Manchukuo (hereinafter sometimes referred to as "Manchuria");

MITSUBISHI SHOJI KAISHA, LTD., a corporation organized and existing under and by virtue of the laws of the Empire of Japan and having an office and place of business in the City of New York, New York, United States of America (hereinafter sometimes referred to as "Mitsubishi"); and

MESTA MACHINE COMPANY, a corporation organized and existing under and by virtue of the laws of the Commonwealth of Pennsylvania and having its principal office and place of business in the Borough of West Homestead, Allegheny County, Pennsylvania, United States of America (hereinafter sometimes referred to as "Mesta").

W I T N E S S E T H:

WHEREAS Manchuria desires to purchase from Mesta and Mesta desires to sell to Manchuria certain machinery, equipment and/or materials for a purchase price aggregating approximately Three Million Dollars on the terms and conditions hereinafter stated; and

WHEREAS Manchuria proposes to organize a new corporation which may use or acquire title to some or all of the said machinery, equipment and/or materials; and

WHEREAS Manchuria has irrevocably constituted and appointed Mitsubishi as its purchasing agent in the United States of America for the purposes of this Agreement, and Mitsubishi is willing to act in such capacity as well as to assume certain other obligations more particularly stated hereinafter;

NOW, THEREFORE, in consideration of the respective covenants, agreements and promises herein contained, it is hereby agreed by and among the parties hereto as follows:



ARTICLE I

Incorporation of the "Company"

Section 1. Manchuria, on or before June 1, 1940, will organize or cause to be organized, a corporation to be known as Heavy Machinery Manufacturing Company (hereinafter sometimes referred to as the "Company"), under the laws of the Empire of Manchukuo, with total authorized capital of at least Fifty Million Yen, all of which shall be common capital stock of a par value of Fifty Yen per share, for the purpose inter alia of manufacturing and producing heavy machinery and other industrial products.

Section 2. On or before June 1, 1940, Manchuria will subscribe to or obtain subscriptions for capital stock of the Company to the amount of not less than Twenty-five Million Yen, and will pay, or cause to be paid, in cash, sufficient sums on account of such subscriptions so that on June 1, 1940, the Company will have a paid-in cash capital of not less than Twenty-Five Million Yen. Thereafter, if and when capital is needed for expansion of the Company's activities or for general Company business, Manchuria will subscribe to or obtain subscriptions for the additional capital so needed.

Section 3. Immediately upon the incorporation and organization of the Company, Manchuria will cause the Company to approve, adopt and ratify all the terms and conditions of this Agreement, in so far as it is contemplated by this Agreement that the Company may be entitled to any rights or shall assume any duties hereunder, and thereupon the Company shall become a party to this agreement to the extent so contemplated; and Manchuria will cause the Company to take all action, whether by action of the Board of Directors, shareholders, officers or otherwise, as may be legally necessary to assure approval, adoption and ratification as aforesaid.

On or before July 1, 1940, Manchuria will furnish to Mesta

- (a) an opinion of counsel satisfactory to Mesta, and
- (b) such certificates or other evidence of action as Mesta's counsel may reasonably require,

showing the due and proper incorporation of the Company, the amount of paid-in capital of the Company, and due and proper action taken by the Company pursuant to the provisions of this Section 3.

No action taken by the Company under the first paragraph of this Section 3 shall in any way affect, alter or impair Manchuria's obligations to Mesta under the terms of this Agreement, and Manchuria shall always remain liable and be responsible for the performance by the Company of its obligations hereunder with the same force and effect as if the Company's action or non-action had been that of Manchuria.



## ARTICLE II

### Purchase and Sale of Machinery

Section 1. Subject to the terms and provisions of this Article II and of Article III hereof, Manchuria will purchase, or cause the Company to purchase, through Mitsubishi, from Mesta all Machinery, equipment and/or materials (other than machinery, equipment and materials which can be conveniently purchased in Japan) necessary to build and equip the Company's plant in Manchukuo.

Section 2. As soon as possible, and in any event not later than July 1, 1940, Manchuria will furnish, or cause the Company to furnish, through Mitsubishi, to Mesta such specifications, engineering data and other technical information as may reasonably be required to enable Mesta to manufacture or furnish the machinery, equipment and/or materials to be purchased from Mesta as provided in Section 1 of this Article II. The number, quantity, types, sizes, quality and prices of the machinery, equipment and/or materials to be purchased hereunder shall be such as are agreed upon by Manchuria or the Company and Mesta from time to time on or before August 1, 1940; PROVIDED, that the said prices shall be reasonable, and PROVIDED, FURTHER, that machinery, equipment and/or materials as to which such agreements are reached after August 1, 1940, shall also be included within this Agreement, but the dates for commencing and completing deliveries thereof shall be agreed upon at the time such agreements are reached. All machinery, equipment and/or materials as to which agreements are reached as aforesaid are hereinafter referred to as "Purchased Machinery".

Section 3. Mesta will sell to Manchuria and/or the Company, through Mitsubishi, the Purchased Machinery, and Mesta will give to Manchuria and/or the Company the benefit of any regular guarantee of the manufacturer (including Mesta, if it is the manufacturer) as to workmanship and quality applicable to the Purchased Machinery.

Section 4. Except as provided in Section 2 of this Article II and Section 3 of Article III hereof, Mesta will use its best efforts to commence deliveries of the Purchased Machinery in the month of December, 1940, and to complete deliveries not later than December 31, 1941; PROVIDED, HOWEVER, that delay by Mesta in completing delivery shall be excused if caused by accidents, fire, strike, differences with workmen, lockouts, damage by the elements, or any manufacturing contingency or any other cause unavoidable or beyond the reasonable control of Mesta. If such delay in delivery as to any particular part of the Purchased Machinery exceeds six months beyond the estimated delivery date thereof, the monthly payment or payments next maturing after said six months' period shall be reduced by the amount of the purchase price of the part of the Purchased Machinery so delayed in delivery; provided, that the purchase price of the part of the Purchased Machinery so delayed in delivery shall be paid in cash upon the subsequent delivery thereof. If after said six months' period it appears that



deliveries thereof thereafter will be indefinitely delayed, then Manchuria and/or the Company shall have the right by written notice at any time thereafter to cancel and terminate this Agreement in so far as said Purchased Machinery so delayed in delivery is concerned.

All deliveries shall be made F. O. B. railroad cars, properly boxed for export, at Mesta's plant in West Homestead, Allegheny County, Pennsylvania, and title to the goods so delivered shall thereupon pass to Manchuria and/or the Company, the risk of loss thereafter being that of Manchuria and/or the Company. However, Mesta will prepay or allow the railroad freight from Mesta's plant to the port of shipment, provided said port is on the North Atlantic Seaboard of the United States. All shipments shall be consigned to Mitsubishi at the City of New York, New York, unless and until written instructions to the contrary are given as to any particular shipment.

### ARTICLE III

#### Payment for Purchased Machinery

Section 1. It is agreed by the parties hereto that the purchase price of the Purchased Machinery will aggregate approximately Three Million Dollars.

Section 2. Manchuria will pay to Mesta, or cause the Company to pay to Mesta, the sum of approximately Three Million Dollars, as payment for the Purchased Machinery, which sum shall be paid in twenty equal monthly payments commencing July 1, 1940, in the following manner:

(a) The first ten payments to Mesta shall be made on the first day of each month commencing July 1, 1940, to and including April 1, 1941, in fully paid non-assessable shares of stock of the Company of the par value of Six Hundred Forty Thousand Yen per month, or a total par value of Six Million Four Hundred Thousand Yen, which shall constitute the equivalent of One Hundred Fifty Thousand Dollars per month, or a total of One Million Five Hundred Thousand Dollars;

(b) The second ten payments to Mesta shall be made in cash on the first day of each month, commencing May 1, 1941, to and including February 1, 1942, at the rate of One Hundred Fifty Thousand Dollars per month, or a total of One Million Five Hundred Thousand Dollars.



If the purchase price for the Purchased Machinery is more or less than the sum of Three Million Dollars, the necessary adjustment shall be made on the last payment due February 1, 1942, by adding thereto or deducting therefrom the amount of purchases over or under the said sum of Three Million Dollars.

The shares of stock of the Company received by Mesta from time to time under the provisions of this Section 2 are hereafter referred to as "Purchase Price Stock".

The Company's stock to be issued to Mesta under the terms of clause (a) of this Section 2 shall be in addition to (and not part of) the capital stock to be paid in on or before June 1, 1940, as provided in Section 2 of Article I hereof.

Section 3. If any of the above-mentioned first ten monthly payments shall become due and remain unpaid in whole or in part for a period of ten days, then at Mesta's election all of the said first ten payments then remaining unpaid shall be accelerated so that the entire balance of said first ten payments then remaining unpaid shall forthwith become due and payable in stock as aforesaid; PROVIDED, that for the purposes of this paragraph delay in making said monthly payments shall be excused to the extent of another sixty days if such delay is unavoidable or beyond the reasonable control of Manchuria and/or the Company.

If any monthly payment payable in cash shall become due and remain unpaid in whole or in part for a period of ten days, then at Mesta's election all of the said monthly payments then remaining unpaid shall be accelerated so that the entire balance of said monthly payments remaining unpaid shall become due and payable in cash forthwith; PROVIDED, that for the purposes of this paragraph delay in making said monthly payments shall be excused for the extent of another twenty days if such delay is unavoidable or beyond the reasonable control of Manchuria and/or the Company.

In either or both of the following events:

(a) If Mesta exercises its above option to declare an acceleration as to monthly payments payable in stock, and if the entire balance of said first ten payments then remaining unpaid shall not be paid in stock as aforesaid within thirty days after written notice of the exercise of said option; and/or

(b) If Mesta exercises its above option to declare an acceleration as to monthly payments payable in cash, and if in such case Manchuria and/or the Company within thirty days after written notice of the exercise of said option shall not have paid to Mesta the amount so declared due and payable;



Mesta may thereupon or thereafter exercise the option granted to it under Section 1 of Article IV hereof at any time desired by it, without any prior notice of election to exercise said option and the repurchase price specified in said Section 1 shall become immediately due and payable. If Mesta exercises said option, Manchuria will thereupon repurchase the said stock at the said price.

If Mesta exercises any of the options granted to it by this Section 3, and if Manchuria and/or the Company duly and punctually performs the obligations imposed upon either or both of them in case of such exercise, Mesta shall continue performing its obligations under this Agreement, except that the time for deliveries of the Purchased Machinery shall be extended by a time equivalent to the interval between the date when the first of said defaulted monthly payments became due (omitting the excused period) and the date of performance.

#### ARTICLE IV

##### Repurchase of And Other Provisions Concerning Company's Stock Delivered to Mesta

Section 1. Manchuria hereby grants to Mesta the option to require Manchuria to repurchase the Purchase Price Stock on July 1, 1943, at a price in United States Dollars equal to the amount of the payments in United States Dollars represented by said stock and made to Mesta under the provisions of Section 2 of Article III hereof; PROVIDED, that Mesta shall notify Manchuria in writing at least sixty days prior to July 1, 1943, of Mesta's election to exercise the aforesaid option. If Mesta exercises the said option, Manchuria will purchase the said stock at the time and for the price aforesaid.

Section 2. If Mesta exercises the aforesaid option, and if the aforesaid repurchase price is duly paid to Mesta, then Mesta will deliver and return the Purchase Price Stock, properly endorsed, to Mitsubishi as agent for Manchuria, and will take such other action as may reasonably be required in order to effectuate the proper and legal transfer thereof.

Section 3. During the period from July 1, 1940, to July 1, 1943, Mesta will not encumber any of the Purchase Price Stock, and will not impose any lien thereon; and, and during the said period, Mesta will not sell, assign or transfer its right, title and interest in and to the said stock to any other party, in whole or in part, either directly or indirectly; PROVIDED, that a merger or consolidation to which Mesta is a party shall not be construed to be a sale, assignment or transfer within the meaning of this Section 3.



Section 4. If Mesta does not exercise the option mentioned in Section 1 of this Article IV, then after July 1, 1943, Mesta will not sell or otherwise dispose of all or any part of the Purchase Price Stock without **first** offering the shares intended to be sold for sale to Manchuria at the actual price per share at which it is proposed to sell the same. Such offer shall be made in writing mailed to Mitsubishi as agent for Manchuria, and shall remain good for acceptance by Manchuria for the period of ten days from the date of mailing the same. If any such offer is not accepted within said ten-day period and if the price therefor is not paid to Mesta within ten days after such acceptance, Mesta shall thereafter have the full and free right to sell or otherwise dispose of the stock offered as well as any remaining portion of the Purchase Price Stock to any person and at any time desired by Mesta.

Section 5. During the period from July 1, 1940, to July 1, 1943, Mesta will transfer, assign and deliver to Mitsubishi, as agent for Manchuria or the Company, all dividends which may be declared on the Purchase Price Stock and payable to Mesta during said period; PROVIDED, HOWEVER, that such obligation to transfer, assign and deliver dividends shall not be applicable to dividends payable otherwise than in cash, which last-mentioned dividends shall be retained by Mesta and shall be treated as part of and included in the Purchase Price Stock.

In consideration for the aforesaid transfer and assignment of dividends, Manchuria will pay, or cause the Company to pay, to Mesta, through Mitsubishi, on the first days of January and July of each of the calendar years 1941, 1942 and 1943, such sums as shall be the equivalent of interest at the rate of six per centum per annum calculated on the following amounts and from the following dates:

On \$150,000 from July 1, 1940  
On \$150,000 from Aug. 1, 1940  
On \$150,000 from Sept. 1, 1940  
On \$150,000 from Oct. 1, 1940  
On \$150,000 from Nov. 1, 1940  
On \$150,000 from Dec. 1, 1940  
On \$150,000 from Jan. 1, 1941  
On \$150,000 from Feb. 1, 1941  
On \$150,000 from Mar. 1, 1941  
On \$150,000 from Apr. 1, 1941

#### ARTICLE V

##### Guarantee, Collateral Security, ETC.

Section 1. Mitsubishi hereby guarantees to Mesta

(a) the due and punctual delivery of shares of stock of the Company and the due and punctual payment of the sums of money, at the times and in the manner, as particularly set out in Section 2 of Article III hereof; and



(b) the due and punctual payment to Mesta of the sum of money owing to Mesta if Mesta exercises the option relating to the Purchase Price Stock, as particularly set out in Section 1 of Article IV hereof; and

(c) the due and punctual payment to Mesta of the sums required to be paid to Mesta under the provisions of Section 5 of Article IV hereof; and

(d) any and all other indebtedness of whatsoever nature and kind which may be owing from Manchuria and/or the Company to Mesta and arising out of this Agreement;

at the dates and places, in the manner and to the full extent prescribed in this Agreement or by law, when and as the same shall become due and payable, without any requirement that Mesta shall first pursue or resort to Manchuria and/or the Company.

Mitsubishi hereby waives notice of any default by Manchuria and/or the Company, and declares that this guaranty is absolute and unconditional; Mitsubishi further agrees that it shall not be released by any extension of time (whether for payment or for performance of any of the terms and provisions of this Agreement) given by any party to any other party to this Agreement, or by any modification or amendment of this Agreement agreed to between Mesta and Manchuria and/or the Company, or by any other matter or thing whereby Mitsubishi as surety or guarantor would or might be released; PROVIDED, that Mitsubishi shall have approved of any modification or amendment substantially or materially affecting this Agreement.

Section 2. As collateral security for the payment by Manchuria and/or the Company to Mesta of the first ten monthly payments mentioned in clause (A) of Section 2 of Article III of this Agreement, as well as for the payment by Manchuria of the repurchase price for the Purchase Price Stock in case Mesta exercises the option to require Manchuria to repurchase the Purchase Price Stock, whether under Section 1 of this Article IV or under other provisions of this Agreement, Manchuria or Mitsubishi will furnish and deposit securities of the character and at the times hereinafter specified, with Guaranty Trust Company of New York, New York (hereinafter called the "Escrow Agent"), in escrow as hereinafter set out.

The securities so deposited shall consist of

(a) Bonds of the Imperial Japanese Government known as 30-Year Sinking Fund 6-1/2% Gold Bonds, External Loan of 1924, Due February 1, 1954; and/or



(b) Japanese Corporate or Municipal Bonds guaranteed by the Imperial Japanese Government as to both principal and interest, listed for trading on the New York Stock Exchange, in coupon form, with both principal and interest payable in United States Dollars at some city within the United States of America,

of the total face or principal amount of Two Million Dollars; PROVIDED, that, for the purposes of this Agreement and in determining whether or not the securities so deposited are of the total face or principal amount of Two Million Dollars, the "face or principal amount" of Japanese Corporate or Municipal Bonds to be so deposited shall be computed at fifty per centum of the face or principal amount stated in such corporate or municipal Bonds. On or before July 1, 1940, Manchuria or Mitsubishi will furnish and deposit one-half of the securities to be so deposited, and on or before October 1, 1940, Manchuria or Mitsubishi will furnish and deposit the remainder of said securities. The securities so deposited with the Escrow Agent, as they may exist from time to time, are hereinafter referred to as the "Pledged Securities".

For the purposes of this Agreement, the following contingencies, viz.:

(I) If Mesta exercises the option to require Manchuria to repurchase the Purchase Price Stock (whether under Section 1 of this Article IV or under other provisions of this Agreement), and if the repurchase price therefor is not duly and punctually paid to Mesta; and/or

(II) If Mesta exercises the option granted to it under Section 3 of Article III of this Agreement to declare an acceleration as to monthly payments in stock, and if the amount so declared to be payable in stock is not duly and punctually paid to Mesta;

are hereinafter sometimes termed "Escrow Contingencies".

Upon the happening of an Escrow Contingency, and upon Mesta's written request, the Escrow Agent shall deliver the Pledged Securities to Mesta, and Mesta shall thereupon have the full power and authority from time to time, upon ten days' prior written notice to Manchuria, to sell and assign and deliver the whole of the Pledged Securities, or any part thereof, at any broker's board or on any stock exchange or at public sale, at Mesta's option, without demand, advertisement or other notice, and with the right in Mesta to purchase as any other person at any such sale, free from any right of redemption by Manchuria and/or Mitsubishi. After deducting all reasonable legal or other costs and expenses of collection, sale and delivery, Mesta shall apply the residue of the proceeds of such sale or sales so made as follows and in the following order:



(I) To pay any fees, charges and expenses of the Escrow Agent which shall have previously been paid by Mesta to the Escrow Agent;

(II) To pay the repurchase price owing to Mesta for the Purchase Price Stock as to which Mesta has exercised the option to require Manchuria to repurchase, whether under Section 1 of Article IV or under other provisions of this Agreement;

(III) To pay to Mesta the entire balance of the first ten monthly payments mentioned in clause (a) of Section 2 of Article III of this Agreement then remaining unpaid, as if said first ten monthly payments had been originally payable in cash instead of in stock; and

(IV) To pay any overplus to Manchuria.

Any such sale or sales shall not relieve Manchuria and/or the Company from liability for any deficiency existing after such application of the proceeds of sale.

The Escrow Agent shall be justified in believing that an Escrow Contingency has taken place if Mesta shall file with it an affidavit by Mesta's President or one of its Vice-Presidents that an Escrow Contingency has happened, and such affidavit may be received by the Escrow Agent as conclusive evidence of the occurrence of any such Escrow Contingency, and the Escrow Agent shall be protected from and shall be relieved of any liability whatsoever to Manchuria and/or the Company and/or Mitsubishi in acting upon any such affidavit believed by the Escrow Agent to be correct and to be properly signed.

Mesta agrees that if so requested by the Escrow Agent, it, on or before the delivery to Mesta of the Pledged Securities, by an agreement satisfactory in terms to the Escrow Agent, will indemnify and hold the Escrow Agent harmless against and from any and all claims, losses or damages made or asserted against the Escrow Agent arising through or because of delivery of the pledged securities to Mesta under Section 2 of this Article V and any and all expenses incurred by the Escrow Agent in defending against such claims, losses or damages.

Section 3. Until the happening of an Escrow Contingency, and until receipt by the Escrow Agent of the affidavit mentioned immediately above, the Escrow Agent shall detach the interest coupons as they mature from the Pledged Securities and shall deliver them to Mitsubishi, with the full right in Mitsubishi or Manchuria to collect and retain the sums of money represented by such interest coupons. From and after the happening of an Escrow Contingency and the receipt by the Escrow Agent of the aforesaid affidavit, all interest coupons on the Pledged Securities shall be delivered to Mesta, who shall have the right to collect and apply the proceeds of collection as Mesta may elect.



Section 4. On July 10, 1943 (unless the Escrow Agent previously shall have received an affidavit as set forth in Section 2 of this Article V), or on any earlier date upon receipt by the Escrow Agent of a certificate from Mesta, signed by its President or one of its Vice-Presidents, certifying that the Escrow has terminated and ended and that it is proper to re-deliver the Pledged Securities, the Escrow Agent after the payment of the fees and of any charges and expenses incurred by it in administering the said escrow, shall deliver the Pledged Securities to Mitsubishi free and clear of the terms of the escrow herein provided for. All fees, charges and expenses of the Escrow Agent shall be paid by Manchuria; PROVIDED, HOWEVER, that if Mesta shall request delivery of the Pledged Securities pursuant to Section 2 of this Article V, before being entitled to such delivery, it shall pay in full all such fees, charges and expenses as shall not have been theretofore paid by Manchuria.

## ARTICLE VI

### Default

Section 1. In case of the happening of one or more of the following events, elsewhere in this Agreement sometimes termed "events of default", that is to say:

(a) default shall be made in any payment (whether such payment is to be made in cash or in stock) required to be paid by Manchuria and/or the Company to Mesta under the terms of this Agreement, and such default shall have continued for a period of ten days;

(b) default shall be made in the observance or performance of any other covenant, condition or agreement herein required to be kept or performed by Manchuria and/or by the Company, and such default shall have continued for a period of sixty days after written notice thereof shall have been given by Mesta to Manchuria;

(c) Mitsubishi shall cease to have an office and place of business in the City of New York, State of New York, or shall cease to do business in said City and State;

Then and in any one or more of such events, Mesta shall have the right to defer further shipments of the Purchased Machinery until such default is made good to Mesta's satisfaction, and Mesta shall also have the right at its election at any time (whether or not further shipments have been deferred) to treat any such event as a total breach of contract in so far as sale and delivery of the Purchased Machinery is concerned and in connection therewith to cancel and to terminate Mesta's obligation to make further deliveries of the Purchased Machinery, and no forbearance of course of dealing shall affect Mesta's said rights; PROVIDED, HOWEVER, that no such cancellation or termination shall in any way interfere with



or prevent the collection of any and all sums of money due to Mesta under this Agreement at and immediately before such cancellation or termination, nor shall such cancellation and termination in any way interfere with or prevent the collection by Mesta of any and all damages (including loss of profits on unperformed and undelivered work) arising by reason of such total breach of contract, nor shall any such cancellation and termination in any way interfere with, affect, prejudice or impair the obligations imposed upon Manchuria, the Company and/or Mitsubishi under the terms of Article IV and V hereof, or under the later provisions of this section.

Upon the happening of one or more of such events of default,

(i) Mesta may thereupon or thereafter exercise the option granted to it under Section 1 of Article IV hereof at any time desired by it, without any prior notice of election to exercise said option, and the repurchase price specified in said Section 1 in respect to the Purchase Price Stock delivered to Mesta shall become immediately due and payable. If Mesta exercises said option, Manchuria will thereupon purchase the said stock at the said price; and

(ii) The restrictions imposed upon Mesta by the provisions of the following sections:

Section 3 of Article IV hereof (relating to liens upon and sales of Purchase Price Stock):

Section 4 of Article IV hereof (relating to Manchuria's right to the first refusal of Purchase Price Stock):

shall terminate and end; and

(iii) Mesta's duty to assign dividends, and any transfer or assignment of dividends previously made by Mesta, pursuant to Section 5 of Article IV hereof, shall terminate and end.

Section 2. If default shall be made by Mesta without reasonable cause in the observance or performance of any provision of this Agreement required to be kept or performed by Mesta, and such default shall have continued for a period of thirty days after written notice thereof shall have been given by Manchuria and/or the Company, Manchuria and the Company shall have the right thereupon by written notice to Mesta to cancel and terminate this Agreement in so far as further sale and delivery of the Purchased Machinery is concerned.

In case of such cancellation and termination, within thirty days thereafter,



(a) Manchuria shall pay, or cause the Company to pay, to Mesta in cash any balance due on account of the purchase price for Purchased Machinery previously delivered to Manchuria and/or the Company, after deducting the payments previously made to Mesta; or

(b) Mesta shall repay to Manchuria or the Company any excess of payments made to Mesta by Manchuria or the Company over the purchase price for Purchased Machinery previously delivered to Manchuria and/or the Company;

as the case may be; PROVIDED, that no such cancellation and termination shall in any way interfere with or prevent the collection by Manchuria and/or the Company of any and all damages arising by reason of such default; and FURTHER PROVIDED, that no such cancellation and termination shall in any way affect Mesta's right to exercise the option to require Manchuria to repurchase the Purchase Price Stock granted to it under Section 1 of Article IV hereof or under other provisions of this Agreement.

Section 3. Except as herein otherwise provided, no remedy herein conferred upon either party in case of the occurrence of an event of default or a breach of contract, is intended to be exclusive of any other remedy, but each and every such remedy given hereunder or now or hereafter existing at law or in equity or by statute, and every power and remedy given to either party may be exercised from time to time and as often as may be expedient by the proper party.

## ARTICLE VII

### Miscellaneous

Section 1. If it becomes impossible or illegal for Manchuria or the Company to export the Purchased Machinery from the United States of America to Japan or to Manchukuo, Manchuria or the Company may notify Mesta in writing of such fact, whereupon Mesta shall cease all work in producing and/or furnishing the Purchased Machinery, and Mesta's obligation to sell and deliver and the obligation of Manchuria and/or the Company to accept and pay (except as hereinafter provided) for the undelivered part of the Purchased Machinery shall terminate. In such case, Manchuria and/or the Company shall be liable to pay Mesta the costs and expenses incurred or expended by Mesta up to the date of such cessation in connection with the undelivered part of the Purchased Machinery plus a profit thereon equivalent to Mesta's current normal profit on its operations. As soon as possible after such cessation, Mesta will furnish to Mitsubishi as agent for Manchuria and/or the Company a statement of such costs, expenses and profit, and within thirty days thereafter Manchuria shall pay, or cause the Company to pay, to Mesta in cash

(a) the amount of such costs, expenses and profit,  
and,



(b) any balance due on account of the purchase price for Purchased Machinery previously delivered to Manchuria and/or the Company, after deducting the payments previously made to Mesta (it being agreed that such cessation shall terminate any further right of Manchuria and/or the Company under clause (a) of Section 2 of Article III hereof to make payments in stock of the Company); PROVIDED, that Mesta shall repay to Manchuria or the Company any excess of payments in stock and/or in cash made to Mesta by Manchuria or the Company over the purchase price for Purchased Machinery previously delivered to Manchuria and/or the Company.

Upon payment of any amount owing by Manchuria or the Company to Mesta, title to the machinery, equipment and materials for which Mesta has been so paid shall vest in Manchuria and/or the Company, and storage or other disposition thereof may be made by Manchuria and/or the Company at their discretion; if not removed from Mesta's plant, such goods shall remain at the risk, cost and expense of Manchuria and/or the Company.

In case of such cessation, Mesta may thereupon or thereafter exercise the option to require Manchuria to repurchase the Purchase Price Stock granted by Section 1 of Article IV hereof for the repurchase price fixed in said Section 1. In case of such exercise, Manchuria shall pay the repurchase price to Mesta within thirty days after written notice to Manchuria of said exercise, unless Manchuria and Mesta during said 30-day period shall negotiate an agreement in writing with reference to the deposit of additional Pledged Securities and the margin thereof to be thereafter maintained in order to assure to Mesta the payment on July 1, 1943 (or such earlier date as may then be agreed upon) of the repurchase price of the Purchase Price Stock.

Section 2. Time shall be of the essence of this Agreement, but the acceptance by Mesta of any payment past due shall not be considered a waiver of this clause.

No waiver by either party, either direct or by operation of law or in equity, of strict compliance with and performance of any term or condition of this Agreement, or of any breach thereof on the part of any other party to this Agreement, shall be held or deemed to be a waiver of any subsequent failure of strict compliance with and performance of any and every term hereof or of any breach hereof.

No delay or omission by either party to exercise any right or power accruing on the happening of an event of default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein.

Section 3. Any and all payments (including Purchase Price Stock) to be made to Mesta under the terms of this Agreement by Manchuria or the Company or Mitsubishi shall be made at the office of Guaranty Trust Company of New York, No. 140 Broadway in the City, County and State of New York, and all cash payments shall be made in United States Dollars.



Section 4. Unless otherwise agreed to in writing by the parties hereto, all notices required or permitted to be sent hereunder to Manchuria, the Company, or Mitsubishi shall be mailed, telegraphed or cabled to Mitsubishi at No. 120 Broadway, in the City, County and State of New York, and all notices to Mesta shall be mailed, telegraphed or cabled to Mesta at Pittsburgh, Allegheny County, Commonwealth of Pennsylvania. All such notices shall be deemed to have been given as of the date of mailing, telegraphing or cabling.

Section 5. In so far as Mitsubishi is acting or is to act as agent for Manchuria and/or the Company under the terms of this Agreement, such appointment as agent shall not be revoked unless Mesta consents in writing to such revocation and unless another person doing business in the City, County and State of New York and satisfactory to Mesta is appointed as such agent; no such revocation and/or new appointment shall in any way affect, prejudice, alter or impair Mitsubishi's obligations to Mesta under the terms of this Agreement.

Section 6. This Agreement in all respects shall be interpreted and shall be construed in accordance with the laws of the State of New York.

Section 7. On or before July 1, 1940, Manchuria will furnish to Mesta such certificates or other evidence as Mesta's counsel may reasonably require showing the authority of the persons who execute this Agreement on behalf of Manchuria and Mitsubishi to act for and to legally bind Manchuria and Mitsubishi to the terms of this Agreement, and also showing if possible the approval of this Agreement by the proper authorities of the Government of Manchukuo.

Section 8. The covenants, terms and conditions herein contained shall be binding upon the successors and assigns of the respective parties (including the Company) to this Agreement, but the same shall not be assigned by any of them without the written consent of the others. For the purposes of this Section 8 a merger or a consolidation shall not be construed to be an assignment.

Section 9. The parties hereto intend to be legally bound hereby.

WITNESS the due execution hereof the day and year first above written.

Witness:  
(Signed) George Yamaoka  
(Signed) B. Tanabe

Witness:  
(Signed) George Yamaoka

Witness:  
(Signed) A.E. Hackney

MANSHU JUKOGYO KAIHATSU KABUSHIKI  
KAISHA, otherwise known as  
MANCHURIA INDUSTRIAL DEVELOPMENT  
CORPORATION

By (Signed)  
Y. Yano, Director

MITSUBISHI SHOJI KAISHA, LTD.  
By (Signed)  
S. Masuda, Manager

MESTA MACHINE COMPANY  
By (Signed)  
Lorenz Iversen, President



SUPPLEMENTAL AGREEMENT

Made this 29th day of April, 1940, by and among MANCHU JUKOGYO KAIHATSU KABUSHIKI KAISHA (an English translation thereof being MANCHURIA INDUSTRIAL DEVELOPMENT CORPORATION, under which name said Corporation sometimes does business), a corporation organized and existing under and by virtue of the laws of the Empire of Manchukuo and having its principal office and place of business in the City of Hsinking, Empire of Manchukuo;

and existing under and by virtue of the laws of the Empire of Japan and having an office and place of business in the City of New York, New York, United States of America; and

MESTA MACHINE COMPANY, a corporation organized and existing under and by virtue of the laws of the Commonwealth of Pennsylvania and having its principal office and place of business in the Borough of West Homestead, Allegheny County, Pennsylvania, United States of America.

W I T N E S S E T H :

WHEREAS the parties hereto entered into an Agreement dated April 27, 1940, to which agreement reference is hereby specifically made, and which Agreement is hereinafter referred to as the "Principal Agreement"; and

WHEREAS the parties to the Principal Agreement desire to amend clause (a) of Section 1 of Article VI of the Principal Agreement;

NOW, THEREFORE, it is hereby agreed by and among the parties hereto as follows:

Clause (a) of Section 1 of Article VI of the Principal Agreement reading as follows:

"(A) default shall be made in any payment (whether such payment is to be made in cash or in stock) required to be paid by Manchuria and/or the Company to Mesta under the terms of this Agreement, and such default shall have continued for a period of ten days;"

is hereby amended to read as follows:



"(a) default shall be made in any payment (whether such payment is to be made in cash or in stock) required to be paid by Manchuria and/or the Company to Mesta under the terms of this Agreement, and such default shall have continued for a period of ten days; PROVIDED, that for the purposes of this clause (a) delay in making the monthly payments mentioned in Section 2 of Article III hereof shall be excused to the extent of another twenty days if such delay is unavoidable or beyond the reasonable control of Manchuria and/or the Company, but subject to the limitation that such delay shall not be excused oftener than once in any period of six consecutive months;"

Except as hereinafter expressly provided, the Principal Agreement shall not be altered, affected or modified in any way whatsoever by the execution of this Supplemental Agreement.

WITNESS the due execution hereof the day and year first above written.

MANSHU JUKOGYO KAIHATSU KABUSHIKI  
KAISHA, otherwise known as  
MANCHURIA INDUSTRIAL DEVELOPMENT  
CORPORATION

Witness: (Signed) George Yamaoka By (Signed) \_\_\_\_\_  
Y. Yano, Director

(Signed) B. Tanabe

MITSUBISHI SHOJI KAISHA LTD.

Witness:

BY (Signed) \_\_\_\_\_  
S. Masuda, Manager

(Signed) George Yamaoka

MESTA MACHINE COMPANY

Witness:

BY (Signed) \_\_\_\_\_  
Lorenz Iversen, President

(Signed) A. E. Hackney



ESCROW AGREEMENT

Made this 27th day of April, 1940, by and among MANSHU JUKOGYO KAIHATSU KABUSHIKI KAISHA (an English translation thereof being MANCHURIA INDUSTRIAL DEVELOPMENT CORPORATION, under which name said Corporation sometimes does business), a corporation organized and existing under and by virtue of the laws of the Empire of Manchukuo and having its principal office and place of business in the City of Hsinking, Empire of Manchukuo (hereinafter sometimes referred to as "Manchuria");

    MITSUBISHI SHOJI KAISHA LTD., a corporation organized and existing under and by virtue of the laws of the Empire of Japan, having an office and place of business in the City of New York, New York, United States of America (hereinafter sometimes referred to as "Mitsubishi"); and

    MESTA MACHINE COMPANY, a corporation organized and existing under and by virtue of the laws of the Commonwealth of Pennsylvania and having its principal office and place of business in the Borough of West Homestead, Allegheny County, Pennsylvania, United States of America (hereinafter sometimes referred to as "Mesta").

W I T N E S S E T H :

WHEREAS the parties hereto entered into an agreement of even date herewith (hereinafter called "Principal Agreement") which contemplates the delivery of certain securities to Guaranty Trust Company of New York, New York (hereinafter called the Escrow Agent) in escrow as therein set forth; and

WHEREAS the said parties now desire to arrange with the Escrow Agent for the creation of said escrow at the times hereinafter set out;

NOW, THEREFORE, for a valuable consideration, it is hereby agreed by and among Manchuria, Mitsubishi and Mesta as follows:

1. Manchuria or Mitsubishi will furnish and deposit securities of the character and at the times hereinafter specified with the Escrow Agent in escrow as hereinafter set out.

The securities so deposited shall consist of

- (a) Bonds of the Imperial Japanese Government known as 30-Year Sinking Fund 6-1/2% Gold Bonds, External Loan of 1924, Due February 1, 1954; and/or



(b) Japanese corporate or municipal Bonds guaranteed by the Imperial Japanese Government as to both principal and interest, listed for trading on the New York Stock Exchange, in coupon form, with both principal and interest payable in United States Dollars at some city within the United States of America.

of the total face or principal amount of Two Million Dollars; PROVIDED that, for the purposes of this Agreement and in determining whether or not the securities so deposited are of the total face or principal amount of Two Million Dollars, the "face or principal amount" of Japanese corporate or municipal Bonds to be so deposited shall be computed at fifty per centum of the face or principal amount stated in such corporate or municipal Bonds. On or before July 1, 1940, Manchuria or Mitsubishi will furnish and deposit one half of the securities to be so deposited, and on or before October 1, 1940, Manchuria or Mitsubishi will furnish and deposit the remainder of said securities. The securities so deposited with the Escrow Agent, as they may exist from time to time, are hereinafter referred to as the "Pledged Securities".

2. Upon the happening of an Escrow Contingency (as defined in the Principal Agreement), and upon Mesta's written request, the Escrow Agent shall deliver the Pledged Securities to Mesta, which agrees to receive the same for the purposes and with the powers in Mesta as specified in the Principal Agreement.

The Escrow Agent shall be justified in believing that an Escrow Contingency has taken place if Mesta shall file with it an affidavit by Mesta's President or one of its Vice-Presidents that an Escrow Contingency has happened, and such affidavit may be received by the Escrow Agent as conclusive evidence of the occurrence of any such Escrow Contingency, and the Escrow Agent shall be protected from and shall be relieved of any liability whatsoever to Manchuria and/or Mitsubishi in acting upon any such affidavit believed by the Escrow Agent to be correct and to be properly signed. The Escrow Agent shall mail a copy of any such affidavit to Manchuria.

Mesta agrees that if so requested by the Escrow Agent, it, on or before the delivery to Mesta of the Pledged Securities, by an Agreement satisfactory in terms to the Escrow Agent, will indemnify and hold the Escrow Agent harmless against and from any and all claims, losses or damages made or asserted against the Escrow Agent arising through or because of delivery of the pledged securities to Mesta under this paragraph 2 and any and all expenses incurred by the Escrow Agent in defending against such claims, losses or damages.



3. Until the happening of an Escrow Contingency, and until receipt by the Escrow Agent of the affidavit mentioned in paragraph 2 of this Escrow Agreement, the Escrow Agent shall detach the interest coupons as they mature from the Pledged Securities and shall deliver them to Mitsubishi with the full right in Mitsubishi or Manchuria to collect and retain the sums of money represented by such interest coupons. From and after the happening of an Escrow Contingency and the receipt by the Escrow Agent of the aforesaid affidavit, all interest coupons on the Pledged Securities shall be delivered to Mesta, who shall have the right to collect and apply the same as specified in the Principal Agreement.

4. On July 10, 1943 (unless the Escrow Agent previously shall have received an affidavit as set forth in paragraph 2 hereof), or on any earlier date upon receipt by the Escrow Agent of a certificate from Mesta, signed by its President or one of its Vice-Presidents, certifying that the escrow has terminated and ended and that it is proper to redeliver the Pledged Securities, the Escrow Agent after the payment of the fees and of any charges and expenses incurred by it in administering the said escrow, shall deliver the Pledged Securities to Mitsubishi free and clear of the terms of the escrow herein provided for. All fees, charges and expenses of the Escrow Agent shall be paid by Manchuria; provided, however, that if Mesta shall request delivery of the Pledged Securities pursuant to paragraph 2, hereof, before being entitled to such delivery, it shall pay in full all such fees, charges and expenses as shall not have been theretofore paid by Manchuria.

5. The Escrow Agent, by its signature hereto, hereby agrees to act under the terms of this Escrow Agreement, subject, however, to the following terms and conditions (which are hereby agreed to by the parties to this Agreement):

(a) The Escrow Agent shall not be required to see to the deposit of any securities hereunder, nor shall it be responsible for the amount or character of securities deposited hereunder, except that upon written request by Mesta, it shall inform Mesta what, if any, securities have been so deposited.

(b) The Escrow Agent shall not be responsible for any disposition that may be made of the pledged securities or any interest coupons after delivery by it to Mesta or Mitsubishi pursuant to the provisions of paragraph 2, 3 or 4 hereof.

(c) The Escrow Agent shall not be responsible for the collection of the principal or interest on any of the pledged securities and upon delivery of the securities deposited hereunder pursuant to the terms hereof all obligations and liabilities of the Escrow Agent under this Agreement shall terminate.



(d) The Escrow Agent shall in no event be liable in respect of any matter or thing except the performance of the duties expressly conferred upon it herein, and the Escrow Agent shall not be liable for any error of judgment or mistake of law or fact, or in any case except for its own wilful misconduct, and it shall be fully protected and held harmless from and against any and all liability by reason of acting upon any signature, paper, document, instructions or orders believed by it to be genuine or to be properly signed, but it shall be required to act only in accordance with instructions or orders expressly provided for in this Agreement any notice, instruction, order or demand to the contrary notwithstanding. The Escrow Agent may advise with legal counsel selected by it, and any action taken, suffered or omitted in good faith by it in accordance with the opinion of such counsel, shall be full justification and protection to it.

(e) The Escrow Agent shall not in any way be responsible for the payment of any federal, state or other taxes which may be or become payable with respect to this transaction or the securities deposited with it hereunder.

(6) Nothing contained in this Escrow Agreement shall in any way or manner alter, modify, affect or impair any of the rights and duties imposed upon the parties to this Escrow Agreement by the terms of the Principal Agreement.

7. This agreement in all respects shall be interpreted and shall be construed according to the laws of the State of New York.

8. Unless otherwise agreed to in writing by the parties hereto and assented to by the Escrow Agent, all notices and letters to be sent to Manchuria or Mitsubishi shall be mailed or telegraphed to Mitsubishi at No. 120 Broadway in the City, County and State of New York, and all notices to Mesta shall be mailed or telegraphed to Mesta at Pittsburgh, Allegheny County, Commonwealth of Pennsylvania. All such notices shall be deemed to have been given as of the date of mailing or telegraphing.

9. The parties hereto intend to be legally bound hereby.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by their respective duly authorized officers the day and year first above written.

Witness:

(Signed) George Yamaoka

(Signed) B. Tanabe

MANSHU JUKOGYO KAIHATSU KABUSHIKI  
KAISEA, otherwise known as  
MANCHURIA INDUSTRIAL DEVELOPMENT  
CORPORATION

By (Signed)

Y. Yano, Director



MITSUBISHI SHOJI KAISHA, LTD.

Witness:

(Signed) George Yamaoka

By: (Signed)

S. Masuda, Manager

MESTA MACHINE COMPANY

Witness:

(Signed) A. W. Hamney

By (Signed)

Lorenz Iversen, President

Accepted and agreed to:

GUARANTY TRUST COMPANY OF NEW YORK

By (Signed)

Arthur E. Burke, Vice President



COPY OF REGISTRATION BOOK

Registration No. 583-1

Date of Entry: May 17, 1940

Name: Manchuria Heavy Machine Manufacturing Company.

Head Office: No. 406 Daido Taigai, Tokubetsu-Shi, Hsinking.

Description:

1. Manufacturing and selling of rolling mill, hydraulic press and steel mill equipment.
2. Manufacturing and selling of general machines and instruments.
3. Manufacturing and selling of forgings and castings.
4. Manufacturing and selling of rolls.
5. Execution of business relative to the aforesaid items.
6. Investing and financing in the aforesaid business.

Date of Incorporation:  
May 17, 1940.

Total Amount of Capital:  
50,000,000 Yen

Face Amount Per Share:  
50 Yen

Paid In Amount per Share:  
50 Yen

Restriction on Transfer of Stock:  
The transfer of stock must have consent of the company in advance.

Way of Public Notice:  
Will advertise on "Manshu-Shinbun" issued in Hsinking.



Residence and Names of Directors:

No. 212 Gosikikodo, Tokubetsu-Shi, Hsinking  
Yosisuke Aikawa

No. 101 Takakodo Tokubetsu-Shi, Hsinking  
Yosiaki Yano

No. 91-8 Denyenchofu 3-Chome, Omoriku, Tokio City  
Yosimichi Murakami

No. 113 Shinhatsuro, Tokubetsu-Shi, Hsinking  
Seiji Watanabe

Woodland Road, Pittsburgh, Pa., U.S.A.  
Lorenz Iversen

No. 45 Sumiyoshi-Cho Nakenoku, Tokio City  
Ichiro Hattori

No. 402 Kenkokuro, Tokubetsu-Shi, Hsinking  
Shoichi Sera

No. 113-2 Denyenchofu 3-Chome, Omoriku, Tokio City  
Kantaro Kishimoto

Residence and Name of Auditor:

No. 402 Kenkokuro Tokubetsu-Shi, Hsinking  
Yasuhika Saito

We hereby certify that the above is identical to the  
original registration book.

May 27, 1940

HSINKING DISTRICT COURT HOUSE

By Wasuke Aoki  
Judge.



MINUTES OF THE SECOND MEETING OF DIRECTORS

MANCHURIA HEAVY MACHINE MANUFACTURING CO.

October 1st, 1940

Date: October 1st, 1940

Place: Head Office, Hsinking, Manchukuo

Resolution:

The Chairman, Yosisuke Aikawa, requested discussion and a resolution on the following matter:

To incorporate under the laws of the Empire of Manchukuo, the "Manshu Kikai Seizo Kaisha Ltd." (Manchuria Machine Manufacturing Company) with fully paid capital of 5,000,000 Yen at Hsinking.

This company to subscribe for the entire issue of said stock.

The resolution is approved and adopted.

October 1st, 1940.

Manchuria Heavy Machine Manufacturing Co.

Yosisuke Aikawa, Director	(Signed)
Yosiaki Yano,	"
Yosimichi Murakami	"
Seiji Watanabe	"
Ichiro Hattori	"
Shoichi Sera	"
Kantaro Kishimoto	"



MINUTES OF THE THIRD MEETING OF DIRECTORS

MANCHURIA HEAVY MACHINE MANUFACTURING CO.

October 10th, 1940

Date: October 10th, 1940

Place: Head Office, Hsinking

Resolution:

The Chairman, Yosisuke Aikawa, requested discussion and resolution on the following matter:

To assign 60,000 shares of the Manchuria Machine Manufacturing Company owned by this company, of which the total face value is 3,000,000 Yen fully paid, to the shareholders of the Teikoku Chukosho Ltd. (Imperial Steel Casting Company) in exchange for 40,000 shares of their company's stock, the total face value of which is 2,000,000 Yen, but 1,650,000 Yen paid, in addition to 1,350,000 Yen in cash.

The resolution is approved and adopted.

October 10th, 1940.

Manchuria Heavy Machine Manufacturing Co.

Yosisuke Aikawa, Director	(Signed)
Yosiaki Yano,	"
Yosimichi Murakami,	"
Seiji Watanabe,	"
Ichiro Hattori,	"
Shoichi Sera	"
Kantaro Kishimoto,	"



Exhibit 40

Mesta-MSK Correspondence  
Listing Drawings Sent to Manshu Juki

MESTA MACHINE COMPANY

Pittsburgh, Pa.

December 6, 1940.

Mitsubishi Shoji Kaisha, Ltd.  
120 Broadway  
New York, New York

Att: G. F. Norton  
Machinery Dept.

Subject: Heavy Machinery Manufacturing Company

Gentlemen:

Under separate cover we are today forwarding you, as listed below, one set of ozalid prints and one set of blueprints covering the design, location of machinery, foundation and detail drawings of the machine shop for the above company.

For Construction of Machine Shop Building:

<u>Dwg. No.</u>	<u>Description</u>
98000	General Plant Layout
98002	Cross Section of Building and Crane Girder Plan
98003	Top Chord, Bottom End Plan and Longitudinal Sections
98004	End and Side Elevations, Typical Sections of Brickwork

Location of Machinery in Machine Shop:

<u>Dwg. No.</u>	<u>Description</u>
98025	Listing and Location of Machinery



Foundation and Details for Construction of Machine Shop  
Building:

<u>Dwg. No.</u>	<u>Description</u>
98050	Structural Steel Index
98051	Erection Diagram for Top and Bottom Chord
98052	Erection Diagram for Top and Bottom Chord
98053	Erection Diagram for Crane Girder Plan and Side Elevation
98054	Detail of 92'-4" Roof Truss
98055	Detail of 42'-0" Roof Truss
98056	Detail of Crane Girders
98057	Detail of Crane Girders
98058	Detail of Crane Girders
98059	Detail of Crane Girders
98060	Detail of Bottom Cord Bracing
98061	Detail of Purlins and Lateral Plates
98062	Detail of Eave Struts and Top Cord Bracing
98063	Detail of Column Bracing
98064	Detail of Lift Beam, Lintel and Sills
98065	Detail of Columns
98066	Detail of Lean-to Columns
98067	Detail of Center Columns
98068	Detail of Gable Columns
98069	Required List for Center Columns and Trusses
98070	Gutters and Down-Spouts
98071	Sheeting Diagram: Plan
98072	Sheeting Diagram - Sections
98073	Elevation Brick Masonry
98074	Details of Brick Masonry
98075	Foundation Plans and Details

Very truly yours,

MESTA MACHINE COMPANY

(Signed) W. W. Powell

General Sales Manager

ROHorning/rr



MESTA MACHINE COMPANY

Pittsburgh, Pa.

January 24, 1941.

Mitsubishi Shoji Kaisha, Ltd.  
120 Broadway  
New York, New York

Att: G. F. Norton  
Machinery Dept.

Subject: Heavy Machinery Manufacturing Company, Ltd.  
Drawings for Forge Storage Yard Crane  
Runway, Scrap Yard Crane Runway, Forge  
Shop and General Arrangements of Equipment

Gentlemen:

We are sending under separate cover two (2) sets of blue-prints and one (1) set of ozalids on the above subject. The drawing numbers and titles are as follows:

FORGE STORAGE YARD CRANE RUNWAY

- 98000 - General Plant Layout revised December 18, 1940
- 98008 - Design drawing - Forge Storage Crane Runway
- 98150 - Index
- 98151 - Erection Diagram
- 98152 - Columns
- 98153 - Columns
- 98154 - Crane Girders and Bracing

SCRAP YARD CRANE RUNWAY

- 98009 - Design drawing Scrap Yard Crane Runway, revised  
December 20, 1940
- 98158 - Index
- 98159 - Erection Diagram
- 98160 - Columns
- 98161 - "A" Frame
- 98162 - Bracing - Crane Girder
- 98163 - Crane Girders
- 98164 - Foundation for Scrap Yard and Forge Storage Yard  
Crane Runways



FORGE SHOP

- 98005)
- 98006) - Design drawings - Forge Shop, revised December 18, 1940
- 98007)
- 98078 - Index
- 98079 - Top and Bottom Chord Plan - Erection Diagram
- 98080 - Girders and Side Elevations
- 98081 - Main Trusses
- 98082 - Lean-To Trusses
- 98083 - Crane Girders
- 98084 - Crane Girders
- 98085 - Bottom Chord Bracing
- 98086 - Purlins and Lateral Plates
- 98087 - Eave Struts and Top Chord Bracing
- 98088 - Vertical Bracing
- 98089 - Lift Beam, Sills and Miscellaneous
- 98090 - Main Columns
- 98091 - Lean-To Columns
- 98092 - Gable Columns
- 98093 - Gutters and Downspouts
- 98094 - Sheeting Diagram
- 98095 - Sheeting Diagram
- 98096 - Elevation of Brick Masonry
- 98097 - Details of Brick Masonry
- 98098 - Foundation
- 98099 - Required List - Trusses
- 98165 - Plan and Elevations - Monitor Diagram
- 98166 - Monitor Details
- 98167 - Details of Purlins and Monitor Framing
- 98168 - Crane Girders

GENERAL ARRANGEMENT OF EQUIPMENT

- 98026 - Forge Shop - Foundry - Gas Producer - Scrap Yard-  
Forge Storage Yard
- 98001 - Placement Diagram of Cranes

Very truly yours,

MESTA MACHINE COMPANY

(Signed) W. W. Powell  
General Sales Manager

DLyle/rr



MESTA MACHINE COMPANY

Pittsburgh, Pa.

March 29, 1941

Mitsubishi Shoji Kaisha, Ltd.  
120 Broadway  
New York, New York

Att: Mr. G. F. Norton  
Machinery Department

Subject: Drawings for Foundry, Pattern Shop and  
Sand and Pattern Storage Buildings -  
Manchuria Industrial Development Corp.

Gentlemen:

We are sending, under separate cover, two sets of blue-prints and one set of ozalids on the above subject. Drawing numbers and titles are as follows:

FOUNDRY

- 98010 - Typical Cross Section and Crane Girder Plan
- 98011 - Top Chord, Bottom Chord, Plan and Elevation
- 98012 - Elevation and Brick Construction Details
- 98016 - Three 75'-0" Girder Trusses
- 98017 - Charging Floor
- 98175 - Index
- 98176 - Erection Diagram
- 98177 - Erection Diagram
- 98178 - Erection Diagram
- 98179 - Erection Diagram
- 98180 - Erection Diagram
- 98181 - Main Trusses
- 98182 - Lean-To Trusses
- 98183 - Trusses - Required List
- 98184 - Monitor Details
- 98185 - Crane Girders
- 98186 - Crane Girders
- 98187 - Crane Girders
- 98188 - Crane Girders
- 98189 - Bottom Chord Bracing
- 98190 - Purlins and Lateral Plates
- 98191 - Eave Struts and Top Chord Bracing
- 98192 - Purlins and Monitor Framing
- 98193 - Purlins and Struts
- 98194 - Vertical Bracing
- 98195 - Main Columns



FOUNDRY - (Continued)

- 98196 - Lean-to Columns
- 98197 - Gable Columns
- 98198 - Lift Beam, Sills, Miscellaneous
- 98199 - Three 75'-0" Trusses
- 98200 - Three 75'-0" Laced Girders - Top Chord
- 98201 - Three 75'-0" Laced Girders - Bottom Chord
- 98202 - Three 75'-0" Laced Girders - Diagonals
- 98203 - Three 75'-0" Laced Girders - Stub Columns
- 98204 - Three 75'-0" Laced Girders - Lacing and Battens
- 98205 - Three 75'-0" Laced Girders - Required List for  
Back Truss and Columns
- 98206 - Main Columns Supporting Three 75'-0" Laced Girders
- 98207 - Sheeting Diagram
- 98208 - Sheeting Diagram
- 98209 - Gutters and Downspouts
- 98210 - Elevations - Brick Masonry
- 98211 - Elevations - Brick Masonry
- 98212 - Foundations - Plan and Details
- 98213 - Details - Brick Masonry

PATTERN SHOP

- 98014 - Plan, Elevations and Cross Section
- 98225 - Index
- 98226 - Erection Diagram
- 98227 - Trusses
- 98228 - Purlins, Bracing, etc.
- 98229 - Sheeting Diagram
- 98230 - Gutters and Downspouts

SAND STORAGE AND PATTERN STORAGE

- 98013 - Plan, Elevation and Cross Section
- 98015 - Plan, Elevation and Cross Section
- 98236 - Index
- 98237 - Erection Diagram
- 98238 - Trusses
- 98239 - Purline
- 98240 - Bracing
- 98241 - Track Girders
- 98242 - Sheeting Diagram
- 98243 - Gutters and Downspouts

MACHINE SHOP

- 98018 - Heating Diagram

This now completes the delivery of drawings and we would appreciate a check for \$75,000.00 now due in accordance with the agreement.

Very truly yours,  
MESTA MACHINE COMPANY

(Signed) W. W. Powell



MESTA MACHINE COMPANY

Pittsburgh, Pa.

March 29, 1941

Mitsubishi Shoji Kaisha, Ltd.  
120 Broadway  
New York, New York

Att: Mr. G. F. Norton  
Machinery Department

Subject: Drawings and Specifications for  
Open Hearth Furnaces, Iron Furnaces,  
Heating Furnaces, Annealing Furnaces, etc.

Gentlemen:

In accordance with the request of Mr. Murakami, we are sending under separate cover, one set of ozalids and specifications covering Open Hearth Furnaces, Iron Furnaces, Heating Furnaces, Annealing Furnaces, etc. Drawing numbers and titles are as follows:

92759 - Open Hearth Furnace Cross Section  
98027 - Open Hearth Furnace  
98028 - Air Furnace  
98030 - Car Type Annealing Furnace  
89176 - Annealing Pit, Arrangement and Section  
88363 - 80 Ton Ladle  
52854 - Iron Ladles  
98031 - Foundry Pits  
98032 - Coke Fired Drying Ovens  
98033 - Turntable for Manipulator  
98035 - Circular Pit Type Furnace  
85324 - Oil Cooling Equipment  
98036 - Car Type Heating Furnace  
87666 - Heating Furnace  
66595 - Heating Furnace  
98037 - Annealing Furnace  
52853 - Oil Quench and Water Basin

Titles of specifications are as follows:

Two (2) Batteries of Car Type Drying Ovens  
One (1) Turntable for Forge Shop Manipulator  
One (1) 80 Ton Steel Ladle  
Two (2) 8'-0" x 9'-0" Annealing Furnaces  
One (1) 7'-6" x 60'-0" and 7'-6" x 120'-0"  
Horizontal Type Annealing Furnaces  
One (1) 5'-0" x 5'-0" Heat Treating Furnace



One (1) Circular Pit Type Oil Quench Tank  
Three (3) 75 Ton Acid Open Hearth Furnaces  
Eight (8) Air Furnaces  
One (1) Three Hole Gas Fired Pit Type Annealing Furnace  
Five (5) 9'-8 1/2" x 42'-10 1/2" Car Type Annealing Furnaces  
Iron Ladles  
Six (6) Circular Pit Type Preheating Furnaces  
One (1) 9'-8-1/2" x 21'-6" Car Type Annealing Furnace  
Two (2) Circular Pit Type Heat Treating Furnaces  
Two (2) 9'-0" x 9'-9" Heating Furnaces and One  
(1) Double Heating Furnace  
Two (2) 11'-6" x 24'-0" Car Type Heating Furnaces,  
One (1) 11'-6" x 15'-0" and Two (2) 9'-0" x 15'-0"  
Heating Furnaces  
Two (2) Heating Furnaces

Two sets of blueprints and specifications have been  
delivered to Mr. Murakami.

Very truly yours,

MESTA MACHINE COMPANY

DLyle:ME

(Signed) W. W. Powell  
General Sales Manager

CC: Mr. Murakami



MESTA MACHINE COMPANY

Pittsburgh, Pa.

March 31st, 1941

Mitsubishi Shoji Kaisha, Ltd.  
120 Broadway  
New York, N. Y.

Att: Mr. G. F. Norton  
Machinery Department

Subject: Drawings for 14'-0" x 14'-0" x 33'-0"  
Mesta Heavy Duty Planer for Manchuria  
Industrial Development Corp.

Gentlemen:

In accordance with your Order No. TR-9512-A we are sending under separate cover one (1) set each of List of Parts: Erection, Lubrication and Operating Instructions; and Ozalid Copies of design and detail working drawings. Drawing numbers are as follows:

88050	88063	88092	88084	89377
88051	88064	88094	88085	89378
88053	88065	88073	87708	89390
88054	88066	88052	88967	89391
88055	88067	88074	89022	89382
88056	88068	88089	87457	89379
88057	88069	88088	89386	89393
88059	88070	88090	89388	89375
88060	88071	88080	89387	89376
88061	88072	88082	89389	89383
88062	88091	88083	89385	89384

In accordance with the instructions of your order we delivered on March 28th, 1941, at our works to Mr. Murakami of Manchuria Industrial Development Corporation two (2) sets each of blueprints; list of parts; and Erection, Lubrication and Operating Instructions.

The above listed drawings furnished with list of parts; Erection, Lubrication and Operating Instructions, as stated in our quotation of March 11th, 1941, includes the right to manufacture one (1) Planer only.

Very truly yours,

MESTA MACHINE COMPANY

(Signed) W. W. Powell  
General Sales Manager

DL:R



MESTA MACHINE COMPANY

Pittsburgh, Pa.

March 31, 1941

Mitsubishi Shoji Kaisha, Ltd.  
120 Broadway  
New York, New York

Att: Mr. G. F. Norton  
Machinery Department

Subject: Drawings for 120" and 8" Combination  
Boring, Shaping and Milling Machine  
and Quick-Acting Forging Press

Gentlemen:

In accordance with your Order TR-9561-A, we are sending,  
under separate cover, one (1) set each of list of Parts: Erection,  
Lubrication and Operating Instructions; and ozalid copies of Design  
and Detail Working Drawings. Drawing numbers are as follows:

120" & 8" COMBINATION BORING, SHAPING AND  
MILLING MACHINE

88187	87813	88192	87975
88188	87715	88193	89349
88189	87735	87709	88182
88190	87814	87903	88227
88191	87843	87907	86420
88200	87707	87844	88203
88183	87705	88199	89219
88184	87845	88201	87717
87839	87752	88202	88204
87848	88185	87703	88205
87708	87841	89237	88206
66802	87849	88197	88207
X1081	87818	88203	89348
87714	87706	88170	89371
87711	88186	87974	

7500 NET TON QUICK-ACTING FORGING PRESS AND EQUIPMENT  
INCLUDING 175 TON MOTOR DRIVEN ROTATING BLOCK

72782	73153	73168	72178
70097	73152	73171	72179
73133	73151	72318	72180
73128	5456	73172	73125
73137	73163	70900	73126



73131	73158	72181	73127
73129	71514	73141	73202
73130	73156	73199	73134
73113	73157	73204	73135
73140	70101	73197	73136
73143	71989	72167	73146
73132	72309	73203	73148
70978	72310	73170	73149
72756	72311	72941	73150
72748	72313	73210	73166
73138	72314	70975	73167
73139	72315	72940	73169
72162	72316	72943	73205
73143	72317	73207	73196
72165	73161	73208	89581
73142	73162	73206	89582
73159	72360	72175	70102
73160	73164	72176	89523
73155	73165	72193	89580
73154	73147	72177	72191

In accordance with the instructions of your order, we delivered on March 28, 1941, at our works, to Mr. Murakami of Manchuria Industrial Development Corporation, two (2) sets each of Blueprints; List of Parts; and Erection, Lubrication and Operating Instructions, for the Combination Boring, Shaping and Milling Machine. The Blueprints, List of Parts, Motor List, Preparation of Press and Forging Instructions for the 7500 Net Ton Quick-Acting Forging Press and Equipment, we have delivered one (1) set to Mr. Miyazaki at our works. The other set is being mailed, under separate cover, to Mr. Murekami, at Mitsubishi Shoji Kaisha, Ltd., New York, N. Y.

With each set of blueprints we have furnished one print of drawing, #72739, showing arrangement of the 6000 Ton Mesta Shop Press.

The above listed drawings furnished with List of Parts; Erection, Lubrication and Operating Instructions as stated in our quotations of March 11 and March 13, 1941, include the right to manufacture One (1) Planer, Two (2) Combination Boring, Shaping and Milling Machines and One (1) 7500 Net Ton Quick-Acting Forging Press, only.

Very truly yours,

MESTA MACHINE COMPANY

(Signed) W. W. Powell  
General Sales Manager

DLyle:MR



Exhibit 41

List of Mesta Patents  
Given to Manshu Juki

<u>Patent No.</u>	<u>Date</u>	<u>Patentee</u>	<u>Title</u>
Re-issue 16,177	9-29-25	L. Iversen*	Rolling Mill (Mill Coupling for Spindles)
Re-issue 18,992	11-7-33	L. Iversen*	Roll Mounting (Bearing Chucks for Rolls)
1,488,147	3-25-24	G. J. Bryen et al*	Valve
1,533,870	4-14-25	L. Lee**	Operating Mechanism for Pickling Machines
1,533,871	4-14-25	L. Lee**	Operating Mechanism for Weight Supporting Plungers
1,552,056	9-1-25	L. Iversen*	Rolling Mill (Flexible Coupling)
1,560,708	11-10-25	F. E. Mesta*	Annealing Boxes
1,581,842	4-20-26	L. Iversen*	Manipulator (Slab Turner)
1,615,279	1-25-27	L. Iversen**	Valve
1,629,504	5-24-27	L. Iversen**	Method of Making Valves
1,660,510	2-28-28	L. Iversen*	Roller Table Line Shaft Bearing
1,680,048	8-7-28	L. Iversen*	Apparatus & Method of Shearing (Rotary Flying Shear)
1,702,128	2-12-29	C. I. Niedringhaus* L. W. Mesta	Chilled Cast-Iron Roll
1,706,718	3-26-29	H. F. Wahr*	Pickling Machine
1,749,430	3-4-30	L. Iversen**	Rotary Shears



Patent No.	Date	Patentee	Title
1,761,470	6-3-30	G. L. Fisk*	Cooling Bed
1,776,436	9-23-30	L. Iversen*	Rolling Mill (Work Roll Supports)
1,793,221	2-17-31	L. Iversen*	Clutch
1,859,359	5-24-32	G. L. Fisk*	Apparatus for Conveying & Spraying Material
1,876,440	9-6-32	F. J. Wood*	Rotary Pickling Machine (Four-Arm)
1,876,456	9-6-32	L. Iversen et al*	Shears (Rotary Flying)
1,876,457	9-6-32	L. Iversen*	Roll Leveler
1,890,221	12-6-32	L. Iversen*	Method & Apparatus for Leveling & Shearing Metal Stock
1,894,141	1-10-33	F. J. Wood*	Rotary Pickling Machine (Four-Arm)
1,900,344	3-7-33	L. Iversen*	Roll Mounting (Back-Up Roll Supports)
1,902,532	3-21-33	W. Trinks*	Method of Operating Pickling Machines (4-Arm)
1,904,434	4-18-33	G. L. Fisk*	Cooling Bed
1,910,889	5-23-33	G. L. Fisk*	Rolling Mill (Merchant Mill)
1,921,353	8-8-33	G. L. Fisk*	Cooling Bed
1,935,091	11-14-33	L. Iversen*	Apparatus for Balancing Rolls
1,935,092	11-14-33	L. Iversen et al*	Apparatus for Coiling Material (Hot Strip Coilers)
1,936,672	11-28-33	L. Iversen et al*	Rolling Mills (Roll Balance)



Patent No.	Date	Patentee	Title
1,937,194	11-28-33	G. L. Fisk*	Apparatus for Handling Materials (Cooling Bed Arrgt.)
1,949,717	3-6-34	L. Iversen*	Method & Apparatus for Shearing (Rotary Flying Shear)
1,954,123	4-10-34	G. L. Fisk et al*	Cooling Bed
1,954,132	4-10-34	L. Iversen*	Apparatus for Shearing (Rotary Flying Shear)
1,956,952	5-1-34	L. Iversen*	Method & Apparatus for Shearing (Rotary Flying Shear)
1,960,307	5-29-34	G. L. Fisk*	Conveying Means for Mills (Merchant Mills)
1,960,814	5-29-34	L. Iversen*	Apparatus for Shearing (Rotary Flying Shear)
1,964,147	6-26-34	G. L. Fisk*	Material Handling Apparatus (Cooling Bed)
1,964,241	6-26-34	C. E. Bedell*	Method & Apparatus for Tensioning Material
1,990,084	2-5-35	T. R. Moxley**	Coil Handling Method & Apparatus (Feed Reel)
1,999,838	4-30-34	L. Iversen*	Apparatus for Shearing (Rotary Flying Shear)
2,002,531	5-28-35	G. L. Fisk*	Rolling Mill (Precision Vertical Mill-Rounds)
2,003,129	5-28-35	C. E. Bedell*	Control Device for Rolling Mills (3-High Sheet)
2,004,871	6-11-35	L. Iversen*	Feeding & Shearing Mechanism
2,007,533	7-9-35	L. Iversen*	Method & Apparatus for Shearing (Leveller & Flying Shear)



Patent No.	Date	Patentee	Title
2,009,695	7-30-35	L. Iversen et al*	Shearing Apparatus (Rotary Flying Shear)
2,039,959	5-5-36	L. Iversen*	Rolling Mill (6-High)
2,043,665	6-9-36	L. Iversen et al*	Apparatus for Forming Tubes
2,047,509	7-14-36	L. Iversen*	Rolling Mill (Precision Vertical Mill)
2,059,460	11-3-36	L. Iversen*	Method & Apparatus for Scale Breaking & Edging Hot Metal Slabs (Slab Squeezer & Turn- around)
2,061,659	11-24-36	L. Iversen*	Apparatus for Shearing (Rotary Flying Shear)
2,066,565	1-5-37	L. Iversen*	Method & Apparatus for Shearing (Rotary Flying Shear)
2,085,981	7-6-37	L. Iversen*	Method & Apparatus for Shearing Metal Strip (Rotary Flying Shear)
2,109,904	3-1-38	L. Iversen*	Apparatus for Metal Rolling (Slab Turn- around & Pusher)
2,111,054	3-15-38	G. F. Paul**	Edge Guide for Strip Mills (Coiler Entry Guides)
2,113,050	4-5-38	L. Iversen*	Rolling Mill & Method of Operating the Same. (Roll Balance)
2,117,009	5-10-38	G. F. Paul**	Apparatus for and Method of Disposing of Crop Ends in Strip Mills
2,119,390	5-31-38	L. Iversen*	Rolling Mill (Screw- down Control)



Patent No.	Date	Patentee	Title
2,141,394	12-27-38	L. Iversen*	Apparatus & Method for Handling Sheetlike Material
2,163,699	6-27-39	G. F. Paul**	Method & Apparatus for Rolling Hot Strip Material (Strip Temperature Control)
2,168,527	8-8-39	L. Iversen*	Annealing Plant
2,198,009	5-23-40	L. Iversen*	Method & Apparatus for Rolling Metal Strip (Reversing Roughers in Hot Mill Train)
2,202,910	6-4-40	L. Iversen*	Trimming Machine (Electric Flash Trimmer used with Flash Welder)
2,203,151	6-4-40	L. Iversen*	Welding of Lengths of Strip Metals. (Electric Flash Welder)

NOTES: (\*) - indicates Patents owned by Mesta by assignment.

(\*\*) - indicates Patents controlled by Mesta - royalty basis.



SUSPENSION AGREEMENT

MADE this 25th day of June, 1941, by and among MANSHU JUKOGYO KAIHATSU KABUSHIKI KAISHA (an English translation thereof being MANCHURIA INDUSTRIAL DEVELOPMENT CORPORATION, under which name said corporation sometimes does business), a corporation organized and existing under and by virtue of the laws of the Empire of Manchukuo and having its principal office and place of business in the city of Hsinking, Empire of Manchukuo (hereinafter sometimes referred to as "Manchuria");

MITSUBISHI SHOJI KAISHA, LTD., a corporation organized and existing under and by virtue of the laws of the Empire of Japan and having an office and place of business in the City of New York, New York, United States of America (hereinafter sometimes referred to as "Mitsubishi");

MANSHU JUKI KAISHA, LTD. (an English translation thereof being MANCHURIA HEAVY MACHINE COMPANY, LTD., under which name said company sometimes does business), a corporation organized and existing under and by virtue of the laws of the Empire of Manchukuo and having its principal office and place of business in the City of Hsinking, Empire of Manchukuo (hereinafter sometimes referred to as the "Company"); and

MESTA MACHINE COMPANY, a corporation organized and existing under and by virtue of the laws of the Commonwealth of Pennsylvania and having its principal office and place of business in the Borough of West Homestead, Allegheny County, Pennsylvania, United States of America (hereinafter sometimes referred to as "Mesta");

WHEREAS Manchuria, Mitsubishi and Mesta entered into a certain agreement in writing dated April 27, 1940 (later amended by an agreement dated April 29, 1940), which agreement as amended (hereinafter referred to as the "Principal Agreement") was subsequently ratified and confirmed by the Company; and

WHEREAS Manchuria, Mitsubishi and Mesta entered into an agreement dated April 27, 1940, with Guaranty Trust Company of New York, which was subsequently ratified and confirmed by the Company and which is hereinafter referred to as the "Escrow Agreement"; and

WHEREAS the parties hereto are of the opinion that the Principal Agreement, through no fault of any of the parties thereto and because of reasons beyond their control, cannot be fully performed at the present time, and accordingly the parties hereto desire to suspend further performance under the Principal Agreement upon the terms and conditions more particularly hereinafter stated;



WITNESSETH That, in consideration of the premises and of the respective covenants, agreements and promises herein contained, it is hereby agreed by and among the parties hereto as follows:

1. The parties hereto stipulate that Purchased Machinery aggregating a purchase price of \$640,921.70 has been sold and delivered by Mesta under the terms of Article II of the Principal Agreement, and that, after applying the cash payments of \$150,000 each made to Mesta on May 1, 1941, and June 1, 1941, under and by virtue of clause (b) of Section 2 of Article III of the Principal Agreement, the amount now due for the Purchased Machinery so sold and delivered is \$340,921.70. Manchuria and/or the Company has this day paid to Mesta the said sum of \$340,921.70, the receipt thereof being hereby acknowledged by Mesta.

It is further stipulated that Mesta has furnished to Manchuria or the Company certain drawings for the manufacture of a forging press, a planer, and two combination boring, shaping and milling machines, which drawings were delivered by Mesta under the Principal Agreement pursuant to Mitsubishi orders Nos. TR9561-A and TR9512-A, and that the price owing to Mesta for said drawings is the sum of \$175,000. Manchuria and/or the Company has this day paid to Mesta the said sum of \$175,000, the receipt thereof being hereby acknowledged by Mesta.

2. It is stipulated that Manchuria or the Company has placed orders with Mesta for certain specific electrical equipment, which is presently undelivered and unaffected by embargoes, requisition or other restrictions imposed by the United States Government, and that the purchase price of said specific equipment (hereinafter referred to as "Additional Purchased Machinery") is \$165,100. Mesta will use its best efforts so that the Additional Purchased Machinery shall be completed and delivered on or before August 15, 1941. Manchuria and/or the Company will pay to Mesta the purchase price of Additional Purchased Machinery as the various items thereof are completed and delivered. In the event that before delivery it becomes impossible or illegal for Manchuria or the Company to export any or all of said Additional Purchased Machinery from the United States to Japan, then and in such case Manchuria or the Company shall have the right, by written notice to Mesta, to cancel the order for such unfinished portion of the Additional Purchased Machinery as cannot be exported, but on condition that, in such case, Manchuria, Mitsubishi or the Company shall pay to Mesta the costs and expenses incurred or expended by Mesta up to the date of such written notice in connection with that part of the Additional Purchased Machinery covered by said cancellation notice.



3. In addition to the Purchased Machinery already sold and delivered, and in addition to the Additional Purchased Machinery hereinbefore mentioned, Manchuria, Mitsubishi or the Company has hitherto placed orders with Mesta for other items approximating \$2,000,000, some of which orders were later cancelled. All of said orders, as originally placed, whether hitherto cancelled or not, are hereby confirmed. However, all of said orders are hereby suspended for a period of not more than five years from the date hereof, and Mesta shall be under no obligation to perform, and shall not perform, its obligations under the Principal Agreement in respect thereof during such period of suspension. When and if Manchuria, Mitsubishi or the Company desires to terminate said period of suspension, written notice to that effect shall be given to Mesta. In such event, the prices, dates of delivery and the terms of payment of the Purchased Machinery covered by such original orders shall be adjusted between the parties, subject to any revision of specific equipment which may then be agreed upon, and after any such adjustment and revision, said period of suspension shall terminate. If such period of suspension is not terminated as aforesaid within five years from the date hereof then all of said orders shall be cancelled without liability upon any party hereto.

4. Upon the execution and delivery of this Agreement, Manchuria has paid or caused to be paid to Mesta the sum of \$878.61, the payment thereof being hereby acknowledged by Mesta, which payment shall be in full satisfaction, release and discharge of all obligations of Manchuria to Mesta accrued or hereafter accruing under the provisions of Section 5 of Article IV of the Principal Agreement.

5. Contemporaneously with the execution of this Agreement, Manchuria, Mitsubishi or the Company will establish an irrevocable and confirmed letter of credit with The National City Bank of New York, N. Y., in favor of Mesta in the amount of \$165,100, for the purpose of paying to Mesta such amounts as may be owing to it under and by virtue of the provisions of paragraph 2 of this Agreement. Payments shall be made from time to time to Mesta under said letter of credit against sight draft with either shipping documents or Mesta certificate attached.

6. Upon the payment of the sums to be paid to Mesta under the terms of paragraph 1 hereof; and upon the establishment and confirmation of the letter of credit mentioned in paragraph 5 hereof:

(a) Mesta will forthwith return to Mitsubishi, for the account of itself, Manchuria or the Company as their interests may appear, the Purchase Price Stock hitherto received by Mesta under and by virtue of Section 2 (a) of Article III of the Principal Agreement, duly endorsed and neither Manchuria, Mitsubishi nor the Company shall be obligated to pay Mesta the repurchase price of the said Purchase Price Stock or any interest or dividends in respect of such Purchase Price Stock due after May 31, 1941, nor otherwise obligated in any way whatsoever to Mesta in respect of said Purchase Price Stock either as stockholder of the Company or otherwise.



(b) Mesta will forthwith return or cause Guaranty Trust Company of New York to return to Mitsubishi for the account of itself, Manchuria or the Company, as their interests may appear, collateral security stipulated in Article V of the Principal Agreement, heretofore deposited pursuant to the terms thereof by Manchuria, Mitsubishi and the Company under the Escrow Agreement hereinabove referred to, entered into by and between the parties hereto and Guaranty Trust Company of New York, free and clear of any liens or claims that it or its successors and assigns may have in the same, notwithstanding any provision to the contrary contained in said Escrow Agreement.

7. Mitsubishi, by its execution hereof, consents to all the terms and provisions of the foregoing Agreement, and agree that nothing therein contained shall affect its liability as Guarantor under the terms of section 1 of Article V of the Principal Agreement.

The parties hereto intend to be legally bound hereby.

IN WITNESS WHEREOF the parties hereto by their duly authorized representatives have executed this instrument the day and year first above written.

MANSHU JUKOGYO KAIHATSU KABUSHIKI  
KAISHA, otherwise known as MANCHURIA  
INDUSTRIAL DEVELOPMENT CORPORATION,

By S. Masuda (SG)  
Attorney-in-Fact

WITNESS:

B. Tanabe

MITSUBISHI SHOJI KAISHA, LTD.

By S. Masuda (SG)  
Manager

WITNESS:

George Yamaoka

MANSHU JUKI SEIZO KAISHA, LTD.  
otherwise known as MANCHURIA HEAVY  
MACHINE COMPANY, LTD.

By S. Masuda (SG)  
Attorney-in-Fact

WITNESS:

B. Tanabe

MESTA MACHINE COMPANY

By F. A. Mesta (SG)  
Vice-President

WITNESS

H. E. Hackney



## AGREEMENT

MADE this 27th day of June, 1941, by and between MANSHU JUKOGYO KAIHATSU KABUSHIKI KAISHA (an English translation thereof being MANCHURIA INDUSTRIAL DEVELOPMENT CORPORATION, under which name said corporation sometimes does business), a corporation organized and existing under and by virtue of the laws of the Empire of Manchukuo and having its principal office and place of business in the City of Hsinking, Empire of Manchukuo (hereinafter sometimes referred to as "Manchuria"); and

MESTA MACHINE COMPANY, a corporation organized and existing under and by virtue of the laws of the Commonwealth of Pennsylvania and having its principal office and place of business in the Borough of West Homestead, Allegheny County, Pennsylvania, United States of America (hereinafter sometimes referred to as "Mesta");

WHEREAS the parties hereto entered into an agreement in writing dated January 18, 1940, to which agreement reference is hereby specifically made, which agreement is hereinafter referred to as the "Fundamental Agreement"; and

WHEREAS the parties hereto are of the opinion that the Fundamental Agreement, through no fault of any of the parties thereto and because of reasons beyond their control, cannot be fully performed at the present time, and accordingly the parties hereto desire to suspend further performance under the Fundamental Agreement upon the terms and conditions more particularly hereinafter stated; and

WHEREAS Manchuria, Mitsubishi Shoji Kaisha, Ltd., a Japanese corporation, and Mesta entered into a written agreement dated April 27, 1940, contemplating the purchase by Manchuria from Mesta of certain machinery and/or materials, which agreement is hereinafter referred to as the "Principal Agreement"; and

WHEREAS by agreement of even date herewith (hereinafter referred to as the "Suspension Agreement") between Manchuria, Mesta and other parties, it was provided, inter alia, that certain orders placed with Mesta under said Principal Agreement should be suspended for a period of not more than five years from the date thereof;

WITNESSETH That, in consideration of the sum of \$45,000 simultaneously herewith paid by Manchuria to Mesta (the receipt thereof being hereby acknowledged by Mesta), and in consideration of the premises and of the respective covenants, agreements and promises herein contained, it is hereby agreed by and between the parties hereto as follows:



1. The duties and obligations of each of the parties hereto under the Fundamental Agreement are hereby suspended during the same period of suspension as is provided for in Paragraph 3 of the Suspension Agreement above mentioned; provided, however, that, during said period of suspension, Manchuria will at all times hold the additional ten per cent of the capital stock of Manchuria Heavy Machine Company, Ltd., mentioned in Paragraph 1 of the Fundamental Agreement, in its treasury, and, upon the termination of said period of suspension, Mesta's option to purchase said stock shall continue until January 18, 1945, or for six months after the termination of said period of suspension, whichever is the most remote date; and provided further that Mesta's right to have at least two members on the Board of Directors of the Company shall continue during said period of suspension. A termination of the period of suspension provided for in Paragraph 3 of the Suspension Agreement, shall automatically operate as a termination of the period of suspension applicable to the Fundamental Agreement, subject to such adjustments in the terms and provisions of the Fundamental Agreement as the parties thereto may mutually agree upon in the light of conditions then existing. From time to time during such period of suspension, either party hereto may negotiate with the other for an equitable revision of the terms of the Fundamental Agreement in the light of conditions then existing. If the parties hereto do not agree upon an equitable revision of the Fundamental Agreement within five years from the date hereof, or if such period of suspension is not terminated as aforesaid within said five-year period, then said Fundamental Agreement, and all unperformed obligations of the parties thereunder, shall be cancelled and terminated without liability upon any party.

2. During the aforesaid period of suspension applicable to the Fundamental Agreement, Mesta hereby suspends Manchuria's guaranty of minimum dividends of six per cent on the capital stock of the par value of Five Million Yen of Manchuria Heavy Machine Company, Ltd., heretofore delivered by Manchuria to Mesta.

IN WITNESS WHEREOF the parties hereto have caused this instrument to be executed by their duly authorized representatives the day and year first above written.

WITNESS:

(Signed) B. Tanabe

MANSHU JUKOGYO KAIHATSU KABUSHIKI  
KAISHA, otherwise known as  
MANCHURIA INDUSTRIAL DEVELOPMENT  
CORPORATION.

By (Signed) S. Masuda  
Attorney-in-Fact

MESTA MACHINE COMPANY

WITNESS:

(Signed) H. E. Hackney

By (Signed) F. A. Mesta  
Vice-President



KNOW ALL MEN BY THESE PRESENTS that Mesta Machine Company, a Pennsylvania corporation, has assigned and transferred, and by these presents does assign and transfer, unto Manshu Jukogyo Kaihatsu Kabushiki Kaisha (an English translation thereof being Manchuria Industrial Development Corporation) the capital stock of the total par value of Six Million Four Hundred Thousand Yen (¥6,400,000) of Manshu Juki Kaisha, Ltd., (an English translation thereof being Manchuria Heavy Machine Company, Ltd.), standing in its name on the books of said Manchuria Heavy Machine Company, Ltd. and heretofore delivered to said Mesta Machine Company as "Purchase Price Stock", as represented by certificate numbers as per Schedule A hereto annexed and made a part hereof, under and pursuant to Section 2 (a) of Article III of a certain agreement in writing dated April 27, 1940 entered into by and among Mesta Machine Company, Manchuria Industrial Development Corporation and Mitsubishi Shoji Kaisha, Ltd.

AND said Mesta Machine Company does hereby constitute and appoint Mitsubishi Trust Company, a Japanese corporation with its principal office and place of business in the City of Tokyo, Empire of Japan, its true and lawful attorney irrevocably for it and in its name and stead to assign, transfer and set over all of said "Purchase Price Stock", and for that purpose to make and execute all necessary acts of assignment and transfer thereof and to substitute one or more persons with like full power, hereby ratifying and confirming all that its said attorney or its substitute or substitutes shall lawfully do by virtue hereof.

IN WITNESS WHEREOF Mesta Machine Company has caused this instrument to be executed by its duly authorized office this 27th day of June, 1941.

MESTA MACHINE COMPANY

By F. A. Mesta (SG)  
Vice President  
and Treasurer



SCHEDULE A

CERTIFICATES OF CAPITAL STOCK OF MANSHU JUKI KAISHA, LTD., (An English translation thereof being Manchuria Heavy Machine Company, Ltd.) STANDING IN THE NAME OF MESTA MACHINE COMPANY, A PENNSYLVANIA CORPORATION, AND DELIVERED TO IT AS "PURCHASE PRICE STOCK" UNDER AND PURSUANT TO SECTION 2 (a) OF ARTICLE III OF A CERTAIN AGREEMENT IN WRITING DATED APRIL 27, 1940 (sometimes called Principal Agreement), ENTERED INTO BY AND BETWEEN MESTA MACHINE COMPANY, MANSHU JUKOGYO KAIHATSU KABUSHIKI KAISHA (an English translation thereof being Manchurian Industrial Development Corporation) AND MITSUBISHI SHOJI KAISHA, LTD.

<u>Certificate Numbers</u>	<u>No. of Shs. of each Cert.</u>	<u>Total Shs.</u>	<u>Par Value of each Share</u>	<u>TOTAL PAR VALUE</u>
D281-D400 both inclusive (120 certificates)	1,000	120,000	50 Yen	¥6,000,000
C909-C988 both inclusive (80 certificates)	100	8,000	50 Yen	400,000
		<hr/>		<hr/>
		128,000		¥6,400,000



AGREEMENT made this 27th day of June 1941 by and among MANSHU JUKOGYO KAIHATSU KABUSHIKI KAISHA (an English translation thereof being MANCHURIA INDUSTRIAL DEVELOPMENT CORPORATION), a corporation organized and existing under and by virtue of the laws of the Empire of Manchukuo, hereinafter sometimes referred to as MANCHURIA;

mitsubishi shoji kaisha ltd., a corporation organized under and by virtue of the laws of the Empire of Japan, hereinafter sometimes referred to as MITSUBISHI;

MESTA MACHINE COMPANY, a Pennsylvania corporation hereinafter sometimes referred to as MESTA,

WHEREAS the parties hereto entered into an Escrow Agreement dated April 27, 1940 by and among MANCHURIA, MITSUBISHI AND MESTA, whereunder GUARANTY TRUST COMPANY OF NEW YORK was the Escrow Agent; and WHEREAS MANCHURIA OR MITSUBISHI deposited certain securities with said Escrow Agent, in escrow, as particularly set out in said Escrow Agreement (said securities consisting of Imperial Japanese Government External Loan of 1924 30-year Sinking Fund 6% Gold Bonds due February 1, 1954, of an aggregate par value of \$2,000,000.00 (Two Million Dollars); and WHEREAS the parties to said Escrow Agreement now desire to terminate the same and to arrange for the redelivery of the securities deposited thereunder.

WITNESSETH that the parties hereto do hereby agree as follows:

1. MANCHURIA, MITSUBISHI AND MESTA do hereby agree that the Escrow Agreement hereinabove-mentioned shall be hereby terminated, regardless of anything contained in said Escrow Agreement to the contrary.
2. MANCHURIA, MITSUBISHI AND MESTA, jointly and severally, do hereby release and discharge the GUARANTY TRUST COMPANY OF NEW YORK from any and all liability of whatsoever nature and character arising out of said Escrow Agreement.