

For immediate release

April 26, 2001

Aisin Seiki Co., Ltd.

DENSO Corp.

Sumitomo Electric Industries, Ltd.

Toyota Motor Corp.

Aisin, DENSO, Sumitomo Electric, Toyota Plan Brake Venture

Aisin Seiki Co., Ltd., DENSO Corporation, Sumitomo Electric Industries, Ltd. and Toyota Motor Corporation announced today that they plan to jointly establish in July a shared-technology brake development and sales company. The new company which will deal in both brake systems and brake parts, will be capitalized at 1 billion yen, of which 40% will be provided by Aisin, with the other three founding companies providing 20% each. Aisin will supply the president of the new company.

In recent years, the demands of customers and of society on the whole have increased the need to make automobiles cleaner and safer. This has led to significant changes in the required functions and performance of brake systems, which represent one of the most important functional parts of a vehicle. These changes include the following:

- 1) The growing importance of preventive safety requirements has led to increased adoption of ABS and to further development of advanced brake-system functions, such as Vehicle Stability Control (VSC)^{*1}.
- 2) With the spread of hybrid vehicles and other clean energy vehicles, there is an increasing need for precision brake control technologies that operate in concert with the motor (e.g. regenerative brake systems^{*2}).
- 3) Updating of brake technologies is required to adapt to automatic driving and other intelligent transport systems (ITS).

Against this background, brake manufacturers are shifting their emphasis from developing individual brake parts to developing composite brake systems. Automakers, meanwhile, are tending to order complete brake systems rather than individual parts, a trend that is expected to strengthen.

Giving scope to the individual specializations and strengths of each partner while integrating their separate technologies, the aim of the new company will be to enhance the ability to develop brake systems in a timely and market-responsive fashion, allowing

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delivery of world-leading brake systems to the global market.

The framework for the establishment of the new company, including the proportion of capital provided by each partner, may be reviewed in light of any ruling by the Fair Trade Commission.

*¹ A system aimed at preventing skidding when turning during sudden steering maneuvers on slippery road surfaces, or in similar situations.

*² In such systems, the motor acts as an electric generator during braking and converts the vehicle's kinetic energy into electrical energy for storage in the battery.

Outline of New Company

| | |
|---------------------|--|
| Name | ADVICS Co., Ltd. |
| Establishment | July 3, 2001 |
| Start of operations | October 1, 2001 |
| Business activities | Development and sale of automotive brake systems and components |
| Capital | 1 billion yen |
| Ownership | 40% by Aisin Seiki; 20% each by DENSO Corp., Sumitomo Electric Industries, Ltd. and Toyota Motor Corporation |
| Board composition | 5 directors, 4 auditors |
| Address | 2-1, Asahi-machi , Kariya City, Aichi Prefecture (on the premises of Aisin Seiki's head office) |
| No. of employees | Approx. 900 on date of establishment |
| Products handled | ABS, vehicle stability control systems and related components |
| Sales target | ¥60 billion (¥120 billion on a yearly basis) in fiscal year 2001; ¥250 billion in fiscal year 2005 |

Outline of Investing Partners

| | Aisin | DENSO | Sumitomo | Toyota |
|----------------------------|-----------------------------|-----------------------------|----------------------------|-----------------------------|
| Establishment | June 1949 | December 1949 | December 1920 | August 1937 |
| Location | Kariya, Aichi Prefecture | Kariya, Aichi Prefecture | Osaka, Osaka Prefecture | Toyota, Aichi Prefecture |
| Capital | ¥41.1 billion | ¥173 billion | ¥96.2 billion | ¥397 billion |
| Sales | | | | |
| Consolidated | ¥1,000.6 billion | ¥1,883.4 billion | ¥1,308.6 billion | ¥12,879.5 billion |
| Unconsolidated | ¥511.6 billion | ¥1,386.9 billion | ¥723.7 billion | ¥7,408 billion |
| Consolidated subsidiaries | 56 | 146 | 220 | 425 |
| Employees (unconsolidated) | 11,400 | 39,500 | 10,000 | 65,290 |

Note: Figures as of March 31, 2000

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