

December 7, 2017

Maruichi Steel Tube, Ltd.
Toyota Tsusho Corporation

Notice of Establishment of Steel Tube Manufacturing Base in the Philippines

Maruichi Steel Tube, Ltd. (hereinafter MKK") and the Toyota Tsusho group have decided to jointly establish a subsidiary in the suburbs of Manila, the Philippines, for the manufacture of steel tubing to be used for motorcycle and automotive parts.

1. Objective of Establishment

For the past several years, the Philippines have boasted economic growth of the highest level in the ASEAN region, and the demand for motorcycles and automobiles is rapidly developing with the increase in national income. As the demand for steel tubing from the Japanese motorcycle/automotive-related companies currently operating in the Philippines is also expected to grow in the future, MKK and Toyota Tsusho have decided to jointly establish a local corporation and construct a steel tube making factory in the outside of Manila, where Japanese motorcycle/automotive industries are concentrated.

MKK and Toyota Tsusho now manufacture and sell steel tubes for motorcycle and automobiles in Japan as well as in four other countries: China, Vietnam, India and Mexico. With the experience accumulated from these and Toyota Tsusho's abundant businesses knowledge in the Philippines, we are determined to produce steel tubing of a superb quality to meet our users' requirements for the local procurement of raw materials.

2. Outline of New Company

1. Company Name: Maruichi Philippines Steel Tube Inc. (MPST)
2. Location: LIMA Technology Center, Malvar, Batangas, Philippines
3. Shareholders: MKK (70%), Toyota Tsusho Group (30%)
4. Representative: Takeshi Takeuchi
5. Business Line: Manufacturing and sales of steel tubing for motorcycle/automotive parts manufacturers
6. Scale of Investment: Equivalent of US\$14 million
7. Factory Premises:
 - Land: approx.29,000 square meters
 - Factory building: approx. 8,000 square meters
8. Outline of Equipment: One unit of tube making machine, cutting machines, etc.
9. Commencement of operation: Planned to be in the spring of 2019

End