

December 2, 2008

 **TOYOTA TSUSHO CORPORATION**

Toyota Tsusho Launches Rare Earth Business

All Shares Acquired of Rare Earth Specialist Trading Company, Wako Bussan Co., Ltd.

Toyota Tsusho Corporation (hereinafter referred to as “Toyota Tsusho”; Headquarters: Nagoya City; President: Junzo Shimizu) acquired all shares of Wako Bussan Co., Ltd., (hereinafter referred to as “Wako Bussan”; Headquarters: Tokyo; President: Yoshiaki Shinagawa), a trading company specializing in rare earth products, to secure a stable supply of rare earth resources. A decision has been made to change the company name to “Toyotsu Rare Earth Corporation.” Furthermore, a Metal & Mineral Resources Department Metal was established on December 1 to conduct substantial activities aimed at securing a stable supply of rare metals, including rare earth elements.

1. Background and purpose for acquisition of shares

The demand for rare earth elements is increasing significantly due to the popularization of hybrid vehicles and mobile phones in recent years. Because China controls 90% of total rare earth supply worldwide, supply is limited and securing a source other than China is a matter of urgency.

Toyota Tsusho plans to set up a stable supply of rare earth products to its trading partners, including those in non-automotive fields, following the acquisition of all shares of Wako Bussan. Wako Bussan has over 50 years of experience and a record of performance as a trading company specializing in rare earth products, and the acquisition grants Toyota Tsusho access to Wako Bussan’s commercial rights and sales channels for rare earth products produced in India.

2. Outline of rare earth operations at Toyota Tsusho

Toyota Tsusho has been undertaking activities to secure a source for the supply of rare earth products from locations other than China by investigating potential sites around the world through broad collaborative efforts with the National Institute of Advanced Industrial Science and Technology (AIST), and the Japan Oil, Gas and Metals National Corporation (JOGMEC). As a result, a supply of rare earth products produced in India is expected to become available from the second half of the year 2010. Furthermore, in Vietnam, a memorandum pertaining to the development of rare earth mineral mines has been signed with a local government-operated mining company with mining rights in the country, with a supply expected to become available from 2011.

Engineers will also be dispatched from Japan for development in the respective countries, to further the development of mineral processing, separation, and refining technologies from Japan and to train of personnel in these areas.

Toyota Tsusho furthermore established a new Metal Resources Department within the Metals Division, in order to secure a stable and rapid supply of not only rare earth elements, but also rare metals that are essential to hi-tech industries, comprising primarily the automotive industry, and to strengthen information collection and the promotion of commercialization.

[Reference]

Summary of share acquisition

(1) Details of share acquisition

- a. Method for acquisition of shares: Current shareholders (acquired from individual shareholders)
- b. Number of acquired shares: All 119,100 outstanding shares (100% acquisition)
- c. Date of acquisition: November 27, 2008

(2) Change of company name and address

Time: Middle of January 2009 (planned)

Company name after change: Toyotsu Rare Earth Corporation

Change of address: 3-8-1 Marunouchi, Chiyoda-ku, Tokyo (inside Tokyo Headquarters of Toyota Tsusho)

(3) Personnel issues

Toyota Tsusho will be dispatching three board members to Wako Bussan.

The new management team comprises the following members:

Representative Director and President (full-time): Yosuke Tsuge (General Manager, Nonferrous Metals Division, Toyota Tsusho)

Director (full-time): Yoshiaki Shinagawa (President, Wako Bussan)

Director (part-time): Naoto Yamagishi (General Manager, Metal & Mineral Resources Department, Toyota Tsusho)

Outline of Wako Bussan Co., Ltd.

(1) Main business lines: Import, export, and domestic sale of rare earth products and electronics materials

(2) Location of headquarters: 2-6-2 Otemachi, Chiyoda-ku, Tokyo

(3) Representative officer: Yoshiaki Shinagawa, President

(4) Capital: JPY90 million

(5) Number of employees: 10

This release will be distributed at the same time to the *Chubu Keizai* Press Club and the *Boeki* Press Club.

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