



June 11, 2019

To Whom It May Concern

Name of Company: Toyo Denki Seizo K.K.

Representative: Kenzo Terashima, President
(Code No. 6505, 1st Section of the Tokyo Stock Exchange)

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Toyo Denki Announces the Establishment of a Permanent-Magnet Synchronous Motor Manufacturing Company in China

Toyo Denki Seizo K.K. (hereinafter, Toyo Denki) announces that it has established a joint venture company to engage primarily in the manufacture of industrial permanent-magnet synchronous motors. The joint venture has been established in Changshu, Jiangsu Province in the People's Republic of China (hereinafter, China) in a joint investment with Chinalco Rare Earth & Metals Co., Ltd., a supplier of rare earth metal resources affiliated with Aluminum Corporation of China (CHINALCO), and another organization.

1. Reason for the establishment

Toyo Denki has been primarily engaged in the manufacture of railway electrical equipment in China since the latter half of the 1990s.

With the establishment of this joint venture company which is the first manufacturing site for the Industrial Systems business, we will actively capture needs for energy conservation in the Chinese and ASEAN markets.

The joint venture company will engage in the manufacture of permanent-magnet synchronous motors mainly for production and processing facilities.

2. Overview of the joint venture company

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|-----|------------------------|--------------------------------------------------------------------------------|-----|
| (1) | Name: | Chalco-Toyo Permanent Magnet Motor Co., Ltd. | |
| (2) | Location: | Changshu, Jiangsu Province, China | |
| (3) | Representative: | Leng Zhengxu, President | |
| (4) | Date of establishment: | June 10, 2019 | |
| (5) | Paid-in capital: | 60 million Chinese yuan | |
| (6) | Business: | Manufacture and sale of permanent-magnet synchronous motors for industrial use | |
| (7) | Equity ratio: | Toyo Denki Seizo K.K. | 35% |
| | | Chinalco Rare Earth & Metals Co., Ltd. | 35% |
| | | Beijing Ling Yang Trading Co., Ltd. | 30% |

3. Overview of joint venture partners

I. Chinalco Rare Earth & Metals Co., Ltd.

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|-----|-----------------|-------------------------|
| (1) | Location: | Beijing, China |
| (2) | Representative: | Leng Zhengxu, President |

- (3) Year of establishment: 1988
- (4) Paid-in capital: 1,360 million Chinese yuan
- (5) Business: Development, smelting and processing of rare earth metal resources

II. Beijing Ling Yang Trading Co., Ltd.

- (1) Location: Beijing, China
- (2) Representative: Miao Chunling, President
- (3) Year of establishment: 2015
- (4) Paid-in capital: 20 million Chinese yuan
- (5) Business: Trading, investment, etc.

4. Future outlook

Toyo Denki expects the impact of the establishment of this joint venture company on the consolidated operating performance in the current fiscal year to be minimal.

<Reference> Overview of Aluminum Corporation of China (CHINALCO)

- (1) Location: Beijing, China
- (2) Representative: Ge Hongling, President & CEO
- (3) Year of establishment: 2001
- (4) Paid-in capital: 25,200 million Chinese yuan
- (5) Business: Smelting and processing of non-ferrous metals (aluminum, copper, rare earths), trading and logistics, investment management of subsidiaries, etc. (holding company of 68 affiliates)