

CONTRIBUTING TO SAFETY AND THE ENVIRONMENT ACROSS THE GLOBE: SUMMARY OF THE NINTH MEDIUM-TERM MANAGEMENT PLAN

Under the eighth medium-term management plan, Nissin Kogyo built frameworks for product development and sales that give full attention to the needs of customers worldwide. At the same time, the company put in place a global supply system by expanding production sites in the Asian region. The ninth plan launched in April 2005 endeavors to further expand our development and production capabilities to increase sales around the world.

EXPANDING SALES

As the need to ensure safety and reduce the environmental impact of vehicles increases each year in the automobile industry, Nissin Kogyo strives to develop safer brake systems and aluminum components that make vehicles lighter. The overriding goal is to increase sales.

SALES STRATEGIES

Brake products for four-wheeled vehicles	<ul style="list-style-type: none"> Stay in step with expansion in the Chinese market Market new products
Brake products for motorcycles	<ul style="list-style-type: none"> Stay in step with expansion of markets in ASEAN countries and South America
Mechatronics	<ul style="list-style-type: none"> Four-wheeled vehicles: expand use of next-generation ABS products Motorcycles: increase product variety
Aluminum components	<ul style="list-style-type: none"> Expand sales by offering competitive prices, reinforcing product strength, and exploiting the stretch flangeability of aluminum Expand applications for knuckles and sales of calipers to new corporate clients
Aftermarket	<ul style="list-style-type: none"> Exploit greater business opportunities created by higher number of vehicle owners Sell decorative parts for motorcycles for recreational use

□ Products

TECHNOLOGY FOR BRAKING SYSTEMS



NK11 series ABS products

The world's most compact and lightweight series of ABS products, the *NK11* series was made possible by using smaller electromagnetic valves and motors and fewer electronic components.



NK11VL series multifunctional VSA products

The *NK11VL* series ensures driving comfort and safety by offering capabilities such as cruise controls adaptive to the front axle, automatic braking to reduce collisions, braking assists with learning functions, and brakes that control vehicle motion. *NK11VL* products weigh 43% less than previous models.



NK11B2 series ABS products for motorcycles

Amid rising awareness of motorcycle safety, this series has been adopted in motorcycles manufactured by Honda Motor Co., Ltd., Suzuki Motor Corporation, and Harley-Davidson, Inc. in the U.S.

LIGHTWEIGHT TECHNOLOGY



Rear knuckles

Use of aluminum made it possible to develop knuckles weighing 2.8kg, 50% lighter than those produced from cast iron. Nissin Kogyo's knuckles are used in Honda Motor's *Accord*, *Elysion*, and *Legend* models.



Master cylinders

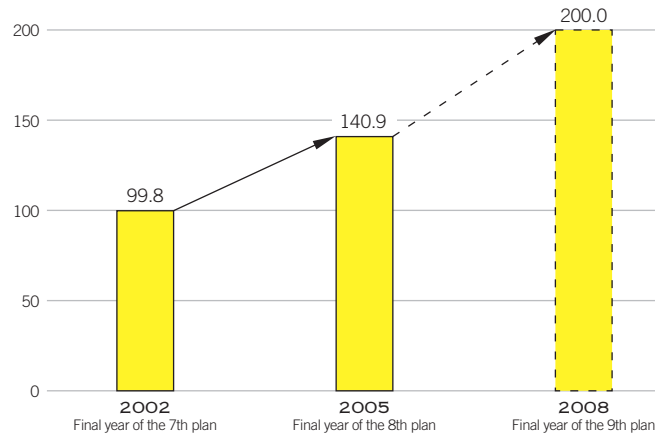
Master cylinders integrate brake master cylinders and vacuum boosters. More compact and lighter in weight, these cylinders are also 50mm shorter than the company's previous products, making them easier to install in vehicles. These products have been adopted by Suzuki Motor for its new *ALTO* and *SWIFT* models.



Rear calipers

Use of aluminum yielded rear calipers that are 16% lighter than conventional products. They are used in Honda Motor's *Accord*, *Odyssey*, *Elysion*, and *Legend* models.

□ Goals for Net Sales (¥ billions)



EXPANDING PRODUCTION CAPABILITIES

Nissin Kogyo has development and production bases in four key regions—the Americas, Europe, Asia, and Japan. During the period under review, we focused on the Asian region to meet growing local demand. We expanded our production capabilities by building additional factories in Indonesia, Thailand, China, and Vietnam.

PRODUCTION STRATEGIES

Japan	<ul style="list-style-type: none"> Introduce additional production lines for aluminum components and ABS products
North America	<ul style="list-style-type: none"> Establish a new production line for ABS products (compatible with main vehicle models)
Asia/Thailand	<ul style="list-style-type: none"> Take full advantage of the new production line, added during the eighth medium-term management plan, for ABS products and knuckles
/Indonesia	<ul style="list-style-type: none"> Build a new factory for the manufacture of motorcycle products
/Vietnam	<ul style="list-style-type: none"> Build a new factory for the manufacture of motorcycle products
/China	<ul style="list-style-type: none"> Fully utilize the new production line in Shandong, added during the eighth medium-term management plan Build a new factory in Guangzhou for the manufacture of products for four-wheeled vehicles
South America	<ul style="list-style-type: none"> Increase production volume by improving productivity

□ Production Framework

JAPAN



The company purchased shares in Ishii Corporation, a manufacturer of cutting equipment, making it a subsidiary. This initiative was part of efforts to improve Nissin Kogyo's processing technology and enable proprietary production of cutting tools by expanding its scope of expertise.

UNITED STATES



U.S. subsidiary Nissin Brake Ohio completed an integrated production line for aluminum knuckles, expanding the group's annual production capacity in Japan and the U.S. to 760,000 units.

THAILAND



To seize business opportunities created by the expanding market for four-wheeled vehicles in Thailand and capture more orders from clients, Nissin Brake (Thailand) Co., Ltd. constructed a production facility in the country. The new facility began operations in March 2005. Plans call for production capacity at Nissin Brake (Thailand) to be increased by 150% in 2007 compared to levels in 2004.

CHINA



A new factory was constructed at Zhongshan Nissin Industry, boosting output. Plans are for this company's production capacity to roughly triple by 2007, compared to 2004. Since February 2005, Zhongshan Nissin Industry has also been operating an integrated production system that handles everything from aluminum casting to machining and processing, and assembly.