Notice of Resolution for the Tender Offer for TOMEN ELECTRONICS CORPORATION Shares by Controlling Shareholder TOYOTA TSUSHO CORPORATION and Recommendation to Tender Shares

TOMEN ELECTRONICS CORPORATION ("TME") hereby announces that its Board of Directors met on July 9, 2014, and passed a resolution in favor of a tender offer (the "Tender Offer") for TME's common shares ("TME Common Shares") by TOYOTA TSUSHO CORPORATION (the "Tender Offeror") and to recommend that TME's shareholders tender their shares in response to the Tender Offer.

The Board of Directors of TME passed the aforementioned resolution based on the assumption that the Tender Offeror aims to acquire TME as a wholly owned subsidiary through the Tender Offer and subsequently delist TME's common shares.

(Note) In connection with the Tender Offer, TME issued a press release titled "Notice of Resolution for the Tender Offer for TOMEN ELECTRONICS CORPORATION Shares by Controlling Shareholder TOYOTA TSUSHO CORPORATION and Recommendation to Tender Shares" on January 28, 2014, and the Tender Offeror issued a press release titled "Announcement of Tender Offer for Shares of TOMEN ELECTRONICS CORPORATION (Securities Code:7558)" on January 28, 2014.

1. Overview of the Tender Offeror

<table>
<thead>
<tr>
<th>(1) Company Name</th>
<th>Toyota Tsusho Corporation</th>
</tr>
</thead>
<tbody>
<tr>
<td>(2) Principal Office</td>
<td>9-8, Meieki 4-chome, Nakamura-ku, Nagoya, Japan (Century Toyota Building)</td>
</tr>
<tr>
<td>(3) Representative</td>
<td>Jun Karube, President</td>
</tr>
<tr>
<td>(4) Principal Lines of Business</td>
<td>Domestic trading, importing, exporting and foreign international trading of various goods; construction contracting, and insurance services</td>
</tr>
<tr>
<td>(5) Capital Stock</td>
<td>64,936 million yen (as of March 31, 2014)</td>
</tr>
<tr>
<td>(6) Date of Incorporation</td>
<td>July 1, 1948</td>
</tr>
<tr>
<td>(7) Major Shareholders and Percentage of Shares Held (as of March 31, 2014)</td>
<td>Toyota Motor Corporation 21.57%</td>
</tr>
<tr>
<td></td>
<td>Toyota Industries Corporation 11.12%</td>
</tr>
<tr>
<td></td>
<td>The Master Trust Bank of Japan, Ltd. (trust account) 5.47%</td>
</tr>
<tr>
<td></td>
<td>Japan Trustee Services Bank, Ltd. (trust account) 4.00%</td>
</tr>
<tr>
<td></td>
<td>The Bank of Tokyo-Mitsubishi UFJ, Ltd. 2.29%</td>
</tr>
<tr>
<td></td>
<td>Mitsui Sumitomo Insurance Co., Ltd. 1.69%</td>
</tr>
<tr>
<td></td>
<td>Sumitomo Mitsui Banking Corporation 1.20%</td>
</tr>
<tr>
<td></td>
<td>Aioi Nissay Dowa Insurance Co., Ltd. 1.15%</td>
</tr>
<tr>
<td></td>
<td>Tokio Marine &amp; Nichido Fire Insurance Co., Ltd. 1.14%</td>
</tr>
<tr>
<td></td>
<td>Nippon Life Insurance Company 1.07%</td>
</tr>
</tbody>
</table>
(8) Relationships between TME and Tender Offeror

<table>
<thead>
<tr>
<th>Capital Relationships</th>
<th>The Tender Offeror currently owns 6,496,000 shares of TME's stock, equivalent to 40.16% (rounded to the nearest hundredth of a percent) of TME's 16,174,000 total shares outstanding. The Tender Offeror treats TME as a consolidated subsidiary.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Relationships</td>
<td>One of the Tender Offeror's executive officers (Yasushi Okamoto) and one of its employees (Kazumasa Miyazaki) are directors of TME. One of the Tender Offeror's directors (Hideki Yanase) is an outside director of TME. One of the Tender Offeror's directors (Junzo Shimizu) and one of its executive officers (Hideki Iwamoto) are outside auditors of TME.</td>
</tr>
<tr>
<td>Transactional Relationships</td>
<td>The Tender Offeror purchases electronic components, including semiconductors, from TME.</td>
</tr>
<tr>
<td>Related Party Status</td>
<td>The Tender Offeror is the parent company, and therefore a related party, of TME.</td>
</tr>
</tbody>
</table>

2. Tender Offer Price
1,650 yen per common share

3. Content, Basis and Rationale of Opinion Regarding Tender Offer

(1) Content of Opinion Regarding Tender Offer
On July 9, 2014, the Board of Directors of TME passed a resolution in favor of the Tender Offer and recommends that TME's shareholders tender their shares in response to the Tender Offer if the Tender Offer is undertaken, based on the rationale explained below in "(2) Basis and Rationale of Opinion Regarding Tender Offer."

Said Board of Directors' resolution was passed in the manner described below in "① Unanimous Approval of TME's Directors and Corporate Auditors Without Conflicts of Interest" under "(3) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Avoid Conflicts of Interest."

(2) Basis and Rationale of Opinion Regarding Tender Offer
① Overview of Tender Offer
TME received the following explanation of the Tender Offer from the Tender Offeror.

The Tender Offeror currently owns 6,496,000 TME Common Shares (40.16% (rounded to the nearest hundredth of a percent) of TME's 16,174,000 common shares outstanding as of March 31, 2014, as disclosed in TME's Securities Report for its 42nd fiscal year filed on June 30, 2014 (the "Securities Report")).

The Tender Offeror currently treats TME as a consolidated subsidiary in accordance with the effective control standard. At a meeting on January 28, 2014, the Tender Offeror's Board of Directors reportedly decided to conduct the Tender Offer in the aim of acquiring all of TME's issued shares (excluding TME Common Shares that the Tender Offeror already owns and TME's treasury stock owned by TME) to make TME a wholly-owned subsidiary, contingent on three conditions. The first condition is the successful completion of compliance with the requirements of competition laws in Japan, China and other foreign countries. The second is that the Board of Directors of TME passes a resolution to pass the Tender Offer and recommending that TME's shareholders tender their shares in response thereto. The third is that no events or circumstances that could have a material adverse effect on TME's financial condition occur in the interim. Now that compliance with the requirements of competition law in Japan, China and other foreign countries has been completed and the conditions for the Tender Offer's commencement have been met, the Tender Offeror has reportedly decided to commence the Tender Offer on July 9, 2014.

The Tender Offer will reportedly not be subject to a maximum or minimum number of shares to be acquired. The Tender Offeror will reportedly purchase all tendered shares.

Additionally, the Tender Offeror reportedly aims to acquire TME as a wholly-owned subsidiary. Accordingly, if the Tender Offeror fails to acquire all issued TME Common Shares through the Tender Offer (excluding TME Common Shares that the Tender Offeror already owns and TME's treasury stock owned by TME), the Tender Offeror reportedly plans to acquire all issued TME Common Shares (excluding TME Common Shares that the Tender Offeror already owns and TME's treasury stock owned by TME) by executing the series of transactions (the
"Transactions" in conjunction with the Tender Offer (Matters Concerning the Two-Step Acquisition)."

2 Background of Tender Offer

The Toyota Tsusho Group (the "Tender Offeror's Group"), which is comprised of the Tender Offeror and its subsidiaries and affiliates, has identified three sustainable growth domains in its Global 2020 Vision long-term business plan. They are "Mobility (contributing to the evolution of next-generation automobiles)," "Life & Community (contributing to improvements in the living environment of people)," and "Earth & Resources (contributing to solving global problems)."

The Tender Offeror Group plans to conduct a well-balanced investment program in the aim of building a business portfolio equally weighted in these three domains by 2020 by creating synergies between Life & Community and Earth & Resources while further strengthening its automotive business, the Tender Offeror's Group's core strength.

The Tender Offeror's Group's electronics business, sales are slightly less than 700 billion yen and the business have favorable prospects of market expansion along multiple axes, including automotive electrization in the Mobility domain, adapting to an information society in the Life & Community domain, and contributing to energy efficiency in the Earth & Resources domain. Tender Offeror has hitherto mainly allocated management resources to two areas. One is the automotive sector (the Mobility domain), where Tender Offeror supplies core devices that support hybrid, electric and other environmentally friendly vehicles' electronic componentry. The other area is the amusement sector and digital consumer electronics applications (both of which are in the Life & Community Domain) that were previously the strengths of Japanese electronics manufacturers.

TME was established in 1972 as Teijin Advanced Products Corp., became a consolidated subsidiary of Tomen Corp. in 1983, and changed its name to Tomen Electronics Corporation in 1984. It has consistently been engaged in selling semiconductors and other electronic components, and supporting customers' product development. In 1997, Tomen listed TME's common shares on the Japan Securities Dealers Association's JASDAQ market (now owned by Tokyo Stock Exchange, Inc. (the "TSE")). It did so based on the view that, from a group management standpoint, enhancing its value through its own business model and growth strategies would be desirable in light of the pace at which the business environment was changing amid the adoption of global leading-edge technologies (e.g., PCs, mobile phones) in the information communication equipment and digital home electronics industry since the late 1980s. TME subsequently listed its shares on the TSE's Second Section in 1999 and was promoted to the First Section in 2001. In April 2006, TME became a consolidated subsidiary of Tender Offeror when Tender Offeror and Tomen Corp. merged.

As a medium-term management policy, TME is currently endeavoring to improve its profitability while providing higher-value-added services and intensively allocating management resources to three strategic priorities: (1) increasing customer satisfaction (customer-focused value creation), (2) refocusing on selected businesses (intensive investment in growth sectors), and (3) accelerating overseas expansion (endeavoring to become Asia's top electronics trading company).

The Tender Offeror's Group and TME have long been strengthening their cooperative ties through personnel exchanges and consolidation of business functions (e.g., logistics and quality management). However, the environment in which the Tender Offeror's Group and TME operate is changing extremely rapidly. While the electronics market is projected to continue growing globally, the Japanese consumer electronics manufacturers that are the major customers of TME have been suffering severe market share losses and earnings deterioration in the wake of the reduction of barriers to entry from recent rapid commodification in the digital consumer electronics and IT markets. Additionally, in response to a persistently strong yen the Japanese manufacturing sector is being hollowed out at an accelerating pace as a result of Japanese manufacturers downsizing domestic production facilities, offshoring production, and outsourcing production and design to specialized contract manufacturers (EMS/ODMs). Meanwhile, demand for total environmental and energy efficiency solutions (e.g., electric motorization of drive systems powered by internal combustion engines, and commercial development of new energy sources as a substitute for fossil fuels) is also starting to emerge in the automotive and social infrastructure sectors.

Additionally, the Tender Offeror Group's rival overseas mega-distributors (the "Mega-Distributors") are expanding their operations through continued aggressive M&A investment, and consolidation aimed at ensuring survival is starting to pick up among domestic electronics trading companies in response to intensification of competition. Hence, while TME's performance is strong at present, there is a need for TME to strive to accelerate its decision-making in order to respond to change in the business environment.

3 Rationale and Decision-Making Process

(a) Rationale and Decision-Making Process

TOMEN Electronics Corp. https://www.tomen-ele.co.jp/contact/input/ir
Amid such changes in the operating environment surrounding the Tender Offeror group's electronics business, on the suggestion of the Tender Offeror, TME and the Tender Offeror have repeatedly conferred with each other about long-term growth strategies and initiatives to enhance the value of the both companies since around October 2013. Through this process, the Tender Offeror and TME have reached the conclusion that it would be extremely beneficial to further strengthen cooperation between the Tender Offeror and TME and accelerate allocation of management resources to growth markets within the electronics business by making TME a wholly-owned subsidiary of Tender Offeror and building a more stable capital relationship to reposition TME as the core company within the Tender Offeror's electronics business and driver of progress toward attainment of the Tender Offeror's Global 2020 Vision. Moreover, making TME a wholly-owned subsidiary will be beneficial to TME, accelerating its decision-making and facilitating allocation of human and financial resources in line with its growth strategy.

Specifically, the Tender Offeror and TME plan to do the following

(i) Intensify efforts to develop new businesses by fusing the Tender Offeror's overall capabilities as a general trading company with TME's know-how as an electronics international electronics distributor.

(ii) Expand TME's customer base and broaden its product line which includes materials like plastic compound, metals and others for electronics components and products, by utilizing the Tender Offeror's sales network and user base in the Life & Community, Mobility, and Earth & Resources domains.

(iii) Differentiate TME from competitors and increase customer satisfaction through sharing of the Tender Offeror's logistics know-how, quality management skill, Quality Support Center, technological and other functions.

(iv) Further strengthen operating capabilities in overseas markets and expand operations into emerging market including Middle South America and Europe with particularly promising growth prospects ahead of competitors by utilizing and sharing the Tender Offeror's broad overseas network.

(v) Jointly make strategic investments to further expand operations to propel TME into the ranks of Mega-Distributors with larger-scale operations.

(vi) Broaden and cultivate human resources through personnel exchanges within the Tender Offeror's group to achieve customers' and suppliers' satisfaction.

Additionally, on multiple occasions the Tender Offeror and TME have conferred about and negotiated the Tender Offer Price and Tender Offer's terms in light of advice received from Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. ("MUMSS"), appointed by TME as a financial advisor and third-party appraiser independent of both the Tender Offeror and TME, and Anderson Mori & Tomotsune, a law firm appointed by TME as a legal advisor independent of both itself and the Tender Offeror.

In the course of these discussions and negotiations, TME requested that the Tender Offeror reconsider its proposed acquisition price, taking into consideration TME's historical share price range, percentage premiums paid in similar acquisitions, and valuation results based on the discounted cash flow “DCF” method used by MUMSS, TME made this request in light of advice received from its financial advisor, MUMSS.

As a result of these price negotiations, TME was ultimately presented with a proposed Tender Offer Price of 1,650 yen per common share, 200 yen higher than the price of 1,450 yen initially proposed by the Tender Offeror. The Tender Offeror and TME ended up agreeing on this 1,650 yen price, which, in TME’s judgment, offers a reasonable premium to its shareholders.

Specifically, of the valuation results provided by MUMSS, the Tender Offer Price is above the ceiling of the valuation range based on the market price method, within the valuation range based on the comparable companies method and DCF method and above the intermediate value of the DCF method based on the DCF method as explained below in "① Obtention of a Stock Valuation Report from an Independent Third-Party by TME" under "⑤ Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Avoid Conflicts of Interest.”

Secondly, the Tender Offer Price is above the price range of TME shares over the past 6 years. Thirdly, the Tender Offer Price is presumptively within a reasonable range given that it represents a 39.0% premium (rounded to the nearest tenth of a percent, as are the other percentages in this paragraph) on TME Common Shares’ TSE First Section regular closing price of 1,187 yen on January 27, 2014, the last trading day before January 28, 2014, the date on which TME and the Tender Offeror announced the Tender Offer; a 32.9% premium on their average closing price of 1,242 yen (rounded off to the nearest yen, as are the other average closing prices below) over the month through January 27, 2014; a 41.1% premium on their average closing price of 1,169 yen over the three months
through January 27, 2014: and a 45.6% premium on their average closing price of 1,133 yen over the six months through January 27, 2014.

Fourthly, the Tender Offer Price was determined through a process that adequately incorporated measures to avoid conflicts of interest as explained below in "(3) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Avoid Conflicts of Interest." In light of such and after carefully considering the Tender Offer's terms, TME has concluded that the Tender Offer Price and the Tender Offer's other terms are fair and that the Tender Offer would offer its shareholders an opportunity to sell their Common Shares at a reasonable price and terms.

On January 28, 2014, the Board of Directors of TME passed a resolution, as TME's opinion as of that date, endorsing the Tender Offer and recommending that its shareholders tender their shares in response to the Tender Offer if the Tender Offer is undertaken.

TME was recently notified by the Tender Offeror that the Tender Offeror wished to commence the Tender Offer, having completed the process of complying with requirements of Chinese competition law. In response to said notification, TME conferred with a third-party committee that it had established as set forth below in "(3) Obtainment of Opinion that Transactions are not Disadvantageous to Minority Shareholders from Parties Unrelated to Controlling Shareholder" under "(3) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Avoid Conflicts of Interest." TME asked the third-party committee to reconvene to determine whether the opinion that the third-party committee expressed to TME's Board of Directors on January 27, 2014, is still valid. If the third-party committee's opinion has not changed, TME asked the third-party committee to notify TME's Board of Directors to that effect. If the third-party committee's opinion has changed, TME asked the third-party committee to inform TME's Board of Directors of its revised opinion. After conferring on said matter, the third-party committee found no material changes in TME's business conditions or the environment surrounding the Transactions between January 27, 2014, and July 8, 2014, and reported to TME's Board of Directors on July 8, 2014, that its opinion dated January 27, 2014, has not changed. After carefully reviewing the Tender Offer's terms again in light of the third-party committee's opinion, TME also found no material changes in TME's business conditions or the environment surrounding the Transactions between January 28, 2014, and July 9, 2014, and has concluded that the Tender Offer Price and the Tender Offer's other terms are currently still fair and that the Tender Offer would offer its shareholders an opportunity to sell their Common Shares at a reasonable price and terms. On July 9, 2014, TME's Board of Directors passed a resolution endorsing the Tender Offer and recommending that TME's shareholders tender their shares in response to the Tender Offer.

Said Board of Directors' resolutions were passed in the manner described below in "(3) Unanimous Approval of TME's Directors and Corporate Auditors Without Conflicts of Interest" under "(3) Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Avoid Conflicts of Interest."

(b) Management Policy after the Transactions

Once TME becomes a wholly owned subsidiary, the Tender Offeror reportedly intends to improve the attainability of the Tender Offeror Group's long-term business plan, Global 2020 Vision by pursuing overall optimization through unified management of the electronics business by the initiative of the core company, building close relationships with supplier partners, strengthening product development in growth markets, further improving operating efficiency, and investing more efficiently and on a larger scale than in the past across a broad range of business domains, including social infrastructure and industrial equipment in addition to the automotive, amusement and digital consumer electronics domains that are currently the focus of TME's operations. Meanwhile, even after TME becomes a wholly owned subsidiary, the Tender Offeror reportedly aims to further expand and stabilize TME's operations through a management approach that fully respects the distinctive attributes of TME's businesses and its management and organizational strengths. Additionally, the Tender Offeror reportedly intends fundamentally to respect TME's current management structure, including its workforce, after TME has become its wholly owned subsidiary. At present, the Tender Offeror reportedly has no plans to appoint additional directors from the Tender Offeror to TME in the event that the Tender Offer is successful.

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

In light of TME's status as a consolidated subsidiary of the Tender Offeror and the ongoing operational as well as personal relationships between TME and the Tender Offeror, TME and the Tender Offeror have implemented the following measures to ensure the fairness of the Tender Offer Price, avoid conflicts of interest and otherwise ensure the fairness of the Tender Offer.
① Obtainment of a Stock Valuation Report from an Independent Third-Party by TME

In formulating an opinion of the Tender Offer, TME hired Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. (“MUMSS”), a financial advisor as a third-party appraiser independent of both the Tender Offeror and TME, to analyze TME’s stock value to ensure the Tender Offer Price’s the fairness. (MUMSS, a third-party appraiser, is not a related party of the Tender Offeror or TME and has no material conflicts of interest that warrant disclosure in connection with the Tender Offer.)

MUMSS analyzed TME’s stock value using the market price method, comparable company method, and DCF method. TME obtained a stock valuation report from MUMSS on January 27, 2014. (TME has not obtained the fairness opinion on the Tender Offer Price from MUMSS.)

Using the aforementioned three methods, MUMSS arrived at the following per-share valuation ranges for TME Common Shares.

- Market price method: 1,135-1,228 yen
- Comparable company method: 1,143-1,749 yen
- DCF method: 1,382-1,875 yen

First, using the market price method and a valuation base date of January 24, 2013, MUMSS valued TME Common Shares at between 1,135 and 1,228 yen per share based on the stock’s average TSE First Section regular closing price of 1,228 yen (rounded to the nearest yen, as are the other average closing prices below) over the most recent one month: average closing price of 1,167 yen over the most recent three months and average closing price of 1,135 yen over the most recent six months.

Next, using the comparable company method, MUMSS identified Tomen Devices Corporation, Hakuto Co., Ltd., Marubun Corporation, Macnica, Inc. and Kaga Electronics Co., Ltd. as comparable companies among major domestic listed electronics trading companies in light of their similarity to TME and using the enterprise value/EBITDA ratio and Price earnings ratio, valued TME Common Shares at between 1,143 and 1,749 yen per share.

Using the DCF method, MUMSS valued TME Common Shares at between 1,382 and 1,875 yen per share. In doing so, MUMSS analyzed TME’s enterprise value and stock value by discounting TME’s projected future free cash flows to present value using certain discount rates, derived from earnings forecasts about TME taking into account various information such as a business plan prepared by TME for the three years ending March 31, 2017, TME’s most recent performance and other information that has been publicly disclosed. MUMSS used discount rates ranging from 4.00% to 5.50%. To estimate the terminal value, MUMSS uses an enterprise value/EBITDA ratio ranging between 6.0 and 7.0 times. (In order to ensure that TME’s steady profit level is adequately reflected, terminal value was calculated after having extended the financial forecast supposing around 4% sales growth based on market forecasts received by TME for the two-year period following the final year of the current business plan, with no change to the operating income margin or depreciation.)

The financial forecasts based on TME’s business plan that were used in the DCF method are tabulated below. Said business plan does not project a major increase or decrease in earnings. The forecasts do not factor in the effects of various measures that may be implemented after the Transactions because their impact on earnings is currently difficult to estimate in specific terms.

<table>
<thead>
<tr>
<th></th>
<th>Fiscal year ending March 31, 2015</th>
<th>Fiscal year ending March 31, 2016</th>
<th>Fiscal year ending March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>195,000</td>
<td>213,000</td>
<td>230,000</td>
</tr>
<tr>
<td>Operating income</td>
<td>4,301</td>
<td>5,407</td>
<td>5,915</td>
</tr>
<tr>
<td>EBITDA</td>
<td>4,847</td>
<td>5,601</td>
<td>6,056</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>(1,913)</td>
<td>(336)</td>
<td>536</td>
</tr>
</tbody>
</table>

(Note) The analysis by MUMSS, and in particular, the analysis of the share value of TME’s common shares used as the basis thereof, is addressed to the Board of Directors of TME for information purposes only. MUMSS’s analysis is not a financial opinion or recommendation by MUMSS or any of its affiliates, and MUMSS’s analysis does not...
constitute an opinion or recommendation to any shareholders of TME or the Tender Offeror as to how such shareholder should act with respect to the Tender Offer.

In performing its analysis, MUMSS has assumed and relied upon, without independent verification, the accuracy and completeness of the information that was publicly available or supplied or otherwise made available to it by TME as an appropriate basis for its analysis. With respect to the financial projections, including information relating to certain strategic, financial and operational benefits anticipated from the Tender Offer, MUMSS has assumed that they have been reasonably prepared to reflect the best currently available estimates and judgments of the management of TME of the future financial performance of the Company. MUMSS has not made any independent valuation or appraisal of the assets or liabilities of TME. The analysis by MUMSS is necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to MUMSS as of, the date specified in the relevant report. Events occurring after such date may affect the analysis and the assumptions used in preparing it, and MUMSS does not assume any obligation to update, revise or reaffirm its analysis. The preparation of a valuation report and the analysis forming the basis thereof is a complex process and is not necessarily susceptible to a partial analysis or summary description. The range of valuations resulting from any particular analysis described herein should not be taken to be MUMSS's view of the actual value of TME.

MUMSS has acted as financial advisor to the Board of Directors of TME in connection with this transaction and will receive a fee for its services, a substantial portion of which is contingent upon the closing of the Tender Offer.

② Advice from an Independent Law Firm

TME appointed the law firm of Anderson Mori & Tomotsune as a legal advisor independent of both itself and the Tender Offeror and has obtained legal advice regarding the decision-making methods of its Board of Directors and processes, including matters related to the Tender Offer, to ensure the fairness and propriety of the decisions of its Board of Directors and the adequacy of its due diligence pertaining to the Transactions, including the Tender Offer.

③ Obtainment of Opinion that Transactions are not Disadvantageous to Minority Shareholders from Parties Unrelated to Controlling Shareholder

TME established a third-party committee comprised of three individuals, Shinsuke Hasegawa (CPA, Hasegawa CPA Office), Akito Takahashi (attorney, Takahashi Katayama Horitsu Jimusho), and Takashi Handa (CPA, White Bear International Audit & Co.), all of whom are independent of both the Tender Offeror and TME, in the aim of avoiding arbitrary decisions related to the Transactions, including the Tender Offer, and ensuring the fairness, transparency and objectivity of TME's decision-making process.

The third-party committee met a total of five times from November 29, 2013 until January 27, 2014 and conferred on the aforementioned matters. In doing so, the third-party committee was briefed by TME, based on documents submitted by TME, on the Tender Offeror's proposals, the Transactions' purpose, and specifically how TME's value is expected to be enhanced as a result of the Transactions. The third-party committee received a similar briefing from the Tender Offeror also and received answers to its questions about these matters. Additionally, the third-party committee was briefed by TME on TME's business plan and analysis of TME's stock value based on MUMSS's stock valuation report and received answers to its questions about both. Based on its review of these matters, the third-party committee submitted a report to TME's Board of Directors on January 27, 2014 that the Transactions (a) would contribute to enhancing TME's value, (b) are fair in their terms (including the Tender Offer Price), (c) are adequately considerate of shareholders' interests through fair procedures, and (d) would not be disadvantageous to TME's minority shareholders, based on the following observations:

i) The Transactions are deemed to be intended for the purpose of enhancing TME’s value. TME has studied the need for and the merits of the Transactions based on rigorous discussion and evaluation of its future growth plans as provided by the Tender Offeror with accompanying explanations. There are no reasons to believe that TME's business plans, growth plans, and the envisaged management structure after TME became a wholly owned subsidiary, as presented to us by TME and the Tender Offeror, are unsustainable.
ii) TME, in order to secure fairness in the terms and conditions of the Transactions, has obtained a Stock Valuation Report from MUMSS in accordance with the provisions of “(1) Obtaiment of a Stock Valuation Report from an Independent Third-Party by TME” described above. Nothing particularly irregular or materially questionable is noted with respect to the process of calculation followed by the Stock Valuation Report in arriving at its conclusions. TME has studied the Tender Offer Price based on the Stock Valuation Report and its own assessment of the need for and the merits of the proposed plan to make TME a wholly owned subsidiary. A reasonable premium is deemed to be factored into the Tender Offer Price, and nothing particularly irregular or materially questionable is noted with respect to the Tender Offer Price. Thus the process followed by TME in assessing the Transactions and arriving at its conclusions is deemed to have been reasonable and adequate in ensuring avoidance of arbitrary decisions. There is deemed to be a reasonable ground for applying the same terms and conditions to the proposed full acquisition of TME as were adopted for the Tender Offer, where both are close in proximity time-wise.

iii) TME is deemed to have systematically followed the posture set out in the provisions of “(1) Obtaiment of a Stock Valuation Report from an Independent Third-Party by TME” and “(2) Advice from an Independent Law Firm” above as well as “(3) Unanimous Approval of TME’s Directors and Corporate Auditors Without Conflicts of Interest” below, and has reached an agreement with the Tender Offeror on the terms and conditions of the Transactions through consultations and negotiations as laid out in “(a) Rationale and Decision-Making Process” under “(3) Rationale and Decision-Making Process Behind Resolution of the Tender Offer” under “(2) Basis and Rationale of Opinion Regarding Tender Offer” in “3. Content, Basis and Rationale of Opinion Regarding Tender Offer” above. TME, in the process of its assessment of the Transactions, is deemed to have taken necessary measures in securing adequate opportunities for TME’s shareholders to form their own judgments: in eliminating arbitrary decisions; in securing fairness in the terms and conditions of the Tender Offer and the Tender Offer Price in particular; and in securing an environment that will ensure fairness with respect to the terms and conditions of the Transactions as applied to the proposed plan to make TME a wholly owned subsidiary. Accordingly, the Transactions (a) would contribute to enhancing TME’s value, (b) are fair in their terms (including the Tender Offer Price), (c) are adequately considerate of shareholders’ interests through fair procedures, and (d) would not be disadvantageous to TME’s minority shareholders.

Additionally, the third-party committee reconvened to determine whether the opinion it expressed to TME’s Board of Directors on January 27, 2014, is still valid. The third-party committee found no material changes in TME’s business conditions or the environment surrounding the Transactions between January 27, 2014, and July 8, 2014, and reported to the Target Company’s Board of Directors on July 8, 2014, that its opinion dated January 27, 2014, has not changed.

(4) Unanimous Approval of TME’s Directors and Corporate Auditors Without Conflicts of Interest

After carefully considering the Tender Offer’s terms in light of the stock valuation report obtained from MUMSS, legal advice obtained from Anderson Mori & Tomotsune, the third-party committee’s report and other related information, TME has concluded that the Tender Offer Price and the Tender Offer’s other terms are fair and that the Tender Offer would offer its shareholders an opportunity to sell their TME Common Shares at a reasonable price and terms. At a meeting of the Board of Directors of TME on January 28, 2014, the directors who deliberated and voted (four of seven directors were in attendance) passed a unanimous resolution, as a statement of TME’s opinion as of that date, for the Tender Offer if undertaken and to recommend that TME’s shareholders tender their shares in response to the Tender Offer.

Additionally, upon recently being notified by the Tender Offeror that it wished to commence the Tender Offer, TME carefully reviewed the Tender Offer’s terms again and concluded that the Tender Offer Price and the Tender Offer’s other terms are currently still fair and that the Tender Offer would offer its shareholders an opportunity to sell their Common Shares at a reasonable price and terms. On July 9, 2014, TME’s Board of Directors passed a resolution endorsing the Tender Offer and recommending that TME shareholders tender their shares in response to the Tender Offer.

Of TME’s directors (including Kenji Takanashi, who served as a director of TME until June 27, 2014, and Yasushi Okamoto, who was appointed as a director of TME effective June 27, 2014), Kenji Takanashi, a former representative director of the Tender Offeror, Kazumasa Miyazaki, an employee of the Tender Offeror, Hideki Yanase,
a Managing Director of the Tender Offeror, and Yasushi Okamoto, an Executive Officer of the Tender Offeror, abstained from deliberating and voting on the Tender Offer at the Board of Directors of TME meeting from the standpoint of avoiding conflicts of interest. These three directors also abstained from participating in discussions and negotiations with the Tender Offeror on behalf of TME.

Both of TME's corporate auditors who attended said Board of Directors meeting (two of four auditors were in attendance) stated that they had no objection to the Board of Directors of TME passing said resolution. Of TME's corporate auditors, Junzo Shimizu, who is Chairman of the Tender Offeror's Board of Directors, and Hideyuki Iwamoto, who is an Executive Officer of the Tender Offeror, abstained from participating in deliberations on the Tender Offer at the Board of Directors of TME meeting and refrained from expressing opinions on the Board of Directors' resolution from the standpoint of avoiding conflicts of interest.

⑤ Obtainment of a Stock Valuation Report from an Independent Third-Party by the Tender Offeror

In determining the Tender Offer Price, the Tender Offeror reportedly hired Nomura Securities Co., Ltd. ("Nomura Securities"), a financial advisor and third-party appraiser independent of both the Tender Offeror and TME, to appraise TME's stock value to ensure the Tender Offer Price's fairness. Nomura Securities reportedly valued TME Common Shares by the average market price method, comparable company method, and DCF method. The Tender Offeror reportedly obtained a stock valuation report from Nomura Securities (the "Tender Offeror Valuation Report") on January 28, 2014. The Tender Offeror reportedly has not obtained a fairness opinion on the Tender Offer Price from Nomura Securities.

According to the Tender Offeror, the results of Nomura Securities' appraisal of TME's price per share are summarized as follows.

<table>
<thead>
<tr>
<th>Method</th>
<th>Value Range</th>
</tr>
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<tbody>
<tr>
<td>Average market price method</td>
<td>1,133-1,242 yen</td>
</tr>
<tr>
<td>Comparable company method</td>
<td>1,264-1,825 yen</td>
</tr>
<tr>
<td>DCF method</td>
<td>1,425-1,945 yen</td>
</tr>
</tbody>
</table>

Using the average market price method, Nomura Securities reportedly valued TME Common Shares at between 1,133 and 1,242 yen per share based on the stock's TSE First Section regular closing price of 1,187 yen on the valuation base date of January 27, 2014; its average closing price of 1,241 yen (rounded to the nearest yen, as are the other average closing prices in this paragraph) over the most recent one-week period; its average closing price of 1,242 yen over the most recent one-month period; its average closing price of 1,169 yen over the most recent three-month period; and its average closing price of 1,133 yen over the most recent six-month period.

Next, using the comparable company method, Nomura Securities reportedly valued TME Common Shares at between 1,264 and 1,825 yen per share through comparison with market share prices and financial metrics (such as profitability) of listed companies that operate businesses relatively similar to TME's.

Lastly, using the DCF method, Nomura Securities reportedly valued TME Common Shares at between 1,425 and 1,945 yen per share. In doing so, Nomura Securities reportedly analyzed TME's enterprise value and stock value by discounting TME's projected free cash flows to present value using certain discount rates, taking into consideration a business plan independently formulated and provided by TME and reviewed by the Tender Offeror, earnings performance to date, and publicly available information. The business plan upon which the DCF method was based by the Tender Offeror reportedly does not project any major increase or decrease in earnings.

Using the three sets of valuation results in the Tender Offeror Valuation Report obtained from Nomura Securities as a reference, the Tender Offeror reportedly decided to ultimately set the Tender Offer Price at 1,650 yen per share pursuant to a January 28, 2014, resolution of its Board of Directors. In doing so, the Tender Offeror reportedly comprehensively took into consideration actual price premiums offered in previous tender offers by non-issuers, willingness of Board of Directors of TME to pass a Resolution of the Tender Offer, the outlook for TME Common Shares' market price performance, projections of the number of shares to be tendered in response to the Tender Offer, and the outcome of discussions and negotiations with TME.

The Tender Offer Price of 1,650 yen per share reportedly represents a 39.0% premium (rounded to the nearest tenth of a percent, as are the other percentages in this paragraph) on TME Common Shares' TSE First Section regular closing price of 1,187 yen on January 27, 2014, the last trading day before the Tender Offer's disclosure date; a 32.9% premium on their average closing price of 1,242 yen over the previous month (from December 30, 2013 through January 27, 2014); a 41.1% premium on their average closing price of 1,169 yen over the previous three
months (from October 28, 2013 through January 27, 2014): and a 45.6% premium on their average closing price of 1,133 yen over the previous six months (from July 29, 2013 through January 27, 2014).

In late November 2013, the Tender Offeror purchased from its subsidiaries 94,000 TME Common Shares for 1,138 yen per share, the TME Common Shares’ TSE First Section regular closing price on the last trading day before November 19, 2013, the date of the agreement. For the Tender Offer, however, the Tender Offeror has incorporated a premium into the Tender Offer price as noted above in light of its consideration of the aforementioned factors and outcome of its discussions and negotiations with TME.

6) Availability of Purchase Opportunities for Other Acquirers

The Tender Offeror has reportedly set the Tender Offer's duration (the "Tender Offer Period") at 30 business days, longer than the statutorily prescribed minimum of 20 business days. By setting a relatively long Tender Offer Period, the Tender Offeror reportedly aims to ensure appropriateness of the Tender Offer price by providing TME's shareholders with an adequate opportunity to decide whether to tender their shares in response to the Tender Offer and providing prospective acquirers other than the Tender Offeror with an opportunity to purchase shares. Additionally, the Tender Offeror and TME have not entered into any agreements to restrict contact between TME and prospective rival acquirers, including agreements containing a transaction protection clause prohibiting TME from contacting prospective rival acquirers. The aforementioned Tender Offer Period and availability of opportunities for share purchases by rival acquirers are reportedly intended to also ensure the Tender Offer's fairness.

The Tender Offer is not subject to a minimum number of shares to be acquired. However, even if the Tender Offeror does not specify a minimum number of shares to be acquired, the Tender Offeror owns only approximately 40.17% (rounded to the hundredth of a percent) of TME's shareholders' 161,706 voting rights as of March 31, 2014, as disclosed in the Securities Report, well below two-thirds of TME shareholders' total voting rights. In principle, the Tender Offeror will need nearly half of TME's minority shareholders to tender their shares and vote in favor of the Tender Offeror 's acquisition of TME to pass a special resolution pursuant to Article 309(2) of the Companies Act (Act 86 of 2005 as amended; hereinafter the "Companies Act") at an extraordinary general meeting of TME's shareholders to authorize the Tender Offeror to acquire 100% (one-hundred percent) ownership of TME through the procedure set forth below under "(4) Post-Tender-Offer Reorganization Plans (Matters Concerning the Two-Step Acquisition)." Additionally, the Tender Offeror reportedly believes that it is exercising adequate consideration for minority shareholders' interests through the above measures ① through ⑥ to ensure the Tender Offer's fairness.

(4) Post-Tender-Offer Reorganization Plans (Matters Concerning the Two-Step Acquisition)

Through the Tender Offer, the Tender Offeror plans to acquire all issued its common shares (excluding TME's treasury stock owned by TME; likewise below) in the aim of making TME its wholly owned subsidiary. If the Tender Offeror fails to acquire all issued its common shares through the Tender Offer, the Tender Offeror reportedly plans to acquire all issued its common shares through the following procedure after the Tender Offer's completion.

To make TME a wholly owned subsidiary after the Tender Offer's completion, the Tender Offeror reportedly plans to request that TME convene an extraordinary general meeting of shareholders (the “Shareholder General Meeting”) with an agenda that includes resolutions authorizing the following three specific actions:

1) TME will amend its Articles of Incorporation to authorize issuance of a class of shares other than common stock, thereby converting TME into a corporation with class shares in accordance with the provisions of the Companies Act;

2) After amending its Articles of Incorporation in step 1) above, TME will again amend its Articles of Incorporation by adding a provision applicable to TME Common Shares that allows TME to call on all TME Common Shares (as provided in Article 108(1)-7 of the Companies Act: hereinafter the “Wholly Call”); and

3) TME will redeem all common shares subject to the Wholly Call (excluding TME’s treasury stock owned by TME) and issue a separate class of TME stock in exchange for the redeemed shares (albeit with the intention of not applying for a stock exchange listing of said separate class of TME shares).

Once a resolution authorizing the step-1) amendment of the Articles of Incorporation has been passed at the Shareholder General Meeting and the step-1) amendment has taken effect, TME will become a corporation with class shares as defined in the Companies Act. However, in addition to a Shareholder General Meeting resolution authorizing the step-2) amendment, a separate resolution must be passed at a meeting of the class of shareholders that own TME Common Shares subject to the Wholly Call, in accordance with Article 111(2)-1 of the Companies Act, to effectuate said step-2) amendment of the Articles of Incorporation. The Tender Offeror accordingly plans to
request that TME convene, on the same date as the Shareholder General Meeting, a shareholder class meeting (the "Shareholder Class Meeting") with an agenda that includes a vote on the step-(2) amendment of the Articles of Incorporation. The Tender Offeror reportedly plans to vote in favor of all of the aforementioned resolutions at the Shareholder General Meeting and Shareholder Class Meeting.

If the three-step procedure stipulated above is executed, all issued TME Common Shares would be redeemed by TME pursuant to the Wholly Call and a separate class of TME stock would be issued to TME's shareholders in exchange for the redeemed shares. If any shareholders involved in the exchange own a fractional TME Common Share, they will receive cash consideration in the amount obtainable from selling TME Common Shares equivalent in number to the sum total of the fractional shares (if the total includes a fractional share, the fraction will be rounded off) in accordance with the provisions of Article 234 of the Companies Act and other applicable laws. The planned amount of cash to be paid to said shareholders as a result of the sale of TME Common Shares equivalent in number to the sum total of their fractional shares will equal the Tender Offer Price multiplied by the number of TME Common Shares owned by said shareholders. Additionally, the class and number of TME shares to be issued in consideration for redemption of TME Common Shares subject to the Wholly Call have yet to be determined at present. To achieve the objective of making TME a wholly owned subsidiary, the Tender Offeror plans to arrange so that the shares of TME to be issued to the shareholders of TME other than the Tender Offeror that did not tender their shares in response to the Tender Offer will be fractional.

The Companies Act contains several provisions presumably intended to protect minority shareholders' rights in connection with the above three-step procedure. Such provisions include that (a) when TME's Articles of Incorporation are amended to make TME Common Shares subject to the Wholly Call mentioned in step 2) of the above the three-step procedure, shareholders have the right to have their shares repurchased in accordance with the provisions of Articles 116 and 117 of the Companies Act and other applicable laws; and (b) if the resolution authorizing redemption of all TME Common Shares subject to the Wholly Call is passed at the Shareholder General Meeting in step (3) of the above three-step procedure, shareholders have the right to petition a court to determine the redemption price for their shares in accordance with the provisions of Article 172 of the Companies Act and other applicable laws. The per-share repurchase or redemption price of shares acquired by method (a) or (b) will ultimately be determined by a court of law. Shareholders are responsible for ascertaining applicable requirements and making their own decisions when exercising their rights to have their shares repurchased or to petition a court pursuant to these methods. If TME Common Shares are redeemed under the Wholly Call pursuant to a resolution of the Shareholder General Meeting in step 3) of the above three-step procedure, any shareholders that have lost their common shares may be deemed ineligible to petition for repurchase price determination pursuant to Article 117(2) of the Companies Act as set forth in (a) above.

The above three-step procedure may be modified or take considerable time to complete, depending on the interpretation by the legal authorities of applicable laws, the extent of the Tender Offeror's ownership of TME Common Shares after the Tender Offer, the extent of other shareholders' ownership of TME Common Shares after the Tender Offer, and other such factors. However, even if said procedure is modified, the Tender Offeror reportedly plans to ultimately acquire TME as a wholly owned subsidiary by paying cash consideration to shareholders (excluding the Tender Offeror) that did not tender their shares in response to the Tender Offer, so that the Tender Offeror ends up owning all issued common shares. In such an event, the amount of cash that the Tender Offeror plans to pay to said TME shareholders is the equivalent of the Tender Offer Price multiplied by the number of TME Common Shares owned by the shareholders. In such a case, TME plans to determine the specific procedures and schedule through consultation with the Tender Offeror and promptly announce them once they have been determined.

The Tender Offer is not intended to solicit the approval of the shareholders of TME at the Shareholder General Meeting or Shareholder Class Meeting. TME shareholders are advised to consult with a tax specialist on their own responsibility to ascertain the tax treatment of tendering their shares in response to the Tender Offer and the other aforementioned procedures.

(5) Delisting Plans and Their Rationale

TME Common Shares are currently listed on the TSE's First Section. Because the Tender Offeror has not set a maximum number of shares to be purchased through the Tender Offer, TME Common Shares may, depending on the Tender Offer's outcome, be delisted through prescribed procedures in accordance with the TSE's equity security delisting standards. Even if said standards are not met upon completion of the Tender Offer, if the Tender Offeror subsequently implements the procedures described above under "(4) Post-Tender-Offer Reorganization Plans (Matters Concerning the Two-Step Acquisition)," the equity security delisting standards would then be met and TME Common Shares would be delisted through prescribed procedures. Once TME Common Shares have been
delisted, they will no longer be tradable on the TSE. If the procedures described above under "(4) Post-Tender-Offer Reorganization Plans (Matters Concerning the Two-Step Acquisition)" are implemented, the Tender Offeror plans to refrain from applying for a stock exchange listing of the separate class of TME shares to be issued in exchange for TME Common Shares subject to the Wholly call.

4. Material Agreements Pertaining to the Tender Offer between Tender Offeror and TME Shareholders and Directors
None

5. Payments or Other Benefits Received from Tender Offeror or its Specially Related Parties
None

6. Policies in Response to Basic Management Control Policy
None

7. Questions for Tender Offeror
None

8. Request to Extend Tender Offer Period
Not applicable

9. Future Outlook
   Please refer to "(4) Post-Tender-Offer Reorganization Plans (Matters Concerning the Two-Step Acquisition)" and "(5) Delisting Plans and Their Rationale" under "3. Content, Basis and Rationale of Opinion Regarding Tender Offer" above.

10. Matters Concerning Transactions with Controlling Shareholder
    The Tender Offeror is TME's controlling shareholder. The Tender Offer therefore constitutes a transaction with a controlling shareholder. The Tender Offer's state of compliance with the Guidelines for Protection of Minority Shareholders in Business Transactions with Majority Shareholder in TME's Corporate Governance Report published on June 30, 2014, is as follows.
    In addition to the measures to ensure the Tender Offer's the fairness and avoid conflicts of interest described above in "(3) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Avoid Conflicts of Interest" under "3. Content, Basis and Rationale of Opinion Regarding the Tender Offer". TME believes that this process complies with the Corporate Governance Report's guidelines.
    Additionally, from the third-party committee mentioned above in "③ Obtainment of Opinion that Transactions are not Disadvantageous to Minority Shareholders from Parties Unrelated to Controlling Shareholder" under "(3) Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Avoid Conflicts of Interest" under "3. Content, Basis and Rationale of Opinion Regarding Tender Offer." TME received a report dated January 27, 2014, that stated both an opinion in favor of the Tender Offer and the opinion that a resolution recommending that TME's shareholders tender their shares in response to the Tender Offer would not be disadvantageous to minority shareholders. Specifically, said report stated that the Transactions (a) would contribute to enhancing TME's value, (b) are fair in their terms (including the Tender Offer Price), (c) are adequately considerate of shareholders' interests through fair procedures, and (d) would not be disadvantageous to TME's minority shareholders. Additionally, on July 8, 2014, TME received a report from the third-party committee stating that the committee's opinion dated January 27, 2014, remains unchanged.

11. Other
    As stated in our "Consolidated Earnings Report for the Fiscal Year ended March 31, 2014 (Japanese GAAP)" dated April 23, 2014, the Board of Directors of TME passed a resolution on the same date that it will forgo the payment of interim dividend for the fiscal year ending March 31, 2015, on the premise that the Tender Offer is successfully completed. For further details, please refer to the above mentioned report (Japanese version).

12. Overview of Acquisition by Tender Offeror
    Please refer to the Press Release titled “Announcement of Commencement of Tender Offer for Shares of TOMEN ELECTRONICS CORPORATION (Securities Code: 7558)” issued by the Tender Offeror on January 28, 2014.
PRESS RELEASE

This English translation has been prepared solely for the convenience of non-Japanese speaking shareholders of TOMEN ELECTRONICS CORPORATION. The English translation is believed to be generally accurate, but in the event of a discrepancy between the translation and the corresponding Japanese original, the Japanese original shall take precedence.

(Addendum)
Announcement of Commencement of Tender Offer for Shares of TOMEN ELECTRONICS CORPORATION dated July 9, 2014
Announcement of Commencement of Tender Offer for Shares of TOMEN ELECTRONICS CORPORATION (Securities Code: 7558)

As announced in the January 28, 2014, press release, “Announcement of Tender Offer for Shares of TOMEN ELECTRONICS CORPORATION (Securities Code: 7558),” TOYOTA TSUSHO CORPORATION ("TTC" or the "Tender Offeror") decided to conduct a tender offer (the "Tender Offer") for the common shares of TOMEN ELECTRONICS CORPORATION (the "Target Company"), a Tokyo Stock Exchange ("TSE") First Section-listed company (securities code: 7558), if certain conditions were met, including successful compliance with the competition laws in the relevant countries including Japan and China.

Said conditions having now been met, TTC hereby announces that it has decided to commence the Tender Offer on July 10, 2014, as explained below.

According to the Target Company, the Target Company's directors who deliberated and voted at the Board of Directors meeting held on July 9, 2014, reportedly passed a unanimous resolution for the Tender Offer and the recommendation that the Target Company's shareholders tender their shares in response to the Tender Offer.

1. Purpose of the Tender Offer
   (1) Overview of the Tender Offer
   TTC currently owns 6,496,000 shares of the Target Company's common stock ("the Target Company Common Shares") (40.16% (rounded to the nearest hundredth of a percent) of the Target Company's 16,174,000 common shares outstanding as of March 31, 2014, as disclosed in the Target Company's Securities Report for its 42nd fiscal year filed on June 30, 2014 (the "Securities Report"). The Target Company currently is a consolidated subsidiary of TTC in accordance with the accounting principles generally accepted in Japan.
   At the meeting on January 28, 2014, the Board of Directors of TTC decided to conduct the Tender Offer with the aim of acquiring all of the Target Company's issued and outstanding shares (excluding the Target Company Common Shares that TTC already owns and the Target
Company's treasury stock holdings) to make the Target Company a wholly owned subsidiary, contingent on the successful completion of compliance with the competition laws in the relevant countries including Japan and China. Now that compliance with the competition laws in the relevant countries including Japan and China has been completed and the conditions for commencing the Tender Offer have been met, TTC has decided to commence the Tender Offer on July 9, 2014.

According to the “Notice of Resolution for the Tender Offer for TOMEN ELECTRONICS CORPORATION Shares by Controlling Shareholder TOYOTA TSUSHO CORPORATION and Recommendation to Tender Shares” issued on July 9, 2014, by the Target Company (the "Target Company's Press Release"), the Target Company's Board of Directors held a meeting on the same day and passed a resolution for the Tender Offer and recommending that the Target Company's shareholders tender their shares in response to the Tender Offer.

According to the Target Company, Board of Directors passed said resolution in the manner described below in "(E) Unanimous Approval of the Target Company's Directors and Corporate Auditors without Conflicts of Interest" under "ii. Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Avoid Conflicts of Interest" under "② Valuation Process" in "(4) Rationale Behind the Determination of the Tender Offer Price" of "2. Overview of the Tender Offer."

The Tender Offer will not be subject to a maximum or minimum number of shares to be acquired. TTC will purchase all the tendered shares.

TTC aims to convert the Target Company into a wholly owned subsidiary. Accordingly, if TTC fails to complete the acquisition of all of the Target Company Common Shares issued and outstanding through the Tender Offer (excluding the Target Company Common Shares that TTC already owns and the Target Company's treasury stock holdings), TTC plans to achieve the said acquisition by executing the series of transactions (the "Transactions" in conjunction with the Tender Offer) specified in "(4) Post-Tender-Offer Reorganization Plans (Matters Concerning the Two-Step Acquisition)" below.

(2) Tender Offer Rationale, Purpose and Decision-Making Process, and Post-Tender Offer Management Policy
The Toyota Tsusho Group (the "TT Group"), which is comprised of TTC and its subsidiaries and affiliates, has identified three domains for sustainable growth in its long-term business plan, GLOBAL 2020 VISION. They are "Mobility (contributing to the evolution of next-generation automobiles)," "Life & Community (contributing to the improvements in the living environment of people)," and "Earth & Resources (contributing to solving global problems)."

The TT Group plans to conduct a well-balanced investment program in the aim of building a business portfolio equally weighted in these three domains by 2020 by creating synergies between Life & Community and Earth & Resources while further strengthening its automotive business, the TT Group's core strength.

TT Group's electronics business, with sales size close to 700 billion yen, has favorable prospects of market expansion in the multiple areas, including automotive electronization in the Mobility domain, adapting to an information society in the Life & Community domain, and contributing to energy efficiency in the Earth & Resources domain. TTC has hitherto mainly allocated management resources to two areas. One is the automotive sector (Mobility domain), where TTC supplies core devices that support electronization of hybrid, electric and other environmentally friendly vehicles. The other area is the amusement sector and digital consumer electronics applications both of which are in the Life & Community Domain that were previously the strengths of Japanese electronics manufacturers.

The Target Company was established in 1972 as Teijin Advanced Products Corporation, became a consolidated subsidiary of Tomen Corporation in 1983, and changed its name to Tomen Electronics Corporation in 1984. It has consistently been engaged in the sales of semiconductors and other electronic components as well as the support for customers' product development. In 1997, Tomen listed the Target Company's common shares on the Japan Securities Dealers Association's JASDAQ market (now owned by Tokyo Stock Exchange, Inc. (the "TSE")). It did so based on the view that, from a group management standpoint, it would be desirable to enhance its value through its own business model and growth strategies in light of the high pace at which the business environment was changing with the adoption of global leading-edge technologies (e.g., PCs, mobile phones) since the late 1980's in the telecommunication equipment and digital home electronics industry. The Target Company subsequently listed its shares on the TSE's Second Section in 1999 and was promoted to the First Section in 2001. In April 2006, the Target Company became a consolidated subsidiary of TTC when TTC and Tomen Corp. merged. As a medium-term management policy, the Target Company is currently endeavoring to improve its profitability while providing higher-value-added
services and intensively allocating management resources to three strategic priorities: (1) increasing customer satisfaction (customer-focused value creation), (2) refocusing on selected businesses (intensive investment in growth sectors), and (3) accelerating overseas expansion (endeavoring to become Asia’s top electronics trading company).

The TT Group and Target Company have long been strengthening their cooperative ties through personnel exchanges and consolidation of business functions (e.g., logistics and quality management). However, the environment in which the TT Group and the Target Company operate is changing extremely rapidly. While the electronics market is projected to continue growing globally, the Japanese consumer electronics manufacturers that are the major customers of the Target Company are suffering increasingly severe market share losses and earnings deterioration in the wake of the reduction of barriers to entry aimed at rapid commodification in the digital consumer electronics and IT markets. Additionally, in response to a persistently strong yen the Japanese manufacturing sector is being hollowed out at an accelerating pace as a result of Japanese manufacturers downsizing domestic production facilities, offshoring production, and outsourcing production to specialized contract manufacturers (EMS/ODMs). Meanwhile, demand for total environmental and energy efficiency solutions (e.g., electric motorization of drive systems powered by internal combustion engines and commercial development of new energy sources as substitutes for fossil fuels) is also starting to emerge in the automotive and social infrastructure sectors.

Additionally, the TT Group's rival overseas mega-distributors (the "Mega-Distributors") are expanding their operations through continued aggressive M&A investment, and the consolidation of domestic electronics trading companies is starting to pick up for survival of the intensifying competition. Hence, while the Target Company's performance is stable at present, there is a need for the Target Company to accelerate its decision-making in order to respond to change in the business environment.

Amid such change in the operating environment surrounding the TT Group's electronics business, on the suggestion of TTC, the Target Company and TTC have repeatedly conferred with each other about long-term growth strategies and initiatives to enhance the value of both companies since around October 2013. Through this process, the TT Group and the Target Company have reached the conclusion that it would be extremely beneficial to further strengthen cooperation between the TT Group and the Target Company and accelerate allocation of management resources to growth markets within the electronics business by making the Target Company a wholly owned subsidiary of TTC and building a more stable capital relationship to
reposition the Target Company as the core company within the TT Group's electronics business and driver of progress toward attainment of the TT Group's GLOBAL 2020 VISION. Moreover, making the Target Company a wholly owned subsidiary will be beneficial to the Target Company, accelerating its decision-making and facilitating allocation of human and financial resources in line with its growth strategy.

Specifically, TTC and the Target Company plan to do the following.
① Intensify efforts to develop new businesses by fusing TTC's overall capabilities as a general trading company with the Target Company's know-how as an electronics trading company.
② Expand the Target Company's customer base and broaden its product line by utilizing TTC's sales network and user base in the Life & Community, Mobility, and Earth & Resources domains.
③ Differentiate the Target Company from competitors and increase customer satisfaction through sharing of the TT Group's logistics, quality management, technological and other functions.
④ Further strengthen operating capabilities in overseas markets and expand operations into emerging market economies with particularly promising growth prospects ahead of competitors by utilizing and sharing the TT Group's broad overseas network.
⑤ Jointly make strategic investments to further expand operations to propel the Target Company into the ranks of Mega-Distributors with larger-scale operations.
⑥ Broaden and cultivate human resources through personnel exchanges within the TT Group.

Additionally, on multiple occasions TTC and the Target Company have conferred about and negotiated the price at which the Target Company Common Shares would be purchased through the Tender Offer (the "Tender Offer Price") and the Tender Offer's terms in light of advice received from Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. ("MUMSS"), appointed by the Target Company as a financial advisor and third-party appraiser independent of both TTC and the Target Company, and Anderson Mori & Tomotsune, a law firm appointed by the Target Company as a legal advisor independent of both itself and TTC.

In the course of these discussions and negotiations, the Target Company requested that TTC reconsider its proposed acquisition price, taking into consideration the Target Company's historical share price range, percentage premiums paid in similar acquisitions, and valuation results based on the discounted cash flow ("DCF") method used by MUMSS. The Target Company made this request in light of advice received from its financial advisor, MUMSS.
As a result of these price negotiations, TTC and the Target Company finally agreed on a price based on the TTC's offer of 1,650 which was raised 200 yen from its first offer of 1,450 yen that, in the Target Company's judgment, offers a reasonable premium to its shareholders.

Specifically, of the valuation results provided by MUMSS, the Tender Offer Price is above the ceiling of the valuation range based on the market price method, within the valuation range based on the comparable companies method and DCF method and above the intermediate value of the DCF method in the manner explained below in "(B) Obtainment of a Stock Valuation Report from an Independent Third-Party by Target Company" under "ii. Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Avoid Conflicts of Interest" under "(4) Rationale Behind the Determination of the Tender Offer Price" of "2. Overview of the Tender Offer."

Secondly, the Tender Offer Price is above the price range of the Target Company shares range over the past six years. Thirdly, the Tender Offer Price is presumptively within a reasonable range given that it represents a 39.0% premium (rounded to the nearest tenth of a percent, as are the other percentages in this paragraph) on the Target Company Common Shares' TSE First Section closing price of 1,187 yen on January 27, 2014, the last trading day before January 28, 2014, the date on which the TTC and Target Company announced the Tender Offer; a 32.9% premium on their average closing price of 1,242 yen (rounded off to the nearest yen, as are the other average closing prices below) over the month through January 27, 2014; a 41.1% premium on their average closing price of 1,169 yen over the three months through January 27, 2014; and a 45.6% premium on their average closing price of 1,133 yen over the six months through January 27, 2014. Fourthly, the Tender Offer Price was determined through a process that adequately incorporated measures to avoid conflicts of interest as explained below in "ii. Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Avoid Conflicts of Interest" under “(4) Rationale Behind the Determination of the Tender Offer Price" of “2. Overview of the Tender Offer.” In light of such and after carefully considering the Tender Offer's terms, the Target Company reportedly concluded that the Tender Offer Price and other terms of the Tender Offer are fair and that the Tender Offer would offer its shareholders an opportunity to sell their Target Company Common Shares at a reasonable price and terms.

Based on the foregoing, on January 28, 2014, the Board of Directors of the Target Company reportedly passed a resolution, as the Target Company's opinion as of that date, for the Tender
Offer and recommending that its shareholders tender their shares in response to the Tender Offer if undertaken.

According to the Target Company's Press Release, the Target Company was recently notified by TTC that TTC wished to commence the Tender Offer, having completed the process of complying with requirements of Chinese competition law. In response to said notification, the Target Company reportedly conferred with a third-party committee that the Target Company had established as set forth below in "(D) Establishment of an Independent Third-Party Committee by the Target Company" under "ii. Measures to Ensure the Fairness of the Tender Offer, including Measures to Ensure the Fairness of the Tender Offer Price and Avoid Conflicts of Interest" under "② Valuation Process" in "(4) Rationale Behind the Determination of the Tender Offer Price" of "2. Overview of the Tender Offer." The Target Company reportedly asked the third-party committee to reconvene to determine whether the opinion that it expressed to the Target Company's Board of Directors on January 27, 2014, is still valid. If the third-party committee's opinion has not changed, the Target Company reportedly asked the third-party committee to notify the Target Company's Board of Directors to that effect. If the third-party committee's opinion has changed, the Target Company reportedly asked the third-party committee to inform the Target Company's Board of Directors of its revised opinion. After conferring on said matter, the third-party committee reportedly found no material changes in the Target Company's business conditions or the environment surrounding the Transactions between January 27, 2014, and July 8, 2014, and reported to the Target Company's Board of Directors on July 8, 2014, that its opinion dated January 27, 2014, has not changed. After carefully considering the Tender Offer's terms again in light of the third-party committee's opinion, the Target Company reportedly found no material changes in the Target Company's business conditions or the environment surrounding the Transactions between January 27, 2014, and July 8, 2014 and has concluded that the Tender Offer Price and other terms of the Tender Offer are currently still fair and that the Tender Offer would offer its shareholders an opportunity to sell their Common Shares at a reasonable price and terms. On July 9, 2014, the Target Company's Board of Directors reportedly passed a resolution endorsing the Tender Offer and recommending that the Target Company's shareholders tender their shares in response to the Tender Offer.

According to the Target Company, the aforementioned resolution of its Board of Directors was passed in the manner described below in "(E) Unanimous Approval of the Target Company's Directors and Corporate Auditors without Conflicts of Interest" under "ii. Measures to Ensure the Fairness of the Tender Offer, including Measures to Ensure the Fairness of the Tender Offer
Price and Avoid Conflicts of Interest" under "② Valuation Process" in "(4) Rationale Behind the Determination of the Tender Offer Price" of "2. Overview of the Tender Offer."

Once the Target Company becomes a wholly owned subsidiary, TTC will be able to enhance the ability to achieve its Group's long-term business plan, GLOBAL 2020 VISION by pursuing overall optimization through unified management of the electronics business, building close relationships with supplier partners, strengthening product development in growth markets, further improving operating efficiency, and investing more efficiently and on a larger scale than in the past across a broad range of business domains, including social infrastructure and industrial equipment in addition to the automotive, amusement and digital consumer electronics domains that are currently the focus of the Target Company's operations. Meanwhile, even after the Target Company becomes a wholly owned subsidiary, TTC aims to further expand and stabilize the Target Company's operations through a management approach that fully respects the distinctive attributes of the Target Company's businesses and its management and organizational strengths. Additionally, TTC intends to fundamentally respect the Target Company's current management structure, including its workforce, after the Target Company has become its wholly owned subsidiary. TTC currently has no plans to appoint additional directors to Board of Directors of the Target Company in the event that the Tender Offer is successful.

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

In light of the Target Company's status as a consolidated subsidiary of TTC and the ongoing operational as well as personal relationships between TTC and the Target Company, TTC and the Target Company have implemented the following measures to ensure the fairness of the Tender Offer Price, avoid conflicts of interest and otherwise ensure the fairness of the Tender Offer.

(A) Obtainment of a Stock Valuation Report from an Independent Third-Party Appraiser by TTC
(B) Obtainment of a Stock Valuation Report from an Independent Third-Party Appraiser by the Target Company
(C) The Target Company's Obtainment of Advice from an Independent Law Firm
(D) Establishment of an Independent Third-Party Committee by the Target Company
(E) Unanimous Approval of the Target Company's Directors and Corporate Auditors without Conflicts of Interest
(F) Measures to secure Purchase Opportunities for Other Acquirers
For details of the above measures, please refer to “① Basis of Valuation” and “② Valuation Process” under "(4) Rationale Behind the Determination of the Tender Offer Price" under "2. Overview of the Tender Offer" below.

The Tender Offer is not subject to a minimum number of shares to be acquired. However, even without specifying a minimum number of shares to be acquired, TTC owns only approximately 40.17% (rounded to the nearest hundredth of a percent) of the Target Company’s 161,706 voting rights as of March 31, 2014, as disclosed in the Securities Report, well below two-thirds of the total voting rights held by the Target Company shareholders. In principle, TTC will need nearly half of the Target Company's minority shareholders to tender their shares and vote in favor of TTC's acquisition of the Target Company to pass a special resolution pursuant to Article 309(2) of the Companies Act of Japan (Act 86 of 2005 as amended; hereinafter the "Companies Act") at an extraordinary general meeting of the Target Company's shareholders to authorize TTC to acquire the Target Company through the procedure set forth below under "(4) Post-Tender-Offer Reorganization Plans (Matters Concerning the Two-Step Acquisition)." TTC believes that it is exercising adequate consideration for minority shareholders' interests through the measures to ensure fairness of the Tender Offer as stated in (A) through (F) above.

(4) Post-Tender-Offer Reorganization Plans (Matters Concerning the Two-Step Acquisition)

Through the Tender Offer, TTC plans to acquire all of the Target Company Common Shares issued and outstanding (excluding the Target Company’s treasury stock holdings; likewise below) in the aim of making the Target Company a wholly owned subsidiary of TTC. If TTC fails to acquire all of the subject shares, TTC plans to acquire the rest through the following procedure after the Tender Offer's completion.

To make the Target Company a wholly owned subsidiary, after the Tender Offer's completion, TTC plans to request that the Target Company convene an extraordinary general meeting of shareholders (the "Shareholder’s General Meeting") with an agenda that includes resolutions authorizing the following three specific actions:

① The Target Company will amend its Articles of Incorporation to authorize issuance of a class of shares other than common stock, thereby converting itself into a corporation with class shares in accordance with the provisions of the Companies Act;

② After amending its Articles of Incorporation as in step ① above, the Target Company will again amend its Articles of Incorporation by adding a provision applicable to the Target Company Common Shares that allows the Target Company to call on all Target Company Common Shares (as provided in Article 108(1)-7 of the Companies Act; hereinafter the “Wholly Call”); and
The Target Company will redeem all common shares subject to the Wholly Call (excluding the Target Company's treasury stock holdings) and issue a separate class of Target Company stock in exchange for the redeemed shares (albeit with the intention of not applying for a stock exchange listing of said separate class of Target Company shares).

Once a resolution authorizing the step① amendment of the Articles of Incorporation has been passed at the Shareholders’ General Meeting and the step① amendment has taken effect, the Target Company will become a corporation with class shares as defined in the Companies Act. However, in addition to a Shareholders’ General Meeting resolution authorizing the step② amendment, a separate resolution must be passed at a meeting of the class of shareholders that own the Target Company Common Shares subject to the Wholly Call, in accordance with Article 111(2)-1 of the Companies Act, to effectuate the said step② amendment of the Articles of Incorporation. TTC accordingly plans to request that the Target Company convene, on the same date as the Shareholders’ General Meeting, a class-shareholders’ meeting (the "Class Shareholders’ Meeting") with an agenda that includes a vote on the step② amendment of the Articles of Incorporation. TTC plans to vote in favor of all of the aforementioned resolutions at the Shareholders’ General Meeting and Class Shareholders’ Meeting.

If the three-step procedure stipulated above is executed, all of the said Target Company Common Shares would be redeemed by the Target Company pursuant to the Wholly Call and a separate class of Target Company stock would be issued to the Target Company's shareholders in exchange for the redeemed shares. If any shareholders involved in the exchange come to own a fractional shares of the Target Company Common Shares, they will receive cash consideration in the amount obtainable from selling Target Company shares equivalent in number to the sum total of the fractional shares (if the total includes a fractional share, the fraction will be rounded off) in accordance with the provisions of Article 234 of the Companies Act and other applicable laws. The planned amount of cash to be paid to said shareholders as a result of the sale of the Target Company shares equivalent in number to the sum total of their fractional shares will equal the Tender Offer Price multiplied by the number of the Target Company Common Shares owned by said shareholders. Additionally, the class and number of Target Company shares to be issued in consideration for redemption of the Target Company Common Shares subject to the Wholly Call have yet to be determined at present. To achieve the objective of making the Target Company a wholly owned subsidiary, TTC plans to arrange so that the shares of the Target Company to be issued to the shareholders of the Target Company other than TTC that did not tender their shares in response to the Tender Offer will be fractional.
The Companies Act contains several provisions presumably intended to protect minority shareholders’ rights in connection with the above three-step procedure. Such provisions include that (a) when the Target Company’s Articles of Incorporation are amended to make the Target Company Common Shares subject to the Wholly Call mentioned in step ② of the above three-step procedure, shareholders have the right to have their shares repurchased in accord with the provisions of Articles 116 and 117 of the Companies Act and other applicable laws; and (b) if the resolution authorizing redemption of all the Target Company Common Shares subject to the Wholly Call is passed at the Shareholders’ General Meeting in step ③ of the above three-step procedure, shareholders have the right to petition a court to determine the redemption price for their shares in accordance with the provisions of Article 172 of the Companies Act and other applicable laws. The per-share repurchase or redemption price of shares acquired by method (a) or (b) will ultimately be determined by a court of law. Shareholders are responsible for ascertaining applicable requirements and making their own decisions when exercising their rights to have their shares repurchased or to petition a court pursuant to these methods. If the Target Company Common Shares are redeemed under the Wholly Call pursuant to a resolution of the Shareholders’ General Meeting in step ③ of the above three-step procedure, any shareholders that have lost Target Company Common Shares may be deemed ineligible to petition for repurchase price determination pursuant to Article 117(2) of the Companies Act as set forth in (a) above.

The above three-step procedure may be modified or take considerable time to complete, depending on the interpretation by legal authorities of applicable laws, the extent of TTC’s ownership of the Target Company Common Shares after the Tender Offer, the extent of other shareholders’ ownership of the Target Company Common Shares after the Tender Offer, and other such factors. However, even if said procedure is modified, TTC ultimately plans to acquire the Target Company as a wholly owned subsidiary by paying cash consideration to shareholders (excluding TTC) that did not tender their shares in response to the Tender Offer, so that TTC results in owning all the Target Company Common Shares issued. In such an event, the amount of cash that TTC plans to pay to said Target Company shareholders is the equivalent of the Tender Offer Price multiplied by the number of the Target Company Common Shares owned by the shareholders. In such a case, the specific procedures and schedule will be determined through consultation with the Target Company and, once determined, promptly announced by the Target Company.

The Tender Offer is not intended to solicit the approval of the shareholders of the Target Company at the Shareholders’ General Meeting or Class Shareholders Meeting.
Company shareholders are advised to consult with a tax specialist on their own responsibility to ascertain the tax treatment of tendering their shares in response to the Tender Offer and the other aforementioned procedures.

(5) Delisting Plans and Their Rationale
The Target Company Common Shares are currently listed on the TSE’s First Section. Because TTC has not set a maximum number of shares to be purchased through the Tender Offer, the Target Company Common Shares may, depending on the Tender Offer’s outcome, be delisted through prescribed procedures in accord with the TSE’s equity security delisting standards. Even if said standards are not met upon completion of the Tender Offer, if TTC subsequently implements the procedures described above under “(4) Post-Tender-Offer Reorganization Plans (Matters Concerning the Two-Step Acquisition),” the equity security delisting standards would then be met and the Target Company Common Shares would be delisted through prescribed procedures. Once the Target Company Common Shares have been delisted, they will no longer be tradable on the TSE. If the procedures described above under “(4) Post-Tender-Offer Reorganization Plans (Matters Concerning the Two-Step Acquisition)” are implemented, TTC will refrain from applying for a stock exchange listing of the separate class of Target Company shares to be issued in exchange for the Target Company Common Shares subject to the Wholly Call.

(6) Material Agreements Pertaining to the Tender Offer between Tender Offeror and Target Company Shareholders
None

2. Overview of the Tender Offer
(1) Overview of the Target Company

<table>
<thead>
<tr>
<th>(1) Company Name</th>
<th>Tomen Electronics Corporation</th>
</tr>
</thead>
<tbody>
<tr>
<td>(2) Principal Office</td>
<td>8-27, Kohnan 1-chome, Minato-ku, Tokyo, Japan</td>
</tr>
<tr>
<td>(3) Representative</td>
<td>Hiroyuki Isono, President/Representative Director</td>
</tr>
<tr>
<td>(4) Principal Lines of Business</td>
<td>Sales of electronic equipment and electronic components; importing, exporting, and trading of electronic equipment and electronic components, mainly semiconductors</td>
</tr>
<tr>
<td>(5) Capital Stock</td>
<td>5,251 million yen (as of March 31, 2014)</td>
</tr>
</tbody>
</table>
13

<table>
<thead>
<tr>
<th>(6) Date of Incorporation</th>
<th>September 6, 1972</th>
</tr>
</thead>
</table>

| (7) Major Shareholders and Percentage of Shares Held (as of March 31, 2014) | Toyota Tsusho Corporation 40.16% |
| BBH for Fidelity Low-Priced Stock Fund (Principal All Sector Subportfolio) (proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.) 9.00% |
| Credit Suisse Securities (Europe) Limited PB Omnibus Client Account (proxy: Credit Suisse Securities (Japan) Limited) 2.83% |
| UBS AG London A/C IPB Segregated Client Account (proxy: Citibank Japan Ltd.) 2.51% |
| Masaharu Maeda 1.80% |
| CBNY DFA International Small Capvalue Portfolio (proxy: Citibank Japan Ltd.) 1.71% |
| CMBL S.A. Re Mutual Funds (proxy: Mizuho Bank, Ltd.) 1.56% |
| Goldman Sachs International (proxy: Goldman Sachs Japan Co. Ltd.) 1.45% |
| Credit Suisse AG, Zurich (proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.) 1.31% |
| Japan Trustee Services Bank, Ltd. (Trust Account) 1.24% |

| (8) Relationships between TTC and the Target Company | TTC currently owns 6,496,000 shares of the Target Company’s stock, equivalent to 40.16% (rounded to the hundredth of a percent) of the Target Company’s 16,174,000 total shares outstanding as of March 31, 2014. TTC treats the Target Company as a consolidated subsidiary. |
| Personal Relationships | One of TTC’s executive officers (Yasushi Okamoto) and one of its employees |
(Kazumasa Miyazaki) are directors of the Target Company. One of TTC's directors (Hideki Yanase) is an outside director of the Target Company. One of TTC's directors (Junzo Shimizu) and one of its executive officers (Hideyuki Iwamoto) are outside auditors of the Target Company.

<table>
<thead>
<tr>
<th>Transactional Relationships</th>
<th>TTC purchases electronic components, including semiconductors, from the Target Company.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Related Party Status</td>
<td>The Target Company is a consolidated subsidiary, and therefore a related party, of TTC.</td>
</tr>
</tbody>
</table>

(Note) The above percentages of shares held were calculated by dividing the number of shares owned by the number of outstanding shares as disclosed in the Target Company's Securities Report.

(2) Schedule

i) Schedule

<table>
<thead>
<tr>
<th>Board of Directors' resolution</th>
<th>January 28, 2014 (Tuesday)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of public notice of Tender Offer's commencement</td>
<td>July 10, 2014 (Thursday)</td>
</tr>
<tr>
<td>Name of newspaper for public notice</td>
<td>Public notice will be published electronically via EDINET (<a href="http://disclosure.edinet-fsa.go.jp">http://disclosure.edinet-fsa.go.jp</a>) and notice of its publication will be published in the Nikkei newspaper.</td>
</tr>
<tr>
<td>Filing date of the Tender Offer Notification</td>
<td>July 10, 2014 (Thursday)</td>
</tr>
</tbody>
</table>

ii) Tender Offer Period as of the initial filing date of the Tender Offer Notification
From July 10, 2014 (Thursday), to August 21, 2014 (Thursday) (30 business days)

iii) Possibility of Extension at the Target Company's Request
Not applicable.

(3) Tender Offer Price
1,650 yen per common share
(4) Rationale behind the Determination of the Tender Offer Price

① Basis of Valuation

In determining the Tender Offer Price, TTC hired Nomura Securities Co., Ltd. ("Nomura Securities"), a financial advisor and third-party appraiser independent of both TTC and the Target Company, to appraise the Target Company's stock value to ensure the fairness of the Tender Offer Price's fairness. Nomura Securities valued the Target Company Common Shares by the average market price method, comparable companies method, and discounted cash flow (DCF) method. TTC obtained a stock valuation report from Nomura Securities (the "Tender Offeror Valuation Report") on January 28, 2014. TTC has not obtained a fairness opinion on the Tender Offer Price from Nomura Securities.

The results of Nomura Securities' appraisal of the Target Company's price per share are summarized below.

<table>
<thead>
<tr>
<th>Method</th>
<th>Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average market price method</td>
<td>1,133-1,242 yen</td>
</tr>
<tr>
<td>Comparable companies method</td>
<td>1,264-1,825 yen</td>
</tr>
<tr>
<td>DCF method</td>
<td>1,425-1,945 yen</td>
</tr>
</tbody>
</table>

Under the average market price method, Nomura Securities valued the Target Company Common Shares at the range between 1,133 and 1,242 yen per share based on the stock's TSE First Section closing price of 1,187 yen on the valuation base date of January 27, 2014; its average closing price of 1,241 yen (rounded to the nearest yen, as are the other average closing prices in this paragraph) over the most recent one week period; its average closing price of 1,242 yen over the most recent one-month period; its average closing price of 1,169 yen over the most recent three-month period; and its average closing price of 1,133 yen over the most recent six-month period.

Next, under the comparable companies method, Nomura Securities valued the Target Company Common Shares at the range between 1,264 and 1,825 yen per share through comparison with market share prices and financial metrics (such as profitability) of listed companies that operate businesses relatively similar to the Target Company's.

Lastly, under the DCF method, Nomura Securities valued the Target Company Common Shares at the range between 1,425 and 1,945 yen per share. In doing so, Nomura Securities analyzed the Target Company's enterprise value and stock value by discounting the Target Company's
projected future free cash flows to present value using certain discount rates, taking into consideration a business plan for the current fiscal year and beyond that was independently formulated and provided by the Target Company and reviewed by TTC, earnings performance to date, and publicly available information. The business plan upon which the DCF analysis was based does not project any major increase or decrease in earnings.

Using the three sets of valuation results in the Tender Offeror Valuation Report obtained from Nomura Securities as a reference, TTC ultimately decided to set the Tender Offer Price at 1,650 yen per share pursuant to a January 28, 2014 resolution of its Board of Directors. In doing so, TTC comprehensively took into consideration the actual price premiums offered in previous tender offers by non-issuers, the Target Company's Board of Directors' willingness to pass a resolution in favor of the Tender Offer, the outlook for the price performance of the Target Company Common Shares on the stock market, the projected number of shares to be tendered in response to the Tender Offer, and the outcome of discussions and negotiations with the Target Company.

The Tender Offer Price of 1,650 yen per share represents a 39.0% premium (rounded to the nearest tenth of a percent, as are the other percentages in this paragraph) to the Target Company Common Shares' TSE First Section regular closing price of 1,187 yen on January 27, 2014, the last trading day before the Tender Offer's disclosure date; a 32.9% premium to their average closing price of 1,242 yen over the previous month (from December 30, 2013 through January 27, 2014); a 41.1% premium to their average closing price of 1,169 yen over the previous three months (from October 28, 2013 through January 27, 2014); and a 45.6% premium to their average closing price of 1,133 yen over the previous six months (from July 29, 2013 through January 27, 2014).

In late November 2013, TTC purchased from one of its subsidiaries 94,000 Target Company Common Shares for 1,138 yen per share, the Target Company Common Shares' TSE First Section regular closing price on the last trading day before November 19, the date of the agreement. For the Tender Offer, however, TTC has incorporated a premium into the Tender Offer price as noted above in light of its consideration of the aforementioned factors and outcome of its discussions and negotiations with the Target Company.

② Valuation Process
i. Tender Offer Price Determination Process
The TT Group and the Target Company have long been strengthening their cooperative ties through personnel exchanges and consolidation of business functions (e.g., logistics and quality management). Currently, however, the environment in which the TT Group and Target Company operate is changing extremely rapidly. While the electronics market itself is projected to continue growing globally, the Japanese electronics manufacturers that are the major customers of the Target Company are suffering increasingly severe market share losses and earnings deterioration in the wake of the reduction of barriers to entry aimed at the recent rapid commodification in the digital consumer electronics and IT markets. Additionally, in response to a persistently strong yen, the Japanese manufacturing sector is being hollowed out at an accelerating pace as a result of Japanese consumer electronics manufacturers downsizing domestic production facilities, offshoring production, and outsourcing production to specialized contract manufacturers (EMS/ODMs). Meanwhile, demand for total environmental and energy efficiency solutions (e.g., electric motorization of drive systems powered by internal combustion engines and commercial development of new energy sources as substitutes for fossil fuels) is also starting to emerge in the automotive and social infrastructure sectors.

Furthermore, the TT Group’s rival mega-distributors are expanding their operations through continued aggressive M&A investment, and the consolidation of domestic electronic trading companies is starting to pick up for survival to the intensifying competition. Hence, while the Target Company’s performance is stable at present, there is a need for the Target Company to accelerate its decision-making in order to respond to changes in the business environment.

Amid such change in the operating environment surrounding the TT Group’s electronics business, TTC and the Target Company have repeatedly conferred with each other about long-term growth strategies and measures to enhance the value of both companies based on a proposal by TTC since around October 2013. Through this process, TTC and the Target Company have reached the conclusion that to enhance the value of not only the Target Company but also the TT Group as a whole it would be extremely beneficial to further strengthen cooperation between the TT Group and the Target Company and accelerate allocation of management resources to growth areas within the electronics business by making the Target Company a wholly owned subsidiary of TTC and building a more stable capital relationship to reposition the Target Company as the core company within the TT Group’s electronics business and driver of progress toward attainment of the TT Group’s GLOBAL 2020 VISION. Accordingly, on January 28, 2014, TTC decided to undertake the Tender Offer and determined the Tender Offer Price based on the following.
(1) Names of the Third Parties that Provided Opinions during the Valuation Process
In determining the Tender Offer Price, TTC retained Nomura Securities, a financial advisor and
third-party appraiser independent of both TTC and the Target Company, to appraise the Target
Company's stock value to ensure the fairness of the Tender Offer Price. Nomura Securities
valued the Target Company Common Shares by the average market price method, comparable
companies method, and DCF method. TTC obtained the Tender Offeror Valuation Report from
Nomura Securities on January 28, 2014. TTC has not obtained a fairness opinion on the Tender
Offer Price from Nomura Securities.

(2) Summary of Nomura Securities' Opinion
The results of Nomura Securities' appraisal of the Target Company's price per share are
summarized below.

<table>
<thead>
<tr>
<th>Valuation Method</th>
<th>Range</th>
</tr>
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<tbody>
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<td>DCF method</td>
<td>1,425-1,945 yen</td>
</tr>
</tbody>
</table>

(3) Process of Tender Offer Price Determination Based on Nomura Securities’ Opinion
Using the three sets of valuation results in the Tender Offeror Valuation Report obtained from
Nomura Securities as a reference, TTC ultimately decided to set the Tender Offer Price at 1,650
yen per share in cash pursuant to a January 28, 2014 resolution of its Board of Directors. In doing
so, TTC comprehensively took into consideration the actual price premiums offered in previous
equity tender offers by non-issuers, the Target Company's Board of Directors' willingness to pass
a resolution in favor of the Tender Offer, the outlook for the price performance of the Target
Company Common Shares' on the stock market, the projected number of shares to be tendered
in response to the Tender Offer, and the outcome of discussions and negotiations with the Target
Company.

ii. Measures to Ensure the Fairness of the Tender Offer, Including Measures to Ensure the Fairness of the Tender Offer Price and Avoid Conflicts of Interest
In light of the Target Company's status as a consolidated subsidiary of TTC and the ongoing
operational and personal relationships between TTC and the Target Company, TTC and the Target Company have implemented measures such as those described below to ensure the fairness of the Tender Offer Price, avoid conflicts of interest and otherwise ensure the fairness of the Tender Offer.
(A) Obtainment of a Stock Valuation Report from an Independent Third-Party Appraiser by TTC

In determining the Tender Offer Price, TTC hired Nomura Securities, a financial advisor and third-party appraiser independent of both TTC and the Target Company, to appraise the Target Company's stock value to ensure the fairness of the Tender Offer Price. Nomura Securities valued the Target Company Common Shares by the average market price method, comparable companies method, and DCF method. TTC obtained the Tender Offeror Valuation Report from Nomura Securities on January 28, 2014. TTC has not obtained a fairness opinion on the Tender Offer Price from Nomura Securities.

Using the three sets of valuation results in the Tender Offeror Valuation Report obtained from Nomura Securities as a reference, TTC ultimately decided to set the Tender Offer Price at 1,650 yen per share pursuant to a January 28, 2014, resolution of its Board of Directors. In doing so, TTC comprehensively took into consideration the actual price premiums offered in previous tender offers by non-issuers, the willingness of the Target Company's Board of Directors to pass a resolution in favor of the Tender Offer, the outlook for the Target Company Common Shares' market price performance, the projected number of shares to be tendered in response to the Tender Offer, and the outcome of discussions and negotiations with the Target Company.

(B) Obtainment of a Stock Valuation Report from an Independent Third-Party Appraiser by the Target Company

According to the Target Company's Press Release, in formulating an opinion of the Tender Offer, the Target Company hired Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. ("MUMSS"), a financial advisor as a third-party appraiser independent of both TTC and the Target Company, to analyze the Target Company's stock value to ensure the fairness of the Tender Offer Price. (MUMSS, a third-party appraiser, is not a related party of TTC or the Target Company and has no material conflicts of interest that warrant disclosure in connection with the Tender Offer.)

MUMSS reportedly analyzed the Target Company's stock value using the market price method, comparable companies method, and DCF method. The Target Company reportedly obtained a stock valuation report from MUMSS on January 27, 2014. (The Target Company reportedly has not obtained a fairness opinion on the Tender Offer Price from MUMSS.)

Using the aforementioned three methods, MUMSS reportedly arrived at the following per-share valuation ranges for the Target Company Common Shares.

**Market price method** 1,135-1,228 yen
This English translation has been prepared solely for the convenience of non-Japanese speaking shareholders of Toyota Tsusho Corporation. The English translation is believed to be generally accurate, but in the event of a discrepancy between the translation and the corresponding Japanese original, the Japanese original shall take precedence.

Comparative companies method 1,143-1,749 yen
DCF method 1,382-1,875 yen

First, under the market price method, using January 24, 2014 as the reference date, MUMSS reportedly valued the Target Company Common Shares at between 1,135 and 1,228 yen per share based on the average regular closing price on TSE First Section of 1,228 yen (rounded to the nearest yen, as are the other average closing prices below) over the most recent one month, average closing price of 1,167 yen over the most recent three months and average closing price of 1,135 yen over the most recent six months.

Next, under the comparable companies method, MUMSS reportedly identified Tomen Devices Corporation, Hakuto Co., Ltd., Marubun Corporation, Macnica, Inc. and Kaga Electronics Co., Ltd. as comparable companies among major domestic listed electronics trading companies in light of their similarity to the Target Company and, using EV(enterprise value) / EBITDA and price/earnings ratios, and valued the Target Company Common Shares at the range between 1,143 and 1,749 yen per share.

Under the DCF method, MUMSS reportedly valued the Target Company Common Shares at the range between 1,382 and 1,875 yen per share. In doing so, MUMSS reportedly analyzed the Target Company's enterprise value and stock value by discounting the Target Company's projected future free cash flows to the present value using certain discount rates, based on the Target Company’s earnings forecasts that factored in various information such as a business plan prepared by the Target Company for the three years ending March 31, 2017, the Target Company's most recent operating performance and other publicly disclosed information.

MUMSS used discount rates ranging from 4.00% to 5.50%. To estimate the terminal value, MUMSS used EV/EBITDA ratios (enterprise multiple) ranging between 6x and 7x. (To ensure that the Target Company's perpetual earnings level was adequately reflected, the terminal value was reportedly calculated after extending the financial forecasts for two years beyond the final year of the current business plan, assuming no change to operating profit margin or depreciation and a sales growth rate of approximately 4% based on the market forecasts received from the Target Company.)

The financial forecasts based on the period of the Target Company's business plan that were reportedly used in the DCF method are tabulated below. The business plan upon which the DCF analysis was based does not project any major increase or decrease in earnings. The forecasts
reportedly do not factor in the effects of various measures that may be implemented after the Transactions because their impact on earnings is currently difficult to estimate in specific terms.

<table>
<thead>
<tr>
<th></th>
<th>Fiscal year ending March 31, 2015</th>
<th>Fiscal year ending March 31, 2016</th>
<th>Fiscal year ending March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>195,000</td>
<td>213,000</td>
<td>230,000</td>
</tr>
<tr>
<td>Operating income</td>
<td>4,301</td>
<td>5,407</td>
<td>5,915</td>
</tr>
<tr>
<td>EBITDA</td>
<td>4,847</td>
<td>5,601</td>
<td>6,056</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>(1,913)</td>
<td>(336)</td>
<td>536</td>
</tr>
</tbody>
</table>

(Note) MUMSS's analysis, particularly its underlying analysis of the value of the Target Company Common Shares, was addressed to the Target Company's Board of Directors for information purposes only. MUMSS’s analysis is not a financial opinion or recommendation by MUMSS or any of its affiliates. MUMSS’s analysis does not constitute an opinion or recommendation to any shareholders of the Target Company or the Tender Offeror as to how such shareholders should respond to the Tender Offer.

MUMSS based its analysis on the assumption that publicly available information and information obtained from the Target Company are complete and accurate. MUMSS did not independently verify the completeness or accuracy of said information. MUMSS assumed that financial forecasts, including information on strategic, financial and operational benefits expected to result from the Tender Offer, were reasonably prepared by the Target Company's management and reflect management's best judgment and the best currently available forecasts of the Target Company's future financial condition. MUMSS has not independently valued or appraised, or received any valuation or appraisal of, the Target Company's assets or liabilities. MUMSS's analysis is based on financial, economic, currency exchange, market and other conditions as of the date of its stock valuation report, and information in its possession as of the same date. Events occurring after such date may affect MUMSS's analysis and the assumptions used to prepare its valuation report. MUMSS assumes no obligation to update, revise or reaffirm its valuation report or analyses. Preparing a stock valuation report and conducting the report's underlying analyses are complex processes not necessarily conducive to partial analysis or summarization. The valuation range based on the specific analyses contained in MUMSS’s valuation report should not be construed as MUMSS’s assessment of the Target Company's actual value.

MUMSS plans to provide financial advisory services to the Target Company in connection with the Tender Offer and receive fees in exchange for said services. Receipt of a substantial portion of
suggested fees is contingent upon successful completion of the Tender Offer.

(C) The Target Company's Obtainment of Advice from an Independent Law Firm
According to the Target Company's Press Release, the Target Company appointed the law firm, Anderson Mori & Tomotsune as a legal advisor independent of both itself and TTC and obtained the legal advice regarding the decision-making methods and processes of its Board of Directors, including matters related to the Tender Offer, to ensure the fairness and propriety of its decision of its Board of Directors and to secure diligent examination of the matters pertaining to the Transactions, including the Tender Offer.

(D) Establishment of an Independent Third-Party Committee by the Target Company
According to the Target Company's Press Release, the Target Company established a third-party committee comprised of three individuals, Akito Takahashi (attorney, Takahashi Katayama Horitsu Jimusho), Shinsuke Hasegawa (CPA, Hasegawa CPA Office), and Takashi Handa (CPA, White Bear International Audit & Co.), all of whom are independent of both TTC and the Target Company, in the aim of avoiding arbitrary decisions related to the Transactions, including the Tender Offer, and ensuring the fairness, transparency and objectivity of the Target Company's decision-making process. In examining the Transactions, the Target Company reportedly consulted with the third-party committee regarding whether the Transactions (a) would contribute to enhancing the Target Company's value, (b) are fair in their terms (including the Tender Offer Price), (c) are adequately considerate of shareholders' interests through fair procedures, and (d) would not be disadvantageous to the Target Company's minority shareholders.

The third-party committee reportedly was held a total of five times between November 29, 2013, and January 27, 2014, and conferred on the aforementioned matters. In doing so, the third-party committee was reportedly briefed by the Target Company, based on the documents submitted by the Target Company, on TTC's proposals, the Transactions' purpose, and specifically how the Target Company's value is expected to be enhanced as a result of the Transactions. The third-party committee received a similar briefing from TTC and received answers to its questions about these matters. Additionally, the Target Company reportedly briefed the third-party committee on the Target Company's business plan, and MUMSS briefed it on the analysis of the Target Company's stock value based on MUMSS's stock valuation report and received answers to its questions about both. Based on its review of these matters, the third-party committee reportedly submitted to the Target Company's Board of Directors on January 27, 2014, a report to the effect that the Transactions (a) would contribute to enhancing the Target Company's value, (b) are fair in their terms (including the Tender Offer Price), (c) are adequately considerate of
as shareholders' interests through fair procedures, and (d) would not be disadvantageous to the Target Company's minority shareholders, based on the following considerations.

(i) The purpose of the Transaction is to enhance the Target Company's value. Additionally, the Target Company has studied the necessity and benefits of the Transactions based on in-depth discussion and evaluation of future growth plans for the Target Company as proposed and explained by TTC. The third-party committee found nothing unreasonable about the Target Company's business plans, growth plans, or management structure after the Target Company has become TTC's wholly owned subsidiary as explained by the Target Company and TTC.

(ii) As explained under “(B) Obtainment of a Stock Valuation Report from an Independent Third-Party by the Target Company” above, the Target Company has obtained a Stock Valuation Report from MUMSS to ensure the fairness of the Transactions' terms. The third-party committee found nothing particularly unreasonable or materially problematic in the calculations underlying the conclusions in MUMSS's stock valuation report. The Target Company has evaluated the Tender Offer Price based on MUMSS's stock valuation report, taking into consideration the necessity and benefits of becoming TTC's wholly owned subsidiary. The third-party committee found nothing unreasonable or materially problematic about the Tender Offer Price, which incorporates an appropriate premium. The third-party committee concluded that the Target Company's judgment and decision-making process were reasonable and adequate in terms of eliminating arbitrariness. The third-party committee also concluded that it is reasonable for the Tender Offer and the transactions that would make the Target Company a wholly owned subsidiary of TTC to have identical terms to those of the transactions with temporal proximity.

(iii) The Target Company reached an agreement with TTC on the Transactions' terms through consultations and negotiations as described above in "(2) Tender Offer Rationale, Purpose and Decision-Making Process, and Post-Tender Offer Management Policy" under “1. Purpose of the Tender Offer.” Their negotiation process was supported by the measures and circumstances described above in “(B) Obtainment of a Stock Valuation Report from an Independent Third-Party Appraiser by the Target Company” and “(C) The Target Company's Obtainment of Advice from Independent Law Firm” as well as “(E) Unanimous Approval of the Target Company's Directors and Corporate Auditors without Conflicts of Interest.” The third-party committee concluded that in the process of assessing and responding to the Transactions the Target Company has implemented specific measures to provide its shareholders with an adequate opportunity to exercise their judgment, eliminate arbitrariness from its decision-making processes, ensure the fairness of the Tender Offer terms, particularly the Tender Offer Price, and make objective arrangements to ensure the fairness of the terms of the transactions by which the Target Company would become TTC's wholly owned subsidiary.
Additionally, the third-party committee reportedly reconvened to confer on whether the opinion it expressed to the Target Company's Board of Directors on January 27, 2014, is still valid. The third-party committee reportedly found no material changes in the Target Company's business conditions or the environment surrounding the Transactions between January 27, 2014, and July 8, 2014, and reported to the Target Company's Board of Directors on July 8, 2014, that its opinion dated January 27, 2014, has not changed.

(E) Unanimous Approval of the Target Company's Directors and Corporate Auditors without Conflicts of Interest

According to the Target Company's Press Release, after carefully considering the Tender Offer's terms in light of the MUMSS's stock valuation report, the legal advice from Anderson Mori & Tomotsune, the third-party committee's report and other related information, the Target Company concluded that the Tender Offer Price and other terms of the Tender Offer were fair and that the Tender Offer would provide its shareholders with an opportunity to sell their Target Company Common Shares at a reasonable price and terms. At the meeting of the Target Company's Board of Directors on January 28, 2014, the directors who deliberated and voted (four of seven directors were in attendance) reportedly passed a unanimous resolution, as a statement of the Target Company's opinion as of that date, to endorse the Tender Offer if undertaken and to recommend that the Target Company's shareholders tender their shares in response to the Tender Offer.

Additionally, according to the Target Company's Press Release, upon recently being notified by TTC that TTC wished to commence the Tender Offer, the Target Company carefully reviewed the Tender Offer terms again and concluded that the Tender Offer Price and other terms of the Tender Offer are currently still fair and that the Tender Offer would offer its shareholders an opportunity to sell their Target Company Common Shares at a reasonable price and terms. On July 9, 2014, the Target Company's Board of Directors reportedly passed a resolution endorsing the Tender Offer and recommending that the Target Company's shareholders tender their shares in response to the Tender Offer.

Of the Target Company's directors (including Kenji Takanashi, who served as a director of the Target Company until June 27, 2014, and Yasushi Okamoto, who was appointed as a director of the Target Company effective June 27, 2014), former TTC representative director Kenji Takanashi, TTC Managing Director Hideki Yanase, and TTC employee Kazumasa Miyazaki and TTC Executive Officer Yasushi Okamoto reportedly abstained from deliberating and voting on the Tender Offer at the Target Company's Board of Directors meeting from the standpoint of
avoiding conflicts of interest. These three directors reportedly also abstained from participating in discussions and negotiations with TTC on behalf of the Target Company.

Both of the Target Company’s corporate auditors who attended said Board of Directors meeting (two of four auditors were in attendance) reportedly stated that they had no objection to the Target Company’s Board of Directors passing said resolution. Of the Target Company’s corporate auditors, Junzo Shimizu, who is Chairman of TTC’s Board of Directors, and TTC Executive Officer Hideyuki Iwamoto reportedly abstained from participating in deliberations on the Tender Offer at the meeting of the Target Company’s Board of Directors and refrained from expressing opinions on the Board of Directors’ resolution from the standpoint of avoiding conflicts of interest.

(F) Measures to Secure Purchase Opportunities for Other Acquirers

TTC has set the Tender Offer’s duration (the “Tender Offer Period”) at 30 business days, longer than the statutorily prescribed minimum of 20 business days. By setting a relatively long Tender Offer Period, TTC aims to ensure the appropriateness of the Tender Offer Price by providing the Target Company’s shareholders with an adequate opportunity to decide whether to tender their shares in response to the Tender Offer and providing prospective acquirers other than TTC with an opportunity to purchase shares. Additionally, TTC and the Target Company have not entered into any agreements to restrict contact between the Target Company and prospective rival acquirers, including agreements containing a transaction protection clause prohibiting the Target Company from contacting prospective rival acquirers. The aforementioned Tender Offer Period and availability of opportunities for share purchases by rival acquirers are intended to also ensure the fairness of the Tender Offer.

③ Relationship with Valuation Appraiser

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

(5) Number of Shares to Be Acquired

<table>
<thead>
<tr>
<th>Number of shares to be acquired</th>
<th>Minimum number</th>
<th>Maximum number</th>
</tr>
</thead>
<tbody>
<tr>
<td>9,677,708 shares</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

(Note 1) The Tender Offer is not subject to a maximum or minimum number of shares to be acquired. TTC will purchase all tendered shares.

(Note 2) The number of shares to be acquired is the maximum number of the Target Company's
shares that TTC will acquire through the Tender Offer. Said maximum number is 9,677,708 shares, calculated by subtracting the 6,496,000 Target Company Common Shares currently owned by TTC and the Target Company's treasury stock holdings of 292 shares as of the same date, as disclosed in the Securities Report, from the Target Company's 16,174,000 total shares outstanding as of March 31, 2014, as disclosed in the Securities Report.

(Note 3) Shares of less than one unit are also subject to the Tender Offer. If any shareholders exercise their right to have their shares of less than one unit repurchased by the issuer pursuant to the Companies Act, the Target Company will repurchase their shares of less than one unit in the legally prescribed manner during the Tender Offer Period.

(Note 4) TTC does not plan to acquire the Target Company's treasury stock holdings through the Tender Offer.

(6) Changes in Equity Ownership Percentages as a Result of Acquisition of Tendered Shares

| Number of voting rights attached to shares owned by Tender Offeror before acquisition of tendered shares | 64,960 | (40.16% of shares held before acquisition of tendered shares) |
| Number of voting rights attached to shares owned by specially related parties before acquisition of tendered shares | 0 | (0.00% of shares held before acquisition of tendered shares) |
| Number of voting rights attached to shares to be owned by Tender Offeror after acquisition of tendered shares | 161,737 | (100.00% of shares held after acquisition of tendered shares) |
| Number of voting rights attached to shares to be owned by specially related parties after acquisition of tendered shares | 0 | (0.00% equity ownership after acquisition of tendered shares) |
| Number of voting rights held by all of the Target Company's shareholders | 161,706 |

(Note 1) The "number of voting rights attached to shares owned by specially related parties before acquisition of tendered shares" is the total voting rights attached to shares owned by specially related parties except those that Article 3(2)-1 of the Cabinet Office Ordinance Concerning Disclosure of Securities Tender Offers by Nonissuers (Ministry of Finance Ordinance No. 38 of 1990 as amended; referred to below as the "Cabinet Office Ordinance") excludes as specially related parties for the purpose of calculating equity ownership.
ownership percentages pursuant to Article 27(2)-1 of the Financial Instruments and Exchange Act (the "FIEA").

(Note 2) The "number of voting rights held by all of the Target Company's shareholders" (calculated as one voting right per 100-share trading unit outstanding) is the number of all shareholders' voting rights as of March 31, 2014, as disclosed in the Securities Report. However, because odd-lot shareholdings are also subject to the Tender Offer, equity ownership percentages before acquisition of tendered shares and equity ownership percentages after acquisition of tendered shares were calculated using a denominator of 161,737 voting shares, which is the sum of the number of voting rights held by all of the Target Company's shareholders as of March 31, 2014, as disclosed in the Securities Report (161,706 voting rights) plus 31 voting rights attached to shares currently held as odd-lot shareholdings. As of March 31, 2014, 3,200 Target Company Common Shares are held as odd-lot shareholdings according to the Securities Report. Net of the 92-share odd-lot portion of the Target Company's treasury stock holdings as of the same date, as disclosed in the Securities Report, these 3,200 shares are reduced to 3,108 shares, equivalent to the 31 additional voting rights.

(Note 3) Percentages of shares held before and after acquisition of tendered shares were rounded to the hundredth of a percent.

(7) Total Purchase Price of Shares to be Acquired
15,968 million yen

Note: The total purchase price of shares to be acquired was calculated by multiplying the planned number of shares to be acquired (9,677,708 shares) by the Tender Offer Price (1,650 yen).

(8) Settlement Method

① Name and Address of Financial Instrument Dealer or Bank that will Settle Purchases of Tendered Shares
Nomura Securities Co., Ltd.  9-1 Nihonbashi 1-chome, Chuo-ku, Tokyo

② Settlement Commencement Date
August 28, 2014 (Thursday)

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.) Notification will be delivered electronically via the Nomura Securities Net & Call website (https://nc.nomura.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 without delay, on or soon after the settlement commencement date, via money transfer or another remittance method that they have designated (remittance fees may apply.)

④ Procedure for Return of Share Certificates
If TTC elects not to purchase all tendered share certificates pursuant to the terms of "② Tender Offer Retraction Conditions, if any, and Retraction Disclosure Procedure" under "(9) Other Terms, Conditions, and Procedures " below, the tender offer agent will promptly return the share certificates to be returned by restoring the tendering shareholders' account records to their state immediately before the shares were tendered, on or after the second business day following the final day of the Tender Offer Period (or, if the Tender Offer was retracted, the date on which it was retracted.) (To arrange for returned share certificates to be transferred to the tendering shareholder's account at another financial instrument dealer, please contact to the main office or a branch office of the tender offer agent to which the shares were tendered.)

(9) Other Terms, Conditions, and Procedures
① Conditions Stipulated in FIEA Article 27(13)-4, if any
The Tender Offer is not subject to a maximum or minimum number of shares to be purchased. The Tender Offeror will therefore purchase all tendered shares.

② Tender Offer Retraction Conditions, if any, and Retraction Disclosure Procedure
The Tender Offeror may retract the Tender Offer upon the occurrence of any circumstances listed in the following provisions of the FIEA Enforcement Order (Cabinet Order No. 321 of 1965 as amended; referred to below as the "Enforcement Order"): Article 14-1(1)(a) through 14-1(1)(i); Article 14-1(1)(l) through 14-1(1)(r); Article 14-1(3)(a) through 14-1(3)(h); Article 14-1(3)(j); or Article 14-2(3) through 14-2(6).
For the purposes of the Tender Offer, "facts equivalent to circumstances listed in Article 14-1(1)(a) through 14-1(1)(i)" of the Enforcement Order Article 14-1(3)(j) are defined as (1) discovery of a material falsehood or material omission, of which the Tender Offeror was not aware and could not have been aware even if it exercised reasonable care, in any of the Target Company's previously filed statutory disclosure documents, or (2) the existence of any fact listed
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in Article 14-1(1)(a) through 14-1(1)(g) of the Enforcement Order that pertains to a material subsidiary of the Target Company.

If the Tender Offeror decides to retract the Tender Offer, it will electronically publish a public notice of the retraction and publish a notice to that effect in the Nikkei newspaper. However, if public notice of the retraction cannot feasibly be published by the final day of the Tender Offer Period, the Tender Offeror will announce the retraction by the procedure stipulated in Article 20 of the Cabinet Office Ordinance and publish the public notice promptly thereafter.

③ Tender Offer Price Reduction Conditions, if any, and Price Reduction Disclosure Procedure
If the Target Company commits an act specified in Article 13(1) of the Enforcement Order during the Tender Offer Period, the Tender Offeror may reduce the Tender Offer Price in accord with the standards stipulated in Article 19(1) of the Cabinet Office Ordinance pursuant to the provisions of Article 27-6(1)(i) of the FIEA. If the Tender Offeror decides to reduce the Tender Offer Price, it will electronically publish a public notice of the price reduction and publish a notice to that effect in the Nikkei newspaper. However, if public notice of the price reduction cannot feasibly be published by the final day of the Tender Offer Period, the Tender Offeror will announce the price reduction by the procedure stipulated in Article 20 of the Cabinet Office Ordinance and publish the public notice promptly thereafter. If the tender offer price is reduced, even the shares tendered before the date of public notice of the price reduction will be purchased at the reduced tender offer price.

④ Matters Concerning Tendering Shareholders’ Rights to Cancel Agreement
Shareholders that have tendered their shares may cancel their agreement to participate in the Tender Offer at any time during the Tender Offer Period. To do so, please deliver or send a written notice of cancellation of the tender offer agreement ("Cancellation Notice") to the main office or a branch office of the tender offer agent to which the shares were tendered, by 15:30 on the final day of the Tender Offer Period. However, if the Cancellation Notice is sent, it must arrive by 15:30 on the final day of the Tender Offer Period to be effective. To cancel a tender offer agreement for shares tendered through Nomura Securities Net & Call website (https://nc.nomura.co.jp), please follow the instructions provided on said website and complete the cancellation procedure by 15:30 on the final day of the Tender Offer Period. To send a Cancellation Notice for shares tendered through Nomura Securities Net & Call website, please obtain a cancellation notice form from the customer support at Nomura Securities Net & Call and send the completed form to Nomura Securities Net & Call. Even when sent to Nomura Securities Net & Call, Cancellation Notices must arrive by 15:30 on the final day of the Tender Offer Period to be effective. The Tender Offeror may not seek damages or cancellation penalties from
shareholders that have canceled their agreements to participate in the Tender Offer. The Tender Offeror will bear the cost of returning tendered shares to such shareholders.

⑥ Disclosure Procedure in the Event of Revision of Tender Offer Terms
The Tender Offeror may revise the Tender Offer terms during the Tender Offer period, unless prohibited from doing so by Article 27-6(1) of the FIEA or Article 13 of the Enforcement Order. If the Tender Offeror decides to revise the Tender Offer terms, it will electronically publish a public notice of the revision and publish a notice to that effect in the Nikkei newspaper. However, if public notice of the revision cannot feasibly be published by final day of the Tender Offer Period, the Tender Offeror will announce the revision by the procedure stipulated in Article 20 of the Cabinet Office Ordinance and publish the public notice promptly thereafter. If the Tender Offer terms are revised, even the shares tendered before the date of public notice of the revision will be purchased subject to the revised terms.

⑦ Disclosure Procedure in the Event an Amended Tender Offer Notification was Filed
If the Tender Offeror files an amendment to the Tender Offer Notification with the Director of the Kanto Local Finance Bureau, it will promptly publish a public notice of the content of the amendment pertaining to the content of the Public Notice of the Tender Offer's commencement, in accord with the provisions of Article 20 of the Cabinet Office Ordinance. Additionally, the Tender Offeror will promptly amend its Tender Offer Statement and deliver the amended version to tendering shareholders to which the Tender Offer Statement was previously delivered. However, if the amendment is minor in scope, the Tender Offeror may notify tendering shareholders of the amendment by preparing a document stating the reason for the amendment, the matters that were amended, and the amended wording and the delivering said document to tendering shareholders.

⑧ Tender Offer Results Disclosure Procedure
The Tender Offeror will publicly announce the results of the Tender Offer on the day after the final day of the Tender Offer Period in accord with the provisions of Article 9(4) of the Enforcement Order and Article 30(2) of the Cabinet Office Ordinance.

(10) Date of Public Notice of Tender Offer's Commencement
July 10, 2014 (Thursday)

(11) Tender Offer Agent
Nomura Securities Co., Ltd. 9-1 Nihonbashi 1-chome, Chuo-ku, Tokyo
3. Post-Tender-Offer Policies and Future Outlook

4. Other Matters
(1) Agreements between the Tender Offeror and the Target Company or its Officers

According to the Target Company's Press Release, the Target Company's directors who deliberated and voted at a meeting of the Target Company's Board of Directors on January 28, 2014 (four of seven directors were in attendance), passed a unanimous resolution, as a statement of the Target Company's opinion as of that date, to endorse the Tender Offer if undertaken and to recommend that the Target Company's shareholders tender their shares in response to the Tender Offer.

Additionally, according to the Target Company's Press Release, upon recently being notified by TTC that TTC wished to commence the Tender Offer, the Target Company carefully reviewed the Tender Offer terms again and concluded that the Tender Offer Price and other terms of the Tender Offer are currently still fair and that the Tender Offer would provide its shareholders with an opportunity to sell their Target Company Common Shares at a reasonable price and terms. On July 9, 2014, the Target Company's Board of Directors reportedly passed a resolution endorsing the Tender Offer and recommending that the Target Company's shareholders tender their shares in response to the Tender Offer.

For details of the Target Company's decision-making process, please refer to the Target Company's Press Release and "② Valuation Process" under "(4) Rationale behind the Determination of the Tender Offer Price" under "2. Overview of the Tender Offer" above.

② Tender Offer Rationale, Purpose and Decision-Making Process, and Post-Tender Offer Management Policy
Regarding the Tender Offer's rationale, purpose and decision-making process and post-Tender-Offer management policies, please refer to "(2) Tender Offer Rationale, Purpose and Decision-Making Process, and Post-Tender Offer Management Policy" under "1. Purpose of the Tender Offer" above.
③ Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Avoid Conflicts of Interest
Regarding the measures to ensure the fairness of the Tender Offer Price, avoid conflicts of interest and otherwise ensure the fairness of the Tender Offer, please refer to "② Valuation Process" under "(4) Rationale behind the Determination of the Tender Offer Price" under "2. Overview of the Tender Offer" above.

(2) Other Information Deemed Necessary for Investors to Decide Whether to Tender Shares
On April 23, 2014, the Target Company released its Summary of Consolidated Business Results (Japanese GAAP basis) for the Fiscal Year Ended March 31, 2014. According to said business results, on April 23, 2014, the Target Company's Board of Directors passed a resolution to refrain from paying an interim dividend in the fiscal year ending March 31, 2015, on the assumption that the Tender Offer will succeed. For more details, please refer to said business results.
Restrictions on Solicitation
This press release is intended for the announcement of the Tender Offer to the general public and is not intended to solicit sales of shares. If anyone desires to sell his or her shares, the shareholder should, at his or her own responsibility, review the tender offer explanatory statement and accept the Tender Offer in his or her own discretion. This press release is not considered as an offer or solicitation of sales of securities or solicitation of this purchase offer and does not constitute any such part. This press release (or any part of it) or the fact of its distribution does not provide a basis for any kind of agreement pertaining to the Tender Offer, and it may not be relied upon when executing any such agreement.

Forward-Looking Statements
This statement contains forward-looking statements as defined in Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934 ("Forward-Looking Statements"). Due to known or unknown risks, uncertainties or other factors, actual results may materially differ from any forecast, expressly or implicitly, indicated as a Forward-Looking Statement contained herein. Neither the Tender Offeror nor any of its affiliates guarantee that any forecast, expressly or implicitly, indicated as a Forward-Looking Statement will turn out to be accurate. Any Forward-Looking Statement is prepared based on information held by the Tender Offeror as of the date hereof, and the Tender Offeror and its affiliates do not intend, and disclaim any obligation, to update or modify any such statement to reflect future events or developments, except as may be required by any applicable laws and regulations.

US law
The Tender Offer will be conducted in compliance with the procedures prescribed by the Financial Instruments and Exchange Act of Japan and related disclosure standards; however, these procedures and standards are not necessarily identical to those in the United States of America. In particular, Sections 13(e) and 14(d) of the U.S. Securities Exchange Act of 1934 and the Rules and Regulations thereunder shall not apply to the Tender Offer, and the Tender Offer may or may not be conducted in compliance with any procedure or standard thereunder.

All the financial information contained in this press release is not based on the U.S. accounting standards and not equivalent to that of companies incorporated in the U.S. The assertion of right or claim exercisable under the securities-related laws of the United States might be difficult for any entity because the Tender Offeror is a corporation incorporated outside the United States and all or any part of its directors are not resident in the United States. In addition, it might be difficult for any entity to file a complaint with a court outside the United States against a corporation outside the United States or any of its directors on the grounds of a violation of the
This English translation has been prepared solely for the convenience of non-Japanese speaking shareholders of Toyota Tsusho Corporation. The English translation is believed to be generally accurate, but in the event of a discrepancy between the translation and the corresponding Japanese original, the Japanese original shall take precedence.

securities-related laws of the United States. Furthermore, there is no guarantee that any entity could compel an overseas corporation or a subsidiary/related company thereof outside the United States to accept the jurisdiction of a U.S. court. Additionally, there is no assurance that US courts have jurisdiction over non-US companies and their subsidiaries and affiliates.

Other foreign jurisdictions
Announcement, issuance or distribution of this press release may be subject to legal restrictions in certain countries or regions. In such case, you are required to be aware of and comply with such restrictions. In such countries or regions that legally prohibit the launch of the Tender Offer, this press release does not constitute an offer for purchase or solicitation for offer or sales of shares regarding the Tender Offer, even if this press release or its translation is received in such countries or regions. In that case, it shall be considered as a mere distribution of informative materials.

Unless otherwise specified, all procedures concerning the Tender Offer shall be conducted in Japanese. If all or a part of any document concerning the Tender Offer is prepared in English and there is any discrepancy between the English version and the Japanese version, the Japanese version shall prevail.