

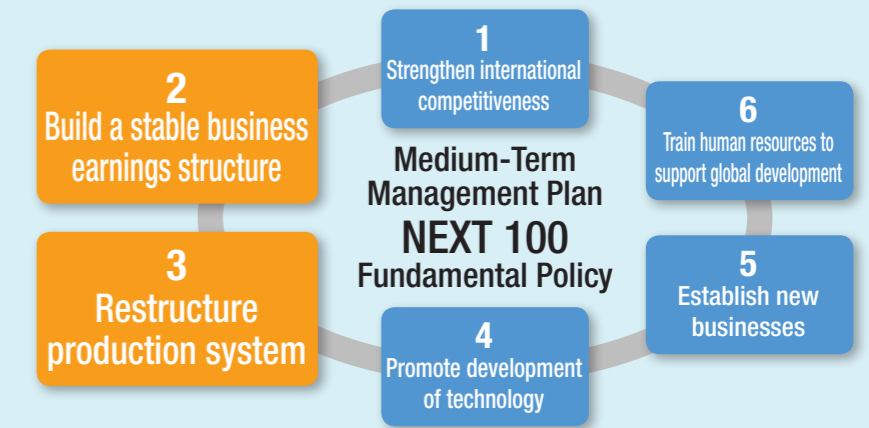


Restructuring production systems

# Commencement of construction of a new production base in Ryuo Town, Shiga Prefecture

We commenced the construction of a new production base in Ryuo Town, Shiga Prefecture this March. Building this new production base is one of the core measures of our medium-term management plan, "NEXT 100: Beyond 100 years, Ver. 2," implemented as a foothold to expand our business scale as well as to establish a stable business earnings structure.

At the new production base, we aim to increase production efficiency by grouping up the previously scattered production bases of the Industrial Systems segment, alongside working towards the expansion of our business areas and increase of sales through the strengthening of our research and development function.



### Overview of the new factory

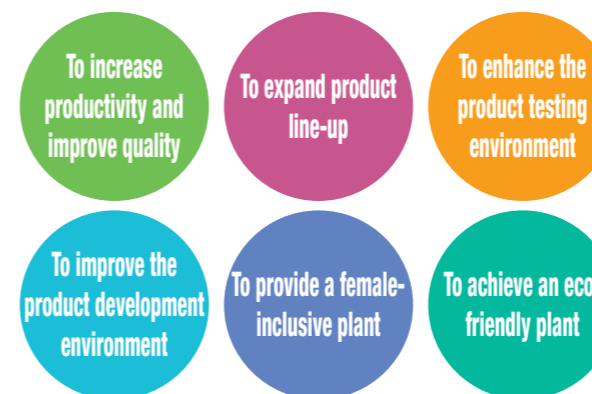
Name	TOYO DENKI SEIZO K.K. Shiga Ryuo Plant
Location	2911-6 Oaza Okaya Ryuo Town, Gamo District, Shiga Prefecture (Shiga Ryuo Industrial Park vicinity)
Land area	Approx. 32,706 m <sup>2</sup>
Total floor area	Approx. 19,997 m <sup>2</sup>
Total investment amount	Approx. ¥7.0 billion (Land, buildings, equipment)
Financing plan	Self-financing and loans
Products	Products for Industrial Systems segment (Industrial motors and inverters, etc.)

### Schedule for Shiga Ryuo Plant

March 1, 2017:	Ground-breaking ceremony
May 26, 2017:	Column-setting ceremony
September 21, 2017:	Framework-raising ceremony
January 3, 2018:	Completion
March 2018:	Start of operation
June 2018:	Full-scale operation



### Main concepts of the Shiga Ryuo Plant



### Our coming schedule

The construction of the new production base is progressing as planned, and we are smoothly reaching a turning point towards its completion in January 2018. We plan to start working on the relocation and installation of production equipment after completion, and commence partial operation in March 2018. Full-scale operation is expected in June of the same year, coinciding with our 100th anniversary of foundation.

At the same time, we plan to increase the productivity of Yokohama Works, the production base of the Transportation Systems segment. Through expanding both of our core segments, the Industrial Systems segment and the Transportation Systems segment, we plan to achieve further growth.