

February 5, 2007



**Needle Punched Carpet Manufacturing Company Established in
Tianjin, China - *Tianjin Toyotsu Otsuka Textile Co., Ltd.* -**

Toyota Tsusho Corporation (hereinafter referred to as “Toyota Tsusho”;
Headquarters: Nagoya City; President: Junzo Shimizu) established a joint venture
business, “Tianjin Toyotsu Otsuka Textile Co., Ltd.”, together with Otsuka
Corporation (hereinafter referred to as “Otsuka”; Headquarters: Hashima-gun, Gifu;
President: Yasushi Otsuka) to manufacture needle punched carpet* for cars in
Tianjin, China.

Otsuka manufactures needle punched carpet in Japan for cars and interior use. For
many years they have been delivering needle punched carpets, particularly to
automobile manufacturers, whereas Toyota Tsusho has been in charge of selling
products manufactured by Otsuka to automobile manufacturers.

The joint venture business was established as a company to manufacture the
same products for the Chinese automobile market, where further growth is
expected in the future, to produce products of the same quality as those
manufactured in Japan and to deliver them to local automobile manufacturers.

Otsuka will provide a whole range of manufacturing technologies, whereas Toyota
Tsusho will provide trading company functions for this joint venture business, with
the aim to become a needle punched carpet manufacturing company that has a
competitive edge in the Chinese market.

This is the second manufacturing company of carpets for cars in China, following
the already operating tuft carpet manufacturer, “Shanghai Fenghu Tufted Carpet
Co.,Ltd.”, enhancing the automobile peripheral materials business of Toyota
Tsusho.

* Needle punched carpet: Multiple layers of synthetic fiber placed on top of one another and
punched with needles to entwine the fiber layers, creating what is commonly known as non-woven
fabric or bonded textile.

[Reference]

[Outline of new joint venture business in China]

- Company name: “Tianjin Toyotsu Otsuka Textile Co., Ltd.” (TTOT)
- Capital: US\$4.2 million (approx. JY490 million)
- Investors: Toyota Tsusho Corporation: 60%
Otsuka Corporation: 40%
- Representative director: Jun Nakayama, Managing Director (an Executive Officer of Toyota Tsusho Corporation)
- Location: Tianjin Economic Development District, Tianjin, People’s Republic of China
- Business description: Manufacturing and processing needle punched bonded textiles for cars
- Production capacity: 2.5 million square meters per year
- Number of employees: Approx. 30

[Contact regarding this announcement]

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