

U-Shin Business

Work to achieve a quick turnaround in the European business, maximize synergies, and boost the competitiveness mainly in the automotive devices business



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Major products



Automotive components Components for industrial equipment
Components for home security units (house and general buildings' locks and others)

Major applications



Basic strategies

The basic strategy for the U-Shin business is to achieve a turnaround in the European business and to generate synergies—and, with the automotive devices business at the center, to pursue business expansion for home security units. To do so, in addition to improving quality, boosting productivity, and strengthening our managerial control framework, we will work to promptly improve earnings. We will achieve this by injecting global personnel and manufacturing knowhow throughout the Group and to establishing competitive products through the INTEGRATION of our technologies.

Core competencies

Our core competency is our all-in-one knowhow from development and design through production for system in a range of automotive fields—from mechanical structures to electronic technology and software. At the Hiroshima mother plant, in addition to an all-in-one system including product development, prototyping, mass production, market introduction, and quality assurance, we prevent the leaking of knowhow through the in-house manufacturing of core components centered on molds.

Overview of the fiscal year ended March 2020

Highlights of the U-Shin business

Net sales composition

13%

ROIC

3%

Cost cutting

through higher rate of in-house manufacturing

New products

that combine technologies of both companies

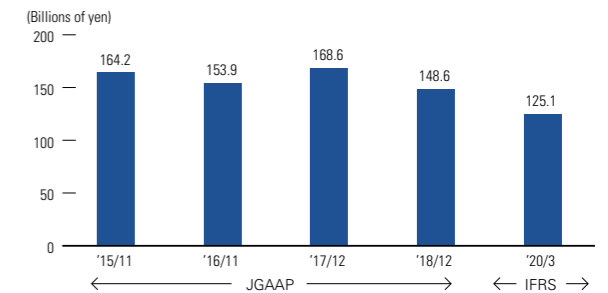
Overview of the fiscal year

Sales and income decreased due to the slowdown in the automobile market

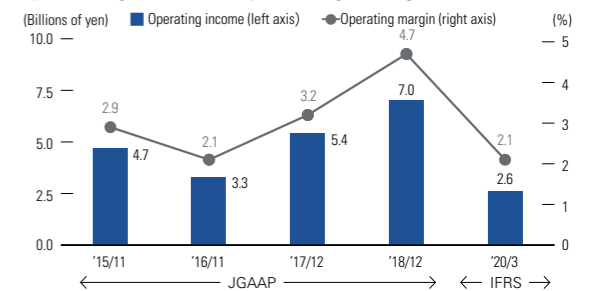
Production showed a significant slowdown because of restrictions imposed on operations mainly in Europe, in the fourth quarter, due to the COVID-19 pandemic, on top of the slump in the automobile market in China, Europe, and elsewhere.

As a result, net sales were 125.1 billion yen and operating income was 2.6 billion yen. Temporary expenses totaling about 1 billion yen incurred in relation to the integration of U-Shin operations and the launch of new products were accounted for in operating income.

Net sales



Operating income/operating margin



* As a result of change of the fiscal year end, FY12/2017 consists of 13 months. Both net sales and operating income until FY12/2018 are pre-merger results and use JGAAP. FY3/2020 uses IFRS and does not include Jan-March 2019 figures.

“Becoming the one-of-a-kind through INTEGRATION capabilities” Strategy

Our INTEGRATION capabilities are featured in our latest flush handles

As the trend focused on styling continues in the automotive industry, demand for flush handles is rising. Flush handles are door handles that do not protrude from the vehicle body that are stored within the door outside of normal operations. The grip is extended electrically when the door is opened

and stored electrically when driving or when away from the vehicle. Flush handles provide a completely different value, in terms of style and function, from traditional handles. They include many key technologies of the Group such as motors, actuators, sensors, and antennas, and we expect sales growth through these technological synergies.

Creating solutions to social issues

Contributing to the evolution of automobiles through a balance of miniaturization and weight reduction with safety and comfort

To realize reduced CO₂ emissions, reduced energy consumption, and comfortable driving functions, demands for lighter components to reduce vehicle weight are increasing daily. As such, U-Shin is working toward thorough component miniaturization and weight reduction. In mechanical production, through miniaturization to increase structural precision, reducing component numbers, changing metal components to resin,

using magnesium die cast, and using high-tensile steel plates, we succeeded in miniaturizing and reducing the weight of high strength components.

As a result, we succeeded in making side door latches lighter by 8% on the front and 6% on the rear and reducing the number of components on the liftgate latch from 51 to 39, realizing a 15% weight reduction. We simultaneously realized cost reductions.

While contributing to increased automobile safety and comfort through these activities, we will also work to produce components aimed at reducing the vehicle's environmental burden.

Material issue

7