

April 28, 2014

TMEIC to Acquire AEG Power Solutions (India) Private Limited
- Building of Local Structure Toward Making Inroads into Indian Market -

As a means of building a local structure toward making inroads into Indian Market, Toshiba Mitsubishi-Electric Industrial Systems Corporation (hereinafter, "TMEIC"; President & CEO Kiyotaka Machida) has concluded an agreement with AEG Power Solutions BV (hereinafter, "AEG PS"), which is a long-established power electronics company in Europe, to acquire a 100% equity stake in AEG Power Solutions (India) Private Limited, which is one of the AEG PS bases in India engaged in the sales and production of power conditioners for solar power generation and other relevant products.

With this initiative, TMEIC aims to achieve net sales of 7 billion yen by fiscal 2018 in the power conditioner market for solar power generation in India where the market is anticipated to grow rapidly at the annual growth rate of approximately 40%. Following the acquisition, the company will also handle the local production of drive systems for electric motors, which are also power electronics products. Together with the electric motor plant planned for construction in the same Bangalore city, the new base will become a strategic hub to expand our motor drive business in the Indian market. Current acquisition and the construction of electric motor plant will enable to establish a local production system of TMEIC in India by fiscal 2015.

While TMEIC boasts an overwhelming market share of large-capacity power conditioner for solar power generation in the domestic market, the Company is actively pursuing business expansion of markets overseas with a focus on North America, China and India in order to become a leading company in the global market as well.

At the same time, while AEG PS is a long-established electric and power electronics company which originates from the AEG group founded in Europe in the 19th century, the company has been recently promoting measures to review existing structures of bases overseas in an effort to narrow down its businesses to restructure management. Current agreement of acquisition was realized on this basis.

The signing of share purchase agreement was carried out on April 25 and share transfer will be executed roughly at the end of June 2014 subsequent to carrying out various procedures such as acquiring necessary approvals in India. Additionally, the total transaction amount will be approximately 9 million euros (the equity transfer price is 3 million euros).

【Overview of acquisition target company】

Company name	AEG Power Solutions (India) Private Limited
Location	Bangalore city, Karnataka State, Republic of India
Capital	97 million Indian rupees (approximately 160 million yen)
Current shareholders	AEG Power Solutions BV (the Netherlands), etc.
Main scope of business	Sales and production of power conditioners for solar power generation
Sales	Approximately 1,000 million Indian rupees (approximately 1,600 million yen)
Number of employees	Approximately 90 persons



Inquiries from the Press

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In order to respond to the needs of manufacturing sites that are the bases for supporting our society, TMEIC always sets its eyes on the future of industry, society and the environment as a system integrator for industries that will strike a balance between the development of society and a beautiful global environment. TMEIC will contribute to manufacturing and environmental management with the leading-edge technologies based on its core technologies of rotating machinery, which becomes a driving force of factories and plants, power electronics, which converts and controls electrical power, and engineering, which enables to plan and realize overall plant system.