

February 12, 2009



## Acquisition of Distribution Rights for Kemerton Silica Sand (Australia) Products

**Aim to achieve 40% market share in Japan in the silica sand business**

Toyota Tsusho Corporation (hereinafter referred to as "Toyota Tsusho"; Headquarters: Nagoya City; President: Junzo Shimizu) injected capital amounting to a 33% investment in Kemerton Silica Sand Pty Ltd., (hereinafter referred to as "KSS"), a refining business and a company mining silica sand in Australia, in order to acquire distribution rights for the silica sand processed by KSS.

The amount of silica sand currently handled annually by Toyota Tsusho is about 300,000 tons (about 20% of the market share of silica sand intended for the Japanese market). Through this acquisition of distribution rights it becomes possible, starting from April 2009, for Toyota Tsusho to distribute silica sand provided by KSS, increasing the amount of silica sand handled annually by Toyota Tsusho to about 600,000 tons (approximately 40% of the market share of silica sand intended for the Japanese market).

Silica sand is a raw material used widely in the production of glass, semiconductors, material for walls, and casting moulds for foundries, with an annual demand of approximately 4.5 million tons of this material in the Japanese market. This figure includes approximately 1.5 million tons of imports. Acquiring a source in Australia, where a highly stable supply is available, is the key to success in this market. Toyota Tsusho has secured this critical source and the company is committed to utilizing the source to expand the company's sales in the future.

Furthermore, Toyota Tsusho intends to deepen the company's relationship with Tochu Corporation (hereinafter referred to as "Tochu"; refer to company summary), the largest shareholder of KSS and the second-largest silica sand importer in Japan. Toyota Tsusho intends to expand into the silica sand business by launching the company's operations in its liquid crystal and solar glass businesses in collaboration with Tochu.

### <<Summary of KSS>>

Company name: Kemerton Silica Sand Pty Ltd.  
Location: Cnr. Treasure and Wellesley Roads, Kemerton, Western Australia, Australia  
Establishment date: October 1994 (exports started in July 1996)  
Capital: A\$4.088 million (approx. JPY300 million)  
Representative Officer: Shinya Kubota  
Number of employees: 14  
Controlling shares: Tochu (67%), Toyota Tsusho (33%).  
Business lines: Mining, refining, and sales of silica sand

## <<Summary of Tochu>>

Company name: Tochu Corporation

Headquarters location: 5 Nakashinden, Noma, Mihama-cho, Chita-gun, Aichi Prefecture

Establishment date: March 23, 1951

Capital: JPY890.6 million

Representative officer: Katsushi Morita

Number of employees: 299

Business lines: Mining of silica sand, manufacturing of coated sand, steel making, and manufacturing of equipment

(Current as of end March 2008)



(Silica sand refinery)

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

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