

November 28, 2013

Company name: Kokusan Denki Co., Ltd.  
Representative: Rikio Yoshikawa, President  
( Code number:6992, TSE )  
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Director and General Manager,  
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## Announcement of Establishment of a New Overseas Subsidiary

Kokusan Denki Co., Ltd. announced that a resolution has been adopted at the Board of Directors Meeting held on November 28, 2013 for establishment of a new subsidiary in Thailand as outlined below.

### 1. Reason for establishment

Engine electric appliances and electric motors which we manufacture and sell are variously applied to motorcycles, agricultural machinery and automobiles. Due to the growth of the domestic market of Thailand as well as export to other Asian countries from there, many of our customers have established their affiliates and plants in Thailand.

From these backgrounds, we have decided to establish an overseas affiliated company in Thailand for the purpose of manufacturing and selling our products.

### 2. Profile of subsidiary

- (1) Company name: Kokusan MAHLE Siam Co., Ltd. (Tentative name)
- (2) Location: Samutprakarn, Thailand
- (3) Representative: Rikio Yoshikawa (President of Kokusan Denki Co., Ltd.)
- (4) Capital: 100 million THB (Planned)
- (5) Shareholders:

Kokusan Denki Co., Ltd.	51%
MAHLE	49%
- (6) Date of establishment: April, 2014 (Planned)
- (7) Start of operation: First quarter of 2015 (Planned)
- (8) Business activities: Manufacture and sales of engine electric appliances,  
and electric motors
- (9) End of fiscal year: December

### 3. Future prospects

Since the establishment is planned to be in April, 2014, a negligible impact is expected on consolidated business results of Kokusan Denki for the fiscal year 2013.