

September 29, 2006

### New investment relating to the increased production of motorcycle parts in Philippines

Our subsidiary, Union Autoparts Manufacturing Co., Ltd. (abbreviated name: UAM) has decided as part of its business expansion to newly invest in its subsidiary, UAM Philippines, Inc. (abbreviated name: UPI) a total of Yen 670 million (capital investment and establishment of a land holding company) for the purpose of increasing the production of motorcycle parts in Philippines.

The details of the investment are as follows:

#### 1. Purpose of investment

In response to the increased production by the manufacturer customers, UPI plans to construct a new plant for increasing its production of motorcycle parts for the Philippine market. For this purpose, the capital of UPI will be increased from Peso 15 million to Peso 135 million.

Since the holding of land by a foreign capital is restricted, UPI will establish a land holding company in October together with the local capital and have the plant site leased from the said company.

#### 2. Investment schedule

Time of investment	Amount of investment	Contents of investment
2007 – 2010	Yen 670 million	Establishment of a land holding company Construction of a plant (within the First Philippines Industrial Park in Batangas) Installation of manufacturing and assembly lines

#### 3. Sales target

Yen 1.9 billion (fiscal year ending in December, 2011)

#### 4. Outline of land holding company

Name of company: UPI Real Estate, Inc.

Location: Within UPI new plant

Capital: Peso 15.3 million (Yen 35 million)

#### <For reference 1: Outline of UPI>

Address: Sunblest Compound, Warehouse 11-A, KM.23, West Service Road, BO. Cupang, Muntinlupa City

Establishment: March, 2005

Representative: Yasuyuki Isoda (Director of UAM)

Capital: Peso 135 million (100% held by UAM after investment)

Annual sales: Peso 5.2 million (fiscal year ended in December, 2005)

Number of employees: 100 employees (year 2010)

Business: Assembly and sale of motorcycle parts, etc.

#### <For reference 2: Outline of UAM>

Address: 102 Poochaosamingprai Road, Samrongtai Phrapradaeng, Samutprakarn 10130, Thailand

Establishment: August, 1982

Representative: Seiichi Hattori

Capital: Baht 300 million (98% held by Okaya & Co., Ltd.)

Annual sales: Baht 1.46 billion (fiscal year ended in December, 2005)

Number of employees: 974 employees (as at December end, 2005)

Business: Manufacture and sale of rims for motorcycle and other automobile parts