

News Release

July 3, 2001
Aisin Seiki Co., Ltd.
Exedy Corporation

Sub: Strategic Business Alliance

Aisin Seiki Co., Ltd. (Mr. Kanshiro Toyoda, President – Aisin, Headquarters in Aichi, Japan) and Exedy Corporation (Mr. Takeshi Nakano, President – Exedy, Headquarters in Osaka, Japan) have announced their intention to enter into a strategic business alliance.

1. Background of the Alliance

In the automotive components industry, it is becoming more essential for survival to have a basis for global business development.

Under these circumstances, the Aisin group companies and Exedy group companies have agreed to enter into a strategic business alliance in the areas of Drivetrain related business, in order that each company, as worldwide suppliers, can immediately reinforce their global competitiveness by effectively utilizing existing resources abroad.

2. Formation of the Alliance

Based on the mutual respect for each other's management principles, Aisin and Exedy will work together in the following activities. Initial emphasis will be in North America and Asian region where we are facing keen competition from other global suppliers.

- 1) Building the most effective global manufacturing and supply base by together utilizing the existing overseas companies of both groups.
- 2) Development of New Markets overseas.
- 3) Cost Reduction by commonization and combined procurement of components.

3. Transfer of Exedy's shares

In order to solidify the basis for collaboration, in addition to the strategic business alliance, Aisin and its group companies, Aisin Holdings of America, Inc. (Mr. Tsutomu Yasui, President – AHA in the USA) and Aisin Europe S.A. (Mr. Osamu Tajima, President – AE in Belgium) have agreed with Nissan Motor Co., Ltd. (Mr. Carlos Ghosn, President – Nissan in Tokyo) to take over the 11,358,400 Exedy shares (representing 23.4% of the total shares issued) which Nissan currently holds.

With the view that the strategic business alliance is to be carried out mainly in the areas of North America, Europe and Asian region, the shares will be divided as follows:

- 4,500,000 shares to Aisin Holdings of America, Inc.,
the North American Headquarters of Aisin Group,
- 4,500,000 shares to Aisin Europe S.A.,
the European Headquarters of Aisin Group, and
- 2,358,400 shares to be held by Aisin Seiki Co., Ltd. – Japan.

With the above share transfer, Nissan will no longer be Exedy's largest shareholder. However, both Aisin and Exedy would like to continue to expand the business with Nissan.

4. Influence to the financial results by this Strategic Alliance

Both Aisin and Exedy groups will pursue the maximum synergy from this alliance by fully utilizing their combined capability in production and development mainly in overseas markets.

Specific detailed effects will be studied by a committee to be organized between the two companies.

(Reference) Company Outlines : Data as of March 2001

Company	Aisin Seiki Co., Ltd.	Exedy Corporation
Operations	Manufacturing and Sales, Automotive and other Components	Manufacturing and Sales, Automotive Components
Established	June 1949	July 1950
Sales	Consolidated : Jyen1,128.5 Bil. Non-Consolidated : Jyen540.9 Bil.	Consolidated : Jyen113.6 Bil. Non-Consolidated: Jyen80.2 Bil.
Capital	Jyen 41.1 Bil.	Jyen 7.2 Bil.
President	Kanshiro Toyoda	Takeshi Nakano
Principal Location	2-1 Asahi-machi Kariya-shi Aichi, Japan	1-1-1 Kidamotomiya Neyagawa-shi Osaka, Japan
Employees	11,100 (Non-Consolidated)	2,600 (Non-Consolidated)

Data as of December 2000

Company	Aisin Holdings of America, Inc.	Aisin Europe S.A.
Operations	Headquarters of North American Operations	Sales, Automotive Components and Home-Use Products
Established	October 1970	October 1971
Sales	US\$886 Mil. *	Euro 98 Mil.
Capital	US\$136 Mil.	Euro 19 Mil.
President	Tsutomu Yasui	Osamu Tajima
Principal Location	United States of America	Belgium
Employees	13	100

* Consolidated Sales Amount for it is a holding company

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