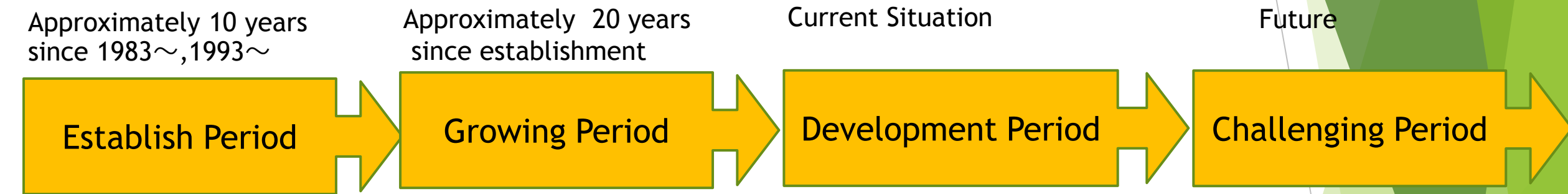


Case Study Oversea Business Automobile Sector (case of Malaysia)

Kidskingdom Internatioal Inc.
President KOUADIO Shima IEKI

1.Outset : The Issue of the Malaysian Auto Parts Industry.





In Malaysia, there are two domestic automobile makers: Proton and Perodua. Before cars are completed, there is a close technological and financial collaboration between the Malaysian car makers and their Japanese counterparts as well as the various auto part makers. Now, they are taking on a new challenge: to create more marketable cars.



- 1 The Malaysian automobile market is growing thanks to the Japanese car makers` support, so Malaysia and other ASEAN countries have high expectations for the next automobile market.
- 2 The Malaysian auto parts industry does not have strong affiliate connections, so auto parts makers have the opportunity to trade with many makers to increase shares.
- 3 The Malaysian auto parts technology and quality are growing, so they they can create the next technologically advanced automobile in collaboration with Japanese companies.

2. Malaysian National Car Makers.

Malaysia is the only country in ASEAN to develop the domestic car industry with success. The success is partly due to Japan`s automobile and auto part makers` support in Malaysia.

Maker	PROTON 	PERODUA  PERODUA
Flagship Car	SAGA 	MYVI (JAPANESE name is TOYOTA Passo) 
Since	1983	1993
Feature	<p>The Malaysian government supported the creation of the first domestic car maker. MITSUBISHI Motors and MITSUBISHI Corporation gave technical and financial support.</p>	<p>DAIHATSU And UMW(Share holders are DAIHATSU and TOYOTA, etc), a Malaysian company, supported the creation of secondary domestic car makers. DAIHATSU Motors gave technical and financial support.</p>

3-1. The Origin of the Automobile Industry in Malaysia

Establishment of business :

The Japanese Automobile technology contribution to the Malaysian Automobile industry.
Proton and Perodua were created by Japanese car makers.

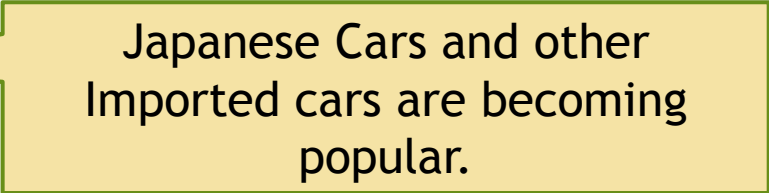
Chronology	Politics/Economy	Automobile Industry
1 9 8 1	Former Prime Minister Dr. Mahathir implements economic development 「Look East Policy」 December 1982	
1 9 8 3		Establishment of Proton Co. Mitsubishi Motors Co.: Close cooperation between the financial and technological aspects
1 9 9 1	Promotion of new national policies to thrust the country into the industrial age	
1 9 9 3		Establishment of Perodua Co. Business ties with Daihatsu
1 9 9 7	Asian economic growth slows down	
1 9 9 9	Malaysia Grand Prix, F1	

3-2 The Origin of the Automobile Industry in Malaysia

Growth period :

The Domestic market is decreasing.

Major turning point for the Malaysian Automobile sector.

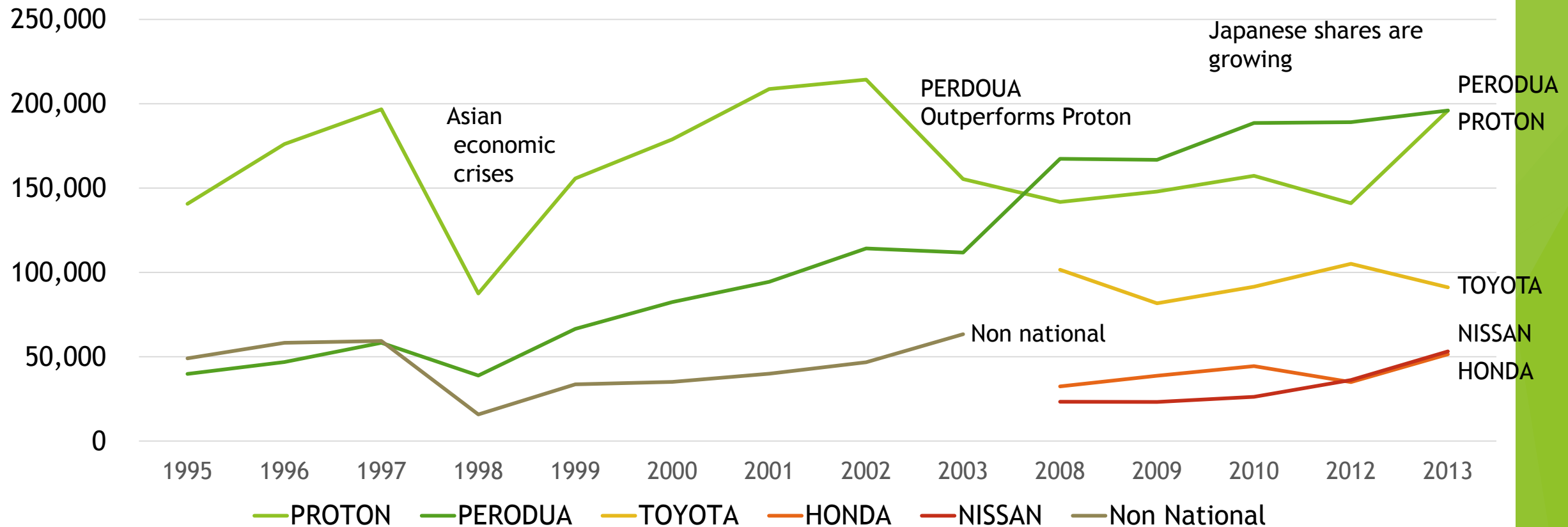
Chronology	Politics/Economy	Automobile Industry
2 0 0 3	Former Prime Minister Abdullah takes office	Proton Co. 6 0 % Shares
2 0 0 5	Ethnic tensions	Proton Co. 3 0 % Shares Proton Co. focuses on overseas businesses
2 0 0 6		Perodua Co. becomes the industry leader
2 0 0 9	Former Prime Minister Dr. Mahathir takes office Economic growth slows down due the Lehman Shock	
2 0 1 4		Former Prime Minister Dr. Mahathir assumes the post of Chairman of Proton Co.

4. The market shear in Malaysia

After the year 2000, the market share changes drastically.

Japan`s main automakers, Toyota, Honda and Nissan are expanding together with Malaysia`s main automakers.

Automobile sales in Malaysia (Unit)

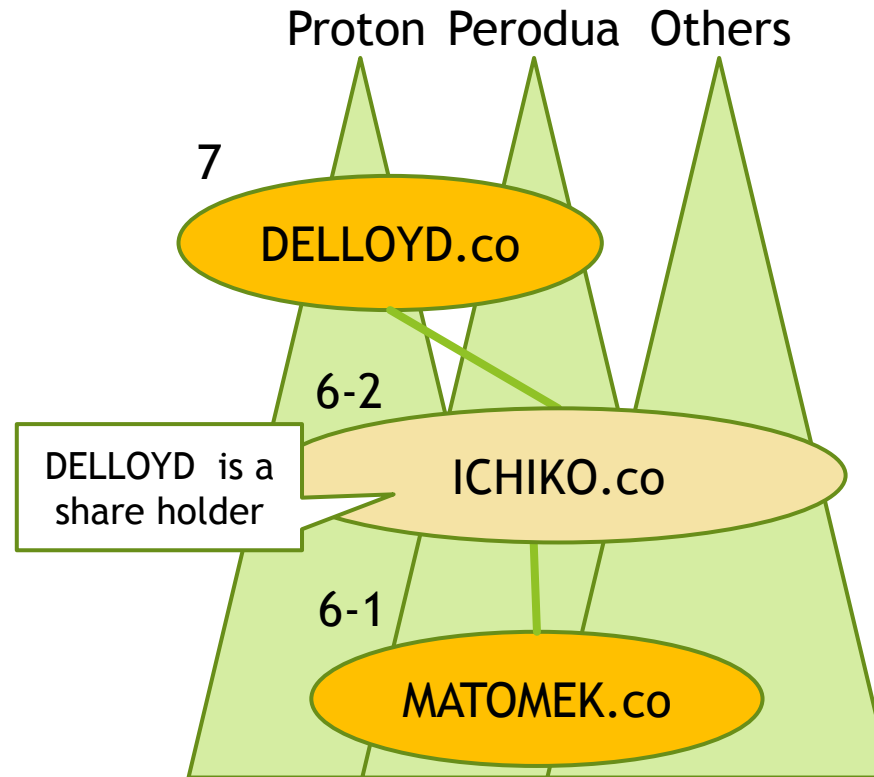


5. Outline of case study

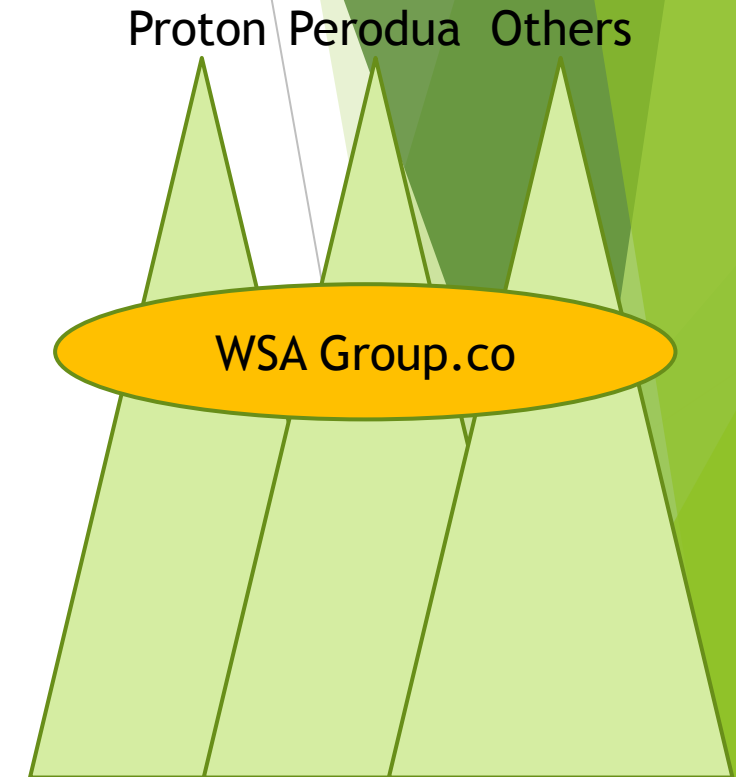
Supplier Distribution in Malaysia.
And the number of multi National companies.

Country of Origin	Number of Suppliers
JAPAN	17
USA	8
Germany	8
TAIWAN	3
UK	1
SWEDEN	1

Case Study: Affiliate Trading



Case Study: Horizontal Trade



6-1. Case Study 1 : MATOMEK co.

An overseas business dealing with MLIs

MATMEK Co. is a small-scale precision metal mold maker. It supplies to various industries; has attained a high level of QCD; and the company receives many requests from Japanese corporations in Malaysia.

Company Profile

Company name	MATOMEK PRECISION DIE SDN BHD
Region	MALAYSIA
Date of Incorporation	March 1991
Parent Company	MATSUSHITA SEISAKUSHO Co. SAITAMA, Japan Since April, 1945



Quality:
All parts are inspected by hand



Detailed work



6-2. Case study 1 : MATOMEK Co.

A die-cast supplier to MLIs

MATOMEK Co.'s core technology production takes advantage of multi lateral industries' supplies. The automobile sector shares 10% of the proceeds and the Tohoku Area follows a similar pattern.

Customers in Malaysia

Canon

Fujitsu

HITACHI

SONY

JVC

JST

HRS

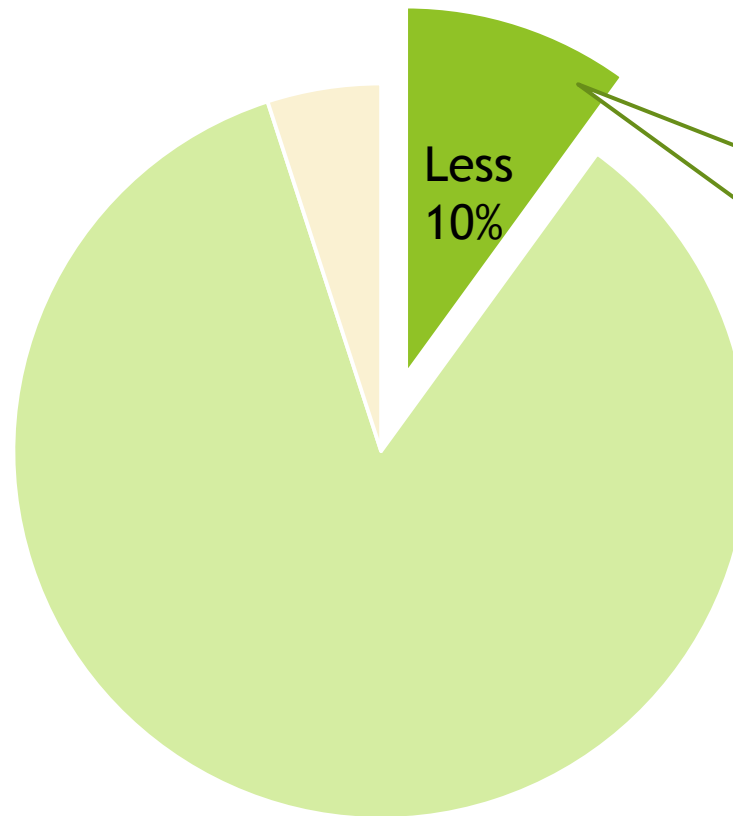
SEIKO

AMPAS

ICHIKOH

TEAC

Proceeds



Case study2 : ICHIKO Malaysia Co.

ICHIKOH Malaysia

Main Customers:

Perodua, Toyota(ASSB),
Honda and Nissan with 90% proceeds

Remaining 10% is export

Company Profile

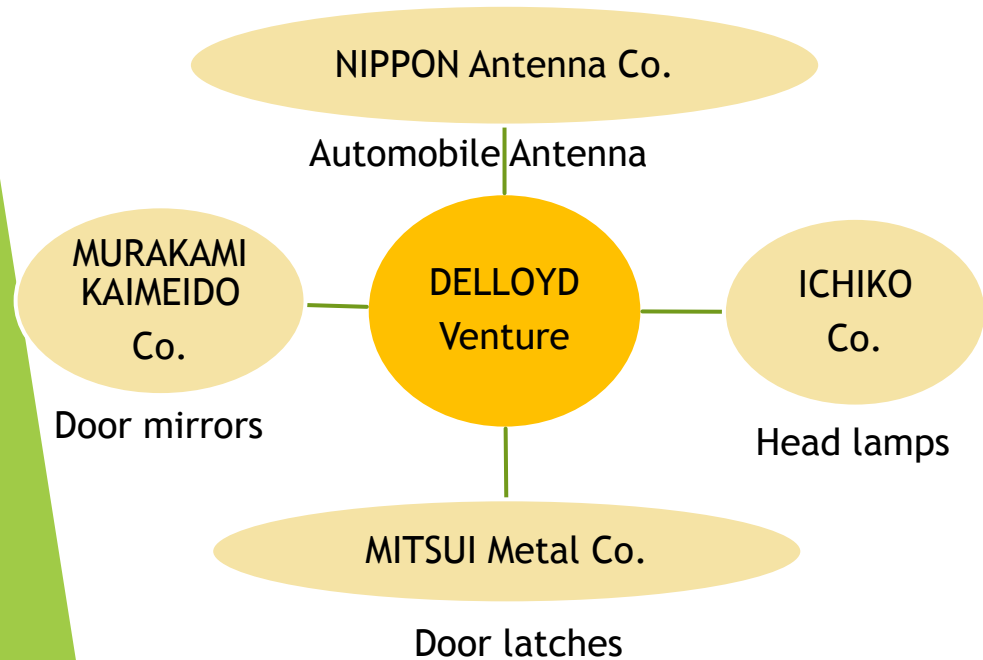
Company name ICHIKO Malaysia Ltd. (Since 1990)

Business profile Such as Lamps and Mirrors supply to many automakers

7. Case Study 3: DELLOYD Venture Ltd.

A group of 4 companies: NIPPON Antenna, MURAKAMI KAIMEIDO, ICHIKO, MITSUI Kinzoku, cooperated to create a joint venture. They later became independent companies and operated locally. DELLOYD Ltd, is a member of Proton Vendors Association (PVA) and a Proton supplier. DELLOYD CEO Mr. AZMI is the current president of PVA.

Company Profile	
Company Name	DELLOYD Venture Ltd. (Since 1983)
Business Profile	Auto Parts manufacture



PVA (Proton Vendors Association)

Originally formed to promote the businesses as well as to facilitate communication and foster relationship among Proton Vendor Development members.

Particularly, they organize trainings to upgrade quality, productivity, product development, management, etc..

- QCD (Quality, Cost Delivery)
- 3M's (Muri, Mura, Muda = Excessiveness, Irregularity, Wastefulness)
- KAIZEN (Improving)
- QCC (Quality Control Cycle)

Other objectives:

- To foster closer relationship among members and Proton.
- To organize educational tours, local and overseas, to further enhance member's capabilities.
- To promote organized export programs and create channels of potential customers, and arrangements with overseas manufacturers.
- To promote good relationship within the auto components industry and the government agencies.

8. Case Study 4: WSA Group.

After 2010, WSA Group has signed the Technical and Commercial Agreement with Sanwa Kogyo Co Ltd of Japan to further strengthen its technical know-how in the PUGF application in interior trims. The technical collaboration is not a start up business, but aims at creating a wide channel in the auto parts market.

Company Profile	
Company name	WSA Group (Since 1995)
Business Profile	Design, manufacture and supply a wide range of auto parts.

WSA Group started supplying to PERODUA first, then to PROTON and later to Japanese and other international makers. The market is in constant expansion. In the case of Malaysia, they do not trade with affiliates.



Figure II : WSA Group projected growth and financial targets.

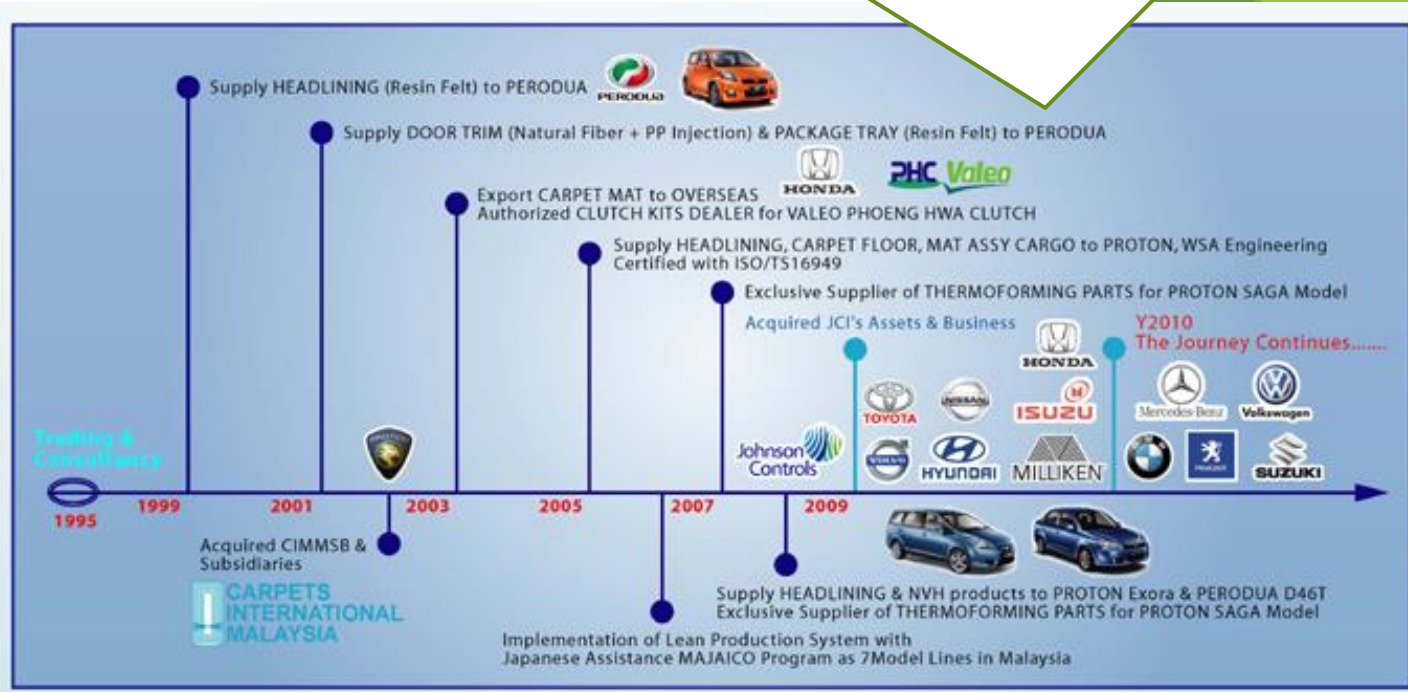


Figure I : History and growth milestone of WSA Group since its inception. The journey continues....

Heartfelt thanks to:

Mr. HAYASHI Kunihiro , Former DELLOYD Venture Co.
Mr. MATSUSHITA Kouichi , President MATOMEK Co.
Prof. OTAKI Seiichi , TOHOKU University Graduate School of Management and Economics

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- <http://www.delloyd.com/>
- <http://www.ichikoh.com/>
- <http://www.wsacim.com/>
- <http://www.protonvendors.com/>
- <http://tsclub.com.my/about.asp>

The PVA vendors attend the Proton Inspire match-making initiatives 2013 .
Mr. HAYASHI



MATMEK Co. Interview on 8th August 2014.
Mr. MATSUSHITA and KOUADIO.

