

Company name: Toyo Denki Seizo K.K.
Representative: Kenzo Terashima, President
Stock exchange: 1st Section of the Tokyo Stock Exchange
Stock Code: 6505
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Toyo Denki Establishes Maintenance Company for Railway Electrical Equipment in China

Tokyo, October 10, 2014 — Toyo Denki Seizo K.K. (hereinafter Toyo Denki) announced today that it has established a subsidiary in Beijing, People's Republic of China (hereinafter China), which will primarily be engaged in the maintenance of railroad electrical equipment.

1. Reason for Establishment

Toyo Denki has expanded its business in China, chiefly the delivery of electrical equipment for rail vehicles on high-speed railroads and subways, and the Company has decided to establish the new subsidiary to capture demand for maintenance, which is expected to increase in the future, further reinforcing its business.

2. Profile of the New Company

- (1) Company: Beijing Jingche Shuangyang Traction System Co., Ltd.
- (2) Address: B2-3 Metro Industrial Park, 9 Second Street East, Beijing
Economic and Technological Development Area
- (3) Representative: Bin Zhang, Chairman
Shuji Horie, CEO (former General Manager, China Sales Division,
Transportation Business Unit, Toyo Denki Seizo K.K.)
- (4) Established: August 19, 2014
- (5) Fiscal year-end: December 31
- (6) Capital stock: CNY20 million
- (7) Business activities: Maintenance of traction systems for light rail vehicles; sale, import
and export of related equipment and ancillary business
- (8) Shareholders: Toyo Denki (Beijing) Co., Ltd.¹ (50%), Beijing Xin Xing Ri Xiang
Science & Technology Trade Co., Ltd. (50%)
1. Wholly owned subsidiary of Toyo Denki Seizo K.K.

3. Financial Accounting and Future Orders

The impact from the establishment of the subsidiary on consolidated business results for the current fiscal year will be immaterial.