

# Globalization

Concerning AISIN's bases by region, we have 69 companies in Japan. Each of these companies operates according to its particular role. Overseas, we have 22 companies in North America, 6 in Europe, 24 in Asia and other regions, and have been preparing business foundations in those areas. Among these bases are 36 manufacturing facilities in 12 countries, mainly in North America, ASEAN and China.

We will increase our manufacturing facilities mainly in Europe, South America and Oceania to strengthen our global production capacity in the future. For R & D, we have established not only development bases for cutting edge technology but also technical centers for regionally-oriented technical assistance in North America and Europe.

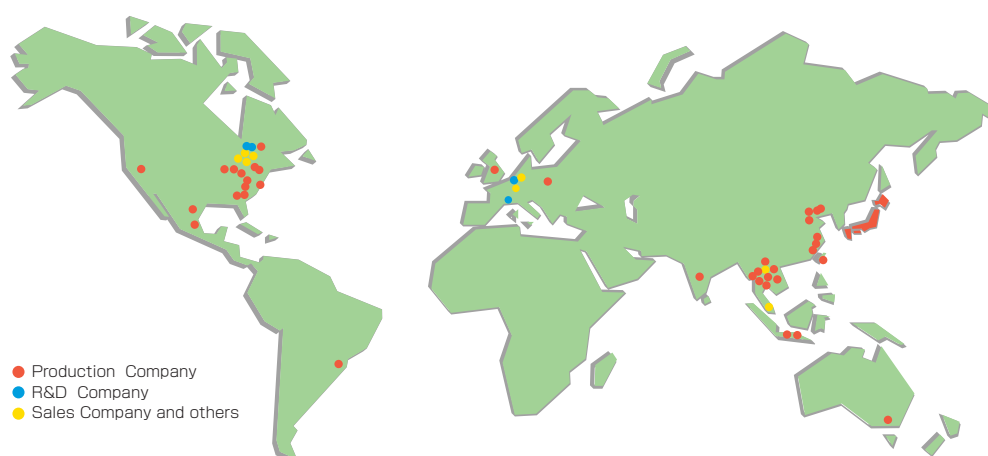
## North & South America

AISIN considers North America our main market in the 21st century, and will expand our production capacity in the region to enhance our production and supply structure.

In the drivetrain related business, we have expanded the production capacity of AW North Carolina, Inc. to start production of the RWD automatic transmission for Toyota's SUV in May 2004.

In the brake & chassis related business, Aisin Brake & Chassis, Inc. started production of drum brakes and parking brakes in January 2003. Also, ADVICS has acquired the entire stock of two manufacturing subsidiaries owned by Sumitomo Electric Industries, Ltd. to make them ADVICS's wholly owned subsidiaries in April 2003. These companies are involved in producing disc brake, ABS and disc brake pads. This allows us to be ready for smooth operation of the brake business in North America.

In body related business, Aisin Mfg. Illinois, LLC begun production of sunroofs and sliding doors in August 2002. AISIN has established Aisin Canada, Inc. as the first manufacturing facility in Canada, and plans to start production of



## Overseas Consolidated Subsidiaries Established in Fiscal 2003

	Name	Location	Established	Major Products	Start of Production	Sales Target
North America	AISIN CANADA INC.	Ontario, Canada	October 2002	Belt moldings, Windshield moldings Console latch, Fuel lid	August 2003	C\$ 30 millions for FY 2005
Europe	AISIN EUROPE MANUFACTURING CZECH s.r.o.	Pisek, The Czech Republic	November 2002	Water pump, Oil pump	September 2003	€ 30 millions for FY 2004
ASEAN	AISIN TAKAOKA (THAILAND) CO., LTD.	Pathumthanee, Thailand	January 2003	Sales of automotive parts (Iron cast products, etc.)	Start of sales January 2003	Bt42 millions for FY 2005
	AISIN AI (THAILAND) CO., LTD.	Chachoengsao, Thailand	September 2002	Manual transmission and gear	September 2002	Bt2,000 millions for FY 2005

belt molding, windshield molding and others in August 2003. In addition, Aisin Do Brasil Com. E Ind Ltda. started production in April 2003, which marks our first production in South America. The company produces door latches, door frames and others.

In the engine related business, we have expanded production capacity of Aisin Automotive Casting, LLC (Aisin Automotive Casting) to boost in aluminum die-casting production. Aisin Automotive Casting added variable valve timing to its product line-ups in March 2003 and started supply to GM.

### **Europe**

AISIN has increasingly expanded customers mainly for automatic transmission in Europe. We will focus our energies on positive introduction of other strategic products on the market for stronger presence in Europe.

In November 2002, we established Aisin Europe Manufacturing Czech s.r.o., a new production base in Europe. The company, which is responsible for production shifted from Aisin Europe Manufacturing (UK) Ltd., plans to produce engine related parts for Europe starting with water pumps and oil pumps in September 2003.

In the information related business, we have expanded the plant of AW Europe S.A. and will start production of car navigation systems in November 2003.

### **ASEAN and China**

In the ASEAN area, we will make use of our products supply network to strengthen the support system within the region. And in China, promising market expansion, we are working to construct all-around products supply structure to be the number one supplier.

In the drivetrain related business, in September 2002, Aisin AI Co., Ltd. has acquired a manufacturing plant for manual transmissions in Thailand and established Aisin AI (Thailand) Co., Ltd. In March 2003, we have increased our stock of Tangshan Aisin Gear Co., Ltd., which is involved in producing manual transmissions in China, and changed the company from an affiliate accounted for under the equity method to our consolidated subsidiary. This provided us with the supplement system for manual transmissions in ASEAN and China.

In the body related business, Aisin Tianjin Body Parts Co., Ltd. started production of door latches, window regulators and others in May 2002.

In the engine related business, in January 2003, we have established Aisin Takaoka (Thailand) Co., Ltd. to integrate the sales function of five manufacturing companies involved in casting.

In life & amenity related business, Hangzhou Aisin INAX Machinery & Electric Co., Ltd., which was jointly founded by Aisin Seiki and INAX Corporation, started production of shower toilet seats. The company will enhance its production for an increase in demand with an eye toward overseas market such as China.

In China, we have produced drivetrain, brake & chassis, engine and life & amenity related products until now, and recently the body related parts company started production. This represents AISIN's supply network completed in the Chinese market.

### **Response to Globalization**

As overseas operations have rapidly expanded, heightening the capability for product development, production engineering and marketing at the world top level, in addition to a more effective use of management resources such as human resources, facilities, capital and information, are required to respond to globalization of business competition.

With this as background, Aisin Seiki reviewed its divisional system organization that had been implemented since July 1991, and reformed itself to transform into a functional system organization with the aim of its power concentration to prevail amid global competition.

Aisin Seiki also set up an Overseas Planning Center in charge of administrating overseas manufacturing subsidiaries in an effort to build a production preparing assist system for them, control a direction of the entire group, and promote the establishment of its global business foundation.