

## Completion of New Production Line for Forged products at U.S. Subsidiary

- Contributing to the Toyota Group's global competitiveness and stable supply system through local procurement of forged products -

Aichi Steel Corporation (President: Takahiro Fujioka)'s U.S. subsidiary Aichi Forge USA, Inc. (President: Kaichi Tsuchida; "AFU") has completed construction and started operation of a new production line for forged connecting rods\*<sup>1</sup>.

AFU is the Toyota Group's only forging site in North America. It is actively promoting "local production for local consumption" in North America with its TNGA strategy\*<sup>2</sup>.

There is currently high demand for high-quality forged connecting rods in North America due to the downsizing of engines, which leads to improved fuel economy, as well as the increase of HEVs and PHEVs. It is essential for the high-level forging technology as well as quality assurance and stable supply systems cultivated by the Toyota Group to be expanded locally.

The new production line further enhances the Toyota Motor Corporation's Global Standard Production Line and realizes forging technology and a quality assurance system that achieves both high strength and precision. It will also enable a flexible response to supply risks caused by changes in international conditions, as well as realize a stable supply system through the mutual supplementation of the entire Toyota Group.

In addition, the connecting rods being produced will be supplied to Toyota Motor Corporation's North American sites (Kentucky and West Virginia), and installed in vehicles such as the Camry, Highlander, RAV4 and Lexus ES. Annual sales of around US\$17 million (approximately 20% of AFU's sales) are expected.

Aichi Steel will continue to provide customers with a variety of options and strive to become a forging leader for the Toyota Group through reliable support for local procurement for customers, the improvement of global competitiveness, and the establishment of a stable supply system.

\*1 A part that converts vertical force (kinetic energy) caused by the engine into rotational motion and transfers it to the crankshaft; must be both lightweight and sturdy

\*2 "Toyota New Global Architecture (TNGA)." Structural innovation of global car-making with integrated coordination of planning, procurement, and production.



New production line



Connecting rod



Construction completion ceremony

## 1. Overview of Facility

- (1) Facility name : New Connecting Rod Production Line
- (2) Facility location : Within a plant at Aichi Forge USA, Inc.
- (3) Facility composition: High-frequency heating furnaces, molding presses, shot peening machines, magnetic flaw detectors, etc.
- (4) Production capacity: 3.6 million pieces/year (approximately 2,500 tons/year)
- (5) Investment amount : US\$21.75 million

## 2. Overview of AFU (as of end of March, 2022)

- (1) Company name: Aichi Forge USA, Inc.
  - (2) Address: Georgetown, Kentucky, United States of America
  - (3) Sales: US\$100 million/year
  - (4) Production volume: 28,000 tons/year
  - (5) Production items: Crankshafts, connecting rods, steering knuckles, differential ring gears, etc.
  - (6) Number of employees: 285
-