

## **Aiming for Marketplace Expansion in China: Establishment of Shanghai Business Outpost**

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### ■ Summary

In order to take advantage of the rapid growth in recent years of the enormous Chinese market, as well as to strengthen Yokowo's worldwide distribution, Yokowo has established a business outpost in Shanghai, China, which will begin operations on October 20<sup>th</sup>, 2003.

### ■ Background Information

Up until now, Yokowo has promoted automotive and cellular phone-related business in the Chinese market by establishing three separate production subsidiaries (located in Dongguan, Canton) and establishing a local corporation, Yokowo (Hong Kong) Co., Ltd. (hereafter: Yokowo Hong Kong), for sales throughout China.

From 2001-on, Yokowo has been working toward the advancement of its "Overseas Market Front Strengthening Plan" in a world-wide effort to expand business opportunities in the overseas market. As a direct link to this plan, Yokowo has taken steps to restructure another China-based subsidiary company, Dongguan Yokowo Communication Components Co., Ltd. (hereafter: Yokowo Communication), incorporating both sales and engineering support functions to further increase sales to customers in the Chinese cellular phone and automotive markets.

Favorable results have been achieved through the employment of Yokowo Communication for business in southern China and through the employment of Yokowo Hong Kong for business in northern and eastern China. However, in order to provide a speedy response to the quickly-growing market as well as to further the acquisition of new business opportunities throughout China, it was decided that the establishment of a business outpost in Shanghai was necessary.

This new Shanghai outpost, established as a sales office for Yokowo Communication, will aim to increase the speed of sales expansion by focusing upon sales activities and customer demands throughout the Shanghai area and other parts of China.



## ■ Future Developments

In addition to the above, Yokowo will take advantage of this new Shanghai outpost to increase existing cellular phone-related and automotive business, as well as to work toward entry into the circuit testing and inspection market.

Due to the large number and continuing growth of domestic Chinese, Japanese and other foreign capital-based circuit board manufacturers in China, and also as a result of marketing research carried out by Yokowo, China is expected to become the worldwide center for advancement in circuit board manufacturing. As a result, Yokowo forecasts an increase in the demand for circuit testing products. Accordingly, Yokowo plans to utilize its system of sales, production and engineering facilities towards entry into the circuit testing probe market.

Through the active promotion of sales expansion activities via business outposts in Hong Kong, Dongguan and Shanghai, alongside Yokowo's continuing development of all business activities, Yokowo aims to achieve sales of ¥2 billion yen throughout the 2004 fiscal year.

Below is an outline of the new Shanghai facility.

**Business Name**    **Dongguan Yokowo Communication Components Co., Ltd**  
**Shanghai Office**

·Established : October 20th 2003

·Manager     : Katsuo Mizutake

·Location    : Room C313, Shang-Mira Commercial Center,  
                  No.2633 West Yanan Road, Shanghai, China

·Phone        : +86-21-6270-6480

·Fax          : +86-21-6270-6523

·Business    : Sales, Engineering Service for Yokowo Products

·Employees   : 4 (Sales)

·Projects     : (1) Automotive Communications Components  
                  (2) Wireless Communications Components (Cellular Phone Antennas and  
                  Connectors)  
                  (3) Circuit Testing Connectors

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