

Toyota Boshoku to Acquire Mechanical Seat Frame Component Business from Aisin Seiki and Shiroki

Building an Integrated System from Development to Production in order to deliver Ever-better Seats

Kariya(Japan) 19th December 2014 - Toyota Boshoku Corporation (hereinafter, "Toyota Boshoku," - President: Shuhei Toyoda, TOKYO:3116), Aisin Seiki Co., Ltd. (hereinafter, "Aisin Seiki," - President: Fumio Fujimori, TOKYO:7259), and Shiroki Corporation (hereinafter, "Shiroki," - President: Takuo Matsui, TOKYO:7243) have agreed that Toyota Boshoku will acquire the mechanical seat frame component business operated by Aisin Seiki and Shiroki (customer: Toyota Motor Corporation [hereinafter, "Toyota"] or Toyota Boshoku) in order to enhance the competitiveness of automotive seats.

Toyota Boshoku believes that it is imperative to enhance engineering capabilities and expertise in the manufacturing of seat frames (a constituent part of seats) in order to become a seat supplier that is able to rival world-class seat manufacturers. Toyota Boshoku considered that the integration of its seat frame business with the mechanical seat frame component business operated by Aisin Seiki and Shiroki (customer: Toyota) would enable Toyota Boshoku to further increase its technology development capabilities and to deliver ever-better seats with higher added value that meet the various needs of automakers. Thus, Toyota Boshoku proposed acquisition of the mechanical seat frame component business. Toyota Boshoku, Aisin Seiki, and Shiroki have now reached an agreement based on a thorough process of discussions.

Currently, Toyota Boshoku, Aisin Seiki, and Shiroki develop and manufacture seat frame components. Seats are supplied to Toyota from Toyota Boshoku, which develops automotive interior systems. Mechanical components that make up seat frames, such as recliners (a mechanism for adjusting the backrest angle) and slide rails (a mechanism for adjusting the seating position forward/backward), are supplied to Toyota Boshoku from Aisin Seiki and Shiroki.

The operations of Aisin Seiki and Shiroki's development and manufacturing of mechanical seat frame components (customer: Toyota or Toyota Boshoku) will be transferred to Toyota Boshoku in stages, in order to establish an integrated system from development to production. By the end of 2015, the development operations will be consolidated, and the details of the transfer, including the manufacturing operations, will be determined on the condition that necessary procedures will be followed and compliance will be ensured in accordance with applicable competition laws in each of the respective countries.

Details of the agreement:

- (1) Aisin Seiki and Shiroki will transfer their mechanical seat frame component business (customer: Toyota or Toyota Boshoku) to Toyota Boshoku in order to enhance the competitiveness of their automotive seats, on the condition that necessary procedures will be followed and compliance will be ensured in accordance with applicable competition laws in each of the respective countries.
- (2) By the end of 2015, the development operations of Toyota Boshoku, Aisin Seiki, and Shiroki will be consolidated, and the details of the transfer, including the manufacturing operations, will be determined.