

June 28, 2004

NIPPON SEIKI CO., LTD.

Corporate Planning & Control Dept.

## **INDONESIA NIPPON SEIKI to start the construction of new Factory**

NIPPON SEIKI today announced that PT. INDONESIA NIPPON SEIKI (INS), which produces clusters for motorcycles, will start the construction of new factory aiming at expanding the production capacity from the early July 2004. An investment of 650 million yen, the new factory will be completed by April 2005 and will begin the production from June 2005. The new factory will rise to 3.5 million units of an annual production capacity from current 2.5 million units.

Demand for motorcycles have grown rapidly and continuously over the past few years in Indonesia. The most part of current factory of INS is rented from other company. Therefore, INS will not be able to expand the production space. Since further increase of demand is expected, INS had made the decision to strengthen its capacity with the new factory.

The layout of the new factory, which will occupy 16,000 m<sup>2</sup>, will accommodate all production processes on one floor.

With increase in the production capacity, INS is planning to rise to 3.1 million units in 2006 from current 1.65 million units, and its sales is expected to rise to 7.5 billion yen in 2006 from current sales of 4.1 billion yen.

INS will increase capital from 3.0 million dollars to 4.5 million dollars in the late July 2004.

### **Profile of INS**

Company name	: PT. INDONESIA NIPPON SEIKI
Established	: November 2001
Location	: (current) Tangerang, Banten, Indonesia (new factory) Serang, Banten, Indonesia
Capital	: \$ 4.5 million (after placement)
Shares in Capital	: NIPPON SEIKI CO., LTD. 70% ASIAN HINDA MOTOR CO., LTD. 20% PT. ASTRA HONDA MOTOR 5% PT. HONDA PROSPECT MOTOR 5%
President	: Masaharu Takano
Business	: Production and sales of clusters for motorcycle
Sales	: 7.5 billion yen (projected for fiscal year 2006)
Employees	: 700 (projected for fiscal year 2006)