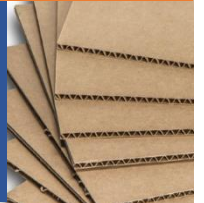


A Snapshot of Current Company Activity - Third Quarter 2019

Cut to the Chase



As we near the close of Third Quarter 2019, we continue to witness a strong business momentum and positive outlook throughout the country. Our clients are experiencing exciting sales growth necessitating new or expanded facilities populated by faster and more modern equipment.

We'll soon be participating at the Annual Meeting for AICC (The Independent Packaging Association) Canada to be held in Toronto on September 16th - 18th. The meeting features general sessions, workshops, plant tours and networking events. Following that, we will be hosting Booth 906 at the annual CorrExpo 2019 sponsored by TAPPI (Technical Association of the Pulp and Paper Industry) being held in Denver on October 14th - 16th at the Colorado Convention Center. And, on October 23rd - 25th in Dallas, Young Shin/STOCK will be joining the Best Graphics team at Booth 10764 at Printing United. It's an important and busy sales season as companies allocate their remaining 2019 budget dollars and plan for upcoming capital investments in 2020.

Young Shin's recently launched six-month, no-payment financing program has been well-received in the market since its introduction this Spring. This program allows new Young Shin and STOCK equipment acquisitions to be installed while enjoying six-months of operations without the necessity of making lease payments on the equipment during that period.

The members of our talented Service Department continue to provide unparalleled service expertise and support to our growing roster of clients. From sophisticated diecutters to semi-automatic labelers, our service team develops a strategic installation and training program that yields immediate operational efficiency that rapidly converts to productivity gains and higher quality output.

We also welcome our newest 'team member', Sophia Audese, born on Friday, August 31, 2019 to our Service Representative, Joe Audese and wife, Jennifer. Sophia joins big sister, Alana, and big brother, Joey, both of whom are excited at her arrival.

Best wishes for a safe, healthy and prosperous Fall Season.

Phil Mack
Young Shin USA Limited / STOCK Maschinenbau

Young Shin USA Embarks on the Expansion of its Collaborative Sales Network

James Cash Penney, founder of J.C. Penney Company, once stated, "Growth is never by mere chance; it is the result of forces working together." At Young Shin/STOCK, we value the relationships that we have built within the industry and continue to seek collaborations by like-minded individuals and firms to broaden our sales reach into the markets that we serve in order to continue our growth and success.

Welcome, Mark Caffary!



In the spirit of expanding our sales platform, Young Shin USA/STOCK has embarked on a new relationship with Mark Caffary, a highly-respected sales professional within

the converting and packaging equipment industry. In his role as Regional Manager, Mark represents Young Shin's premier and comprehensive diecutter products together with STOCK's labelers, laminators, in-line systems and single-face sheeters. A 40-year veteran in the printing and allied trade business, Mark operated a successful print and packaging company in Canada for over 15 years, offering our clients first-person, hands-on knowledge of operations and profitability enhancements. Mark's territory includes the Western Region of North America and national and international key accounts. Mark's extensive experience allows him to contribute practical and cost-effective solutions to today's POP display makers, folding carton operations and corrugated production plants. We wish him continued success in his new role with Young Shin/STOCK.

Best Graphics Explores New Markets

One of Young Shin's most successful sales partnerships is with Waukesha, Wisconsin-based, Best Graphics Group.



The firm has recently expanded its product offerings with additional Young Shin diecutters and the full-line of STOCK labelers, laminators, in-line systems and single-face sheeters. An on-site visit to Green Bay Packaging/Baird Display showcased two STOCK LLM-HP label laminators, our client, Quyen Tran, Phil Mack and the Best Graphics sales team.

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Point-of-Purchase Display Market

Young Shin Installs First Zenith 150S Plus in North America

New Client, Packaging Solutions and Logistics, Experiences Smooth Installation, Training and Swift Operational Efficiency on Recently Installed 7,000 sph Young Shin Diecutter.



Installation and training were recently completed at Packaging Solutions and Logistics on the new Young Shin Zenith 150S Plus.



Summa Heo and Allan Oh of the Corporate Headquarters of Young Shin Industries in South Korea have successfully completed North America's first delivery, installation and training of the new Zenith 150S Plus since the unit's recent launch in this area of the globe. Acquired by Packaging Solutions and Logistics located in Reynosa Tamaulipas, Mexico, the new Young Shin Zenith 150S Plus diecutter replaces a former Bobst 1575. The Young Shin was chosen for many reasons, among them its speed of 7,000 sph and low cost of operation. Additionally, the Zenith 150S can utilize the client's existing library of Bobst dies without incurring any additional expenditures to replace or modify the dies. Young Shin provided an on-time delivery of the diecutter allowing Summa and Allan to swiftly install the unit within a three-day timeline. Training of the client's staff followed providing the Zenith's immediate operation and productivity.

Additional information and an operational video demonstrating the Young Shin Zenith 150 Diecutter can be found by visiting our website at: <https://youngshinusa.com/products/young-shin/zenith/model-150S/>.

Trends in the POP (Point-of-Purchase) Market

On a global basis, the POP market was valued at \$10.43 Billion in 2017 and will reach \$17.18 Billion by 2026. This growing market segment is enjoying a cumulative annual growth rate of 5.7% supporting continued capital investment and equipment purchases that include a variety of Young Shin and STOCK products.

Point-of-purchase (POP) is a term commonly used by marketers and retailers when planning the placement of products for consumers, such as product displays strategically positioned in grocery store aisles that can influence the buying decision of the consumer. Effective point-of-purchase displays have many advantages in-store, including a demonstrated increase in sales by as much as 20%. Displays range in shape and size including floor, counter, pallet and dump bin, among many others.

STOCK offers a range of litho-laminators that affix the stylish and attention-grabbing label artwork onto the corrugated substrate. Since this is a targeted marketing effort, the run lengths can be as small as 100 or up to 10,000 pieces. Advancements made in digital printing technology support shorter run lengths allowing the manufacturer to customize the labels on the displays more rapidly and frequently. The food and beverage, cosmetics and personal care and pharmaceutical segments make up the majority of products that are successfully presented within a POP display.

There are three traditional methods of cutting displays once the labels are adhered:

- Clamshell Diecutters - slow and dangerous.
- Cutting Tables - slow with poor scoring.
- Flatbed Diecutters - The advantages provided by Young Shin diecutters include speed, precision, quick make-readies and KBA capability (81.5" x 59.5").

The most common diecutter sold to display makers is the Young Shin Giant 210SII. The unit can accommodate substrate sizes up to 82.5" x 60.5" including output from the KBA Rapida 205 – KBA's largest format offset printer at 81.5" x 59.5". The advantages offered by the Giant include:

- Speeds of up to 3,000 sheets per hour.
- Outstanding matrix scoring.
- Stripping is available.
- High pile stacking with tabbing device.
- EZ Feeder available.
- Can be run with one (1) operator.

The growth in the POP market supports further facility expansions and new equipment acquisitions with Young Shin and STOCK products perfectly suited to accommodate the goals of a highly-productive and cost-effective environment.

