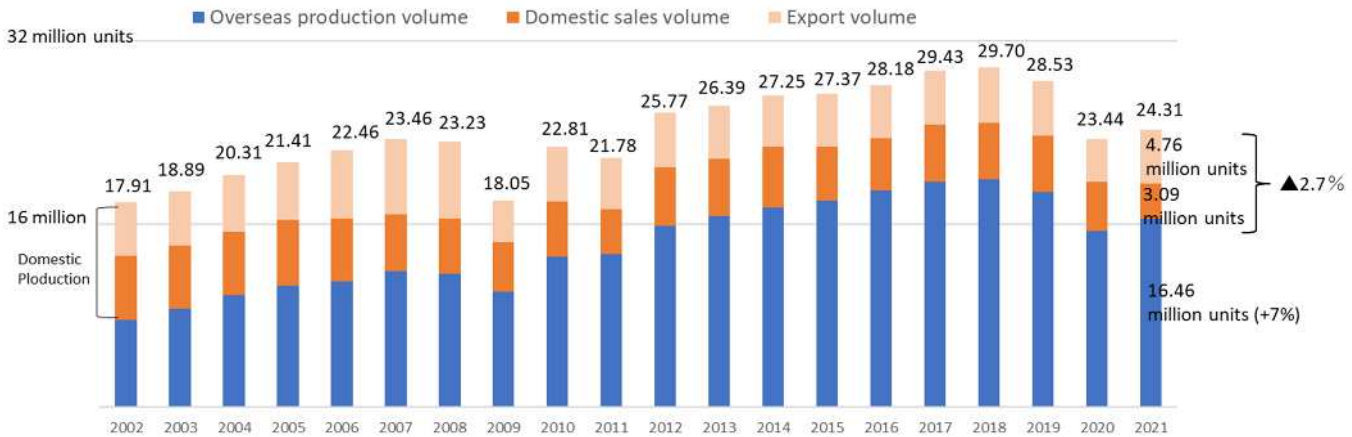


Overseas Expansion of Automotive Parts Manufacturers

[Production volume of Japanese automobile manufacturers]

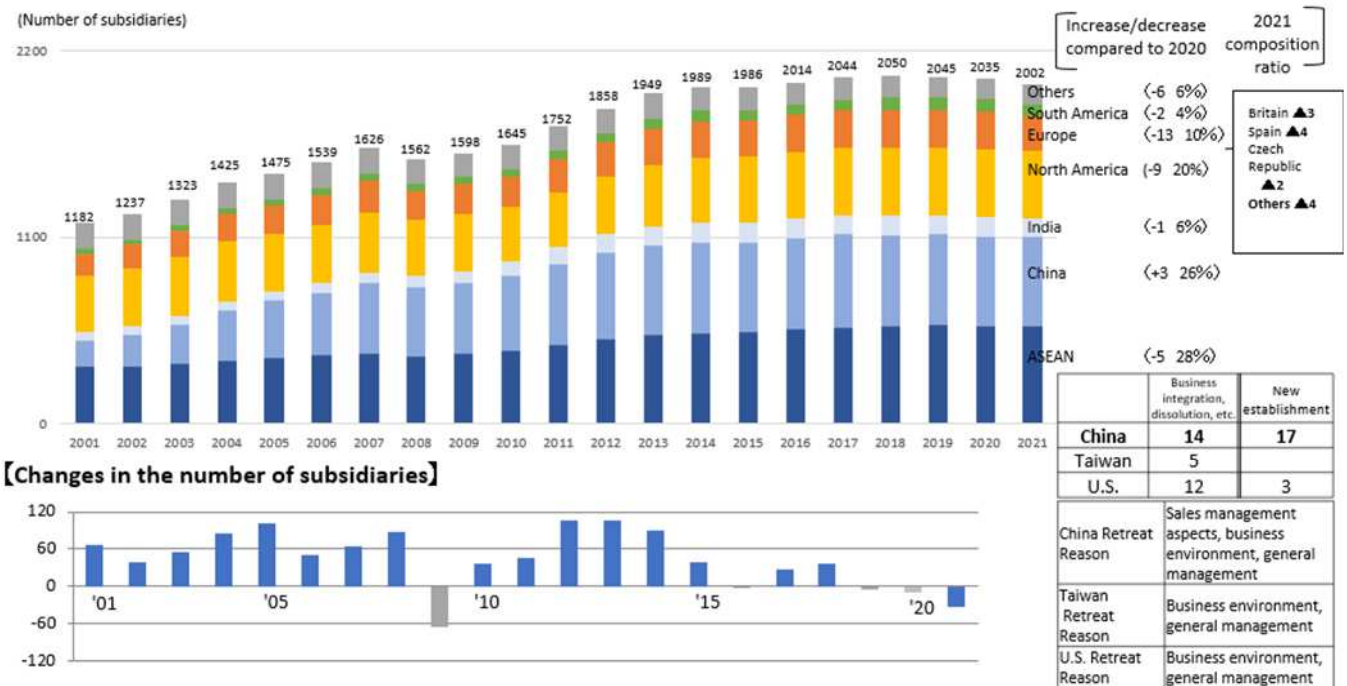
With the increase in overseas production by Japanese automobile manufacturers, the overseas expansion of automobile parts manufacturers has become more active. The latest overseas automobile production was up 7% to 16.46 million units after two consecutive years of decline. Domestic production declined 2.7%.



Source: JAMA

[Changes in the overseas expansion of JAPIA members (Worldwide, except Japan)]

The number of production function subsidiaries peaked in 2018 and has declined for three consecutive years, with the decline increasing each year. (▲5 in 2019, ▲10 in 2020, and ▲33 in 2021). In European country, the U.K. (▲3), Spain (▲4), and the Czech Republic (▲2), with no new establishments in 2021. In China, 17 companies were newly established to support electrification, etc., but there were also significant comings and goings, including business mergers, dissolutions, and withdrawals (▲14 companies).



Source: Research on overseas operations by JAPIA member companies (Mexico is included in North America)

【Overseas production subsidiaries Top countries in terms of increase from previous year】

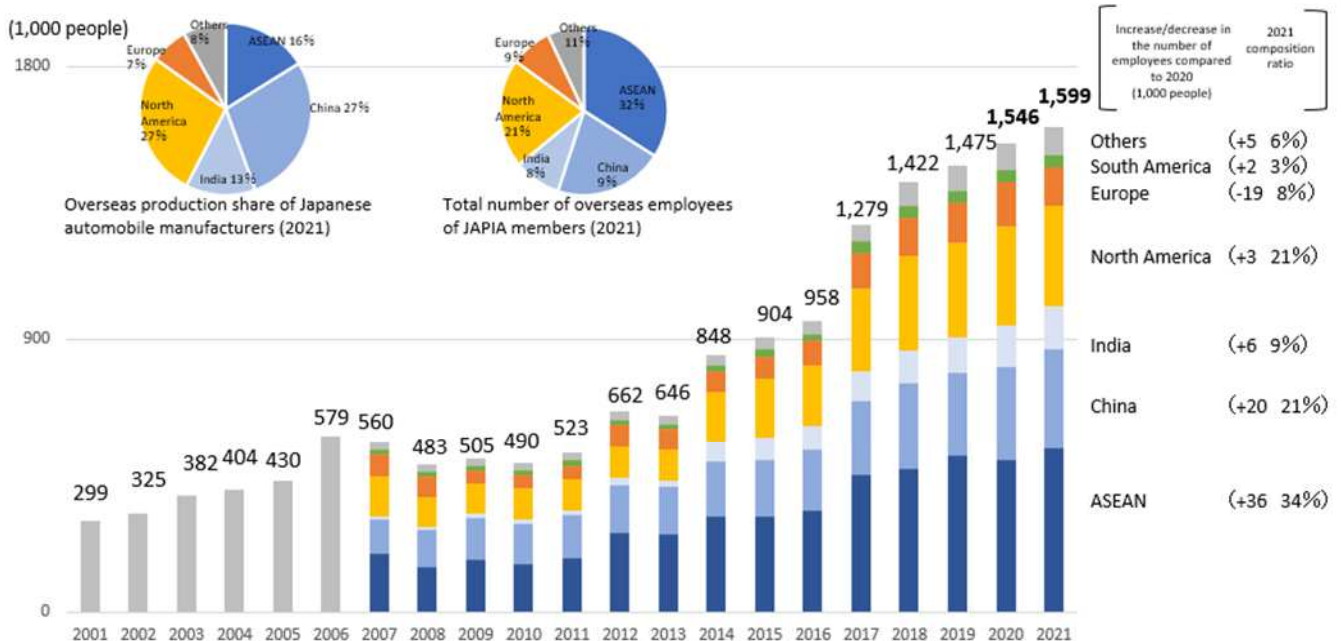
In 2021, only China and the Philippines increase, while all other countries decrease. The reasons given for the increase in locations are new business expansion and increased global production. (Figures are for the number of corporations that increased or decreased.)

	1998	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
1	China (+16)	China (+10)	China (+28)	China (+38)	China (+31)	Mexico (+16)	Mexico (+15)	Mexico (+6)	Indonesia (+8)	China (+13)	Indonesia Mexico (+5)	Philippines (+5)	Mexico (+5)	China (+3)
2	U.S. (+14)	India (+9)	Thailand (+10)	India (+15)	Indonesia (+20)	China (+14)	Thailand (+11)	India Indonesia (+2)	Thailand (+6)	Thailand Vietnam Brazil (+3)	Brazil (+4)	Thailand Britain (+2)	(Reference)	Philippines (+2)
3	India (+9)	Thailand (+7)	Indonesia (+9)	Indonesia (+14)	Mexico (+15)	Indonesia (+13)	China (+8)		Mexico Philippines Cambodia China (+3)					
4	Indonesia Korea (+4)	Indonesia Mexico (+3)	Vietnam Germany Morocco (+3)	Thailand (+4)	India (+8)	U.S. (+8)	Vietnam (+5)	Malaysia Vietnam Laos Paraguay France Moldova (+1)		Mexico UK Italy (+2)	India (+2)	Indonesia Canada Spain Germany Italy Portugal Poland Turkey (+1)	China▲8	Thailand▲1
5	Thailand (+4)	U.S. (+2)		Brazil (+7)	Vietnam (+6)	Russia (+6)	U.S. (+4)		U.S.▲7					
6	Thailand (+4)	U.S. (+2)	Mexico (+6)	Thailand (+4)	Thailand (+5)	Brazil (+2)	U.S.▲7	Mexico UK Italy (+2)		India (+2)	Indonesia Canada Spain Germany Italy Portugal Poland Turkey (+1)	China▲8	Thailand▲1	Indonesia▲2
7			France (+2)	Germany (+4)	Russia (+4)	Brazil (+5)			Russia (+2)					
8				Malaysia Vietnam Poland (+3)	Malaysia U.S. Turkey (+3)	India Germany Czech Republic (+4)		Mexico UK Italy (+2)	India (+2)	Indonesia Canada Spain Germany Italy Portugal Poland Turkey (+1)	China▲8	Thailand▲1	Indonesia▲2	
9														Mexico UK Italy (+2)
10														

Source: Research on overseas operations by JAPIA member companies

【Total number of employees of production function subsidiaries】

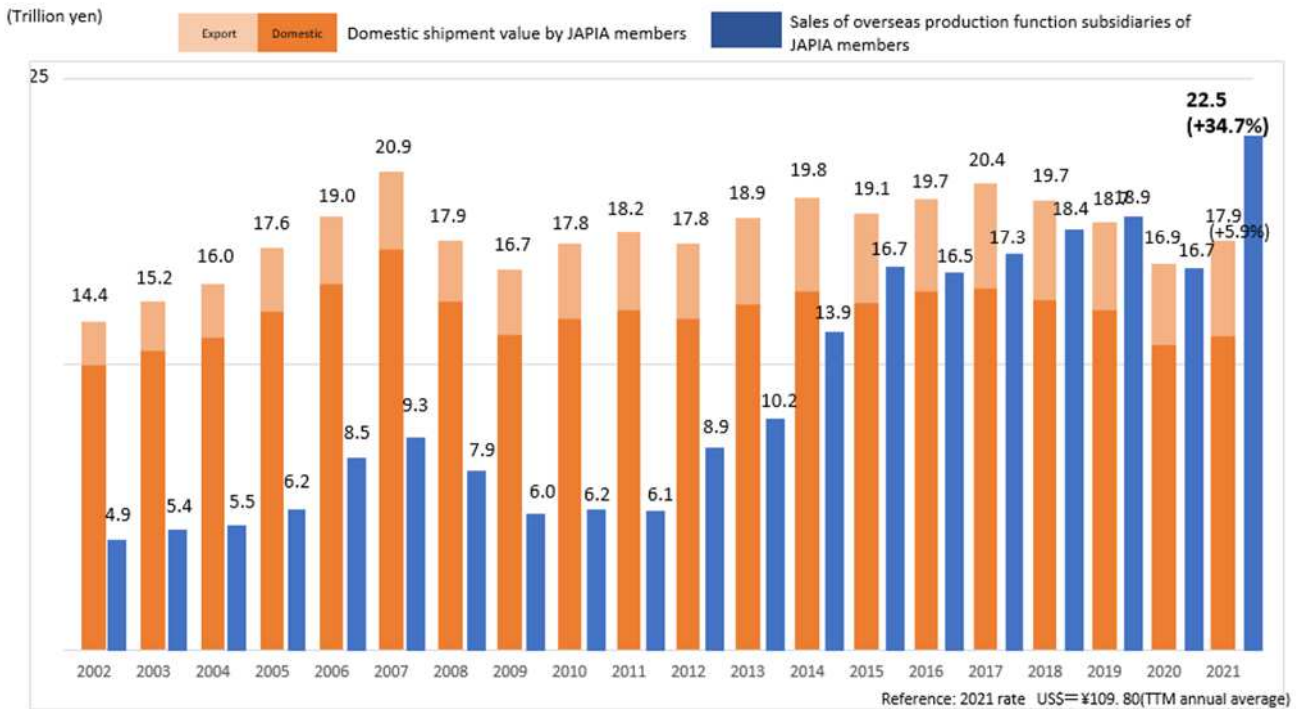
The number of employees in overseas production function subsidiaries exceeded 1.5 million in 2020, +3% y/y in 2021. By region, Europe saw a decrease for the first time since 2011 (▲19 thousand). In other regions, the number of employees in production subsidiaries increased due to the establishment of new ones, although some withdrew from the market.



Source: Research on overseas operations by JAPIA member companies (Mexico is included in North America)

[Overseas production function subsidiaries of JAPIA members' changes in sales]

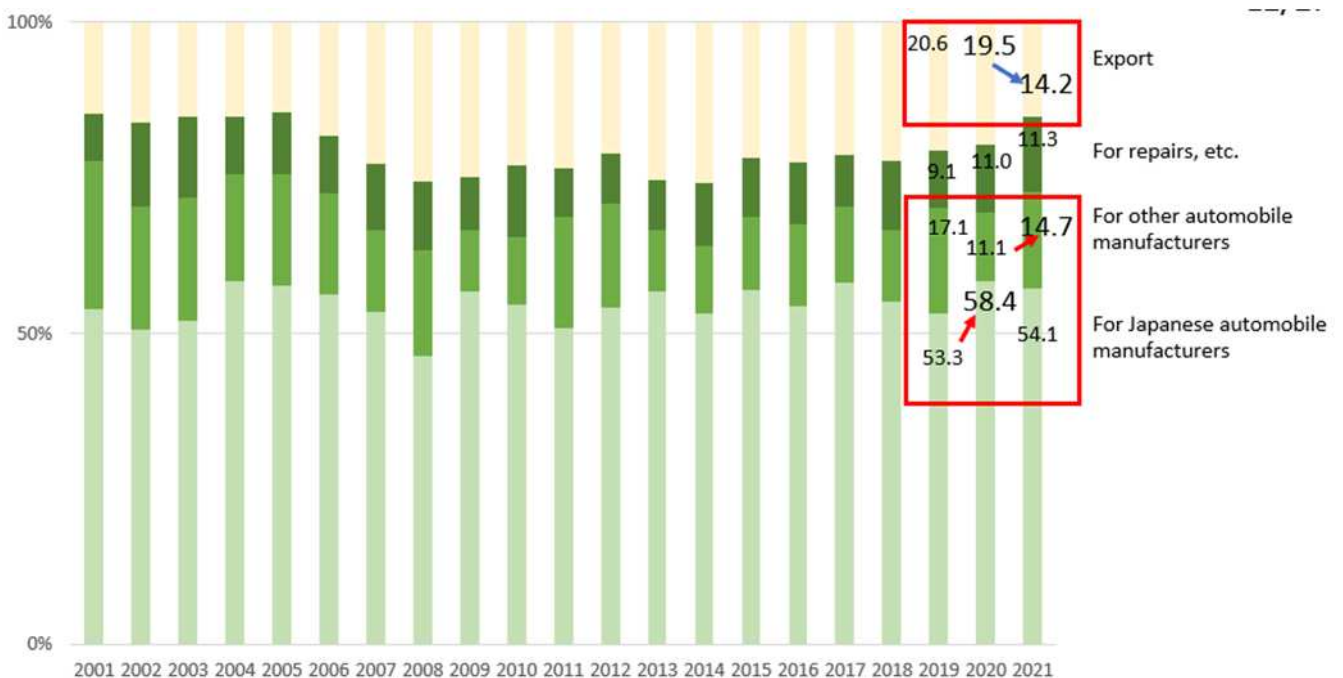
Total sales of overseas production function subsidiaries were 22.5 trillion yen up 5.8 trillion yen (+34.7%) from the previous year, larger than the increase in domestic shipments (+5.9%). The recovery in overseas production volume was the main factor.



Source: Research on overseas operations by JAPIA member companies (Mexico is included in North America)

[Sales ratio by customer from Overseas production subsidiaries]

The export ratio was 19.5% in 2020 and 14.2% in 2021, local production for local consumption of automobile parts is a growing trend. In 2020, the dependence on Japanese automobile manufacturers increased amid a decline in overall sales, but in 2021, the sales ratio to other automobile manufacturers increased due to a recovery in sales to non-Japanese automobile manufacturers.

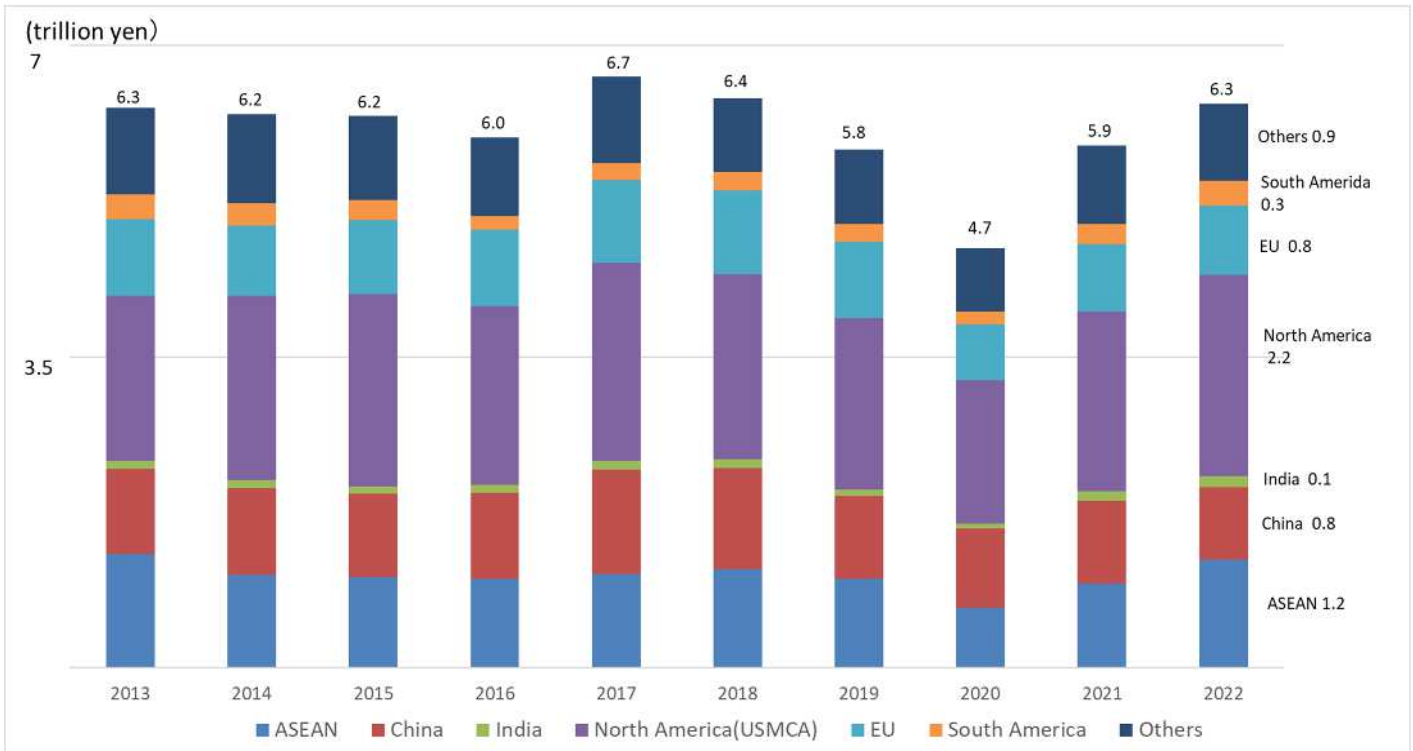


Source: Research on overseas operations by JAPIA member companies (Mexico is included in North America)

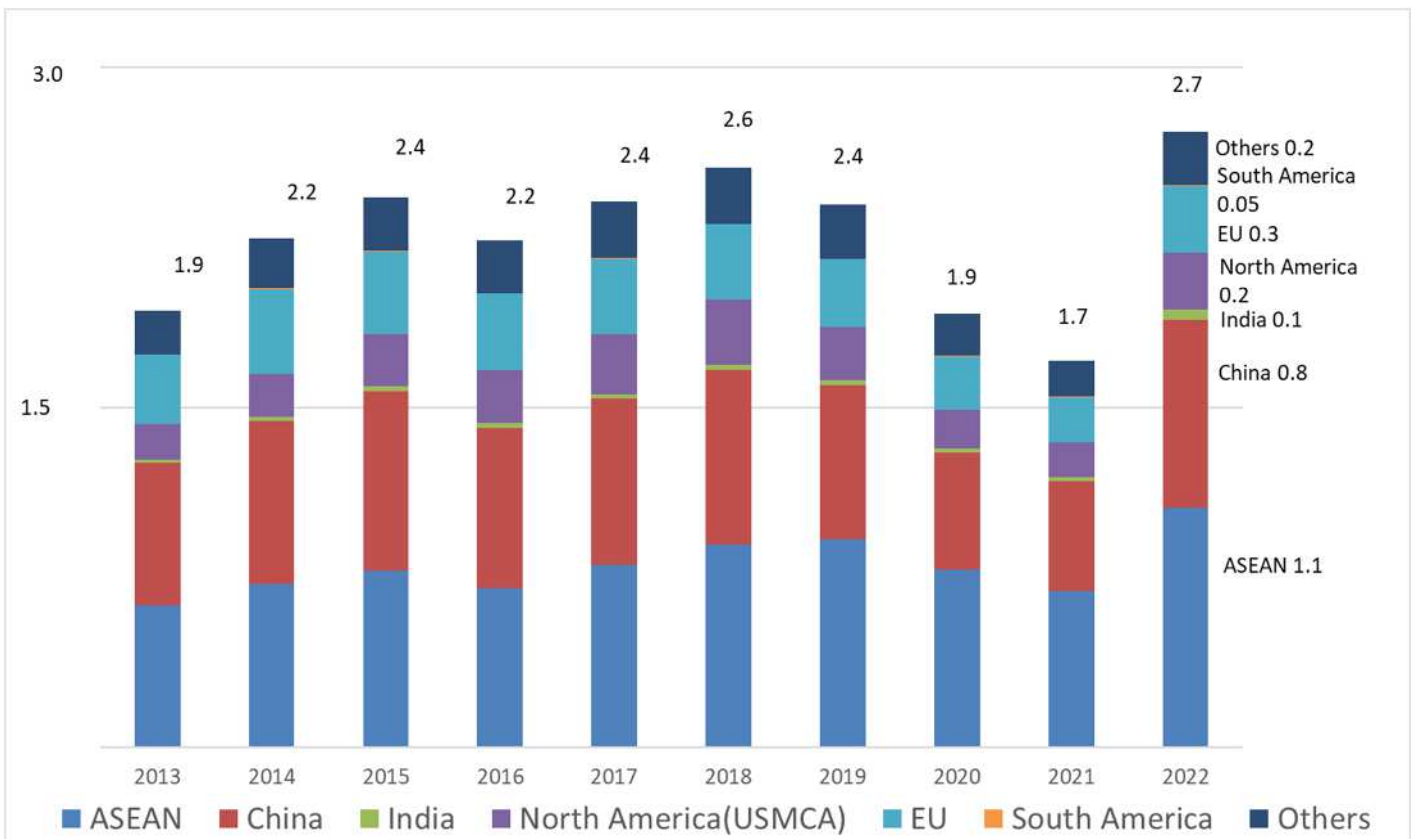
Export and import of automobile parts

The following table shows import/export trends for items with "for automobiles" or "for vehicles" in description in the Ministry of Finance Trade statistics of Japan.

【Exports of automobile parts from Japan to overseas by region】



【Imports of automobile parts from overseas to Japan by region】



Source: Trade Statistics, Ministry of Finance (Mexico included in North America, EU 28 countries until 2019, 27 countries after 2020)