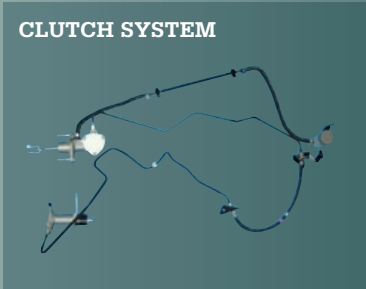


NEW ADOPTIONS OF OUR PRODUCTS

Through its aluminum weight reduction and braking system technologies, Nissin Kogyo makes considerable contributions to motorized society in terms of both environment and safety.

FOUR-WHEELED VEHICLE BUSINESS

The Honda CR-Z, a new hybrid sports car launched in February 2010, has adopted brake and aluminum products that leverage Nissin Kogyo's core technologies. Hybrid cars, which are not only safe and comfortable but also environmentally friendly, have multiple power sources (gasoline engine + electric motor). Demand for these cars is expected to continue growing due to the superior fuel efficiency they offer and their contribution to reducing CO₂ emissions.



MOTORCYCLE BUSINESS

The Honda PCX, a 125cc scooter launched in Japan in March 2010, has adopted products developed by Nissin Brake (Thailand) Co., Ltd.

The entire PCX line comes equipped with the Combined Brake System (CBS) standard. CBS is an interlocked brake system between the front and rear wheels of the motorcycle. Gripping the left brake lever alone causes braking force to be properly distributed to the front and rear wheels.

Produced in Thailand, the PCX is a globally strategic scooter model scheduled for export to the ASEAN region, Europe and the United States.

FRONT MASTER CYLINDER



NISSIN BRAKE (THAILAND)



CBS MASTER CYLINDER



MOTORCYCLE BUSINESS PCX



FRONT DISK BRAKE

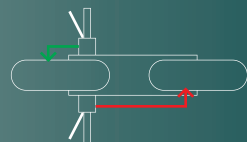


ABOUT THE COMBINED BRAKE SYSTEM

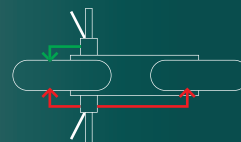
■ KEY FEATURES

Braking force is simultaneously applied to the front and rear wheels, helping to maintain stability and improve braking performance.

CONVENTIONAL BRAKES



COMBINED BRAKE SYSTEM (FRONT- AND REAR-WHEEL INTERLOCKED BRAKE SYSTEM)



RESEARCH AND DEVELOPMENT ACTIVITIES

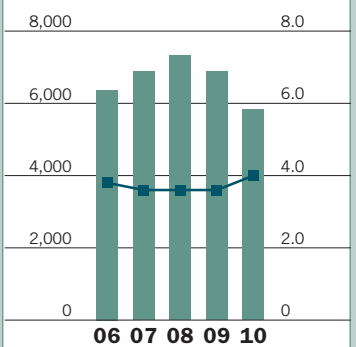
The Nissin Kogyo Group constantly strives to keep one step ahead of changes in the world by conducting research and development activities in order to create new product families that can contribute to safety and the environment while meeting the needs of customers and society.

We aim to raise the levels of safety and comfort and to reduce weight, for motorcycles and four-wheeled vehicles. Placing importance on basic brake and mechatronics automated control system development, aluminum-based weight reduction design technology, materials development and manufacturing process technology development, we are steering research and development in a direction that will facilitate production on a global scale. We are also working jointly with dedicated automakers to develop full braking systems.

Nissin Kogyo's development division is the key driver of the Group's research and development. R&D expenditures in the year under review were ¥5,828 million.

R&D EXPENDITURES/ RATIO TO NET SALES

(¥ millions/%)



■ R&D Expenditures (left scale)
■ Ratio to Net Sales (right scale)