

# News Release

VALUE INTEGRATOR

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Toyota Tsusho Corporation

## *A Comprehensive Recycling Company Established in Guangzhou, China - Guangzhou Guangqi Toyotsu Resource Management Co., Ltd. -*

Toyota Tsusho Corporation (Headquarters: Nagoya City; President: Junzo Shimizu; hereinafter referred to as "Toyota Tsusho") and Guangzhou Guangqi Industrial Development Company Limited (Headquarters: Guangzhou, China; CEO: Ding Bao Shan; ) hereinafter referred to as "Guangzhou Guangqi") jointly established a recycling business venture, Guangzhou Guangqi Toyotsu Resource Management Company Limited (hereinafter referred to as the "New Company"), in May this year in Guangzhou, China. The groundbreaking ceremony for the manufacturing plant of the New Company will be held on August 8.

### **1. Background of Establishment**

Toyota Tsusho established a business model based on the pillars of improving logistics and the environment by founding Green Metals Inc., a directly managed recycling company dealing with scrap iron produced by manufacturing plants in April 2000 in the State of Kentucky in the United States.

Toyota Tsusho has been aggressively conducting global implementations based on this practical example in the United States, resulting in the current operation of this business at eight plants worldwide.

A new directly managed joint venture plant business was established to deal primarily with the recycle of scrap iron and waste paper, in connection with the recent expansion of Toyota Motors in Guangzhou, China.

### **2. Roles of each company**

- Toyota Tsusho: Provision of know-how regarding the processing of scrap iron and waste paper, based on their experience.
- Guangzhou Guangqi: Public relations and liaison activities that utilize their network in China.

Both companies will jointly establish the New Company in Guangzhou, China, based on the aforementioned distribution of roles to implement a comprehensive recycling business that deals primarily with scrap iron and waste paper generated in the production processes of automobile manufacturers as well as automotive parts manufacturers and also handle other waste materials with the aim of realizing a recycling, environment-friendly business.

Furthermore, the New Company will start operations in January 2006, aiming for sales in the amount of ¥1.6 billion by the third year of operations in China.

<Summary of New Company>

- (1) Company name: Guangzhou Guangqi Toyotsu Resource Management Co., Ltd.
- (2) Location: Panyu Nansha Development District, Guangzhou City, Guangdong Province, China.
- (3) Executive officer: CEO: Ding Bao Shan  
President: Hirohisa Ose
- (4) Capital : US\$3,050,000.00 (approximately ¥330 million)
- (5) Shareholders: Toyota Tsusho Corporation – 60%  
Guangzhou Guangqi Industrial Development Co., Ltd – 40%.
- (6) Business: Processing of scrap iron and waste paper, etc.
- (7) Starting date of business operations: January 2006
- (8) Anticipated sales: Initial year (FY ending December 2006) – ¥430 million  
Third year (FY ending December 2008) – ¥1.6 billion
- (9) Number of employees: Approximately 30 persons (initial year)

( Reference )

< Summary of Guangzhou Guangqi Industrial Development Co., Ltd. >

1. Location: 2204-07 Zhong Yin Building, Fan Yu District, Guangzhou City, Guangdong Province, China
2. Capital : RMB1 million (approximately ¥1.3billion)
3. Business : Investment consultants and service businesses
4. Representative officer: CEO: Ding Bao Shan
5. Number of employees: 50 persons

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