

News Release

July 25, 2007

**Toyota Tsusho Corporation
Hasetora Spinning Co., Ltd.**

Production Company for Automotive Tufted Carpets Established in State of Tennessee, United States

- Tuftora Automotive Carpet, Inc. -

Toyota Tsusho Corporation (hereinafter referred to as "Toyota Tsusho"; Headquarters: Nagoya; President: Junzo Shimizu) and Hasetora Spinning Co., Ltd., (hereinafter referred to as "Hasetora Spinning"; head office: Hashima City, Gifu Prefecture; President: Kazuharu Nagatani) jointly established "Tuftora Automotive Carpet, Inc." (hereinafter referred to as the "New Company"), a joint venture company for manufacturing tufted carpets for cars at Chattanooga in the State of Tennessee, in the United States.

Hasetora Spinning is engaged in the business of manufacturing tufted carpets for automotive and building interior applications in Japan. This company has many years of sales and delivery experience, particularly with such carpets for automotive use. Toyota Tsusho, on the other hand, has been their distributor for the products they manufacture to car manufacturers.

The New Company was established in order to respond to the expanding local production in the North American sector of Japanese car manufacturers and automotive interior component manufacturers and to ensure that the same specifications and quality as those distributed domestically in Japan are maintained with regards to products supplied locally.

Hasetora Spinning will be involved with the New Company in the capacity of providing the overall manufacturing technology, while Toyota Tsusho will provide trading house capabilities, aiming to establish an automotive tufted carpet manufacturing company with competitiveness in the North American market.

This is the third automotive carpet business to be established for Toyota Tsusho, following the already established and operating tufted carpet manufacturer in China, "Shanghai Fenghu Tufted Carpet Co., Ltd.," as well as the "Tianjin Toyotsu Otsuka Textile Co., Ltd." (TTOT), which is a needle punching carpet joint venture in the process of preparing for the commencement of production. Toyota Tsusho will continue to enhance their automotive peripheral material businesses in growing markets in the future.

[Outline of New Company]

- Company name: Tuftora Automotive Carpet, Inc.
- Location: Chattanooga, Tennessee, USA.
- Capital: US\$2 million (approx. ¥240 million)
- Investors: Toyota Tsusho America, Inc.: 51 %
Hasetora Spinning Co., Ltd.: 40 %
Toyota Tsusho Corporation: 9 %
- Representative director: One dispatched from Toyota Tsusho Group (full-time)
- Business description: Manufacturing and processing of automotive tufted carpets
- Production capacity: 2.5 million square meters per year
- Number of employees: Approx. 20

This press release is distributed simultaneously at Chubu Keizai Press Club and Boeki Press Club.

[Contact regarding this announcement]

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