

ELEMATEC CORPORATION
 Representative: Satoshi SAKURAI, Chairman of
 the Board
 (TSE CODE: 2715)
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**Announcement of Opinion Concerning TOYOTA TSUSHO CORPORATION's Tender Offer for
 ELEMATEC CORPORATION Shares**

ELEMATEC CORPORATION ("ELEMATEC") hereby announces that at a meeting of its Board of Directors held on January 16, 2012, a resolution to endorse the tender offer (the "Tender Offer") for its shares ("ELEMATEC Stock") by TOYOTA TSUSHO CORPORATION (the "Tender Offeror") and to recommend that its shareholders tender their shareholdings in response to the Tender Offer was resolved. The basis and rationale of the endorsement and recommendation are set forth below in "(2) Basis and Rationale for the Opinion Concerning the Tender Offer" under "2. Opinion Concerning the Tender Offer and Basis and Rationale for the Opinion".

ELEMATEC and the Tender Offeror have agreed that ELEMATEC will maintain the listing of its common stock on the Tokyo Stock Exchange after consummation of the Tender Offer.

1. Overview of the Tender Offeror

(1) Company Name	TOYOTA TSUSHO Corporation	
(2) Principal Office	Century TOYOTA Bldg., 4-9-8 Meiki, Nakamura-ku, Nagoya, AICHI, JAPAN	
(3) Representative	Jun KARUBE, President	
(4) Principal Lines of Business	Domestic and international trade of goods, export and import of goods, construction undertaking, insurance agents, among others	
(5) Capital Stock	64,936 million yen (as of September 30, 2011)	
(6) Date of Incorporation	July 1, 1948	
(7) Major shareholders and shareholding ratio	TOYOTA MOTOR Corporation	21.57%
	TOYOTA INDUSTRIES Corporation	11.12%
	The Master Trust Bank of Japan, Ltd. (Trust Account)	5.37%
	Japan Trustee Services Bank, Ltd. (Trust Account)	4.35%
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2.29%
	Mitsui Sumitomo Insurance Co., Ltd.	1.69%
	Japan Trustee Services Bank, Ltd. (Trust Account 9)	1.67%
	Sumitomo Mitsui Banking Corporation	1.20%
	Aioi Nissan Dowa Insurance Co., Ltd.	1.15%
	Nippon Life Insurance Company	1.15%
(8) Relationship between ELEMATEC and Tender Offeror		
Capital Relationship	N/A	
Personal Relationships	N/A	
Transactional Relationship	Business Relationship between ELEMATEC and the Tender Offeror	
Related Party Status	N/A	

(Note 1) The Tender Offeror holds 4,150,617 shares of treasury stock but has been omitted from the above list of Major shareholders.

(Note 2) The above table was prepared based on the Tender Offeror's Quarterly Securities Report for its 91st fiscal year filed on November 14, 2011.

2. Opinion Concerning the Tender Offer and Basis and Rationale for the Opinion

(1) Outline of Opinion

At a meeting held on January 16, 2012, the Board of Directors of ELEMATEC resolved to endorse the Tender Offer and to recommend that ELEMATEC's shareholders tender their shareholdings in response thereto based on the rationale set forth below in "(2) Basis and Rationale for the Opinion Concerning the Tender Offer."

(2) Basis and Rationale for the Opinion Concerning the Tender Offer

1) Overview of Tender Offer

On August 1, 2011, ELEMATEC, a Tokyo Stock Exchange ("TSE") First Section-listed company, entered into a capital and business alliance agreement (the "Capital and Business Alliance Agreement"; see "(iii) Overview of Capital and Business Alliance Agreement" below for information on its content) with the Tender Offeror with an aim to realizing mutual synergies and enhancing both companies' corporate value by means of a business alliance between the two companies through the acquisition of a majority of ELEMATEC's voting rights by the Tender Offeror. The Tender Offeror planned to launch the Tender Offer once it had complied with applicable procedures and measures necessary under domestic and overseas competition law. The Tender Offeror reportedly has now completed this compliance process, verified that the conditions stipulated in the Capital and Business Alliance Agreement regarding commencement of the Tender Offer have been met, and decided on January 17, 2012, to commence the Tender Offer in the aim of acquiring a majority of ELEMATEC's voting rights.

Through the Tender Offer, the Tender Offeror seeks to acquire a maximum of 10,441,500 shares of ELEMATEC Stock, equivalent to 51.00% of ELEMATEC's outstanding shares (where the percentage of outstanding shares refers to the number of shares owned as a percentage of the 20,473,615 shares of ELEMATEC Stock outstanding as of September 30, 2011, decimal rounded off to the nearest hundredth; said number of shares outstanding was calculated by subtracting ELEMATEC's treasury stock holdings of 678,858 shares as of September 30, 2011, as reported in its Business Results for the Second Quarter of the Fiscal Year Ending March 31, 2012, dated October 31, 2011, from its 21,152,473 shares issued as of September 30, 2011, as reported in its security report for its 66th fiscal year, filed on November 11, 2011). If the total number of shares tendered exceeds the maximum number that the Tender Offeror seeks to acquire (10,441,500 shares), the Tender Offeror plans to refrain from acquiring some or all of the excess tendered shares. In such an event, the Tender Offeror intends that the transfer of shares and other settlements of the sale and purchase of the tendered shares be conducted using the method of proportional distribution prescribed in Article 27-13, Paragraph 5, of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended) and Article 32 of the Cabinet Office Ordinance Regarding Disclosure of Tender Offers for Shares and Other Securities by Non-issuers (MOF Ordinance No. 38 of 1990, as amended). The Tender Offer is not contingent on a minimum number of shares being tendered. The Tender Offeror accordingly plans to purchase all tendered shares if their total number is below the maximum number that it seeks to acquire (10,441,500 shares).

Shares of less than one unit are also subject to the Tender Offer. If any shareholders exercise their right to have their less-than-one-unit shares repurchased pursuant to the Companies Act (Act No. 86 of 2005, as amended), ELEMATEC may repurchase such less-than-one-unit shares in the legally prescribed manner during the tender offer period.

2) Tender Offer Decision-Making Process and Rationale

Please refer to the August 1, 2011, press release, "Announcement of the Capital and Business Alliance of TOYOTA TSUSHO CORPORATION and ELEMATEC CORPORATION" as per attached.

The Tender Offeror reportedly hired Nomura Securities Co., Ltd. ("Nomura Securities") to value ELEMATEC's shares as a financial advisor and third-party appraiser, independent of itself and ELEMATEC. In determining the price the Tender Offeror would bid to purchase shares through the Tender Offer (the "Tender Offer Price"), the Tender Offeror reportedly referred to a stock valuation report received from Nomura Securities on August 1, 2011, and conducted due diligence on ELEMATEC with respect to operational, legal, accounting, and tax matters. In the process, it has been reported that the Tender Offeror comprehensively considered various factors, including premiums to market prices offered in previous equity tender offers by non-issuers, the likelihood of ELEMATEC's Board of Directors' endorsing the Tender Offer, the outlook for ELEMATEC's share price performance, and estimates of the number of shares likely to be tendered in response to the Tender Offer. In addition, the Tender Offeror took into

account the results of discussions and negotiations with ELEMATEC and the Tender Offer Agreement counterparties, Satoshi SAKURAI, S PLANNING ("S PLANNING"), and Shunichi ONISHI. Finally, the Tender Offeror reportedly decided that it should offer ELEMATEC's shareholders an adequate premium above the market price of ELEMATEC's stock. The Tender Offeror set the Tender Offer Price at 1,540 yen per share at a meeting of its Board of Directors on August 1, 2011. Subsequently, the Tender Offeror reportedly verified that the conditions stipulated in the Capital and Business Alliance Agreement regarding commencement of the Tender Offer had been met after completing the process of complying with applicable procedures required under domestic and overseas competition law. The Tender Offeror reportedly decided on January 17, 2012, to commence the Tender Offer with the aim of acquiring a majority of ELEMATEC's voting shares. The Tender Offeror reportedly has not received a fairness opinion on the Tender Offer Price from Nomura Securities.

3) Overview of the Capital and Business Alliance Agreement

Please refer to the August 1, 2011, press release, "Announcement of the Capital and Business Alliance of TOYOTA TSUSHO CORPORATION and ELEMATEC CORPORATION" as per attached.

4) Basis for Opinion Regarding Tender Offer

The Tender Offer Price of 1,540 yen per share constitutes a 40.4% premium (decimal rounded off to the nearest tenth, as are all other premiums quoted below) to ELEMATEC Stock's TSE First Section closing price of 1,097 yen on July 29, 2011, the last trading day before August 1, 2011, when the Tender Offeror and ELEMATEC announced their Capital and Business Alliance Agreement. Additionally, the Tender Offer Price constitutes a 34.0% premium to ELEMATEC Stock's TSE First Section average closing price of 1,149 yen (rounded to the nearest yen, as are all average closing prices quoted below) over the preceding one month (June 30 – July 29, 2011); a 44.1% premium to ELEMATEC Stock's TSE First Section average closing price of 1,069 yen over the preceding three months (May 2 – July 29, 2011); a 40.9% premium to ELEMATEC's TSE First Section average closing price of 1,093 yen over the preceding six months (January 31 – July 29, 2011); and a 19.9% premium to ELEMATEC Stock's TSE First Section closing price of 1,284 yen on January 13, 2012, the last trading day prior to the date hereof.

To assess the fairness of the Tender Offer Price stipulated in the Capital and Business Alliance Agreement, ELEMATEC hired Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. ("MUMSS"), a third-party appraiser independent of both itself and the Tender Offeror and a related party of neither, to value its shares. ELEMATEC received a stock valuation report from MUMSS on July 29, 2011 (the "July Valuation Report"). ELEMATEC has not obtained from MUMSS an opinion to the effect that the Tender Offer Price is fair to ELEMATEC from a financial standpoint.

In the July Valuation Report, MUMSS used the market price method, comparable company method, and discounted cash flow ("DCF") method to analyze ELEMATEC Stock's value and derived the following valuations, expressed as price per share of ELEMATEC Stock.

- (a) Market price method: 1,069–1,149 yen
- (b) Comparable company method: 1,241–1,459 yen
- (c) DCF method: 1,431–1,593 yen

With the market price method, MUMSS used a base date of July 29, 2011, the last trading day before August 1, 2011, the date on which the Tender Offeror announced its plans to conduct the Tender Offer by issuing the "Announcement of the Capital and Business Alliance of TOYOTA TSUSHO CORPORATION and ELEMATEC CORPORATION." With this method, MUMSS arrived at a valuation of 1,069–1,149 yen per share of ELEMATEC Stock. This valuation range is based on ELEMATEC Stock's TSE First Section average closing prices of 1,093 yen over the six months ended July 29, 2011, 1,069 yen over the three months ended July 29, 2011, and 1,149 yen over the one month ended July 29, 2011, and ELEMATEC's TSE First Section closing price of 1,097 yen on July 29, 2011.

With the comparable company method, MUMSS valued ELEMATEC's shares through comparison with market share prices and financial (e.g., profitability) metrics of publicly traded companies engaged in businesses relatively similar to ELEMATEC's. Through this approach, MUMSS arrived at a valuation of 1,241–1,459 yen per share of ELEMATEC Stock.

With the DCF method, MUMSS analyzed ELEMATEC's corporate value and equity valuation by discounting ELEMATEC's projected free cash flows to present value using certain discount rates, including its cost of capital. MUMSS did so based on assumptions derived from various sources, including earnings projections in ELEMATEC's business plans, ELEMATEC's investment plans, and publicly

available information. Through this approach, MUMSS arrived at a valuation of 1,431–1,593 yen per share of ELEMATEC Stock.

Additionally, in connection with its Board of Directors' deliberations and decision-making process, ELEMATEC retained ANDERSON MÖRI & TOMOTSUNE ("AMT") as a legal advisor independent of both itself and the Tender Offeror to receive requisite legal advice regarding its Board of Directors' decision-making methods and processes, including with respect to the Tender Offer.

ELEMATEC's Board of Directors' meeting was held on August 1, 2011, (with three of the five directors in attendance; the absentees were Satoshi SAKURAI and Shunichi ONISHI) and deliberated on the Tender Offer's terms and conditions in light of AMT's legal advice and the content of the July Valuation Report. In the process, ELEMATEC's Board of Directors comprehensively considered the Tender Offer's terms and conditions, synergies and complementary relationships that would result from a capital and business alliance with the Tender Offeror's corporate group, and other relevant factors. As a result of these deliberations, ELEMATEC's Board of Directors concluded that the Tender Offer would enhance ELEMATEC's corporate value and advance shareholders' common interests and that the Tender Offer Price would provide ELEMATEC's shareholders an opportunity to sell their shareholdings for a reasonable price. ELEMATEC's Board of Directors passed a resolution endorsing the Tender Offer and recommending that shareholders tender their shares in response to the Tender Offer, if conducted. The resolution was unanimously approved by the three directors who deliberated and voted on the matter. Additionally, ELEMATEC's corporate auditors (all three of whom were in attendance) expressed no opposition to the Board of Directors endorsing the Tender Offer (if conducted) or recommending that shareholders tender their shares in response thereto.

In formulating an opinion regarding the Tender Offer, ELEMATEC subsequently received a second stock valuation report from MUMSS (the "January Valuation Report") on January 13, 2012, as reference material for reassessing the fairness of the Tender Offer Price in light of events that had occurred over the five plus months since August, 1, 2011, when the Tender Offeror issued its "Announcement of the Capital and Business Alliance of TOYOTA TSUSHO CORPORATION and ELEMATEC CORPORATION" publicly announcing its plan to conduct the Tender Offer. Specific events that had to be taken into consideration include intervening changes in market conditions and the impact of ELEMATEC's October 17, 2011, "Announcement of Business Forecast Revision" and fiscal 2011 business forecast revision announced in its Business Results for the Second Quarter of the Fiscal Year Ending March 31, 2012, dated October 31, 2011. ELEMATEC has not obtained from MUMSS an opinion to the effect that the Tender Offer Price is fair to ELEMATEC from a financial standpoint.

In the January Valuation Report, MUMSS used the market price method, comparable company method, and DCF method to analyze ELEMATEC Stock's value and derived the following valuations, expressed as price per share of ELEMATEC Stock.

- (a) Market price method: 1,069–1,149 yen
- (b) Comparable company method: 1,215–1,520 yen
- (c) DCF method: 1,491–1,649 yen

On the understanding that the plans made known on August 1, 2011, when the Tender Offeror announced plans to conduct the Tender Offer by issuing the press release entitled "Announcement of the Capital and Business Alliance of TOYOTA TSUSHO CORPORATION and ELEMATEC CORPORATION," might have induced a rise in the stock of ELEMATEC, the market price method used a base date of July 29, 2011, the last trading day immediately before any possible impact from the aforementioned press release. With this method, MUMSS arrived at a valuation of 1,069–1,149 yen per share of ELEMATEC Stock. This valuation range is based on ELEMATEC Stock's TSE First Section average closing prices of 1,093 yen over the six months ended July 29, 2011, 1,069 yen over the three months ended July 29, 2011, and 1,149 yen over the one month ended July 29, 2011, and its TSE First Section closing price of 1,097 yen on July 29, 2011.

With the comparable company method, MUMSS valued ELEMATEC Stock through comparison with market share prices and financial (e.g., profitability) metrics of publicly traded companies engaged in businesses relatively similar to ELEMATEC's. Through this approach, MUMSS arrived at a valuation of 1,215–1,520 yen per share of ELEMATEC Stock.

With the DCF method, MUMSS analyzed ELEMATEC's corporate value and equity valuation by discounting ELEMATEC's projected free cash flows to present value using certain discount rates, including its cost of capital. MUMSS did so based on assumptions derived from various sources, including earnings projections in ELEMATEC's business plans, ELEMATEC's investment plans, and publicly

available information. Through this approach, MUMSS arrived at a valuation of 1,491–1,649 yen per share of ELEMATEC Stock.

Additionally, ELEMATEC received requisite legal advice from AMT regarding its Board of Directors' decision-making methods and processes, including with respect to the Tender Offer, during the course of its Board of Directors' deliberations and decision-making.

ELEMATEC's Board of Directors' meeting was held on January 16, 2012, (with three of the five directors in attendance; the absentees were Satoshi SAKURAI and Shunichi ONISHI) and again carefully deliberated on the Tender Offer's terms and conditions in light of AMT's legal advice and the content of the January Valuation Report. As a result of these deliberations, ELEMATEC's Board of Directors concluded that the Tender Offer would contribute to ELEMATEC's future growth, enhance its corporate value, and advance its shareholders' common interests as part of a capital alliance based on the Capital and Business Alliance Agreement. ELEMATEC's Board of Directors further concluded that the Tender Offer's terms and conditions are fair and would provide ELEMATEC's shareholders an opportunity to sell their shareholdings for a reasonable price. ELEMATEC's Board of Directors then passed a resolution endorsing the Tender Offer and recommending that shareholders tender their shareholdings in response thereto. The resolution was unanimously approved by the three directors who deliberated and voted on the matter. Additionally, ELEMATEC's corporate auditors (all three of whom were in attendance) expressed no opposition to the Board of Directors endorsing the Tender Offer and recommending that shareholders tender their shareholdings in response thereto.

From the standpoint of avoiding conflicts of interest, two of ELEMATEC's directors, Chairman Satoshi SAKURAI and Vice Chairman Shunichi ONISHI, abstained from participating in the Board of Directors' deliberations and votes on matters related to the Capital and Business Alliance Agreement and Tender Offer, in light of the fact that they had both entered into tender agreements with the Tender Offeror.

(3) Delisting Plans and Their Rationale

ELEMATEC Stock is listed on the TSE First Section. Because the Tender Offer is subject to a maximum number (10,441,500) of shares targeted for acquisition, the Tender Offeror plans to limit its post-Tender Offer ownership of ELEMATEC Stock to a maximum of 10,441,500 shares (51.00% of outstanding shares). The Tender Offer does not involve any plan to delist ELEMATEC. The Tender Offeror and ELEMATEC agree that ELEMATEC will maintain the listing of its common stock on the Tokyo Stock Exchange for a certain period after the consummation of the Tender Offer.

(4) Two-Step Acquisition

The Tender Offer does not involve any plan for a two-step acquisition.

(5) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest

1) Stock Valuation Reports from Independent Third-Party Appraiser

To ensure the fairness of the Tender Offer, ELEMATEC received the July Valuation Report and Valuation Report from MUMSS, a financial advisor independent of both ELEMATEC and the Tender Offeror, as reference materials for assessing the fairness of Tender Offer Price, as noted above in "(2). 4) Basis for Opinion Regarding Tender Offer." ELEMATEC has not obtained from MUMSS an opinion to the effect that the Tender Offer Price is fair to ELEMATEC from a financial standpoint.

2) Advice from Independent Legal Counsel

In connection with its Board of Directors' deliberations and decision-making process, ELEMATEC retained AMT as a legal advisor independent of both itself and the Tender Offeror to receive requisite legal advice regarding its Board of Directors' decision-making methods and processes, including with respect to the Tender Offer.

3) Unanimous Approval by Disinterested Directors and Corporate Auditors' Opinion

ELEMATEC's Board of Directors' meeting was held on August 1, 2011, (with three of the five directors in attendance; the absentees were Satoshi SAKURAI and Shunichi ONISHI) and deliberated on the Tender Offer's terms and conditions in light of AMT's legal advice and the content of the July Valuation Report. In the process, ELEMATEC's Board of Directors comprehensively considered the Tender Offer's

terms and conditions, synergies and complementary relationships that would result from capital and business alliance with the Tender Offeror's corporate group, and other relevant factors. As a result of these deliberations, ELEMATEC's Board of Directors concluded that the Tender Offer would enhance ELEMATEC's corporate value and advance shareholders' common interests and that the Tender Offer Price would provide ELEMATEC's shareholders an opportunity to sell their shareholdings for a reasonable price. ELEMATEC's Board of Directors passed a resolution endorsing the Tender Offer and recommending that shareholders tender their shares in response to the Tender Offer, if conducted. The resolution was unanimously approved by the three directors who deliberated and voted on the matter. Additionally, ELEMATEC's corporate auditors (all three of whom were in attendance) expressed no opposition to the Board of Directors endorsing the Tender Offer (if conducted) and recommending that shareholders tender their shares in response thereto.

Additionally, ELEMATEC's Board of Directors reconvened a meeting on January 16, 2012, (with three of the five directors in attendance; the absentees were Satoshi SAKURAI and Shunichi ONISHI) to reassess its previous decision in light of events that had occurred over the three plus months since August, 1, 2011, when the Tender Offeror issued its "Announcement of the Capital and Business Alliance of TOYOTA TSUSHO CORPORATION and ELEMATEC CORPORATION" publicly announcing its plan to conduct the Tender Offer. Specific events that had to be taken into consideration include intervening changes in market conditions and the impact of ELEMATEC's October 17, 2011, "Announcement of Earnings Forecast Revision" and fiscal 2011 earnings forecast revision announced in its Business Results for the Second Quarter of the Fiscal Year Ending March 31, 2012, dated October 31, 2011. After carefully deliberating on the Tender Offer's terms and conditions again, ELEMATEC's Board of Directors concluded that the Tender Offer would contribute to ELEMATEC's future growth, enhance its corporate value, and advance its shareholders' common interests as part of a capital alliance based on the Capital and Business Alliance Agreement. ELEMATEC's Board of Directors further concluded that the Tender Offer's terms and conditions are fair and would provide ELEMATEC's shareholders an opportunity to sell their shareholdings for a reasonable price. ELEMATEC's Board of Directors then passed a resolution endorsing the Tender Offer and recommending that shareholders tender their shareholdings in response thereto. The resolution was unanimously approved by all the directors who deliberated and voted on the matter. Additionally, ELEMATEC's corporate auditors (all three of whom were in attendance) expressed no opposition to the Board of Directors endorsing the Tender Offer and recommending that shareholders tender their shareholdings in response thereto.

From the standpoint of avoiding conflicts of interest, two of ELEMATEC's directors, Chairman Satoshi SAKURAI and Vice Chairman Shunichi ONISHI, abstained from participating in the Board of Directors' deliberations and votes on matters related to the Capital and Business Alliance Agreement and Tender Offer, in light of the fact that they had both entered into tender agreements with the Tender Offeror.

3. Material Agreements Regarding Tender Offer between Tender Offeror and ELEMATEC Shareholders

The Tender Offeror informed ELEMATEC that on August 1, 2011, it entered into a tender agreement with ELEMATEC's Chairman Satoshi SAKURAI (who owns 2,035,808 shares, or 9.94% of outstanding shares) and his asset management company, S PLANNING Co., Ltd. (which owns 1,812,592 shares, or 8.85% of outstanding shares) and another tender agreement with ELEMATEC's Vice Chairman Shunichi ONISHI (who owns 624,980 shares, or 3.05% of outstanding shares). Pursuant to these agreements, Mr. SAKURAI, S PLANNING, and Mr. ONISHI reportedly have agreed to tender 1,635,808 shares (7.99% of outstanding shares), 1,812,592 shares (8.85% of outstanding shares), and 424,980 shares (2.08% of outstanding shares), respectively, in response to the Tender Offer. Additionally, the Tender Offeror reportedly has obtained escrow receipts vouching that Mr. SAKURAI's wife and child (who collectively own 71,000 shares, or 0.35% of outstanding shares) and Mr. ONISHI's wife (who owns 215,600 shares, or 1.05% of outstanding shares) will tender their respective entire shareholdings in response to the Tender Offer. In sum, the Tender Offeror reportedly has entered into agreements with ELEMATEC shareholders that have committed to tendering a total of 4,159,980 shares (equivalent to an aggregate 20.32% of the outstanding shares).

4. Consideration Paid by Tender Offeror or Its Specially Related Parties

N/A

5. Measures Related to Basic Policy Regarding Control of Company

ELEMATEC adopted "Countermeasures for Large-scale Purchases (Takeover Defense Plan)" at its 61st annual general meeting of shareholders on June 22, 2007, and extended the plan's expiration date at its 62nd annual general meeting of shareholders on June 20, 2008. The takeover defense plan expired at the conclusion of ELEMATEC's 65th annual general meeting of shareholders on June 17, 2011, but continues to apply to any large-scale purchases of shares that were proposed before the plan expired. ELEMATEC's board of directors resolved at the board meeting held on August 1, 2011 to approve the Tender Offer and, also resolved that the Takeover Defense Plan did not apply to the Tender Offer ..

6. Questions for the Tender Offeror

None

7. Request for Extension of Tender Offer Period

N/A

8. Future Outlook

(1) Post-Tender-Offer Policies

Regarding post-Tender Offer policies, see "(3) Delisting Plans and Their Rationale" under "2. Opinion Concerning the Tender Offer and Basis and Rationale for the Opinion" above.

(2) Outlook for Future Business Performance

The Tender Offer will not have a material impact on ELEMATEC's business forecast for the fiscal year ending March 2012. ELEMATEC expects to realize operational synergies from the capital and business alliance that will ensue from the Tender Offer. To determine the specifics of the business alliance, ELEMATEC and the Tender Offeror plan to establish a Business Alliance Committee after the Tender Offer's completion to formulate plans for the next fiscal year and beyond. ELEMATEC plans to publicly announce the specifics of such plans once they have been determined.

(Reference)

Please see Press Releases (1) "Announcement of the Capital and Business Alliance of TOYOTA TSUSHO CORPORATION and ELEMATEC CORPORATION" jointly released by ELEMATEC and the Tender Offeror on August 1, 2011 and (2) "Announcement of Commencement of Tender Offer for Shares of ELEMATEC CORPORATION" released today by the Tender Offeror.

For your information, the attachment of Press Release (1) is abbreviated hereto as it is attached to Press Release (2).

This press release contains forward-looking statements which have been prepared by ELEMATEC based on information presently obtainable. Actual results may differ materially from these predictions.

August 1, 2011

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**Announcement of the Capital and Business Alliance of TOYOTA TSUSHO CORPORATION and
ELEMATEC CORPORATION**

TOYOTA TSUSHO CORPORATION ("TTC") and ELEMATEC CORPORATION ("ELEMATEC"), upon the resolution of the meetings of their respective boards of directors held on August 1, 2011, announced today that they have entered into a Capital and Business Alliance Agreement (the "Agreement"), pursuant to which TTC will aim to acquire the majority of the voting rights of ELEMATEC, by means of a public tender offer (the "Tender Offer"). TTC and ELEMATEC have agreed that ELEMATEC will maintain the listing of its common stock on the Tokyo Stock Exchange after consummation of the Tender Offer.

TTC will commence the Tender Offer as soon as practical, subject to the conditions, such as completion of the procedures and measures necessary under domestic and overseas competition laws and regulations, are fulfilled. It is expected that such procedures and measures will take a certain amount of time. TTC and ELEMATEC will provide updated information with respect to the status of such procedures and measures by the end of October 2011.

DESCRIPTION

1. Purpose of Capital and Business Alliance:

TTC, which was established in 1948 as "NISSHIN TSUSHO KAISHA, Ltd", has developed steadily mainly in the automotive field as the trading house of the TOYOTA group. In 2006, TTC merged with TOMEN Corporation, which was involved in various activities other than the automotive field, and has further developed as a trading company to contribute to the development of society through a wide range of business fields.

In particular, in the electronics segment, which TTC positions as one of its most important strategic segments, TTC's group electronics companies include TOMEN ELECTRONICS Corporation (TSE Code: 7558), TOMEN DEVICES CORPORATION (TSE: 2737), and TOYOTA TSUSHO ELECTRONICS Corporation (non-listed, 100% owned), which specialize in the semi-conductors agency business, and TOMUKI Corporation (non-listed, 100% owned) which handles electronics components. TTC achieved approx. 450 billion yen of sales on a

consolidated basis in the fiscal year 2011 in the electronic devices-related business, making TTC the leading Japanese electronic devices trading house. In addition, the TTC's group companies include TOYOTSU SYSCOM Corporation, which focuses in system software and hardware integrations, and TDMobile Corporation, which specializes sales of handsets for mobile phones. TTC achieved approx. 550 billion yen of sales in TTC's electronics business units in the fiscal year 2011, making the electronics-related operations the core business within the TTC organization. To this date, the electronics-related operations of the TTC group have developed mainly in the fields of semiconductors and electronics devices with the demand from and production increase of Japanese electrical and automotive manufacturers.

In accordance with TTC's long-term strategy to utilize know-how accumulated in the automotive field to create synergies in other fields and incubate and establish a second/third core businesses, TTC needs to further expand its activities not only in the fields of semiconductors and electronics devices, but also in other electronics-related businesses.

ELEMATEC was established in April 1947 with the purpose of selling electrical insulating materials, as "TAKACHIHO Electronics Co., Ltd.", an independent electronics trading house in Japan. ELEMATEC currently engages in the sales of specially-customized electrical and electronics materials, such as LCDs, mobile phones and televisions. ELEMATEC has business relationships with 4,800 companies as their customers and 4,600 companies as suppliers, and through its business network of 55 offices in Japan and outside Japan, has established its business mainly in Japan and China, the rest of Asia, North America and Eastern Europe. In October 2009, ELEMATEC merged with OHNISHI DENKI Co., Ltd., which had strong clients base in western Japan, where ELEMATEC was not as active, and subsequently changed its corporate name to ELEMATEC Corporation and solidified their management base.

In order to survive the global competition, Japanese electrical manufacturers, who constitute ELEMATEC's main customers, have been implementing measures to concentrate their efforts on procuring highly-efficient parts and securing the most efficient productions sites from an assembly and transportation cost perspective. Under such circumstances, ELEMATEC has had to take necessary and prompt actions to strengthen its marketing attractiveness and investments to secure business opportunities in order to meet the various customers' requirements and to expand its sales channels for overseas electronics manufacturers and EMS manufacturers, and has been striving to find a new business partner. In addition, ELEMATEC had been recognizing a strong need to develop their business in the automotive field, where high-technological electronics are continuously advancing, there is more potential for growth.

Historically, the speed of technological developments in the electronics field have been swift and requests from customers have been diversified. In addition, due to the recent rapid global economic changes, the speed of changes in the market environment has progressively accelerated. As a result, since April 2011, TTC and ELEMATEC began discussions regarding making ELEMATEC part of the TTC group to discuss in more detail plans regarding a potential capital and business alliance between the two parties with the understanding that new business synergies could be achieved. Because ELEMATEC's growth strategy is to expand into the automotive field, the amusement and semi-conductors fields, TTC and ELEMATEC concluded that high synergies could be expected, in which TTC has strong business relationships. In addition, TTC and ELEMATEC shared a common view that both companies complement the other in their products and their sales channels, and through an exchange of mutual technologies and personnel, they would be able to expand their services to customers.

As a result of the above discussions, in view of ELEMATEC's intention to remain a listed company and maintain its management independence, and in order to maximize their respective enterprise values, on August 1, 2011, TTC and ELEMATEC entered into the Agreement. .

2. Capital and Business Alliance:

(1) Capital Alliance

i) The Tender Offer

TTC intends to commence a Tender Offer, after certain conditions, such as the completion of the procedures and measures necessary under applicable domestic and overseas competition laws and regulations, to purchase 10,441,500 shares (which by subtracting 678,659 shares repurchased by ELEMATEC as described in the 65th securities report of March 31, 2011 from 21,152,473 shares, their total number of issued shares, constitutes 51.0% (rounded to the nearest hundredths decimal, and herein after similarly for all percentages)) of the common stock of ELEMATEC (the "ELEMATEC Shares"), to obtain a majority of the ELEMATEC's voting rights. If the Tender Offer is commenced, TTC intends to fix the Tender Offer price at 1,540 yen per share. TTC has engaged an independent financial advisor, NOMURA SECURITIES Co., Ltd., as an independent third-party valuation institution and while TTC has already obtained a share valuation report on August 1, 2011, TTC has not yet obtained a fairness opinion from NOMURA SECURITIES Co., Ltd. on the fairness of the tender offer price .

The Tender Offer will limit the maximum number of shares to be purchased to 51.0% of ELEMATEC's voting rights. In such a case where more shares than the maximum number allowed by the Tender Offer are tendered, such excess shares will not be purchased and the transfer of shares and other settlements of the sale and purchase of the tendered shares will be conducted using the method of proportional distribution provided under the Japanese Financial Instruments and Exchange Law (Law No. 25 of 1948, as amended), Article 27-13, Item 5 and Cabinet Office Ordinance on the Disclosure of Tender Offer for Shares by Offerors other than the Issuer (Ministry of Finance Ordinance No. 38 of 1990, as amended) Article 32. The Tender Offer will not fix a minimum number of shares to be purchased; therefore, in case that less than the maximum number of shares to be purchased are tendered, all such shares will be purchased.

ELEMATEC has engaged an independent financial advisor, MITSUBISHI UFJ MORGAN STANLEY SECURITIES Co., Ltd. as an independent third-party valuation institution and has obtained a share valuation report on July 29, 2011; however, MITSUBISHI UFJ MORGAN STANLEY SECURITIES Co., Ltd. has not expressed an opinion on the fairness of the Tender Offer price.

Once the date of the Tender Offer is fixed, ELEMATEC will express its affirmative view on this Tender Offer, and recommend that its shareholders tender their shares in the Tender Offer.

ELEMATEC implemented its "Countermeasures for Large-Scale Purchases (Takeover Defense Plan)" pursuant to a resolution of the 61st shareholders' meeting held on June 22, 2007, which was further revised at the 62nd shareholders' meeting held on June 20, 2008. This Takeover Defense Plan was terminated at the 65th shareholders' meeting held on June 17, 2011; however, the Takeover Defense Plan was still applicable to any acquisition of substantial shareholdings proposed before its termination date. ELEMATEC's board of directors resolved at the board meeting held on August 1, 2011 to approve the Tender Offer proposed by TTC and, also resolved that the Takeover Defense Plan did not apply to the Tender Offer .

TTC entered into agreements for the tender of ELEMATEC Shares with the major shareholders of ELEMATEC, Mr. Satoshi SAKURAI (holdings: 2,035,808 shares, or 9.9%), S PLANNING Co., Ltd.(holdings: 1,812,592 shares, or 8.9%) and Mr. Shunichi ONISHI (holdings: 624,980 shares, or 3.1%), respectively, on August 1, 2011. Mr. Satoshi SAKURAI and Mr. Shunichi ONISHI agreed to tender 1,635,808 ELEMATEC Shares and 424,980 ELEMATEC Shares owned by them, respectively. S PLANNING Co., Ltd agreed to tender all of the ELEMATEC Shares owned by it. In addition, Mr. Satoshi SAKURAI's family (holdings: 71,000 shares, or 0.4%) and Mr. Shunichi ONISHI's family (holdings: 215,600 shares, or 1.1%) have also agreed to tender all of their ELEMATEC Shares, through Mr. Satoshi SAKURAI and Mr. Shunichi ONISHI, respectively. Therefore, the number of shares agreed to be tendered totals 4,159,980 shares, or 20.3%.

ii) ELEMATEC Shares to be acquired by TTC through the Tender Offer.

Shares held by TTC before Tender Offer	0 share (ratio to issued shares, excluding treasury shares : 0%)
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Shares to be acquired through Tender Offer	10,441,500 shares (ratio to issued shares, excluding treasury shares : 51.0%)
Shares after Tender Offer	10,441,500 shares (ratio to issued shares, excluding treasury shares : 51.0%)
Tender Offer price	1,540 yen per share

(Note 1) In the calculation of "issued shares, excluding treasury shares", 20,473,815 shares, which is calculated by subtracting 678,658 shares of treasury stock held by ELEMATEC as described in the 65th securities report of March 31, 2011 from 21,152,473 shares, or the total number of issued shares of ELEMATEC, is used as the denominator (rounded to the nearest hundredths decimal).

(2) Contents of the Agreement

TTC and ELEMATEC have duly agreed as follows:

(i) Business Alliance :

- TTC and ELEMATEC will mutually treat each other as business partners and will discuss the business alliance in detail, including, 1) common sales channel, 2) common utilization and consolidation of logistics, 3) mutual exchange and joint research for technology and know-how, 4) personnel exchange, among others.
- TTC and ELEMATEC will, after the Tender Offer, establish a Committee for Business Alliance in order to discuss the details of the business alliance and how to create a new business, among others.

(ii) Tender Offer :

- TTC will commence the Tender Offer, after the conditions such as completion of the procedures and measures that are necessary under applicable domestic and overseas competition laws and regulations, are fulfilled.
- If TTC is not able to acquire the majority of ELEMATEC's voting rights by means of the Tender Offer, TTC and ELEMATEC will discuss the different ways in which ELEMATEC can collaborate with TTC in order for TTC to acquire the majority of the voting rights in ELEMATEC.

(iii) Management after the Tender Offer

- TTC and ELEMATEC have mutually confirmed that ELEMATEC intends to elect its president among the current board members for the five-year period following the first general shareholders' meeting to be held after the Tender Offer (the "General Shareholders' Meeting"), and that TTC will respect ELEMATEC's intentions during this period, unless a reasonable cause exists otherwise.
- After the Tender Offer has been completed, TTC will have the right to appoint (a) in the case that TTC obtains 40% or more of the voting rights of ELEMATEC, including any additional acquisition, a majority of the board members (for the time being, part-time board member other than one full-time board member) and one auditor (part-time), or (b) in the case that TTC obtains less than 40% of the voting rights of ELEMATEC, including any additional acquisition, board members (at least one) in proportion to TTC's voting rights (part-time board member other than one full-time board member) and one auditor (part-time).
- ELEMATEC will propose new board members and auditors, including those appointed by TTC to be board members and auditors and will use its best efforts to have the above appointments approved at the General Shareholders' Meeting and the subsequent shareholders' meetings.
- After the Tender Offer has been completed, ELEMATEC, as an affiliated company of TTC, will report, inform and obtain TTC's prior approval for certain corporate matters, such as, change of the articles of incorporation, dividends on the surplus income, change of the capital amount, company re-organization, or any action which may cause to dilute the voting right ratios or share ratios of TTC.

- (iv) Maintenance of Listing
- TTC will respect ELEMATEC's board of directors' intention to maintain ELEMATEC's listing for the time being after the completion of the Tender Offer, unless a reasonable cause exists otherwise.
- (v) TTC's shares after the Tender Offer
- After the completion of the Tender Offer, if TTC decides to sell or transfer to third parties (except for subsidiaries or affiliates of TTC), or put, pledge or mortgage (including transfer mortgage), all or part of TTC's holdings of ELEMATEC shares, TTC will discuss this in advance with ELEMATEC

3. Company profiles of TTC and ELEMATEC

(1) Company profile of TOYOTA TSUSHO Corporation

1	Company Name	TOYOTA TSUSHO Corporation		
2	Principal Office	Century TOYOTA Bldg., 4-9-8 Meieki, Naka-ku, Nagoya, AICHI, JAPAN		
3	Representative	Jun KARUBE, President		
4	Principal Lines of Business	Domestic and international trade of goods, export and import of goods, construction undertaking, insurance agents, among others		
5	Capital Stock	64,936 million yen (consolidated basis)		
6	Date of Incorporation	July 1, 1948		
7	Major Shareholders and Shareholding Ratio (as of March 31, 2011)	TOYOTA MOTOR Corporation	21.8%	
		TOYOTA INDUSTRIES Corporation	11.2%	
		The Master Trust Bank of Japan, Ltd.	4.9%	
		Japan Trustee Services Bank, Ltd.	4.2%	
		The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2.3%	
8	Relationship between TTC and ELEMATEC			
	Capital Relationship	N/A		
	Transactional Relationship	Business relationship between TTC and ELEMATEC.		
	Personal Relationship	N/A		
	Relationship with Related Parties	N/A		
9	Consolidated business results and financial data for the three previous fiscal years of TTC			
		March 2009	March 2010	March 2011
	Net Assets	586,996 mil.yen	650,215 mil.yen	667,378 mil.yen
	Total Assets	2,130,089 mil.yen	2,274,547 mil.yen	2,436,248 mil.yen
	Net assets per share	1,515.64 yen	1,671.68 yen	1,703.06 yen
	Sales amount	6,286,996 mil.yen	5,102,261 mil.yen	5,743,649 mil.yen
	Operating income	91,017 mil.yen	55,591 mil.yen	85,297 mil.yen
	Ordinary Income	98,396 mil.yen	67,379 mil.yen	104,218 mil.yen
	Net income	40,224 mil.yen	27,339 mil.yen	47,169 mil.yen
	Net income per share	114.73 yen	78.08 yen	134.78 yen
	Dividend per share	26.00 yen	16.00 yen	28.00 yen

(Note) The share ratio in the item "Major Shareholders" is calculated excluding TTC's treasury shares (4,144,005 shares).

(2) Company profile of ELEMATEC

1	Company Name	ELEMATEC Corporation		
2	Principal Office	3-5-27, MITA, MINATO-KU, TOKYO, JAPAN		
3	Representative	Satoshi SAKURAI, Chairman of the Board		
4	Principal Lines of Business	Electronics trading house • Sales of electrical materials, electronics parts and optical parts and materials • import and export and processing of materials		
5	Capital Stock	2,142 million yen (consolidated basis)		
6	Date of Incorporation	April 28, 1947		
7	Major Shareholders and Shareholding Ratio (as of March 31, 2011)	Satoshi SAKURAI	9.9%	
		S PLANNING Co., Ltd	8.9%	
		BBH for Fidelity Low Price Stock Fund (proxy: The Bank of Tokyo-Mitsubishi UFJ, LTD.	8.7%	
		ELEMATEC Employee Stockholding	7.0%	
		Wahei TAKEDA	3.5%	
8	Relationship between ELEMATEC and TTC			
	Capital Relationship	N/A		
	Transactional Relationship	Business relationship between ELEMATEC and TTC.		
	Personal Relationship	N/A		
	Relationship with Related Parties	N/A		
9	Consolidated business results and financial data for the three previous fiscal years of ELEMATEC			
		March 2009	March 2010	March 2011
	Net Assets	23,705 mil.yen	26,895 mil.yen	27,826 mil.yen
	Total Assets	38,592 mil.yen	51,987 mil.yen	56,091 mil.yen
	Net assets per share	1,288.22 yen	1,297.27 yen	1,349.03 yen
	Sales amount	86,455 mil.yen	88,299 mil.yen	110,614 mil.yen
	Operating Income	2,293 mil.yen	2,905 mil.yen	4,113 mil.yen
	Income before sales tax	2,605 mil.yen	2,988 mil.yen	3,784 mil.yen
	Net income	1,666 mil.yen	1,868 mil.yen	2,450 mil.yen
	Net income per share	91.10 yen	95.46 yen	119.68 yen
	Dividend per share	30.00 yen	30.00 yen	40.00 yen

(Note) The share ratio in the item "Major Shareholders" is calculated excluding ELEMATEC's treasury shares (678,658 shares).

4. Schedule

Date of execution of the Agreement: August 1, 2011

5. Forecast

After entering into the Agreement and before the commencement of the Tender Offer, it will take some time until the completion of the procedures and measures necessary to be taken under domestic and overseas competition laws and regulations. Therefore, we do not anticipate that TTC's acquisition of the majority of the voting rights of ELEMATEC will have a significant impact on the business forecast of either of TTC and ELEMATEC. Disclosure will be promptly made if there is a significant impact on the business forecast of either of TTC or ELEMATEC after the Tender Offer.

TTC and ELEMATEC agree that ELEMATEC will maintain the listing of its common stock on the Tokyo Stock Exchange for a certain period after the consummation of the Tender Offer.

(REFERENCE) Consolidated business outlook for the current fiscal year and business results for the previous fiscal year

(1) TOYOTA TSUSHO Corporation

	Sales amount	Operating income	Ordinary income	Net income
Business outlook (March 2012)	5,800,000 mil. yen	86,000 mil. yen	100,000 mil. yen	47,000 mil. yen
Business results (March 2011)	5,743,649 mil. yen	85,297 mil. yen	104,218 mil. yen	47,169 mil. yen

(Note) Business outlook published on June 14, 2011

(2) ELEMATEC Corporation

	Sales amount	Operating income	Ordinary income	Net income
Business outlook (March 2012)	112,000 mil. yen	3,900 mil. yen	4,000 mil. yen	2,650 mil. yen
Business results (March 2011)	110,614 mil. yen	4,113 mil. yen	3,784 mil. yen	2,450 mil. yen

(Note) Business outlook published on May 10, 2011

DISCLAIMERS

Insider trading regulations

Please be advised that pursuant to Article 167, Item 3 of the Financial Instruments and Exchange Law and Article 30 of the Enforcement Ordinance, any person who has received information concerning the Tender Offer through this press release may be restricted from purchasing or otherwise trading the shares of TTC and ELEMATEC as a first-hand recipient of information under the regulations on insider trading, for 12 hours from the publication of this press release on August 1, 2011, on the EDnet of the Tokyo Stock Exchange. Please also note that if you purchase or sell shares TTC and ELEMATEC in violation of the applicable insider trading regulations, you could be subject to criminal, civil or administrative charges.

Solicitation regulations

This press release has been prepared for the purpose of informing the public of the Tender Offer. This has not been prepared for soliciting sales, purchases or application in relation to the Tender Offer. When conducting any sales, you should make appropriate judgment after reviewing the Tender Offer explanatory statement, which TTC will prepare and publish soon. Neither this press release nor any part hereof constitutes a document to subscribe for, solicit the sales of, or apply for the purchase of, shares in the Tender Offer. Neither this press release nor its distribution shall be interpreted to be the basis of any agreement in relation to the Tender Offer, nor may it be relied on or become the basis for the Tender Offer.

Forward-looking statements

This press release contains future business predictions, including business forecasts and strategies, which have been prepared by TTC and ELEMATEC based on information presently obtainable. Actual results may differ materially from these predictions.

Foreign jurisdictions

Certain countries, regions and other jurisdictions may impose certain restrictions on the release, issuance or distribution of this press release under their laws and regulations. In such cases, you are required to pay attention to, and comply with, such restrictions. In any country or region where the implementation of the Tender Offer is illegal, even if you receive this press release, such receipt shall not constitute any application for the sale of, or solicitation for the application for the purchase of, shares, etc. in relation to the Tender Offer, and this press release shall be deemed as the distribution of information for reference only.

Although the Tender Offer is being conducted in accordance with the procedures and disclosure standards prescribed by Japanese law, such procedures and disclosure standards may not always coincide with those of the United States. In particular, the rules and regulations under Sections 13(e) and 14(d) of the U.S. Securities Exchange Act of 1934, as amended, do not apply to the Tender Offer and the Tender Offer is not being conducted in accordance with the procedures and requirements thereunder.

English translation

This English translation has been prepared solely for the convenience of non-Japanese speaking shareholders of TTC and ELEMATEC. While this English translation is believed to be generally accurate, it is subject to, and qualified by, in its entirety, the official Japanese-language original filed with the EDnet of the Tokyo Stock Exchange. Such Japanese-language original shall be the controlling document for all purposes.

< Reference (2) >

TOYOTA TSUSHO CORPORATION

Jun KARUBE, President
(TSE&NSE Code: 8015)
Contact: Naoyuki HATTORI,
Public Relations Manager
(Telephone: 03-4306-8200)

Announcement of Commencement of Tender Offer for Shares of ELEMATEC CORPORATION

On August 1, 2011, TOYOTA TSUSHO CORPORATION (“TTC” or the “Tender Offeror”) issued a press release, “Announcement of the Capital and Business Alliance of TOYOTA TSUSHO CORPORATION and ELEMATEC CORPORATION,” publicly announcing that it had entered into a capital and business alliance agreement with ELEMATEC CORPORATION (the “Target Company”), a Tokyo Stock Exchange (“TSE”) First Section-listed company (TSE Code: 2715), and planned to acquire a majority of voting rights of the Target Company through a tender offer (the “Tender Offer”).

Having complied with applicable procedures and measures necessary under domestic and overseas competition law, TTC hereby announces commencement of the Tender Offer beginning on January 17, 2012, details of which are provided below.

1. Purpose of the Tender Offer

(1) Overview of the Tender Offer

On August 1, 2011, TTC entered into a capital and business alliance agreement (the “Capital and Business Alliance Agreement”) with the Target Company, a TSE First Section-listed company, with the aim of realizing mutual synergies and enhancing both companies’ corporate value by acquiring a majority of the voting rights of, and forming an operational alliance with, the Target Company, and planned to launch the Tender Offer once TTC had complied with applicable procedures and measures necessary under domestic and overseas competition law. Having completed this compliance process, TTC has verified that the conditions stipulated in the Capital and Business Alliance Agreement regarding commencement of the Tender Offer have been met and accordingly decided to commence the Tender Offer on January 17, 2012, with the aim of acquiring a majority of the Target Company’s voting rights. Additionally, the Target Company’s Board of Directors’ meeting reportedly was held today and, after carefully deliberating on the matter once more, resolved to endorse the Tender Offer and to recommend that the Target Company’s shareholders tender their shares in response thereto. The resolution was reportedly approved unanimously by all the directors in attendance.

Through the Tender Offer, TTC seeks to acquire a maximum of 10,441,500 shares, equivalent to 51.00% of the Target Company’s outstanding shares (where the percentage of outstanding shares refers to the number of shares owned as a percentage of the Target Company’s reported total of 20,473,615 shares outstanding as of September 30, 2011, decimal rounded off to the nearest hundredth; said number of shares outstanding was calculated by subtracting the Target Company’s treasury stock holdings of 678,858 shares as of September 30, 2011, as reported in its Business Results for the Second Quarter of the Fiscal Year Ending March 31, 2012, dated October 31, 2011, from its 21,152,473 shares issued as of September 30, 2011, as reported in its Securities Report for its 66th fiscal year, filed on November 11, 2011). If the total number of shares tendered exceeds the maximum number that TTC seeks to acquire (10,441,500 shares), TTC will refrain from acquiring some or all of the excess tendered shares. In such an event, the transfer of shares and other settlements of the sale and purchase of the tendered shares will be conducted using the method of proportional distribution prescribed in Article 27-13, Paragraph 5, of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended, hereinafter abbreviated as “FIEA”) and Article 32 of the Cabinet Office Ordinance Regarding Disclosure of Tender Offers for Shares and Other Securities by Non-issuers (MOF Ordinance No. 38 of 1990, as amended, hereinafter referred to as the “MOF Ordinance”).

However, since the Tender Offer is not contingent on a minimum number of shares being tendered, TTC will purchase all tendered shares if the total number of shares tendered is below the maximum number that it seeks to acquire (10,441,500 shares). The price at which TTC offers to purchase shares through the Tender Offer (the “Tender Offer Price”) is 1,540 yen per share, equivalent to a 40.4%

premium (decimal rounded off to the nearest tenth, as are all other premiums quoted below) to the Target Company's TSE First Section closing share price of 1,097 yen on July 29, 2011, the last trading day before August 1, 2011, when TTC and the Target Company first announced their Capital and Business Alliance Agreement and the Tender Offer. Additionally, the Tender Offer Price constitutes a 34.0% premium to the Target Company's TSE First Section average closing share price of 1,149 yen (rounded to the nearest yen, as are all average closing prices quoted below) over the preceding one month (June 30 – July 29, 2011); a 44.1% premium to the Target Company's TSE First Section average closing share price of 1,069 yen over the preceding three months (May 2 – July 29, 2011); a 40.9% premium to the Target Company's TSE First Section average closing share price of 1,093 yen over the preceding six months (January 31 – July 29, 2011); and a 19.9% premium to the Target Company's TSE First Section closing share price of 1,284 yen on January 13, 2012, the last trading day prior to the date hereof.

According to the Target Company, its Board of Directors today held a meeting attended by all directors except Chairman Satoshi SAKURAI and Vice Chairman Shunichi ONISHI. After carefully deliberating on the Tender Offer's terms and conditions, the Target Company's Board of Directors reportedly concluded that the Tender Offer would contribute to the Target Company's future growth, enhance its corporate value, and advance its shareholders' common interests as part of a capital alliance based on the Capital and Business Alliance Agreement. The Target Company's Board of Directors reportedly further concluded that the Tender Offer's terms and conditions are fair and would provide the Target Company's shareholders an opportunity to sell their shareholdings for a reasonable price. The Target Company's Board of Directors then reportedly resolved to endorse the Tender Offer and to recommend that shareholders tender their shareholdings in response thereto. The resolution was reportedly approved unanimously by the three directors who deliberated and voted on the matter. Additionally, the Target Company reported that none of its corporate auditors expressed any opposition to the Board of Directors expressing such opinions. To avoid conflicts of interest, two of the Target Company's directors, Chairman Satoshi SAKURAI and Vice Chairman Shunichi ONISHI, reportedly abstained from participating in the Board of Directors' deliberations and votes on matters related to the Capital and Business Alliance Agreement and Tender Offer because they have both entered into tender agreements (defined below) with TTC.

According to the Target Company, it adopted "Countermeasures for Large-scale Purchases (Takeover Defense Plan)" at its 61st annual general meeting of shareholders on June 22, 2007, and extended the expiration date of the takeover defense plan at its 62nd annual general meeting of shareholders on June 20, 2008. The takeover defense plan expired at the conclusion of the Target Company's 65th annual general meeting of shareholders on June 17, 2011, but it reportedly remains in effect for any large-scale purchases of shares that were proposed before the takeover defense plan expired. The Target Company's Board of Directors reportedly resolved at the board meeting held on August 1, 2011 to approve the Tender Offer and, also resolved that the Takeover Defense Plan did not apply to the Tender Offer.

On August 1, 2011, TTC entered into a tender agreement with the Target Company's Chairman Satoshi SAKURAI (who owns 2,035,808 shares, or 9.94% of outstanding shares) and his asset management company, S PLANNING Co., Ltd. ("S PLANNING," which owns 1,812,592 shares, or 8.85% of outstanding shares) and another tender agreement with Vice Chairman Shunichi ONISHI (who owns 624,980 shares, or 3.05% of outstanding shares). These tender agreements are hereinafter respectively referred to as the "SAKURAI Tender Agreement" and "ONISHI Tender Agreement" and collectively referred to as the "Tender Agreements". Pursuant to these agreements, Mr. SAKURAI has agreed to tender 1,635,808 shares (7.99% of outstanding shares), S PLANNING, 1,812,592 shares (8.85% of outstanding shares), and 424,980 shares and Mr. ONISHI (2.08% of outstanding shares), respectively, in response to the Tender Offer. Additionally, from Mr. SAKURAI's family (defined below in "(4) Material Agreements Pertaining to Tender Offer") and Mr. ONISHI's wife, TTC has obtained escrow receipts vouching that their respective entire shareholdings of 71,000 shares (0.35% of outstanding shares) and 215,600 shares (1.05% of outstanding shares) will be tendered in response to the Tender Offer. In sum, TTC has obtained agreements with shareholders of the Target Company that have committed to tendering a total of 4,159,980 shares, equivalent to an aggregate 20.32% of outstanding shares (for more details on the Tender Agreements, see "(4) Material Agreements Pertaining to the Tender Offer" below).

(2) Delisting Plans and Their Rationale

The Target Company's shares are listed on the TSE First Section. Because the Tender Offer is subject to a maximum number (10,441,500) of shares targeted for acquisition, TTC plans to limit its post-Tender Offer shareholdings in the Target Company to a maximum of 10,441,500 shares (51.00% of outstanding shares). Additionally, TTC and the Target Company have agreed to maintain the Target Company's shares listing for the foreseeable future after the Tender Offer's completion.

(3) Background of Decision to Conduct Tender Offer and Post-Tender Offer Management Plans

See the attached press release dated August 1, 2011, "Announcement of the Capital and Business Alliance of TOYOTA TSUSHO CORPORATION and ELEMATEC CORPORATION."

(4) Material Agreements Pertaining to the Tender Offer

1) Capital and Business Alliance Agreement

See the attached press release dated August 1, 2011, "Announcement of the Capital and Business Alliance of TOYOTA TSUSHO CORPORATION and ELEMATEC CORPORATION."

2) SAKURAI Tender Agreement

On August 1, 2011, TTC entered into a tender agreement with the Target Company's Chairman Satoshi SAKURAI (who owns 2,035,808 shares, or 9.94% of outstanding shares) and S PLANNING (which owns 1,812,592 shares, or 8.85% of outstanding shares). The agreement's major provisions are summarized as follows.

(i) Agreement to Tender Shares

Mr. SAKURAI will tender 1,635,808 shares (7.99% of outstanding shares) of his total shareholdings of 2,035,808 shares, and S PLANNING will tender its entire shareholdings of 1,812,592 shares (8.85% of outstanding shares), in response to the Tender Offer. Additionally, Mr. SAKURAI will induce his wife (who owns 19,000 shares, or 0.09% of outstanding shares) and his child (who own 52,000 shares, or 0.25% of outstanding shares) to tender their respective entire shareholdings in response to the Tender Offer (Mr. SAKURAI's wife and child are hereinafter collectively referred to as "Mr. SAKURAI's Family").

(ii) Mr. SAKURAI's post-Tender Offer Position and Compensation

Once Mr. SAKURAI and S PLANNING have tendered their shares in compliance with the SAKURAI Tender Agreement and the Tender Offer has been successfully completed, TTC will confirm that Mr. SAKURAI is committed to maintain the Target Company's director position as Chairman and endeavor to do its best to respect Mr. SAKURAI's commitment in its capacity as a shareholder of the Target Company.

3) ONISHI Tender Agreement

On August 1, 2011, TTC entered into a tender agreement with the Target Company's Vice Chairman Shunichi ONISHI (who owns 624,980 shares, or 3.05% of outstanding shares). Mr. ONISHI has agreed to tender 424,980 shares (2.08% of outstanding shares) of his total shareholdings of 624,980 shares, and induce his wife (who owns 215,600 shares, or 1.05% of outstanding shares) to tender her entire shareholdings, in response to the Tender Offer.

4) Escrow Receipts from Mr. SAKURAI's Family and Mr. ONISHI's Wife

TTC has obtained escrow receipts from Mr. SAKURAI's Family (who own a total of 71,000 shares, or 0.35% of outstanding shares) and Mr. ONISHI's Wife (who owns 215,600 shares, or 1.05% of outstanding shares), vouching that their respective entire shareholdings will be tendered in response to the Tender Offer.

(5) Plans to Acquire Additional Shares Subsequent to Tender Offer, and Reasons and Details Thereof

TTC intends to acquire a majority of the Target Company's voting rights. If it successfully does so through the Tender Offer, TTC currently has no plans to subsequently acquire additional shares in the Target Company. If it fails to acquire a majority of the Target Company's voting rights through the Tender Offer and wishes to acquire additional shares to gain a majority of the Target Company's voting rights, TTC plans to consult with the Target Company regarding strategies for doing so.

2. Overview of Tender Offer

(1) Overview of Target Company

(1) Company Name	ELEMATEC CORPORATION	
(2) Principal Office	3-5-27, Mita, Minato-ku, Tokyo, Japan	
(3) Representative	Satoshi SAKURAI, Chairman of the Board	
(4) Principal Lines of Business	Electronics trading house • Sales of electrical materials, electronics parts, mechanical parts, etc. • Importing, exporting and processing of the above parts and materials	
(5) Capital Stock	2,142 million yen (as of September 30, 2011)	
(6) Date of Incorporation	April 28, 1947	
(7) Major Shareholders and Shareholding Ratio (as of September 30, 2011)	Satoshi SAKURAI	9.94%
	S PLANNING Co., Ltd	8.85%
	BBH for Fidelity Low Price Stock Fund (proxy: The Bank of Tokyo-Mitsubishi UFJ Ltd.)	7.79%
	ELEMATEC Employee Stock Ownership Plan	6.22%
	ELEMATEC CORPORATION	3.31%
	Wahei Takeda	3.09%
	Shunichi ONISHI	3.05%
	Morgan Stanley & Co. International plc (proxy: Morgan Stanley MUFG Securities Co., Ltd.)	1.98%
	Sumitomo Mitsui Banking Corporation	1.56%
	Japan Trustee Services Bank, Ltd.	1.50%
(8) Relationship between TTC and Target Company		
Capital Relationship	N/A	
Personal Relationships	N/A	
Transactional Relationship	Business transactions between TTC and the Target Company	
Relationship with Target Company	N/A	

(Note) Share ratio in “Major Shareholders and Shareholding Ratio” is calculated excluding ELEMATEC’s treasury shares (678,858 shares).

(2) Schedule, etc.

1) Schedule

Dates of Board of Directors’ Resolutions	August 1, 2011 (Monday)
Date of Public Notice of Tender Offer Commencement	January 17, 2012 (Tuesday)
Newspaper for Public Notice	Public notice is to be made electronically. A notice is to be published in the <i>Nihon Keizai Shimbun</i> . (Site of electronic public notice: http://info.edinet-fsa.go.jp/)
Date of Submission of TOB Registration Statement	January 17, 2012 (Tuesday)

2) Initial Tender Offer Period

From January 17, 2012 (Tuesday) to February 27, 2012 (Monday) (30 business days)

3) Possibility of Extending the Tender Offer Period at the Target Company’s Request

N/A

(3) Tender Offer Price

1,540 yen per common share

(4) Rationale for Determining the Tender Offer Price

1) Basis of Valuation

TTC hired Nomura Securities Co., Ltd. (“Nomura Securities”) to value the Target Company’s shares as a financial advisor and third-party appraiser, independent of TTC and the Target Company. In determining the Tender Offer Price, TTC referred to a stock valuation report received from Nomura Securities on August 1, 2011 (the “Stock Valuation Report”) and also conducted due diligence on the Target Company with respect to operational, legal, accounting, and tax matters in addition to the report findings. In the process, TTC comprehensively considered a wide range of factors, including premiums to market prices offered in previous equity tender offers by non-issuers, the likelihood of the Target Company’s Board of Directors’ endorsing the Tender Offer, the outlook for the Target Company’s share price performance, estimates of the number of shares likely to be tendered in response to the Tender Offer. In addition, TTC took into account the results of discussions and negotiations with the Target Company and Tender Offer Agreement counterparties Satoshi SAKURAI, S PLANNING, and Shunichi ONISHI. TTC ultimately decided that it should offer the Target Company’s shareholders an adequate premium above the market price of the Target Company’s stock, and on August 1, 2011, TTC’s Board of Directors decided to set the Tender Offer Price at 1,540 yen per share.

TTC has not received a fairness opinion on the Tender Offer Price from Nomura Securities.

According to the Stock Valuation Report, Nomura Securities valued the Target Company’s shares using the average market price method, comparable company method, and discounted cash flow (“DCF”) method of analysis based on its assessment of valuation methods in relation to the Tender Offer.

According to the Stock Valuation Report, Nomura Securities derived from these three valuation methods the following valuation ranges, expressed as price per share of the Target Company’s stock.

- (a) Average market price method: 1,069–1,149 yen
- (b) Comparable company method: 693–1,299 yen
- (c) DCF method: 1,039–2,128 yen

With the average market price method, Nomura Securities used a base date of July 29, 2011, the last trading day before August 1, 2011, which is the date on which TTC announced the Capital and Business Alliance Agreement and its plans regarding the Tender Offer. With this method, Nomura Securities arrived at a valuation of 1,069–1,149 yen per share of the Target Company’s stock. This valuation range is based on the Target Company’s TSE First Section average closing share prices of 1,093 yen over the six months ended July 29, 2011, 1,069 yen over the three months ended July 29, 2011, and 1,149 yen over the one month ended July 29, 2011, and its TSE First Section closing share price of 1,097 yen on July 29, 2011.

With the comparable company method, Nomura Securities valued the Target Company’s shares through comparison with market share prices and financial metrics (such as profitability) of publicly traded companies engaged in businesses relatively similar to the Target Company’s. Through this approach, Nomura Securities arrived at a valuation of 693–1,299 yen per share of the Target Company’s stock.

With the DCF method, Nomura Securities analyzed the Target Company’s corporate value and equity valuation by discounting the Target Company’s projected free cash flow to present value using certain discount rates. It did so based on assumptions derived from multiple sources, including the Target Company’s business plans, interviews with the Target Company’s management, and publicly available information. Through this approach, Nomura Securities arrived at a valuation of 1,039–2,128 yen per share of the Target Company’s stock.

2) Valuation Process

(Process Used by TTC to Determine the Tender Offer Price)

TTC plans to incorporate the Target Company into its corporate group (the “TTC Group”) and expects to realize operational synergies from their business alliance. TTC and the Target Company initiated detailed discussions of a capital and business alliance since April 2011. As a result of these discussions, the two parties came to a common conclusion that the Target Company has a high degree of potential synergy with the TTC Group, their respective product lines and sales channels strongly complement each other, and they have the potential to expand the services that they offer to their customers by maximizing on each other’s strengths through the exchange of technology and human resources.

With the aim of enhancing their corporate value, TTC and the Target Company entered into the Capital and Business Alliance Agreement on August 1, 2011, based on the premise that TTC would proceed with the Tender Offer. TTC determined the Tender Offer price through the process described below.

(i) Names of Third Parties that Provided Opinions on Valuation

In the course of determining the Tender Offer Price, TTC requested that Nomura Securities, a third-party appraiser independent of both TTC and the Target Company and a related party of neither, perform a valuation of the Target Company's shares. TTC received the Stock Valuation Report from Nomura Securities. TTC has not received a fairness opinion on the Tender Offer Price from Nomura Securities.

(ii) Summary of the Opinion Obtained from Nomura Securities

According to the Stock Valuation Report, Nomura Securities valued the Target Company's shares using the average market price method, comparable company method, and DCF method based on its assessment of valuation methods in relation to the Tender Offer.

According to the Stock Valuation Report, Nomura Securities derived from these three valuation methods the following valuation ranges, expressed as price per share of the Target Company's stock.

- (a) Average market price method: 1,069–1,149 yen
- (b) Comparable company method: 693–1,299 yen
- (c) DCF method: 1,039–2,128 yen

(iii) Process for Determining the Tender Offer Price based on the Opinion obtained from Nomura Securities

In addition to studying the Stock Valuation Report's valuation results, TTC conducted due diligence on the Target Company with respect to operational, legal, accounting, and tax matters. In the process, TTC comprehensively considered a wide range of factors, including premiums to market prices offered in previous equity tender offers by non-issuers, the likelihood of the Target Company's Board of Directors' endorsing the Tender Offer, the outlook for the Target Company's share price performance, estimates of the number of shares likely to be tendered in response to the Tender Offer, and the results of discussions and negotiations with the Target Company and Tender Offer Agreement counterparties Satoshi SAKURAI, S PLANNING, and Shunichi ONISHI. TTC finally decided that it should offer the Target Company's shareholders an adequate premium above the market price of the Target Company's stock, and on August 1, 2011, TTC's Board of Directors decided to set the Tender Offer Price at 1,540 yen per share.

(Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest)

According to the Target Company, to assess the fairness of the Tender Offer Price stipulated in the Capital and Business Alliance Agreement, it requested that Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. ("MUMSS"), a third-party appraiser independent of both the Target Company and TTC and a related party of neither, value its shares. The Target Company reportedly received its own stock valuation report from MUMSS on July 29, 2011 (the "MUMSS July Valuation Report"). The Target Company reportedly has not obtained from MUMSS a written opinion to the effect that the Tender Offer Price is fair to the Target Company from a financial standpoint.

According to the Target Company, MUMSS used the market price method, comparable company method, and DCF method to analyze the value of the Target Company's shares in the MUMSS July Valuation Report and the report provided the following valuations, expressed as price per share of the Target Company's stock.

- (a) Market price method: 1,069–1,149 yen
- (b) Comparable company method: 1,241–1,459 yen
- (c) DCF method: 1,431–1,593 yen

With the average market price method, MUMSS used a base date of July 29, 2011, the last trading day before August 1, 2011, the date on which TTC announced plans to conduct the Tender Offer by issuing the press release entitled "Announcement of the Capital and Business Alliance of TOYOTA TSUSHO CORPORATION and ELEMATEC CORPORATION." With this method, MUMSS reportedly arrived at a valuation of 1,069–1,149 yen per share of the Target Company's stock. This valuation range is reportedly based on the Target Company's TSE First Section average closing share prices of 1,093 yen over the six months ended July 29, 2011, 1,069 yen over the three months ended July 29, 2011, and 1,149 yen over

the one month ended July 29, 2011, and its TSE First Section closing share price of 1,097 yen on July 29, 2011.

With the comparable company method, MUMSS reportedly valued the Target Company's shares through comparison with market share prices and financial (e.g., profitability) metrics of publicly traded companies engaged in businesses relatively similar to the Target Company's. Through this approach, MUMSS reportedly arrived at a valuation of 1,241–1,459 yen per share of the Target Company's stock.

With the DCF method, MUMSS reportedly analyzed the Target Company's corporate value and equity valuation by discounting the Target Company's projected free cash flow to present value using certain discount rates, including the Target Company's cost of capital. It reportedly did so based on assumptions derived from multiple sources, including the Target Company's business plans and investment plans, and publicly available information. Through this approach, MUMSS reportedly arrived at a valuation of 1,431–1,593 yen per share of the Target Company's stock.

Additionally, according to the Target Company, it retained ANDERSON MORI & TOMOTSUNE ("AMT") as a legal advisor independent of both itself and TTC in connection with the Target Company's Board of Directors' deliberations and decision-making process and received requisite legal advice from AMT, including with respect to the Tender Offer.

According to the Target Company, its Board of Directors' meeting was held on August 1, 2011, (with three of the five directors in attendance) and deliberated on the Tender Offer's terms and conditions in light of AMT's legal advice and the content of the MUMSS July Valuation Report. In the process, the Target Company's Board of Directors reportedly comprehensively considered the Tender Offer's terms and conditions, synergies and complementary relationships with the TTC Group that would result from the Capital and Business Alliance Agreement, and other relevant factors. As a result of these deliberations, the Target Company's Board of Directors reportedly concluded that the Tender Offer would enhance the Target Company's corporate value and advance shareholders' common interests and that the Tender Offer Price would provide the Target Company's shareholders an opportunity to sell their shareholdings for a reasonable price. The Target Company's Board of Directors reportedly passed a resolution endorsing the Tender Offer and recommending that shareholders tender their shares in response to the Tender Offer, if conducted. The resolution was reportedly approved unanimously by the three directors who deliberated and voted on the matter. Additionally, the Target Company's corporate auditors (all three of whom were in attendance) reportedly expressed no opposition to the Board of Directors endorsing the Tender Offer, if conducted, or recommending that shareholders tender their shares in response thereto.

According to the Target Company, in formulating an opinion regarding the Tender Offer, the Target Company subsequently received a second stock valuation report on the Target Company from MUMSS (the "MUMSS January Valuation Report") on January 13, 2012, as reference material for reassessing the fairness of the Tender Offer Price in light of events that had occurred over the five plus months since August 1, 2011, when the Tender Offeror issued its "Announcement of the Capital and Business Alliance of TOYOTA TSUSHO CORPORATION and ELEMATEC CORPORATION" publicly announcing its plan to conduct the Tender Offer. Specific events that had to be taken into consideration include intervening changes in market conditions and the impact of the Target Company's October 17, 2011, "Announcement of Business Forecast Revision" and fiscal 2011 business forecast revision announced in its Business Results for the Second Quarter of the Fiscal Year Ending March 31, 2012, dated October 31, 2011. The Target Company reportedly has not obtained from MUMSS a written opinion to the effect that the Tender Offer Price is fair to the Target Company from a financial standpoint. According to the Target Company, MUMSS used the market price method, comparable company method, and DCF method to analyze the value of the Target Company's shares in the MUMSS January Valuation Report, 2012 and derived the following valuations, expressed as price per share of the Target Company's stock, in said report.

- (a) Market price method: 1,069–1,149 yen
- (b) Comparable company method: 1,215–1,520 yen
- (c) DCF method: 1,491–1,649 yen

The valuation derived from the market price method is unchanged from the MUMSS July Valuation Report. In this report MUMSS, on the understanding that the plans made known on August 1, 2011, when TTC announced plans to conduct the Tender Offer by issuing the press release entitled "Announcement of the Capital and Business Alliance of TOYOTA TSUSHO CORPORATION and ELEMATEC CORPORATION," might have induced a share price rise in the stock of the Target Company, used a base date of July 29, 2011, the last trading day immediately before any possible impact from the aforementioned press release.

With the comparable company method, MUMSS reportedly valued the Target Company's shares through comparison with market share prices and financial (e.g., profitability) metrics of publicly traded companies engaged in businesses relatively similar to the Target Company's. Through this approach, MUMSS reportedly arrived at a valuation of 1,215–1,520 yen per share of the Target Company's stock.

With the DCF method, MUMSS reportedly analyzed the Target Company's corporate value and equity valuation by discounting the Target Company's projected free cash flow to present value using certain discount rates, including the Target Company's cost of capital. It reportedly did so based on assumptions derived from multiple sources, including the Target Company's business plans and investment plans, and publicly available information. Through this approach, MUMSS reportedly arrived at a valuation of 1,491–1,649 yen per share of the Target Company's stock.

According to the Target Company, its Board of Directors' meeting was held on January 16, 2012, (with three of the five directors in attendance) and again carefully deliberated on the Tender Offer's terms and conditions in light of MUMSS January Valuation Report, and legal advice from AMT. As a result of such deliberations, the Target Company's Board of Directors reportedly concluded that the Tender Offer would contribute to the Target Company's future growth, enhance its corporate value, and advance its shareholders' common interests as part of a capital alliance based on the Capital and Business Alliance Agreement. The Target Company's Board of Directors reportedly further decided that the Tender Offer's terms and conditions are fair and would provide the Target Company's shareholders an opportunity to sell their shareholdings for a reasonable price. The Target Company's Board of Directors reportedly then resolved to endorse the Tender Offer and to recommend that shareholders tender their shareholdings in response thereto. The resolution was reportedly approved unanimously by all the directors who voted on the matter. Additionally, the Target Company's corporate auditors (all three of which were in attendance) reportedly expressed no opposition to the Board of Directors endorsing the Tender Offer or recommending that shareholders tender their shareholdings in response thereto.

According to the Target Company, from the standpoint of avoiding conflicts of interest, two of its directors, Satoshi SAKURAI and Shunichi ONISHI, abstained from participating in the Board of Directors' deliberations and votes on matters related to the Capital and Business Alliance Agreement and Tender Offer, in light of the fact that they both had entered into Tender Agreements with TTC.

3) Relationship with the Appraiser

Nomura Securities, TTC's financial advisor (the appraiser), is not a related party of TTC and has no material interest in the Tender Offer.

(5) Number of Shares to Be Acquired

Number of shares to be acquired	Minimum number	Maximum number
10,441,500 shares	N/A	10,441,500 shares

(Note 1) If the total number of shares tendered is below the maximum number to be acquired (10,441,500 shares), TTC will acquire all of the tendered shares. If the total number of shares tendered exceeds the maximum number to be acquired (10,441,500 shares), TTC will refrain from acquiring some or all of the excess tendered shares. In such an event, the transfer of shares and other settlements of the sale and purchase of the tendered shares will be conducted using the method of proportional distribution prescribed in Article 27-13, Paragraph 5, of FIEA and Article 32 of the MOF Ordinance.

(Note 2) Shares of less than one unit are also subject to the Tender Offer. If any shareholders exercise their right to have their less-than-one-unit shares repurchased pursuant to the Companies Act (Act No. 86 of 2005, as amended), the Target Company may repurchase said less-than-one-unit shares in the legally prescribed manner during the period in which the Tender Offer is in effect (the "Tender Offer Period").

(Note 3) TTC does not plan to acquire the Target Company's treasury stock holdings through the Tender Offer.

(6) Changes to Percentage of Shares Held as a Result of Acquisition of Tendered Shares

Number of voting rights attached to shares held by Tender Offeror before acquisition of tendered shares	None	(0.00% of shares held before acquisition of tendered shares)
Number of voting rights attached to shares	None	(0.00% of shares held before

held by specially related parties before acquisition of tendered shares		acquisition of tendered shares)
Number of voting rights attached to shares to be acquired	104,415	(0.00% of shares held after acquisition of tendered shares)
Number of voting rights held by all of the Target Company's shareholders	204,634	

(Note 1) "Number of voting rights attached to shares to be acquired" indicates the total number of voting rights attached to the number of shares that the Tender Offeror seeks to acquire through the Tender Offer (10,441,500 shares).

(Note 2) "Number of voting rights held by all of the Target Company's shareholders" are the number of voting rights (calculated as one voting right per 100-share trading unit outstanding) of all shareholders as of September 30, 2011, as announced in the Target Company's interim business report for its 66th fiscal year, filed on November 11, 2011. However, because shares of less than one unit also are subject to the Tender Offer, "percentage of shares held before acquisition of tendered shares" and "percentage of shares held after acquisition of tendered shares" were calculated based on the aggregate 204,736, "number of voting rights held by all of the Target Company's shareholders," which is the sum of all shareholders' 204,634 voting rights as of September 30, 2011, as announced in the Target Company's aforementioned interim business report, plus the number of voting rights attached to shares of less than one unit (102 voting rights, which represents the number attached to 10,215 shares, calculated as total shares of less than one unit of 10,273 shares as of September 30, 2011, as disclosed in the Target Company's aforementioned interim business report, minus the 58-share portion of shares of less than one unit attached to the Target Company's treasury stock holdings (678,858 shares), as of September 30, 2011, as announced in its Business Results for the Second Quarter of the Fiscal Year Ending March 31, 2012, dated October 31, 2011).

(Note 3) "Percentage of shares held before acquisition of tendered shares" and "percentage of shares held after acquisition of tendered shares" were rounded off to the hundredth decimal.

(7) Tender offer amount

16,080 million yen

*The Tender Offer amount was calculated by multiplying the number of shares that TTC plans to acquire (10,441,500 shares) by the Tender Offer Price (1,540 yen per share).

(8) Settlement Method

1) Name and Address of Financial Instrument Dealer or Bank that will Handle Settlement

Nomura Securities Co., Ltd. 9-1 Nihonbashi 1-chome, Chuo-ku, Tokyo

2) Settlement Commencement Date

March 5, 2012 (Monday)

3) Settlement Method

After expiration of the Tender Offer Period, Nomura Securities will promptly mail notification of Tender Offer purchases to tendering shareholders' addresses (or their standing proxies' addresses in the case of nonresident shareholders, including corporate shareholders, that do not have a trading account with the tender offer agent). Notification will be delivered electronically via the Nomura Securities Net & Call website (<https://nc.NomuraSecurities.co.jp>) to tendering shareholders that have consented to electronic delivery of documents via Nomura Securities Net & Call.

Purchases will be settled in cash. Tendering shareholders may receive the cash proceeds from the sale of tendered shares via electronic funds transfer or other remittance method that they have designated (remittance fees may apply).

4) Procedure for Return of Unpurchased Shares

If TTC does not purchase all or any of the tendered shares pursuant to the terms and conditions set forth below in "1) Conditions and Matters Stipulated in Article 27-13, Paragraph 4, of the FIEA" and "2) Tender Offer Revocation Conditions and Disclosure Method" under "(9) Other Purchase Terms, Conditions and

Procedures,” Nomura Securities will return the unpurchased shares by reverting shareholder records to their state immediately before the shares were tendered promptly after the settlement commencement date (or, if the Tender Offer was revoked, its revocation date). (If any tendering shareholders want returned shares transferred to their account at another financial instrument dealer, please provide instructions to that effect).

(9) Other Purchase Terms, Conditions and Procedures

1) Conditions and Matters Stipulated in Article 27-13, Paragraph 4, of the FIEA

If the total number of shares tendered is below the maximum number that TTC seeks to acquire (10,441,500 shares), TTC will purchase all of the tendered shares.

If the total number of shares tendered exceeds the maximum number that TTC seeks to acquire (10,441,500 shares), TTC will refrain from purchasing some or all of the excess tendered shares. In such an event, the transfer of shares and other settlements of the sale and purchase of the tendered shares will be conducted using the method of proportional distribution prescribed in Article 27-13, Paragraph 5, of the FIEA and Article 32 of the MOF Ordinance (if the number of shares tendered by any shareholder includes shares of less than one unit, i.e., the number of shares tendered is not divisible by 100, the number of shares to be purchased as calculated by the proportional distribution procedure will be limited to a maximum of the number of shares tendered by the shareholder). If, after the prorated number of shares to be purchased from each tendering shareholder has been rounded to the nearest multiple of 100, the total number of shares to be purchased from all tendering shareholders is below the maximum number that TTC seeks to acquire, TTC will purchase 100 tendered shares per tendering shareholder, (or the residual number of tendered shares if that number is below 100) beginning with the tendering shareholder with the largest rounded off shareholding and continuing in descending order until TTC has purchased no fewer than the maximum number of shares it plans to acquire. However, if multiple tendering shareholders are equally ranked by the size of their rounded-off shareholdings and if purchasing an additional 100 shares from all of them through this procedure would result in TTC acquiring more shares than the maximum number it plans to acquire, TTC will resort to a lottery to select just enough of the equally ranked shareholders to enable TTC to purchase no fewer than the maximum number of shares that it seeks to acquire.

If, after the prorated number of shares to be purchased from each tendering shareholder has been rounded to the nearest multiple of 100, the total number of shares to be purchased from all tendering shareholders exceeds the maximum number that TTC seeks to acquire, TTC will reduce the number of tendered shares to be purchased per shareholder by 100 shares (or the residual number of the prorated number of shares to be purchased if that number is below 100), beginning with the top-ranked shareholder and continuing in descending order, until the total number of shares to be purchased has been reduced as much as possible without going below the maximum number that TTC seeks to acquire. However, if multiple tendering shareholders are equally ranked and TTC would fall short of the maximum number of shares that it seeks to acquire if it reduced the number of shares to be purchased from all of them, a lottery will be used to select just enough of the equally ranked shareholders to reduce the number of shares to be purchased as much as possible without going below the maximum number of shares that TTC seeks to acquire.

2) Tender Offer Revocation Conditions and Disclosure Method

TTC may revoke the Tender Offer if any event occurs that is specified in the following provisions of Article 14 of the Financial Instruments and Exchange Act Enforcement Order (Cabinet Order No. 321 of 1965, as amended, hereinafter referred to as the “Enforcement Order”): Paragraph 1, Subparagraph 1 (a) through (i) and (l) through (r), Subparagraph 3 (a) through (h) and (j); and Paragraph 2, Subparagraphs 3 through 6. In the context of the Tender Offer, the “facts that satisfy the grounds for revocation listed in (a) through (i)” as stipulated in Article 14, Paragraph 1, Subparagraph 3(j) of the Enforcement Order are defined as two possible scenarios. The first is the revelation that the Target Company’s previously filed statutory disclosure documents included a material misstatement or omitted material facts that should have been announced. The second is the existence of any of the facts listed in (a) through (g) of the same Subparagraph 3 with respect to any of the Target Company’s major subsidiaries.

If TTC decides to revoke the Tender Offer, it will publish an electronic notice of the revocation and publish notification to that effect in the *Nihon Keizai Shimbun*. However, if TTC cannot feasibly furnish

public notice by the end of the Tender Offer Period, it will publicly announce the revocation by the method stipulated in Article 20 of the MOF Ordinance and furnish public notice promptly thereafter.

(3) Tender Offer Price Reduction Conditions and Disclosure Method

Pursuant to Article 27-6, Paragraph 1, Subparagraph 1 of the FIEA, TTC may lower the Tender Offer Price in accordance with the standards prescribed in Article 19, Paragraph 1, of the MOF Ordinance if the Target Company engages in any act specified in Article 13, Paragraph 1, of the Enforcement Order during the Tender Offer Period. If TTC decides to reduce the Tender Offer Price, it will publish an electronic notice of the price reduction and publish notification to that effect in the *Nihon Keizai Shimbun*. However, if TTC cannot feasibly furnish public notice by the end of the Tender Offer Period, it will publicly announce the price reduction by the method stipulated in Article 20 of the MOF Ordinance and furnish public notice promptly thereafter. If TTC reduces the Tender Offer Price, it will purchase tendered shares at the reduced price, even if the shares were tendered before public notice of the price reduction.

(4) Tendering Shareholders' Right of Rescission

Tendering shareholders may rescind agreements related to the Tender Offer at any time during the Tender Offer Period. To do so, send or deliver a written notice of rescission of your Tender Offer-related agreement ("Rescission Notice"), together with the receipt for your share tender application, to the head office or any domestic branch office of the tender offer agent designated below by 15:30 local time on the final day of the Tender Offer Period. However, Rescission Notices sent by mail or other delivery service must arrive by 15:30 local time on the final day of the Tender Offer Period. Shareholders that have tendered shares through Nomura Securities Net & Call may rescind their agreements online at Nomura Securities Net & Call's website (<https://nc.NomuraSecurities.co.jp>) or by sending a Rescission Notice to Nomura Securities Net & Call. To rescind online, do so by 15:30 local time on the final day of the Tender Offer Period, following the instructions on Nomura Securities Net & Call's website. To rescind by submitting a Rescission Notice, request a Rescission Notice form from Nomura Securities Net & Call and return it to Nomura Securities Net & Call (enclose your share tender receipt if you received one from the tender offer agent when tendering your shares). Rescission Notices sent to Nomura Securities Net & Call must also arrive by 15:30 local time on the final day of the Tender Offer Period.

Party authorized to accept Rescission Notices:
Nomura Securities Co., Ltd., 9-1 Nihonbashi 1-chome, Chuo-ku, Tokyo
(and all other Nomura Securities branch offices throughout Japan)

The Tender Offeror may not claim damages or monetary penalties against tendering shareholders who have rescinded their agreements. The Tender Offeror will bear the cost of returning tendered shares to shareholders that have rescinded.

(5) Method of Disclosure of Revisions of Tender Offer Terms

If TTC wishes to revise the terms or conditions of the Tender Offer, it will publish an electronic notice of the revision(s) and publish notification to that effect in the *Nihon Keizai Shimbun*. However, if TTC cannot feasibly furnish public notice by the end of the Tender Offer Period, it will publicly announce the revision(s) by the method stipulated in Article 20 of the MOF Ordinance and furnish public notice promptly thereafter. If TTC revises the Tender Offer's terms or conditions, it will purchase tendered shares subject to the revised terms and/or conditions, even if the shares were tendered before public notice of the revision(s).

(6) Method of Disclosure of Amendment Notice Filings

If TTC files an amendment notice with the Director-General of the Kanto Local Finance Bureau, it will publicly announce any content of the amendment notice that pertains to the content of the public notice of the Tender Offer's commencement, by the method stipulated in Article 20 of the MOF Ordinance. Additionally, TTC will also promptly amend its tender offer explanatory statement and deliver amended tender offer explanatory statements to the tendering shareholders to which tender offer explanatory statements have already been delivered. However, if the scope of the amendment is minor, TTC will amend the tender offer explanatory statement by preparing written notification of the reason for the amendment(s), the subject matter of the amendment(s), and the amended text of the explanatory statement and delivering said notification to tendering shareholders.

(7) Tender Offer Results Disclosure Method

TTC will publicly announce the results of the Tender Offer on the day following the final day of the Tender Offer Period by the method stipulated in Article 9, Paragraph 4, of the Enforcement Order and Article 30, Paragraph 2, of the MOF Ordinance.

(10) Date of Public Notice of Commencement of the Tender Offer

January 17, 2012 (Tuesday)

(11) Tender Offer Agent

Nomura Securities Co., Ltd.
9-1 Nihonbashi 1-chome, Chuo-ku, Tokyo

3. Post-Tender-Offer Policies and Future Outlook

(1) Post-Tender-Offer Policies

See "1. Purpose of the Tender Offer " above.

(2) Outlook for Future Business Performance

TTC is currently assessing the expected impact of the Tender Offer on its consolidated and nonconsolidated business outlook. If TTC determines that its existing business forecast needs to be revised or if another matter arises that warrants public disclosure, TTC will promptly announce the revision or any other matter related thereto.

4. Other Matters

(1) Agreements between Tender Offeror and Target Company or Its Officers

See "(4) Material Agreements Pertaining to the Tender Offer" under "1. Purpose of the Tender Offer" above.

(2) Other Information Deemed Necessary for Investors to Decide Whether to Tender Shares

N/A

(Attachment) Press Release "Announcement of the Capital and Business Alliance of TOYOTA TSUSHO CORPORATION and ELEMATEC CORPORATION", dated August 1, 2011.

DISCLAIMERS

Insider trading regulations

Please be advised that pursuant to Article 167, Item 3 of the Financial Instruments and Exchange Law and Article 30 of the Enforcement Ordinance, any person who has received information concerning the Tender Offer through this press release may be restricted from purchasing or otherwise trading the shares of the target Company as a first-hand recipient of information under the regulations on insider trading, for 12 hours from the publication of this press release on January 16, 2012 3:30PM on the TDnet of the Tokyo Stock Exchange. Please also note that if you purchase or sell shares TTC and ELEMATEC in violation of the applicable insider trading regulations, you could be subject to criminal, civil or administrative charges.

Solicitation regulations

This press release has been prepared for the purpose of informing the public of the Tender Offer. This has not been prepared for soliciting sales, purchases or application in relation to the Tender Offer. When conducting any sales, you should make appropriate judgment after reviewing the Tender Offer explanatory statement, which TTC has prepared and published. Neither this press release nor any part hereof constitutes a document to subscribe for, solicit the sales of, or apply for the purchase of, shares in the Tender Offer. Neither this press release nor its distribution shall be interpreted to be the basis of any agreement in relation to the Tender Offer, nor may it be relied on or become the basis for the Tender Offer.

Forward-looking statements

This press release contains future business predictions, including business forecasts and strategies, which have been prepared by TTC and ELEMATEC based on information presently obtainable. Actual results may differ materially from these predictions.

Foreign jurisdictions

Certain countries, regions and other jurisdictions may impose certain restrictions on the release, issuance or distribution of this press release under their laws and regulations. In such cases, you are required to pay attention to, and comply with, such restrictions. In any country or region where the implementation of the Tender Offer is illegal, even if you receive this press release, such receipt shall not constitute any application for the sale of, or solicitation for the application for the purchase of, shares, etc. in relation to the Tender Offer, and this press release shall be deemed as the distribution of information for reference only.

Although the Tender Offer is being conducted in accordance with the procedures and disclosure standards prescribed by Japanese law, such procedures and disclosure standards may not always coincide with those of the United States. In particular, the rules and regulations under Sections 13(e) and 14(d) of the U.S. Securities Exchange Act of 1934, as amended, do not apply to the Tender Offer and the Tender Offer is not being conducted in accordance with the procedures and requirements thereunder.

English translation

This English translation has been prepared solely for the convenience of non-Japanese speaking shareholders of TTC and ELEMATEC. While this English translation is believed to be generally accurate, it is subject to, and qualified by, in its entirety, the official Japanese-language original filed with the TDnet of the Tokyo Stock Exchange. Such Japanese-language original shall be the controlling document for all purposes.

