

Name of company: Mitsui High-tec, Inc.
Representative: Yasunari Mitsui, President and
Representative Director,
(Securities code: 6966, First Section of Tokyo Stock
Exchange, FSE)

Announcement of Establishment of a new foreign subsidiary

Mitsui High-tec, Inc. announces that the Board of Directors passed a resolution for the establishment of Mitsui High-tec's subsidiary in Poland, as below:

1. The purpose of establishment of the subsidiary

Due to rapid growth of the environmental and energy related markets in Europe, it may be expected that demand will increase in Europe for cores related to high efficiency motors in relation to the automotive use mainly. Therefore, Mitsui High-tec, Inc is planning to establish a manufacturing facility in Europe for the purpose of strengthening sales in European market and building a global supply system. The project will be launched in Poland on the condition that adequate state aid can be obtained from Polish authorities. In addition to the state aid which Mitsui High-tec, Inc is hoping to obtain in Poland, it is also helpful that Poland is good location where is close to the Japanese and Germany automotive manufactures and it is expected to offer good labor force and suitable investment cost.

※The state aid has not yet been decided upon by the Polish authorities. Therefore, there is a possibility that we will not be granted the state aid.

2. Outline of the New Subsidiary

- A) Company name: Mitsui High-tec (Europe) sp. z o.o.
- B) Location of the factory: Opole Voivodship, Poland
- C) Representative: Masahiko Takei
- D) Main business activities: Selling and producing the motor cores.
- E) Share Capital: 5 million PLN (Approximately 150 million JPN)
- F) Establishment: October 2018 (planned)
- G) Shareholder: Mitsui High-tec, Inc. 100%
- H) Planned start of the operation: Undecided

3. Further prospects

The establishment of the above-mentioned subsidiary will have no impact on the consolidated business performance of the Group for this financial year.

※Also please be informed that we will be establishing a representative office in Frankfurt in Germany, for the purpose to strengthen the research of European market.